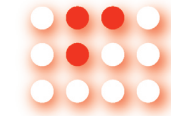


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## MPs to examine boardroom pay

A committee of MPs has launched an inquiry into corporate governance, focussing on executive pay, directors' duties, and the composition of boardrooms, including worker representation and gender balance in executive positions.

The Business, Innovation, and Skills (BIS) Committee inquiry follows on from the corporate governance failings highlighted by the committee's recent inquiries into BHS and Sports Direct, and in the wake of commitments from prime minister Theresa May to overhaul corporate governance.

In terms of boardroom pay, the committee's terms of reference include: What factors have influenced the steep rise in executive pay over the past 30 years relative to salaries of more junior employees? And how should executive pay take account of companies' long-term performance?

The committee will also examine how diversity of board membership can be achieved, what should diversity include, for example, gender, ethnicity, age, sexuality, disability, and whether there should be worker representation in company boardrooms and/or company remuneration committees.

The inquiry is timely judging by the latest survey from the TUC on FTSE 100 directors' pay.

It says that it took Britain's highest paid chief executive, Sir Martin Sorrell, less than 45 minutes to earn what an average UK worker earns over an entire year. Sorrell, chief executive (CEO) of public relations company WPP, was paid £70 million in 2015 – more than 2,500 times the average UK salary.

The study shows that Sorrell's salary in 2015 was the equivalent of £38,437 an hour. That's enough to pay the wages for 2,218 nurses, 1,920 paramedics, or 4,479 teaching assistants.

The TUC's analysis also reveals:

- in 2010, the average FTSE 100 boss earned 89 times the average full-time salary. By 2015, this had risen to 123 times;
- the gap between low-paid workers and top directors is even starker. The average FTSE 100 top director earned a year's worth of the minimum wage in a day; and
- the median total pay (excluding pensions) of top FTSE 100 directors increased by 47% between 2010 and 2015, to £3.4 million. By contrast, average wages for workers rose just 7% over the same period and are still way down in real terms on the pre-crash level.

The findings highlight why the prime minister must deliver on her promise to tackle executive pay, by

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putting workers on company boards and remuneration committees, the TUC says.

The TUC also wants the government to compel firms to disclose full information about employee pay across the company, and the ratio between the CEO's pay and the average worker in the business.

Companies with high pay inequality between bosses and workers perform less well, according to academic research. But employees and investors do not have access to robust information that would allow them to assess the gap between top directors and staff in the rest of their company, according to the TUC.

TUC general secretary Frances O'Grady said: "While millions of UK families have seen their living standards squeezed, directors' pay has reached stratospheric levels.

"These shocking new figures show why Theresa May must deliver on her promise to put workers on company boards.

"This would inject a much-needed dose of reality into boardrooms and help put the brakes on the multi-million pay packages that have damaged the reputation of corporate Britain."

[www.parliament.uk/business/committees/committees-a-z/commons-select/business-innovation-and-skills/news-parliament-2015/corporate-governance-inquiry-launch-16-17/](http://www.parliament.uk/business/committees/committees-a-z/commons-select/business-innovation-and-skills/news-parliament-2015/corporate-governance-inquiry-launch-16-17/)

[www.tuc.org.uk/economic-issues/britain-needs-pay-rise/corporate-governance-uk%E2%80%99s-highest-paid-ceo-earns-average](http://www.tuc.org.uk/economic-issues/britain-needs-pay-rise/corporate-governance-uk%E2%80%99s-highest-paid-ceo-earns-average)

## Dress codes need a redesign for today

An outdated attitude towards people with tattoos could lead to employers missing out on young talent, as about one in three young people have a tattoo, the employment relations service Acas says.

*Dress codes and appearance at work: body supplements, body modification and aesthetic labour* found that some business owners or managers judged candidates' dress and appearance based on personal or social stereotypes associated with particular physical traits, such as tattoos.

It found some public sector employers felt people would not have confidence in the professionalism of a person with a visible tattoo and that in the private sector, some employers raised concerns about how clients or customers might respond to tattoos.

Dress codes have been in the news over the past few months. A controversy blew up over the case of Nicola Thorp, a temporary worker at the City accountancy firm PwC, who was sent home without pay for refusing to wear high heels at work.

