FACT SERVICE

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Twenty-five executives share £77.22 million

Twenty-five more top executives, who received at least £1 million in their remuneration package last year, feature in the table on page 82.

They are all executives of companies quoted on the London Stock Exchange's FTSE 350 index and they received £77.22 million in total last year – that equates to an average package of £3.09 million.

Bob Dudley, chief executive of oil giant BP, heads the list with a remuneration package of £8.52 million – or £163,900 a week.

Dudley's package was cut back after an investors' revolt last year when 59% of shareholders refused to back his package. This year, to the relief of the board, more than 97% of votes at the BP's annual meeting were in favour of the rejigged remuneration policy, according to initial ballot results.

There was no such problem for Ben van Beurden, chief executive of another oil giant, Shell. A total of 93% of Shell shareholders approved the directors' remuneration report which showed that van Beurden's package last year came to £7.05 million or £135,500 a week.

Sir Andrew Witty retired as chief executive of drugs multinational GlaxoSmithKline (GSK) in March this year. His final full-year package in 2016 came to £6.83 million or £131,350 a week.

Year-on-year comparisons could be made for 22 out of the 25 executives and 13 saw their packages grow over the last two financial years. The increases were for 2.5% or more at a time when growth in average weekly earnings in the whole economy was running at only 1.9%; and 11 of the increases were for 11.3% or more – seven-and-a-half times the rise in average earnings.

Stephen Carter, chief executive of publishing and events group Informa, tops the list with a 58.0% increase in his remuneration package, taking him to £3.3 million or £63,290 a week. His pay rise came on the back of a huge increase in his long-term incentive share package.

Shell's van Beurden takes second spot with a 54.1% increase. Meanwhile, Informa finance director Gareth Wright fills third spot with a 43.4% increase taking him to £1.62 million (£31,130 a week). As with his chief executive, Wright's rise was a result on a big payout on his long-term bonus.

Andrew Formica, chief executive of fund management group Henderson, saw his package shrink by 65.3%. Nevertheless, his £2.04 million annual remuneration package equates to £39,170 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
Bob Dudley	BP (12.16)	8,523	-32.7
Ben van Beurden	Shell (12.16)	7,046	54.1
Sir Andrew Witty	GSK (12.16)	6,830	2.5
Simon Henry	Shell (12.16)	4,884	36.4
Dr Moncef Siaoui	GSK (12.16)	4,751	-12.0
Dr Brian Gilvary	BP (12.16)	4,157	-18.3
Bronek Masojada	Hiscox (12.16)	3,892	15.9
Richard Solomons	IHG (12.16)	3,450	7.9
Stephen Carter	Informa (12.16)	3,291	58.0
Simon Dingemans	GSK (12.16)	3,128	-1.2
Richard Watson	Hiscox (12.16)	3,078	15.0
Rupert Pearce	Inmarsat (12.16)	2,230	-14.1
Phil Wagstaff	Henderson (12.16)	2,209	n.a
Derek Muir	Hill & Smith (12.16)	2,134	12.7
Paul Edgeciffe-Johnson	IHG (12.16)	2,044	24.1
Andrew Formica	Henderson (12.16)	2,037	-65.3
Mark Selway	IMI (12.16)	1,886	13.1
Tony Bates	Inmarsat (12.16)	1,723	-0.6
Gareth Wright	Informa (12.16)	1,619	43.4
Aki Hussain	Hiscox (12.16)	1,521	n.a
Bob Murphy	Cobham (12.16)	1,518	11.3
Stefan Bomhard	Inchcape (12.16)	1,403	n.a
Mark Pegler	Hill & Smith (12.16)	1,388	15.8
Bob Mackenzie	AA (1.17)	1,369	-12.1
Roger Thompson	Henderson (12.16)	1,110	-43.0

Rich bankroll Tory election campaign

Forty-five rich individuals have signed cheques worth £3.29 million in total over to the Conservative Party to bankroll their general election campaign. And 10 companies have put a further £8200,000 into party coffers.

