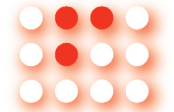


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Directors' pay

Times must be hard when the country is in recession and you can only pick up £4.6 million a year. What's a chief executive to do? Forty-three directors on over £500,000 a year including 29 on £1 million pay packages feature in the table over the page.

They are headed by Bart Becht, chief executive of household products group Reckitt Benckiser. Becht picked up nearly £4.6 million in pay and perks last year and that does not include any share-based performance-related pay.

Almost £2 million back, Clark Manning, who heads Prudential's US arm Jackson National Life Insurance, got £2.75 million in 2008 just beating Frank Chapman, chief executive of energy group BG, into third spot with £2.74 million.

Three women make the list – Marjorie Scardino, chief executive of media group Pearson, takes fifth spot with £2.33 million, while her fellow board member Rona Fairhead, who heads the *Financial Times* operations of the group, picked up £1.1 million. Dorothy Thompson, chief executive of power group Drax received £903,000 in 2009.

Tidjane Thiam of the Prudential, is another rarity – a black chief executive. He took over the reins

at the large insurer in 2008 and picked up £1.96 million in 2009.

Last year, many workers saw their pay frozen but not so for the majority of these top executives. Year-on-year comparisons could be made for 30 of them and 22 got a pay rise in 2009. The man from the Pru Clark Manning topped the rises with a 55.7% hike and fellow board member Barry Stowe, who heads the insurer's Asian operations, got a 39.9% rise.

Defence pays and it certainly does for Ian King of BAE Systems who received a 24.9% rise, reflecting no doubt his promotion to chief executive in 2008.

Another defence manufacturer Roll-Royce fills third spot in the guise of James Guyette, chief executive of the firm's North American activities. Guyette, who picked up £565,000 last year, got a 19.6% rise.

Sam Laidlaw, chief executive of energy supplier Centrica and owner of British Gas, completes the top five with a 16.2% rise taking him to over £2 million a year. With the cold weather carrying on into 2010 the profits of the firm should ensure another bumper pay rise this year.

Ashley Almanza, chief financial officer of energy group BG, has seen his bonus cut by almost £200,000 over the past two years, leaving him with a 10.3% pay cut. Still with a £1.36 million pay and benefits package last year – or £26,195 a week – he may survive.

LABOUR RESEARCH DEPARTMENT

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Director	Company (year end)	Pay (£000)	% change
Bart Becht	Reckitt Benckiser (12.09)	4,593	2.8
Clark Manning	Prudential (12.09)	2,753	55.7
Frank Chapman	BG (12.09)	2,738	-9.7
Ian King	BAE Systems (12.09)	2,650	24.9
Marjorie Scardino	Pearson (12.09)	2,328	13.2
Mark Tucker	Prudential (12.09)	2,162	-2.9
Michael McLintock	Prudential (12.09)	2,129	-1.2
Sam Laidlaw	Centrica (12.09)	2,011	16.2
Tidjane Thiam	Prudential (12.09)	1,955	n.a
Nick Prettejohn	Prudential (12.09)	1,703	n.a
Barry Stowe	Prudential (12.09)	1,688	39.9
Mike Geoghegan	HSBC (12.09)	1,675	0.5
Vincent Cheng	HSBC (12.09)	1,623	n.a
Colin Day	Reckitt Benckiser (12.09)	1,609	4.1
Will Ethridge	Pearson (12.09)	1,513	n.a
George Rose	BAE Systems (12.09)	1,452	6.8
John Makinson	Pearson (12.09)	1,425	14.9
Ashley Almanza	BG (12.09)	1,362	-10.3
Mark Hanafin	Centrica (12.09)	1,294	n.a
Nick Luff	Centrica (12.09)	1,267	5.9
Stephen Green	HSBC (12.09)	1,262	-0.2
Phil Bentley	Centrica (12.09)	1,249	14.7
Martin Houston	BG (12.09)	1,231	n.a
John Varley	Barclays (12.09)	1,123	2.3
Sir John Rose	Rolls-Royce (12.09)	1,110	-1.3
Rona Fairhead	Pearson (12.09)	1,104	6.6
Douglas Flint	HSBC (12.09)	1,102	-0.5
Robin Freestone	Pearson (12.09)	1,102	15.2
Sandy Flockhart	HSBC (12.09)	1,099	n.a
Dorothy Thompson	Drax (12.09)	903	1.0
Chris Lucas	Barclays (12.09)	832	2.1
Stuart Gulliver	HSBC (12.09)	826	n.a
Mike Terrett	Rolls-Royce (12.09)	814	-5.2
Rob Devey	Prudential (12.09)	808	n.a
Andrew Shilston	Rolls-Royce (12.09)	697	-0.1
Sir Robert Wilson	BG (12.09)	682	8.6
James Guyette	Rolls-Royce (12.09)	676	19.6
Dick Olver	BAE Systems (12.09)	663	0.6
Nic Nicadreou	Prudential (12.09)	654	n.a
Colin Smith	Rolls-Royce (12.09)	592	0.2
Mike Turner	BAE Systems (12.09)	591	n.a
Chris Weston	Centrica (12.09)	589	n.a
Harvey McGrath	Prudential (12.09)	542	n.a

Source: Company remuneration reports

New fast track system for tribunals starts

Workers awarded payouts from their former employers at employment tribunals will be given extra help to ensure they receive their payments.

Justice minister Bridget Prentice confirmed the creation of a new Employment Tribunal Fast Track scheme, which will simplify the process for successful tribunal applicants.

From 6 April, they will be able to call on an extended service from the High Court Enforcement Officers if the other party fails to pay the award ordered by the tribunal. An officer will complete the court processes for them and move on to enforcement as soon as possible.