Thorp set up a parliamentary petition to make it illegal for a company to require women to wear high heels at work.

The petition says: "It's still legal in the UK for a company to require female members of staff to wear high heels at work against their will. Dress code laws should be changed so that women have the option to wear flat formal shoes at work, if they wish. Current formal work dress codes are outdated and sexist."

The petition, which closes on 6 November, can be signed by following the "petition.parliament" link at the end of this article. It has attracted over 150,000 signatures so far. This means that parliament will consider it for debate in the House of Commons.

In light of these wide-ranging events, Acas has revised its guidance on dress code. The key recommendations include:

- employers must avoid unlawful discrimination in any dress code policy;
- dress codes must apply to both men and women equally, although they may have different requirements;
- reasonable adjustments must be made for disabled people when dress codes are in place; and
- employers may have health and safety reasons for having certain standards.

The new guidelines state that any dress code should not be stricter for one gender over the other. It also suggests that employers could adopt a more casual approach to dress during the summer, but this may depend on the type of business.

Acas say that it is good practice when drafting or updating a dress code for an employer to consider the reasoning behind it, rather than relying on their own judgments. Consulting with employees over any proposed dress code may help ensure that the code is acceptable to both the organisation and its workers.

Acas head of equality Stephen Williams warned that businesses should not let personal taste dictate a dress code. "Businesses are perfectly within their right to have rules around appearance at work, but these rules should be based on the law where appropriate and the needs of the business, not managers' personal preferences," he said.

The July issue of *Fact Service's* sister magazine, *Workplace Report*, has a feature on dress codes in the workplace, which can be accessed by following the [irdpublications](http://irdpublications.org.uk/publications.php?pub=WR&iss=1834&id=idp14145912) link below.

[www.acas.org.uk/index.aspx?articleid=4963](http://www.acas.org.uk/index.aspx?articleid=4963)

<https://petition.parliament.uk/petitions/129823>

[www.irdpublications.org.uk/publications.php?pub=WR&iss=1834&id=idp14145912](http://www.irdpublications.org.uk/publications.php?pub=WR&iss=1834&id=idp14145912)

## Care firms targeted over illegal wages

Homecare workers employed across the London Borough of Haringey – and backed by public services union UNISON – are taking care companies and the council to court in a dispute involving illegal wages, over the widespread non-payment of the minimum wage.

The group of workers – 16 women and one man – are employed on controversial zero-hours contracts and care for elderly and disabled residents across the London borough.

The workers visit people in their own homes and in some cases provide 24-hour live-in care.

The UNISON case – the biggest the union has ever taken involving homecare workers – is against Sevacare, which until July was one of the companies commissioned by the north London council to deliver care.

Sevacare's contract with Haringey was axed after a Channel 4 *Dispatches* programme in April had previously raised serious concerns about the firm's employment practices.

The case against the two organisations – and a number of care companies who took over the contract lost by Sevacare – is chiefly over the failure to pay staff a legal wage, as time spent travelling between people's houses was unpaid.

Evidence suggests that National Minimum/National Living Wage non-compliance is endemic in the social care sector.

This can mean, says UNISON, that on a typical day the women might be working away from home for as many as 14 hours, but could receive payment for only half of them.

This can leave them earning as little as £3.85 an hour. (The National Living Wage – the legal mini-

imum for workers aged 25 and over – is currently £7.20 an hour.)

Care workers who provide live-in care can earn even less. This work means regularly spending an entire week – 168 consecutive hours – living in someone else's home to provide around-the-clock care. For this the workers can get as little as £3.27 an hour – well under half the legal minimum, and this hourly rate is printed on their payslips.

The directors of Sevacare Holdings have no such money worries. In the financial year ending August 2015, the unnamed highest paid director received £409,786, according to accounts filed at Companies House.

The accounts also show that three directors received considerable sums in dividends. Ravinder Bains received £181,674, while both Rajan and Arjan Bains received £174,687 apiece.

Dave Prentis, general secretary of UNISON, said: "The government, local councils and the care companies all know that social care is in a dire state, that there's not enough money to pay for the care that's needed.

"Those paying the price for the government's penny-pinching approach are the homecare workers – struggling to make ends meet on pitiful wages – and the people they care for."

