FACT SERVICE

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Boardroom delight

The 2015-16 reporting season for top companies quoted in the FTSE 350 index is drawing to an end. However, the ratcheting up of the remuneration packages that top executives draw at these companies show no sign of diminishing.

Forty executives who were given packages of over £1 million a year in their company's last financial period are listed in the table below. They are headed by Joel Lenoff, president and chief executive officer (CEO) of global payments provider Paysafe. His package came to £6.73 million last year — that is the equivalent of £129,346 a week.

Philip Jansen, CEO of payments technology group Worldpay, takes fifth spot with £3.11 million. However, that sum only covers six months as the group prepared for and succeeded in being floated on the London Stock Exchange, so Jansen's weekly equivalent is £119,538.

The three meaty remuneration packages between the bread of global payments are in a diverse range of companies. Mile Roberts, chief executive of packaging group DS Smith, takes second place with a package worth £4.37 million or £84,096 a week.

Kevin Loosemore, executive chair of software firm Micro Focus, did lose a little in the financial year ending April 2016, but his smaller package of £4.23 million is still worth £81,365 a week.

Brian Cassin was promoted to CEO at credit rating agency Experian in July 2014 and has seen his package grow over the past two years to £3.59 million or £69,077 a week.

Year-on-year comparisons can be made for 21 executives and 16 saw their remuneration package grow, with increases ranging from 3.2% up to 377.2%.

The top rise went to Andy Jones, chief financial officer at self-storage group Safestore, who saw his package grow by two-and-a-half times to £1.46 million or £28,077 a week. Jones earned more in one week than the average full-time UK employee earned last year.

Chie executive Javed Ahmed's 114.8% rise at Tate and Lyle, the food ingredients multinational, takes him to £2.14 million a year or £41,136 a week.

The property website Zoopla has grown dramatically in a short period of time and so has the remuneration package of its founder and CEO Alex Chesterman. The 114.4% increase in his 2015 package puts him on £1.07 million or £20,577 a week.

Brian Cassin of Experian takes fourth spot with an 81.8% rise and Rakesh Sharma takes fifth spot. Sharma's 76.0% rise to £1.2 million as chief executive of Ultra Electronics is equivalent to £23,019 a week.

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Executive	Company (financial year end)	Total remuneration (£000)	% change
Joel Lenoff	Paysafe (12.15)	6,726	34.6
Miles Roberts	DS Smith (4.16)	4,373	-20.9
Kevin Loosemore	Micro Focus (4.16)	4,231	-1.9
Brian Cassin	Experian (3.16)	3,592	81.8
Philip Jansen	Worldpay (12.15) [1]	3,108	n.a
Ronald Lavater	Mediclinic (3.16) [2]	2,867	n.a
David Duffy	CYBG (9.15)	2,846	n.a
Brian McArthur-Moscroft	Paysafe (12.15)	2,676	n.a
Peter Hetherington	IG Group (5.16)	2,641	n.a
Rooney Anand	Greene King (4.16)	2,547	19.1
Lloyd Pitchford	Experian (3.16)	2,531	n.a
John Phizackerley	Tullett Prebon (12.15)	2,250	n.a
Javed Ahmed	Tate & Lyle (3.16)	2,139	114.8
Lindsley Ruth	Electrocomponents (3.16)	2,071	n.a
Mike Philips	Micro Focus (4.16)	1,994	-3.3
Derek Muir	Hill & Smith (12.15)	1,894	3.2
Gary Hoffman	Hastings (12.15) [3]	1,830	n.a
Nick Hampton	Tate & Lyle (3.16)	1,817	n.a
Trevor Finn	Pendragon (12.15)	1,775	-48.9
Ron Kalifa	Worldpay (12.15)	1,769	n.a
Euan Sutherland	Supergroup (4.16)	1,677	n.a
Philip Howell	Rathbone Bros (12.15)	1,608	n.a
Rick Medlock	Worldpay (12.15)	1,603	n.a
Andy Jones	Safestore (10.15)	1,460	149.1
Debbie Crosbie	CYBG (9.15)	1,386	n.a
Adrian Marsh	DS Smith (4.16)	1,381	22.8
Martin Griffiths	Stagecoach (4.16)	1,316	-9.3
Calum MacLean	Synthomer (12.15)	1,246	n.a
Frederic Vecchioli	Safestore (10.15)	1,224	25.8
Mark Pegler	Hill & Smith (12.15)	1,199	3.8
Richard Hoskins	Hastings (12.15) [3]	1,199	n.a
Rakesh Sharma	Ultra Electronics (12.15)	1,197	76.0
Paul Chavasse	Rathbone Bros (12.15)	1,129	15.9
Chris Louhglin	Pennon (3.16)	1,119	n.a
Rob Cotton	NCC Group (5.16)	1,091	9.9
Martin Casha	Pendragon (12.15)	1,086	-45.2
Paul Stockton	Rathbone Bros (12.15)	1,075	19.4
Alex Chesterman	Zoopla (12.15)	1,070	114.4
Paul Mainwaring	Tullett Prebon (12.15)	1,043	23.3
Ian Smith	CYBG (9.15)	1,009	n.a

