FACT SERVICE

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Twenty-five executives share £66.6 million

Yet another tranche of top executives, who received at least £1 million in their remuneration package last year, feature in the table on page 74.

The lucky 25 are executives of companies quoted on the London Stock Exchange's FTSE 350 index and they received £66.64 million in total last year — that equates to an average package of £2.67 million.

The City of London features in the top two spots. In April 2016, Peter Harrison took over the reins as chief executive of asset management group Schroders. His remuneration package last year was worth £6.29 million, which equates to £121,020 a week.

Meanwhile, Xavier Rolet has been chief executive of the London Stock Exchange (LSE in table) since 2009. His 2016 remuneration package was worth £5.71 million or £109,830 a week.

André Lacroix, chief executive of product testing firm Intertek, takes third spot with a £5.42million package, which works out at £104,270 week.

Year-on-year comparisons can be made for 21 out of the 25 executives and 10 saw their packages increase. Nine of the increases were for 10.7% or more at a time when growth in average weekly earnings in the whole economy was running at only 1.9%.

Matthew Price, chief financial officer of price comparison website Moneysupermarket, tops the list of increases with a 70.7% hike in his remuneration package to £1.39 million a year or £26,810 a week. The increase came on the back of a long-term bonus of over £650,000 paid last year against none received in 2015 — his first full year in the job.

Stephen Young, chief executive of specialist engineering group Meggitt, takes second spot with a 43.4% increase taking him to £1.93 million a year or £37,150 a week. His short-term and long-term bonuses came to £872,000 in 2016 against £312,000 the year before.

Robin Watson, chief executive of energy services firm John Wood, is the third executive to receive an increase of over 40%. Watson was promoted to the top job as from 1 January 2016 so the 41.4% increase in his package to £1.18 million or £22,670 a week reflects his rise up the ranks. Watson's basic salary rose by 28.2%.

David Buttress stood down as chief executive of online takeaway group Just Eat at the end of March 2017 over "urgent family matters". He saw his package shrink by 74.7% to £1.27 million last year. Nevertheless, he still picked up £24,500 a week.

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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.

Executive	Company (financial year ending)	Total remuneration (£000)	% change
Peter Harrison	Schroders (12.16)	6,293	39.0
Xavier Rolet	LSE (12.16)	5,711	-12.5
André Lacroix	Intertek (12.16)	5,422	n.a
Massimo Tosato	Schroders (12.16)	4,959	-0.7
Pete Redfern	Taylor Wimpey (12.16)	3,764	-45.4
Raffaele Jerusalmi	LSE (12.16)	3,125	20.1
Richard Keers	Schroders (12.16)	2,878	1.8
David Warren	LSE (12.16)	2,612	-11.2
Ingrid Johnson	Old Mutual (12.16)	2,584	39.5
Bruce Hemphill	Old Mutual (12.16)	2,480	n.a
Michael Dobson	Schroders (12.16)	2,432	n.a
Maarten Slendebroek	Jupiter Fund Man (12.16)	2,431	-10.5
Peter Plumb	Moneysupermarket (12.16)	2,392	-11.4
Philip Mallinckrodt	Schroders (12.16)	2,307	-8.6
John Chatfield-Roberts	Jupiter Fund Man (12.16)	2,004	n.a
Stephen Young	Meggitt (12.16)	1,932	43.4
Ryan Mangold	Taylor Wimpey (12.16)	1,795	-41.1
David Fischel	Intu Properties (12.16)	1,795	10.7
James Jordan	Taylor Wimpey (12.16)	1,785	-44.6
John Fallon	Pearson (12.16)	1,518	20.2
Matthew Price	Moneysupermarket (12.16)	1,394	70.7
Matthew Roberts	Intu Properties (12.16)	1,391	11.1
David Buttress	Just Eat (12.16)	1,274	-74.7
Edward Leigh	Intertek (12.16)	1,187	-6.1
Robin Watson	John Wood (12.16)	1,179	41.4

MPs slam gig economy

Gig economy companies are free-riding on the welfare state, according to a committee of MPs.