[www.unison.org.uk/news/press-release/2016/09/unisons-biggest-ever-homecare-legal-case-over-workers-paid-as-little-as-3-27-an-hour/](http://www.unison.org.uk/news/press-release/2016/09/unisons-biggest-ever-homecare-legal-case-over-workers-paid-as-little-as-3-27-an-hour/)

## Workplace inspections on missing list

Nearly half of UK workplaces have never had a health and safety inspection – including more than 80% of construction workplaces – according to a new TUC survey of health and safety reps.

Manufacturing is the only sector in which a majority (57%) of safety reps said there had been an inspection during the past year. In stark comparison, in the hazardous construction industry – where there were 65,000 work-related injuries and 67,000 work related illnesses in 2015 – just one in six (17%) of reps was aware of an inspection in the last year.

Nearly half (46%) of respondents said that as far as they knew their workplace has never had an inspection by the Health and Safety Executive (HSE).

Just one in four reps (24%) reported an inspection within the last 12 months.

Workplaces with dedicated health and safety reps are usually those larger workplaces where there are greater risks to workers.

By 2019-20, government funding of the HSE will have been slashed by nearly half, and in recent years, local councils have reduced workplace inspections by 97%. The government has also restricted the ability of workers to claim compensation if they are injured or made ill at work following employer negligence.

TUC general secretary Frances O'Grady was "appalled" that 80% of reps in construction say their workplaces haven't been inspected. "Construction workplaces can be some of the most dangerous places to work," she said.

"Huge cuts to the HSE and to local authorities continue to undermine vital safety protections at work. That means more workers at risk of accidents in unsafe workplaces every day. It's time to fund the HSE properly and make sure bosses know that they can't get away with chancing workers' lives in dangerous workplaces."

[www.tuc.org.uk/sites/default/files/focusonhealthandsafetyreport.pdf](http://www.tuc.org.uk/sites/default/files/focusonhealthandsafetyreport.pdf)

## Shortfall in out-of-school services

Extended school services are failing to match parents' need for afterschool and holiday childcare, a new report from the Family and Childcare Trust and the CPAG Child Poverty Action Group warns.

"Extended schools" refers to services offered through the school to pupils and the wider community, such as sports, arts or homework clubs, and wraparound and holiday childcare.

Two-fifths (39%) of schools surveyed for the report said parents wanted holiday provision, but less than a third (29%) of schools offered this – a shortfall of 10 percentage points. For afterschool childcare the gap was 11 percentage points, with only just over half of schools providing this. The mismatch was biggest in primary schools.

The joint study found that extended schools are popular with children and schools, but lack of resources was preventing them from expanding.

Only 7% of the children surveyed were not interested in extended school services. Head teachers felt that extended school services provided a valuable service, particularly for disadvantaged children. Two-thirds (66%) said they had closed the achievement gap between disadvantaged children and their peers.

Around three-quarters of schools would like to expand the number of children using services and the range of services offered; one-third wanted to expand their opening hours.

However, many are facing barriers to expansion. The constraints on expanding were lack of funding (66%), of space (47%) and of staffing (54%). Only 6% said lack of need was a barrier to expansion. With adequate resources, there is clearly an appetite to expand these valuable services.

Worryingly, the research found that a small but significant minority of hard-up families use the services less – possibly because they can't afford the cost of parental contributions, even with help from the pupil premium.

It found three-quarters (75%) of schools offering extended services use pupil premium money to fund them; 71% use parental contributions and half use core funding.

It's unclear whether schools are using pupil premium money to support the target group of pupils or whether it's spent in a less targeted way to fund services which are available for all pupils.

Narrowing the gap between less advantaged students and their peers was one of head teachers' two top motivations for providing extended services.

The research also found kids with a retired or unemployed parent were less interested in extended school activities compared to kids with a parent working full time or part time.

Megan Jarvie, head of policy and public affairs at the Family and Childcare Trust, said: "Extended schools services help boost outcomes for kids from all backgrounds. The extra-curricular activities and homework support help children to achieve academically and builds their soft skills. They also provide childcare to enable parents to work."

[www.familyandchildcaretrust.org/extended-schools-failing-meet-parents%E2%80%99-childcare-needs](http://www.familyandchildcaretrust.org/extended-schools-failing-meet-parents%E2%80%99-childcare-needs)