[1] For six months of the financial year ending December [2] 15-month financial period [3] Remuneration for four months ending December

Trevor Finn, chief executive and Martin Casha, chief operating officer at car retailer Pendragon saw their packages go down a gear or two. Finn saw his package shrink by 48.9% to £1.78 million but that means he still received £34,136 a week last year. Casha's package of £1.09 million or £20,885 a week is a 45.2% drop on his 2014 total.

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.

Manufacturing output weakens in July

Factory output is growing at a slower pace, official figures show.

Manufacturing output was only 0.5% higher in the three months to July on the previous three months, down on the 1.6% growth in the three months ending June.

Eight of the 13 subsectors posted growth figures on the previous three-month period. The biggest contributions to the expansion came from coke and refined petroleum products with a 5.8% increase, followed by a 3.0% increase in transport equipment.

On the downside, output shrank in five subsectors, including by 5.1% in pharmaceuticals.

Factory output was 0.8% higher than the same period a year ago. Meanwhile, the volatile monthly figure showed a 0.9% decrease in July compared with June.

The Office or National Statistics (ONS) have revised the annual figures upwards and now say manufacturing only shrank by 0.1% in 2015 on the year before, not the 0.2% previously recorded.

In the three-month period ending July, output of the production industries – manufacturing, utilities and mining – was 1.0% higher than the three months ending April 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 July compared with the previous month.

In the three months to July 2016, production and manufacturing were 7.6% and 5.2% respectively below their level reached in the pre-downturn GDP peak in the first quarter of 2008, the ONS said.

www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/indexofproduction/july2016

Tory contempt for health and safety

The government's appointment of a former business leader to a seat on the board of the Health and Safety Executive (HSE) that is reserved for a representative of workers' interests has appalled union leaders.

The 1974 *Health and Safety at Work Act* (HSWA) requires the secretary of state appoint three members of the HSE after consulting organisations representing employees, and three members after consulting employers' representatives. In total, the HSE board at present is made up of 11 non-executive members.

However, the work and pension secretary has announced that one of the employee representative seats is to be is to be filled by an employer representative, who has no background representing workers and was not nominated or supported by any bodies who represent workers. This appointment upsets the statutory balance of representation between workers and employers on the HSE board.

The TUC has expressed its concerned that the move is the latest in a series of government actions to silence the voices of working people on health and safety at work.

Many of the joint industry groups that gave advice to the HSE have been disbanded. And the right of trade unions to nominate members to the board of the Gangmasters Licensing Authority, which aims to protect vulnerable workers in a number of UK industries such as agriculture and food processing and packaging, was abolished by the Conservative-Liberal coalition government.

TUC general secretary Frances O'Grady said: "The government cannot appoint an employer to represent workers. It's a blatant abuse of rules that are there to ensure a fair balance between workers and bosses.

"The HSE works best when employers and unions work together as equal partners, as intended by the *Health and Safety at Work Act*. By rejecting the consensus approach, the government is sending out a dangerous signal to bad bosses who put staff at risk by cutting corners.

"Along with the *Trade Union Act*, it's a further attack on the ability of trade unions to protect the health and safety of working people."

As TUC health and safety policy officer Hugh Robertson pointed out on the Stronger Unions blog, there had been a portent of things to come three years ago. Then the government did not appoint the TUC nomination, who was the eminently qualified general secretary of the Fire Brigades Union, Matt Wrack. Instead they appointed a retired trade union official that had not been supported by a single trade union, and without consulting the TUC. "

Even then the government thought that it was better placed to decide who represents working people that those organisations that actually represent workers," said Robertson.

The DWP/HSE confirmed to the Hazards Campaign that two of the four new appointments and one of the two reappointments were employee representatives. One of the new members is Kevin Rowan who was nominated by and works for the TUC as the head of organisation and services.

