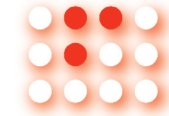


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Huge earnings loss over last seven years

Average pay in Britain is still worth £2,270 less in real terms than it was in 2008 – a shortfall of £44 a week, a new analysis by the TUC reveals.

Although there is some regional variation in average earnings lost between 2008 and 2015, all UK regions and nations have been hit by significant losses running into thousands of pounds.

The TUC analysis uses the official Annual Survey of Hours and Earnings for its analysis and the government's preferred CPI inflation measure rather than the RPI inflation rate preferred by union negotiators.

In money terms, the losses across the countries and regions range from £4,415 in London down to £1,049 in the North East. That's against a UK average of £2,270.

In percentage terms, the real-terms losses range from 12.5% in London down to 4.8% in the North east, with a UK average loss of 9.2%.

The TUC warns that the government's plans to continue holding back wages in the public sector will have a significant drag on average wage growth. And, while forthcoming increases to the minimum wage have an important role to play in improving

wages for some workers, this is not enough, the TUC says. Concerted action from the government is needed to support stronger wage increases for all low and middle-income workers, not just those at the very bottom.

The TUC warns that the government's *Trade Union Bill* will weaken the power of workers to negotiate a fair share of economic growth through decent pay rises.

Instead of attacking workers and their representatives, the TUC is calling on the government to engage with trade unions on a positive agenda to improve both pay and productivity. This should include stronger collective bargaining rights, modern wage councils to ensure that pay increases follow productivity gains, and worker representation on remuneration committees to bring back a bit of reality to boardroom pay.

TUC general secretary Frances O'Grady said: "Working people deserve a fair share of the wealth they create. But despite five years of economic growth ... the average annual wage is still worth over £2,000 less than it was back in 2008.

"The government must do the right thing for the economy, and the right thing by workers. They should invest more in the skills and infrastructure the UK needs for higher productivity. They should make sure that working people see productivity gains in their pay packets. And they should work positively with trade unions, instead of attacking

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workers and their representatives with the *Trade Union Bill*."

Change in median annual real earnings 2008-15

UK nation /region	Change (£)	Change (%)
North East	-£1,049	-4.8%
North West	-£2,468	-10.5%
Yorkshire & the Humber	-£2,446	-10.6%
East Midlands	-£2,512	-10.9%
West Midlands	-£1,981	-8.5%
East	-£2,519	-10.4%
London	-£4,415	-12.5%
South East	-£2,512	-9.6%
South West	-£2,348	-10.2%
Wales	-£1,291	-6.0%
Scotland	-£1,519	-6.3%
Northern Ireland	-£1,382	-6.4%
UK	-£2,270	-9.2%

www.tuc.org.uk/economic-issues/labour-market-and-economic-reports/labour-market/economic-analysis/real-wages-still

Lords inflict defeat over political funds

The government could be forced to think again over plans to restrict trade union funding of political parties after a defeat in the Lords.

Peers voted by 327 to 234 – a majority of 93 – to a Labour motion forcing the plans to be debated by a cross-party select committee.

Labour fears it could lose £6 million a year under the *Trade Union Bill* proposals on union political funds.

Labour's Baroness Smith of Basildon rejected government claims the bill would not hurt her party financially.

She told peers democracy would be damaged if the government pushed through the changes on funding without them being scrutinised by a select committee first.

The voted to set up the cross-party committee was supported by members of all parties. The Conservative peer Lord Forsyth suggested a rethink as the government's proposals "will take away funding from the Labour Party at a time when the Labour Party is perhaps not at its strongest... our

Parliamentary system does depend upon having a strong and effective opposition".

A select committee will spend the next six weeks considering the issue of party funding before reporting back by 29 February.

Paul Kenny, chair of Unions Together, the link organisation between the trade unions and the Labour Party, said: "Since the 1940s, how politics is funded in the UK has been subject to a bipartisan approach.

"Unilaterally, the Tories have torn up that approach and, if the *Trade Union Bill* becomes law, it will trigger a financial crisis for the Labour Party affecting its structure, staffing and ability to fight elections."

www.bbc.co.uk/news/uk-politics-35371072

www.morningstaronline.co.uk/a-dbc8-Party-funding-changes-face-fight-in-Lords

Union concern over migrant worker deaths

Construction union UCATT has called on the Health and Safety Executive to urgently review their reporting methods and for the industry to examine safety requirements, following new evidence on migrant worker deaths.

