FACT SERVICE

Annual Subscription £84.50 (£71.50 for LRD affiliates)

Volume 77, Issue 44, 5 November 2015

New Living Wage rates – but 6m on less

Increases have been announced in the two voluntary Living Wage rates.

The Living Wage (LW) outside of London, as promoted by the Living Wage Foundation campaign, is to be increased by 5.1% or 40p an hour to £8.25 an hour from 2 November.

For those living in London, the rate will rise by slightly less – 2.7% or 25p to £9.40 an hour – mayor Boris Johnson has announced.

The announcements came just a day after new research on the extent of the LW.

Some 5.84 million people are paid less than the LW, according to the research published by KPMG just before the new recommended rates were published.

The proportion of workers earning less than the LW has risen for the third year running. The latest figure indicates that 23% of all employees now earn less than the Living Wage – up from 22% last year and 21% the year before.

Although the percentage rise appears modest, in real terms it equates to 497,000 people. During the same period, the total number of jobs grew by 435,000 to just over 25 million. Data also shows a worrying trend which sees part-time, female and young workers as the most likely to earn a wage that fails to provide a basic but decent standard of living.

The research, conducted by Markit for KPMG, shows that part-time jobs are three times as likely to pay below the £7.85 an hour rate for 2014-15 (or £9.15 in London) as full-time roles. Despite accounting for less than one-third of all UK jobs, there are more part-time jobs paying less than the Living Wage (3.21 million) than full-time jobs (2.62 million).

For three years in a row, women have been considerably more likely to be paid below the LW than men. With nearly 280,000 more women in work than last year, this year's data shows that an estimated three in 10 (29%) of females earn less than the LW, compared with under one in five (18%) of males.

With more young people employed than last year, the analysis shows that younger workers remain the most likely group to be caught in the "working poverty" trap. Almost three-quarters (72%) of 18-21 year olds are currently earning less than the Living Wage, compared to just 17% of those aged 30-39. In real terms, this equates to 880,000 employees of traditional university age failing to earn enough to support the purchase of basic necessities.

Mike Kelly, head of Living Wage at KPMG, said: "The past year has seen some notable achievements, with 2,000 employers, including more than a quarter of the FTSE 100 now accredited by the Living Wage Foundation. Awareness of the issue has also increased, with more than three out of four of the general public in the know about what the Living Wage is.

"With the cost of living still high the squeeze on household finances remains acute, meaning that the reality for many is that they are forced to live hand to mouth. The figures released show that there is still more to be done if we are to eradicate in work poverty.

"For some time it was easy for businesses to hide behind the argument that increased wages hit their bottom line, but there is ample evidence to suggest the opposite – in the shape of higher retention and higher productivity. It may not be possible for every business, but it is certainly not impossible to explore the feasibility of paying the Living Wage."

TUC general secretary Frances O'Grady said: "Ministers have talked a great deal about making work pay. But try telling that to the six million low-paid workers.

"In-work poverty is soaring in the UK. In London alone it has increased by 70% over the last decade.

"Instead of slashing tax credits for the working poor – which will leave many low earners in even worse dire straits – the chancellor should be encouraging more employers to pay the real Living Wage.

"Research has shown again and again that adopting this standard boosts staff productivity. And along with vital in-work benefits it enables workers to earn just enough to live a decent life."

Unilever The GMB general union has welcomed the announcement that the consumer goods multinational Unilever has gained accreditation with the Living Wage Foundation, which will benefit some of the directly employed workforce but mainly those workers that work for Unilever through its supply chain.

Stuart Fegan, national officer for GMB members in Unilever, said the announcement comes "after a coordinated campaign by our stewards and members of lobbying senior management within Unilever on adopting a Living Wage".

www.livingwage.org.uk/news/new-uk-living-wage-rate-has-been-announced

www.livingwage.org.uk/news/new-london-living-wage-rate-has-been-announced

www.kpmg.com/uk/en/issuesandinsights/articlespublications/newsreleases/pages/six-million-brits-are-earning-less-than-a-living-wage-finds-kpmg.aspx

www.tuc.org.uk/economic-issues/labour-market/poverty-pay-rise-uk-warns-tuc

www.gmb.org.uk/newsroom/40p-rise-in-living-wage

Say No to TiSA

The GMB general union has called on the EU to oppose the Trade in Services Agreement (TiSA) which transfers sovereignty over labour market regulations from elected parliaments to multinationals.