The House of Commons Work and Pensions select committee, in an inquiry that has had to be curtailed because of the election, heard from gig economy companies like Uber, Amazon, Hermes and Deliveroo, and from drivers who work with them.

The evidence taken painted starkly contrasting pictures of the effect and impact of "self-employment" by these companies, the committee found.

Companies relying on self-employed workforces frequently promote the idea that flexible employment is contingent on self-employed status, but the committee says this is a fiction.

The committee said the apparent freedom companies enjoy to deny workers the rights that come with "employee" or "worker" status fails to protect workers from exploitation and poor working conditions. It also leads to substantial tax losses to the public purse, and potentially increases the strain on the welfare state.

Designating workers as self-employed because their contract offers none of the benefits of employment puts cart before horse, the committee said. It is clear, though, that this logic has taken hold, enabling companies to propagate a myth of self-employment. This myth frequently fails to stand up in court, but individuals face huge risks in challenging their employment status that way.

An assumption of the employment status of "worker" by default, rather than "self-employed" by default, would protect both those workers and the public purse. It would put the onus on companies to provide basic safety net standards of rights and benefits to their workers, and make the requisite contributions to the social safety net. Companies wishing to deviate from this model would need to present the case for doing so, shifting the burden of proof of employment status onto the better resourced company.

Frank Field MP, chair of the committee, said: "Companies in the gig economy are free-riding on the welfare state, avoiding all their responsibilities to profit from this bogus "self-employed" designation while ordinary tax-payers pick up the tab.

"This inquiry has convinced me of the need to offer 'worker' status to the drivers who work with those companies as the default option. This status would be a much fairer reflection of the work they undertake which seems to fall between what most of us would think of as 'self-employed' or 'employed'.

"It would also protect them from some of the appalling practices that have been reported to the committee in this inquiry. Uber's recent announcement that it will soon charge its drivers for sickness cover is just another way of pushing costs onto the workforce, to reinforce the impression that those workers are self-employed."

Hermes Legal action has been launched against delivery company Hermes on behalf of eight couriers who believe they are entitled to workers' rights, such as holiday pay and the National Living Wage.

The claims have been launched in the employment tribunal by the GMB general union, represented by law firm Leigh Day. The couriers believe they are being denied workers' rights because they are classed as self-employed.

Maria Ludkin, legal director at the GMB, said the union will "fight bogus self-employment and exploitative practices whenever and wherever we can.

"Under the false claims of 'flexibility' Hermes seems to think it's acceptable to wriggle out of treating its workers with respect."

www.publications.parliament.uk/pa/cm201617/cmselect/cmworpen/847/84702.htm
www.gmb.org.uk/newsroom/hermes-legal-action

Number of health and safety inspectors down

Workers' lives are being placed at risk due to the cut in the number of frontline health and safety inspectors.

Figures obtained by the Unite general union, via a Freedom of Information request, reveal that since 2010 there has been a 25% reduction in the number of Health and Safety Executive (HSE) inspectors. In 2010, there were 1,311 frontline inspectors but by 31 December 2016 that number had reduced to just 980.

The HSE has been in the frontline of the Conservative's obsession with cutting so-called "red tape". The organisation will see its funding cut by the end of this parliament to nearly half (a 46% reduction) of what it was in 2010, and a series of safety laws have also been scrapped.

Unite assistant general secretary Gail Cartmail, said: "HSE inspectors play a vital role in keeping workers safe. Rogue bosses who are prepared to break safety laws, are only kept in check by the fear of being caught and punished. Fewer inspectors mean more bosses willing to risk workers' lives to boost profits."

The cuts to the HSE and safety laws, have made the role of independent union safety reps increasingly vital in ensuring workers are safe at work. Despite this crucial role, the Conservatives have sought to curtail the role and ability of safety reps to undertake their health and safety duties effectively.

www.unitetheunion.org/news/unite-reveal-shock-25-per-cent-cut-in-health-and-safety-inspectors/

Training providers hit by funding cuts

Apprenticeship training providers have reacted with dismay to government cuts to the funding that helps support smaller businesses offering apprenticeships.