Eighteen individuals who gave at least £50,000 each are listed in the table, along with the three corporate donations worth £50,000 or more.

John Griffin, founder of the taxi and courier firm Addison Lee, is the largest donor, signing a personal cheque for £900,000 over to the party.

City money and hedge fund managers fill the next two slots: John Armitage gave £½ million to the party, while Andrew Law gave £¼ million.

The top corporate donation of £400,000 came from property developer and housebuilder JS Bloor (Services).

Overall, the Conservative Party with £4.11 million in donations received £2.43 million more than Labour with £2.68 million in first election week.

For the Labour Party, the Unite general union made three donations totalling £2.36 million in the first week. The CWU communication workers' union gave £175,000, the GMB general union £62,000, and RMT transport union £25,000.

Donations to Conservative Party in first election week

Individuals	Donation
John Griffin	£900,000
John C Armitage	£500,000
Andrew E Law	£250,000
David J Rowland	£200,000
Joyce Edwardson Glover	£125,000
Peter Kane	£100,000
Malcolm Healey	£100,000
Bruce Hardy McLain	£100,000
Matthew R Ferrey	£100,000
Sir Henry Keswick	£75,000
Ayman Asfari	£50,000
Sawsan Asfari	£50,000
Timothy Jones	£50,000
Robert G Doumar Jnr	£50,000
John DS Booth	£50,000
Anthony Reeves	£50,000
Malcolm Walker	£50,000
Michael Tory	£50,000
Companies	
JS Bloor (Services) Ltd	£400,000
Tratos (UK) Limited	£50,000
CEND International Limited	£50,000

www.electoralcommission.org.uk/__data/assets/pdf_file/0004/227227/2017-UKPGE-Pre-poll-donations-and-loans-summary-document-Week-1.pdf

Challenges of an ageing workforce

The challenges posed by the ageing population are not exclusively borne by the younger generation, according to an Institute for Employment Studies (IES) newsletter

IES research associate Jamie Cotton said that longer life expectancy necessitates longer working lives in order for individuals to be able to afford retirement, but healthy life expectancy is not rising at the same rate. Social care costs are rising while funding continues to fall. Informal care is on the rise for the over-50s – and with it, an ever increasing number of "sandwich carers" caring for both their children and their parents.

This creates for significant problems for the government. The old-age dependency ratio – the ratio of workers to retired people – is expected to rise from 27.6% in 2015 to 35% in 2030. This will put pressure on the already-stretched government budget, with lower tax receipts needing to pay for more pensions and the "triple-lock" commitment of a minimum 2.5% rise in the state pension every year to 2020. Meanwhile political pressure post-Brexit makes it difficult to continue to use immigration to stem the ratio's rise.

However, some industries and organisations are particularly affected by the ageing population. In December 2016, IES published research on how Brexit is likely to exacerbate nurse shortages. This paper highlighted how the ageing population is increasing demand for services, with some NHS Trusts expected to see the number of people aged 85 and over in their area increase by over 50%.

In addition, the NHS nursing workforce itself is getting older. With 46% of NHS staff now aged over 45, a significant number of nurses will be looking to retire in the short and medium term.

Without a pipeline of workers from Europe to take up the shortfall, coupled with an expected reduction in the number of nursing students following the abolition of their bursaries, some NHS Trusts face a real challenge in maintaining their workforce.

However, this is not a challenge that is unique to nursing, the IES said. The teaching, construction, and transport industries are all reliant on older workers, albeit to a lesser extent than nursing. Construction and transport are also more likely to be subject to automation, which is likely to result in a shrinking workforce in the future.

A short- to medium-term fix for the industries potentially affected by the ageing workforce is to ensure that older workers retire later. This would have a number of benefits not just to those industries, but also to the government and older workers themselves. First, a higher employment rate among older people will improve tax receipts, helping to finance state pensions. Second, work and health can have a reinforcing effect on each other.