An investigation by UCATT has discovered that in 2014-15 (the most recent reporting year) the highest number of construction fatalities was in London with seven deaths. And of these seven deaths, five were migrant workers.

The union discovered the evidence by analysing and researching the names of the deceased workers, as the Health and Safety Executive (HSE) do not record the nationality of workers who suffer a fatal accident.

Jerry Swain, regional secretary for London and the South East, said: "Each of these deaths was an individual tragedy. It is essential that issues such as different safety standards and methods of working in countries, language issues and whether the deceased were new to the construction industry are properly considered in order to prevent future fatalities. This is simply not going to happen if the HSE continues to fail to address and record the nationality of workers who suffer a fatal accident."

One area where UCATT has called for reform is in the CSCS health and safety test. Rather than a simple tick box exercise, UCATT believes that worker

should not start on a site until they have completed a minimum of a one-day safety course.

"A proper safety course with a thorough assessment of a worker's understanding of safety must be the minimum requirement before they go on site," Swain said.

www.ucatt.org.uk/action-urged-following-london-construction-deaths

Huge bill for unions over Trade Union Bill

The red tape contained in the Tories' *Trade Union Bill* will cost unions more than £37 million over the next six years.

The government has finally got around to publishing their impact assessments for the *Trade Union Bill* – their best guess at how much all the new union red tape will end up costing. The bill's bill for unions comes to more than £37 million over the next six years, writes John Wood on the TUC's Touchstone blog.

In all there are 16 measures with added costs for unions. One-off costs come to £11.29 million and cumulative costs over the next five years add £26.27 million.

And it's going to be a pretty significant burden on trade unions. The ongoing costs of getting union subs thorough direct debit is £22 million, while the cost of switching to direct debit is expected to be £3.1 million.

Then there are the "trifling sums" like £1.35 million cost of posting notices to members and the £1.54 million of postage costs for member's returns, which are one-off costs that will occur again in five years' time.

The TUC reckons that the impact assessments underestimate the true financial impact that the government's bill could have for unions. The £11 million up front and a hefty £26 million every five years thereafter is only for starters, and it's going to end up costing union members in increased subs or reduced support.

TUC general secretary Frances O'Grady said: "Union members' subs should be spent on services and support for workers – not wasted on dealing with unnecessary bureaucracy from the government.

"UK trade unions are already the most heavily regulated in Western Europe. This bill is a blatant attempt to make it harder for workers to stand up for decent services and safety at work, or defend their jobs and pay."

<http://touchstoneblog.org.uk/2016/01/37-million-new-red-tape-unions-tubill/>
www.gov.uk/government/publications/trade-union-bill-impact-assessment

Retailers wait on National Living Wage

Almost three-quarters (70%) of retail chain respondents are undecided about their approach to implementing chancellor George Osborne's National Living Wage, according to research by Willis Towers Watson.

Its survey of 28 retail chains with between 5,000 staff or fewer and more than 100,000 employees, also found that 85% of respondents will wait until 1 April 2016 before making pay changes for their employees aged 25 and above.

The research also found:

- less than one in 12 (8%) of respondents with between 10,000 and 49,000 employees plan to offer at least the National Living Wage rate to all staff, regardless of age;
- around two in five (43%) of respondents pay more than half of their workforce less than the National Living Wage; and
- a third (33%) said that a high proportion of their lower-paid workers are over 25.

George Osborne's statutory National Living Wage will come into effect for workers aged 25 and above from April 2016. It will initially be set at £7.20 an hour – 50p higher than the current National Minimum Wage rate of £6.70 for staff aged 21 and over.

The National Living Wage is distinct from the voluntary Living Wage, which is calculated according to the basic cost of living and advocated by the Living Wage Foundation. This voluntary rate at £8.25 an hour, and £9.15 in London is much higher than Osborne's attempt to subvert the idea of a Living Wage.

Tom Hellier, UK practice lead, rewards at Willis Towers Watson, said: "While there are a large number of retailers that will need to review their pay scales and levels to comply with the letter of the law, it is important that the spirit of the law is kept in mind too."

www.willistowerswatson.com/en-GB/press/2016/01/Retailers-play-waiting-game-on-the-National-Living-Wage

Executive excess shows no sign of waning

Thirty two executives of top companies were happy to receive a remuneration package of at least £1 million in the firm's last financial year.