The proposed trade agreement would remove the right of 52 nations to make labour market laws in 37 sectors of the economy and promotes undercutting and race to the bottom, said the GMB.

TiSA commits participating countries to enact non-reversible privatisations and deregulate a wide range of services for the benefit of multinationals. There are paragraphs on the removal of restrictions concerning the movement of "natural persons", a reference to migrant workers who would have no legal protections for their labour rights.

The EU, USA, China and Canada are all involved in the negotiations.

Some of the 37 industries covered include: construction, which in the UK is classed as a production industry; tourism and related services; environmental services; and research and development.

Bert Schouwenburg, GMB international officer, said: "If TiSA becomes a reality, it will herald a wholesale transfer of power from elected parliaments to corporate boardrooms in an effective privatisation of the world's governance. The desire and need for infinite profit growth on the part of transnational companies will accelerate a race to the bottom for workers and their families.

"If EU trade commissioner Cecilia Malmström is serious about protecting the social and regulatory model in the EU she will not sign up to this agreement."

www.gmb.org.uk/newsroom/eu-must-say-no-to-tisa

No wage worries for top executives

The 33 top executives listed in the table on page 175 laugh in the face of the Living Wage, as they earned at least £1 million a year.

Mark Clare stood down as chief executive of housebuilder Barratt Developments in July. In his last full year in the job, he received a remuneration package of £6.67 million. That equates to £128,327 a week. Assuming someone on the last year's Living Wage of £7.85 an hour was "lucky" enough to work a 60-hour week that would come to £471 a week, so Clare picked up the equivalent of 272 workers on the Living Wage (LW). Further down in fifth place, Barratt's chief operating officer Steven Boyes had a remuneration package worth £4.34 million or £83,365 a week. That would have been enough to pay the £471 a week LW to 177 people.

Preben Prebensen, chief executive of City firm Close Brothers, took second spot with £6.05 million in the year to July 2015 – or £116,384 a week. That is the equivalent of 247 workers on the LW calculation made above.

Philip Bowman stood down in September as chief executive at advanced technology group Smiths Industries. His remuneration package in his final full year in the job came to £4.41 million. That works out to £84,846 a week – the equivalent of 180 workers on the LW.

Ian Meakins, chief executive of heating and plumbing distributor Wolseley, received a remuneration package of £4.39 million or £84,423 a week. That's enough to pay 179 people the Living Wage using the calculations above.

Year-on-year comparisons could be made for 31 of the 33 executives and 18 saw their remuneration packages grow over the last two financial years.

Andrew Lindsay, chief executive of multi-utility Telecom Plus, got a 403.5% rise to £2.18 million on the back of a share incentive award worth £1.68 million.

A £1.36 million bonus paid to Mark Coombs, chief executive of investment manager Ashmore, led to his 244.7% rise and a total package of £1.94 million.

Jamie Hopkins, chief executive of real estate group Workspace, received a long-term share bonus worth £2.26 million in the year ending March 2015 when none was awarded the year before. As a result his package grew by 235.8% to £3.25 million.

Chris Blackwell stood down as chief executive of drugs group Vectura after 12 years in the job in June 2015, but not before he saw his final full-year package grow by 160.8% to £1.95 million.

Graham Prothero, finance director at construction group Galliford Try, completes the top quintet of pay rises. He moved through the £1 million a year barrier last year as a 102.7% rise took his package to £1.52 million, boosted by an £804,000 long-term share award.