The Department for Work and Pensions' *Fuller Working Lives* initiative is designed to improve the rates of over-50s in work. This has had some success, with 69.6 % of people aged 50-64 in employment in 2015, the highest rate for some years. Nonetheless, this remains below the current employment rate of 74.5% for those aged 16-64, and the government will be looking to understand the reasons for this.

IES has recently collaborated with the Centre for Ageing Better on a rapid evidence assessment to understand what over-50s find fulfilling about work. The report highlighted that the factors which make work fulfilling for older workers are very similar to those for younger workers. Nevertheless, there are some factors which are more important to older workers, including:

- offering flexible or reduced working hours, workplace adjustments, or part-time working;
- being part of an organisation with values that they identify with; and
- responsibility and autonomy in their work, and the ability to pass knowledge onto others.

The report also notes that health has the biggest effect on an older worker's decision to work.

http://www.employment-studies.co.uk/news/challenges-ageing-workforce

http://www.employment-studies.co.uk/resource/labour-market-nurses-uk-and-its-relationship-demand-and-supply-international-nurses-nhs

Few with mental health problems have job

Only one in four people with a mental illness or phobia lasting for 12 months or more are in work, according to a report published by the TUC to coincide with its annual Disabled Workers' Conference.

The report, *Mental health and employment*, contains new analysis of official employment statistics, which finds that while four in five (80%) non-disabled people are in work, people with mental illness, anxiety or depression have substantially lower employment rates.

Only one in four (26%) people with a mental illness lasting (or expected to last) more than a year are in work. Meanwhile, less than half (46%) of people with depression or anxiety lasting more than 12 months are in work.

The TUC is concerned that this suggests employers are failing to make adequate changes in the workplace to enable people with mental illnesses, anxiety or depression to get a job, or stay in work. Mental health problems can often be "invisible" to others, so a lack of mental health awareness amongst managers and employers is also likely to be a factor.

The employment rate for disabled people is increasing, but too slowly for the government to reach its target of halving the disability employment gap by 2020. The TUC estimates it will take until 2025 for those classified in official figures as having long-term depression and anxiety, and until 2029 for people classified as having long-term mental illness.

TUC general secretary Frances O'Grady said: "Not only is the economy missing out on the skills and talents these workers have, but having to leave your job can worsen your mental health."

She called on the next government and employers to do more to support people with mental health conditions. For example, simple steps like giving an employee paid time off to go to counselling appointments can make a huge difference.

"All over the country, union reps are helping working people who have mental health conditions," said O'Grady. "They help with getting bosses to make reasonable adjustments, so that people can stay in work. And they negotiate better support from employers for workers who become ill or disabled. It's one of the many reasons why everyone should get together with their workmates and join a union."

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

Zero action over right to request fixed hours?

The government-commissioned Taylor inquiry into working practices is set to call for employees on zero-hours contracts to be given the right to request a move onto fixed hours, according to the BBC News website. However, unions are not impressed.

TUC general secretary Frances O'Grady said: "This could mean close to zero action on zero-hours contracts. A 'right to request' guaranteed hours from an exploitative boss is no right at all for many workers.

"To make a real change, we should turn this policy on its head. Everyone should be entitled to guaranteed hours, with a genuine choice for workers to opt-out, free from pressure from their boss. And anyone asked to work outside their contracted hours should be paid extra on top of their usual wage."

The "right to request" fixed hours will be similar to the present right to request flexible hours— after having a child for example, BBC News reports

Employers would have to respond "seriously" to the request and give reasons for their decision.

However, the TUC is concerned that employers will simply be able to refuse any request for guaranteed hours, offering no clear evidence or criteria for refusal.

Another TUC concern is that people on zero-hours contracts will be reluctant to ask for fear of being victimised for the request – for example, by not being offered future work.

And if there is no right to be represented (for example by a union rep) when making the request, it will be far harder to successfully request guaranteed hours, the TUC argued.

www.bbc.co.uk/news/business-40005502

www.tuc.org.uk/industrial-issues/%E2%80%9Cright-request%E2%80%9D-could-mean-close-zero-action-zero-hours-says-tuc

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