It's that rare executive species – a woman – that tops the list. Dame Carolyn McCall has been chief executive of low-cost airline EasyJet since 2010. Last year her remuneration package came to £6.2 million – or £119,192 a week.

In June 2016, Richard Cousins will celebrate 10 years as chief executive of food and supports services group Compass. In his ninth year in charge his pay package came to £5.33 million – or £102,404 a week. The average Compass employee, many of who work in catering and cleaning, was paid just £297 a week.

Peter Fankhauser only arrived in the top job at travel group Thomas Cook at the end of November 2014, but in his first 10 months in the job his package came to £4.26 million or around £106,000 a week.

Patrick Ensor retired from the board of Euromoney in September 2015 at the end of the group's financial year. His swansong year brought a remuneration package of just over £4 million – or £77,000 a week.

Stephen Clarke has climbed up the pecking order in the boardroom of stationers and booksellers WH Smith since his arrival in 2004. He became chief executive in July 2013 and in the group's last financial year picked up a total of £3.97 million or £76,365 a week.

Year-on-year comparisons could be made for 29 executives and 18 saw their remuneration package increase last year. In most cases – 14 out of the 18 – the rise was in double figure percentage terms at a time when average UK earnings were rising by around the 2.0% mark.

Top of the remuneration package rises was Alan Williams, chief financial officer at food supplier Greencore. His package – at £2.09 million or £40,269 – was 80.1% greater than the previous year on the back of long-term incentives being paid last year when none was paid the year before.

Keith Adey, finance director of house builder Bellway, saw his package grow by 73.6% to £1.19 million or £22,788 a week.

Most of Matthew Phillip's rise of 68.5% in chief development officer at cigarettes group Imperial Tobacco came from a £330,000 increase in his annual bonus. His 2015 package came to £1.68 million or £32,211 a week.

The total remuneration figure given in the table includes: basic salary, cash bonus, long-term share bonuses, golden hello, golden handshake, 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.

Executive	Company (financial year end)	Total remuneration (£000)	% change
Carolyn McCall	EasyJet (9.15)	6,198	-32.7
Richard Cousins	Compass (9.15)	5,325	-15.4
Peter Fankhauser	Thomas Cook (9.15)	4,262	n.a
Patrick Ensor	Euromoney (9.15)	4,004	-12.5
Stephen Clarke	WH Smith (8.15)	3,971	56.0
Michael Healy	Thomas Cook (9.15)	3,635	n.a
Alison Cooper	Imperial Tobacco (9.15)	3,582	34.5
Nigel Terrington	Paragon (9.15)	3,567	14.6
Robert Moorhead	WH Smith (8.15)	3,536	49.6
Gary Green	Compass (9.15)	3,469	-16.7
Patrick Coveney	Greencore (9.15)	3,325	56.1
George Weston	Assoc British Foods (9.15)	3,057	-59.1
Andrew Martin	Compass (9.15)	2,741	-21.8
Dominic Blakemore	Compass (9.15)	2,389	-8.5
John Bason	Assoc British Foods (9.15)	2,114	-57.6
Alan Williams	Greencore (9.15)	2,094	80.1
Ted Ayres	Bellway (7.15)	1,967	32.1
Richard Woodman	Paragon (9.15)	1,925	21.1
Liam Fitzgerald	UDG Healthcare (9.15)	1,863	0.6
Oliver Tant	Imperial Tobacco (9.15)	1,817	36.0
John Heron	Paragon (9.15)	1,783	15.4
Matthew Phillips	Imperial Tobacco (9.15)	1,675	68.5
Brian Bickell	Shaftesbury (9.15)	1,591	9.3
Stephen Kelly	Sage (9.15)	1,521	n.a
Alan Ralph	UDG Healthcare (9.15)	1,261	18.0
Chris Corbin	UDG Healthcare (9.15)	1,242	23.2
Keith Adey	Bellway (7.15)	1,185	73.6
Bruce Thompson	Diploma (9.15)	1,139	-38.3
Simon Quayle	Shaftesbury (9.15)	1,134	6.2
Thomas Welton	Shaftesbury (9.15)	1,121	5.1
Ralph Findlay	Marstons (9.15)	1,094	-2.4
Steve Hare	Sage (9.15)	1,065	n.a