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
Mark Clare	Barratt Developments (6.15)	6,673	3.8
Preben Prebensen	Close Brothers (7.15)	6,052	-18.3
Philip Bowman	Smiths Group (7.15)	4,412	12.8
Ian Meakins	Wolseley (7.15)	4,390	-25.5
Steven Boyes	Barratt Developments (6.15)	4,335	8.9
Stephen Hodges	Close Brothers (7.15)	4,312	-15.4
David Thomas	Barratt Developments (6.15)	4,286	4.7
Jonathan Howell	Close Brothers (7.15)	3,487	-23.7
Frank Roach	Wolseley (7.15)	3,320	-16.7
Jamie Hopkins	Workspace (3.15)	3,247	235.8
Steve Mogford	United Utilities (3.15)	2,884	21.3
Vittorio Colao	Vodafone (3.15)	2,810	-64.9
Greg Fitzgerald	Galliford Try (6.15)	2,793	-13.0
John Martin	Wolseley (7.15)	2,473	-23.7
Jayne-Anne Gadhia	Virgin Money (12.14)	2,305	58.7
Graham Clemett	Workspace (3.15)	2,250	48.6
Andrew Lindsay	Telecom Plus (3.15)	2,175	403.5
Dr Richard Steeves	Synergy Health (3.15)	1,980	-3.6
Chris Blackwell	Vectura (3.15)	1,951	160.8
Mark Coombs	Ashmore Group (6.15)	1,937	244.7
Russ Houlden	United Utilities (3.15)	1,823	14.2
Ian Page	Dechra Pharm (6.15)	1,794	12.9
Ken Gillespie	Galliford Try (6.15)	1,691	-6.4
Nick Read	Vodafone (3.15)	1,662	n.a
Karim Bitar	Genus (6.15)	1,608	83.4
Elizabeth Lee	Close Brothers (7.15)	1,580	-4.0
Graham Prothero	Galliford Try (6.15)	1,516	102.7
Stephen Pusey	Vodafone (3.15)	1,464	-53.3
Lee Rochford	Virgin Money (12.14)	1,373	n.a
John Hutson	JD Wetherspoon (7.15)	1,194	61.1
Haydn Mursell	Kier Group (6.15)	1,079	29.2
Dido Harding	Talk Talk Telecom (3.15)	1,047	-84.7
Stephen Wilson	Genus (6.15)	1,003	76.3

Safety worries over scab agency workers

Using agency workers as strike breakers has repercussions for health and safety, the TUC says.

Hugh Robertson, health and safety officer at the TUC, said the Conservative's *Trade Union Bill* will allow employers to use agency workers to break strikes, something that has been banned in the UK since a Conservative government introduced legislation in 1973.

That will lead to very serious safety concerns as the Bill will allow employers to use inexperienced replacement workers to be brought into the workplace with no knowledge of any of the safety risks. In some cases the risks are obvious.

Using an agency worker to cover a role which requires knowledge of a particular procedure, such as operating complex machinery would be an obvious example, said Robertson, writing on the Stronger Unions blog, but even in workplaces where the risk is not obvious, there can be problems. If a workplace is staffed by agency workers, is the employer going to ensure that they all know about the fire and emergency procedures or that there are first-aiders in place?

Take a group of people from an agency, put them into a workplace at a few days' notice, and you have an accident waiting to happen, he warned.

Robertson said: "The existing rules prohibiting the use of agency workers during strikes were introduced for a good reason, and they are the norm in other countries as well. A majority of European member states have laws or arrangements in place that prohibit or restrict the use of agency workers in establishments where strike action is taking place."

http://strongerunions.org/2015/10/28/using-agency-workers-to-break-strikes-will-threaten-safety/

Bidding for public contracts in Scotland

New statutory guidance for public sector procurement to promote fair work has been produced by the Scottish government.

Those bidding for public contracts in Scotland will now be expected to adopt fair work practices, which may include: paying the Living Wage; no unnecessary use of zero-hours contracts; and giving workers an active voice in the workplace.

EU procurement law prevents the government from making the Living Wage mandatory in contract agreements, but the new statutory guidance means that companies who want to secure business with public bodies are now obliged to sign up to fair work conditions for anyone working on the contracts.

Infrastructure secretary Keith Brown said: "Employers must now recognise that they cannot adopt exploitative practices in relation to their workers and expect to be rewarded with lucrative contracts in the public sector.

"If you want to do business with the public sector in Scotland, you have to be a responsible employer and value your workers. You have to do your bit to make Scotland a fairer and more equal society."

Grahame Smith, general secretary of the Scottish TUC, welcomed the new guidance. "The Fair Work Agenda and the approach taken by the Scottish government to promoting positive industrial relations as being key to economic success is thankfully at odds with attacks on trade unions at UK level," he said. "And these statutory guidelines provide public bodies the opportunity to ensure contractors understand what is expected from them, as part of the public procurement process, and their role in delivering fair work and good terms and conditions for Scottish workers."

http://news.scotland.gov.uk/News/Tackling-low-pay-and-zero-hours-1df8.aspx

Designed and printed by RAP Spiderweb Limited, Clowes Street, Hollinwood, Oldham OL9 7LY Telephone 0161 947 3700