Without any prior warning, funding allocations to training providers have been reduced by up to 89% by the Education and Skills Funding Agency (ESFA) for non-levy apprenticeships with many good quality providers, including much needed specialist ones, now fearing that they will go out of business.

Areas of the country face becoming close to "apprenticeship deserts" for young people over the next seven months where there are few or no large levy paying employers to make up the shortfall. Current apprentices could also be cut adrift from their programmes as a consequence, seriously undermining the government's social mobility agenda.

The Association of Employment and Learning Providers (AELP) believes this is madness when the government has been committed to creating three million apprenticeships between 2015 and 2020. Achieving the target is dependent on having a strong base of providers around the country offering apprenticeships across almost the whole range of industrial and service sectors. AELP is now asking if the three million starts target will be dropped from the Conservatives' new election manifesto.

The shock allocations have come after complaints forced the government to reopen its new register of apprenticeship training providers to new applicants at short notice. At the same time, ministers placed a pause on a hugely oversubscribed procurement of non-levy apprenticeship provision, meaning the government's reforms of the apprenticeship programme risk turning into a horror show unless ministers and officials get a proper grip on the process.

Mark Dawe, chief executive of the AELP, said: "Officials must be much more willing to share in private their thinking and methodologies with the principal stakeholders so that we can point out possible mistakes before they are made.... the ESFA needs to go back to the drawing board immediately on the non-levy allocations in order to avert the type of catastrophe that will damage the image of apprenticeships in the eyes of employers, parents and young people."

www.aelp.org.uk/news/pressReleases/details/3-million-apprenticeships-target-under-threat-afte/

Guarantee workers' rights post-Brexit

A study that found that workers in low-skilled sectors face greatest risk from erosion of rights has brought a call from the TUC for workplace rights to be guaranteed in a post-Brexit trade deal with EU.

The report, *Could a bad Brexit deal reduce workers' rights across Europe?*, was commissioned by the TUC from the Work Foundation. It reviews evidence on the relationship between labour standards and foreign direct investment, and it looks at a range of potential consequences for working people in Britain and the EU after Brexit.

The study finds that better labour standards can help attract foreign investment, particularly in high-end sectors, creating a "race to the top" for high-pay, high-productivity jobs. But it also finds that for low-pay and low-productivity sectors, there are real risks of a "race to the bottom" if countries seek to compete by cutting workers' protections.

TUC general secretary Frances O'Grady said: "If we don't put strong protections for working people at the heart of our deal with the EU, Britain could become a bargain basement economy. And this will worry the EU too, as it could drive damaging competition that increases inequality.

"We've already seen the emergence of a low-skill, low-productivity economy that leaves many people trapped in dead-end jobs. Scrapping workplace protections, or gradually falling behind our European neighbours, would increase this trend.

"The next government must get a deal with Europe that protects current rights, like paid holidays, equal pay, and fairness for agency workers. And it must guarantee a level playing field with the rest of Europe now and in the future, so working people in Britain don't fall behind our European neighbours."

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

Firms getting around exclusivity clauses

Firms keen to distance themselves from controversial zero-hours contracts are tying staff to deals which carry many of the same problems and potential abuses, an investigation has found.

Documents seen by Huffington Post website suggest companies are able to exploit loopholes in the law to sidestep a 2015 ban on exclusivity clauses that stop staff working for other firms. And they show how so-called "short hours" contracts enable employers to demand staff to be at their "beck and call".

The contracts have sparked condemnation from unions, with outsourced security staff at the University of London (UoL) going on strike over their use.

One such contract, used by security outsourcing firm Cordant Group at UoL tells employees:

- they will have a minimum of 336 hours of work a year;
- they must always be available to work at short notice;
- they must be available to work at any location in the UK with "reasonable notice"; and
- hours can be allocated randomly throughout the year meaning there may be "periods when no work is allocated".

Unions, a policy expert and an employment lawyer have said such contracts don't differ materially from zero-hours deals but that, crucially, they circumvent current government rules.

www.huffingtonpost.co.uk/entry/zero-hours-and-short-hours-contracts_uk_59021d50e4b0026db1df4159

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