The other "employee" representative is Susan Johnson. As Robertson point out she is not from any trade union, she is not a health and safety activist or a safety representative, and she has not been nominated by any union body. In fact she is a former senior manager and businesswoman. Last year she retired from her job as chief executive of the Durham and Darlington Fire and Rescue Service. Before that she was chief executive of Northern Business Forum, and she is a former director of the food company Greggs.

"These are excellent qualifications for an employer's representative, but there is not anything in her past that remotely qualifies her to speak for workers, yet here she is sitting on the HSE board representing employee interests," said Robertson.

As it stands, there is just the TUC's Rowan as a union nominee on the board, alongside the reappointed ex-FDA general secretary Jonathan Baume, who wasn't nominated by the unions, but who is classed as an employee representative.

An indicator of the route the HSE has taken came earlier this year. It advertised for, but appears to have not yet appointed, a new commercial director on a salary of up to £100,000 a year. The new director's job will be to more than double the HSE's commercial income from £15 million to £35 million within five years — the level set out in its business plan for 2015-16. Such as expansion is needed to make up for the cuts in government funding that the HSE faces over the next four years.

www.tuc.org.uk/workplace-issues/health-and-safety/tuc-condemns-appointment-employer-worker%E2%80%99s-representative-seat

http://strongerunions.org/2016/09/05/hse-what-social-partnership-means-to-the-tories/

www.ioshmagazine.com/article/hse-appoints-director-grow-commercial-income

Forced retirement for one in eight

Around one in eight (12%) men and women are forced to stop working before state pension age due to ill-health or disability, according to new TUC research.

Its report — *Postponing the pension: are we all working longer?* — finds that nearly half a million (436,000) workers who are within five years of state pension age have had to leave the workplace for medical reasons.

The analysis also reveals a stark North-South divide. In the South West of England, sickness and disability is cited by just one in 13 of those who have left work in the run-up to state pension age, followed by one in 11 in the South East and in the East of England.

But this rises to one in seven in Yorkshire and the Humber, the North East, the North West, Wales and Scotland and one in four in Northern Ireland, reflecting wider health inequalities across the regions and nations of the UK.

Those who have worked in the lowest paid jobs — including cleaners, carers, those working in the leisure industry and those doing heavy manual jobs — are twice as likely to stop working before retirement age due to sickness and disability than managers or professionals, the study finds.

Workers aged over 50 now make up one in three (30%) of the workforce — up from less than one in four (24%) in 2000. The report finds that nearly half (49%) of 60- to 64-year-olds stopped working before their official retirement age.

“Raising the state pension age is an easy target for chancellors of the exchequer wanting to make stealth cuts,” said TUC general secretary Frances O’Grady. “But these figures show that we must hold off on any further rises in the pension age until we have worked out how to support the one in eight workers who are too ill to work before they even get to state pension age.

“People should be able to retire in dignity with a decent pension when the time is right. Older workers have a crucial role to play in the labour market but we can’t expect the sick to wait longer to get a pension when they may need financial support more than ever.”

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

Decline in UK mergers and takeovers

The second quarter of 2016 saw notable declines in the number and value of successful mergers and acquisitions (M&A) involving UK companies saw notable declines when compared the first quarter of the year.

Domestic acquisitions — acquisition of UK companies by other UK companies — during the second quarter saw 47 completed acquisitions worth £5.9 billion in the second quarter, down 50% from the number reported in the first quarter when there were 95 acquisitions worth £11.8 billion.

The one high-profile acquisition which accounted for the majority of the total value of domestic acquisitions was the £3.5 billion takeover of Cable and Wireless Communications by TV and cable company Liberty Global.

There were 20 completed inward M&A transactions — foreign companies acquiring UK companies — valued at £6.3 billion in the latest quarter, down 61% from 52 successful transactions valued at £50.3 billion seen during the first quarter.

The biggest deal was by the US manufacturing group Ball Corporation of the USA which acquired packing group Rexam for £4.5 billion.

Outward M&A saw 16 UK companies acquire foreign companies abroad in deals totalling £1.7 billion, compared with 35 deals valued at £6.1 billion during the first quarter, a decline of 54%.

One of three notable transactions was the £139 million takeover of US generic drugs group Putney by Dechra Pharmaceuticals.

www.ons.gov.uk/businessindustryandtrade/changestobusiness/mergersandacquisitions/bulletins/mergersandacquisitionsinvolvingukcompanies/aprtojun2016

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