The move is the latest in a series of policies designed to help Employment Tribunal Applicants, created because of the high number of employers failing to pay.

The £70.50 the High Court Enforcement Officer would normally charge the employee if the award could not be recovered will be waived.

Research published by the Ministry of Justice in May 2009 showed 39% of people granted awards by tribunals had not been paid and only 53% were paid in full.

Details of more than 570 individuals and companies who have failed to make payments in the past year have been added to a searchable database (see link below).

The Ministry of Justice began adding them to the register in April 2009 to encourage others to make sure they paid up.

The database, which can be searched by members of the public and credit reference firms, contains details of defaulters who have court judgments, orders, criminal fines and now tribunal awards registered against them.

A telephone advice line for people pursuing awards was set up last year on 0845 456 8770.

The fast track system has been created following discussions with welfare rights group Citizens Advice which has lobbied for a cost-free process to help employees.

The government said enforcement of settlements from employment relations service Acas is expected to be added to the Fast Track scheme at a later date.

Database link: www.truonline.org.uk/
www.justice.gov.uk/news/newsrelease250310e.htm

Acas council gets two union gen secs

Employment relations service Acas has appointed two union general secretaries to its council. Dr Mary Bousted and John Hannett will replace members who are stepping down at the end of their current appointment on 30 April. They will serve as Employee Representative Members.

John Hannett is currently general secretary of the

shop and distribution workers' union Usdaw and is also a Commissioner to the Low Pay Commission.

Dr Mary Bousted is currently general secretary of the ATL teachers' and lecturers' union.

They are joined by Professor Linda Dickens, professor of industrial relations at Warwick Business School, University of Warwick who fills a vacancy as an Independent Member of the Acas council. She currently serves as disputes arbitrator and mediator on the Acas panel and is also a deputy chair at the Central Arbitration Committee.

<http://nds.coi.gov.uk/content/detail.aspx?NewsAreaId=2&ReleaseID=412931&SubjectId=2>

Tories ploughed money into failed banks

The Conservative Party may be campaigning in the general election on their economic responsibility, but, as the *Financial Times* newspaper points out, some aspiring MPs "have not quite escaped the flames of financial crisis themselves".

Among 87 Tory candidates with local government links studied by the FT, Allen Cullens, Bob Blackman, Marcus Jones and Mike Freer were all either leader of or finance minister in local authorities that invested nearly £47 million in Iceland's banking institutions that subsequently failed.

Freer, who could win Finchley and Golders Green on a small swing to the Tories, oversaw £27.4 million of investment into two Icelandic banks while leader of Barnet council. Blackman, now standing in Harrow East, held the finance portfolio at Brent when £15 million was lent to the same two banks.

Both Blackman and Cullens, who put £2 million of Chorley council's reserves into Landsbanki and is now standing in Chorley, did so only weeks before the banks failed, when their investment ratings had already been downgraded. Jones, candidate for Nuneaton, was leader of Nuneaton and Bedworth council when £2 million was invested in Landsbanki in February 2008.

All four defended themselves vigorously at the time. Freer said: "No council could have reasonably foreseen the collapse of Iceland's banks."

Other Tory candidates who have faced scrutiny over their work in local government include Brandon Lewis, who is standing for the Great Yarmouth seat.

Lewis, as leader of Brentwood council, saw the Audit Commission refuse to sign off on his final year of accounts because it said the books were in such a mess. Lewis blamed the previous administration.

www.ft.com/cms/s/0/5781826e-4114-11df-94c2-00144feabdc0.html

Recognition win at wind group

General union Unite has won union recognition for service technicians working UK-wide for the Warrington-based Vestas Celtic Wind Technology.

The company is part of the Danish company Vestas Wind Systems which closed its Vestas Blades plant on the Isle of Wight after a workers' occupation last year to keep the profitable plant open.

www.cac.gov.uk/index.aspx?articleid=2887

Big business attacks public sector pensions

UNISON, the UK's largest public sector trade union, hit back angrily at the CBI business lobby group's scaremongering, after they claimed that public sector pensions have created a "black hole" in government finances.

The union called on the CBI to focus on the very profitable private companies that are closing their defined benefit (or final salary schemes) pension schemes, forcing staff to pay into defined contribution (or money purchase schemes) which depend on the performance of shares.

Dave Prentis, UNISON general secretary, said: "The CBI's talk of a pensions 'black hole' is alarmist and wrong. There is no pensions D-Day on the horizon, every public sector worker will not retire on the same day and claim their pension.

"Public sector pension schemes have already been through a comprehensive review. They are affordable and sustainable in the long term. The retirement age for most public sector workers is already 65, and far from being gold plated, the average woman working in local government can expect just £2,600 a year, or £40 a week when they retire.

"The Swedish model it draws on is not the answer. Inequalities and extremes of pay are far greater in Britain than Sweden. And giving retired workers

a lump sum, leaves them vulnerable to pensions mis-selling and disreputable pensions' advisors, hungry for commission.

"Instead of attacking public sector pensions, the CBI needs to look in its own backyard. It should turn its firepower on the boardroom bosses who award themselves huge pensions, and low retirement ages, but close their schemes to staff.

"The real time-bomb for the taxpayer is the means-tested benefits bill, and increased take up of social care and health services, to support people shut out of saving for their retirement. Closing public sector schemes would see this bill, and the liability to the taxpayer, skyrocket by billions."

The CBI said that its latest research shows that, because these pensions include an unpredictable guarantee from employers, and staff contributions are out of kilter with payout levels, the financial 'black hole' for unfunded public sector pensions is £10 billion every year. The total overall liability for these schemes has mushroomed to one trillion pounds, or £40,400 for every UK household, the CBI alleges.

The picture is complicated because public sector pensions vary greatly in size and structure depending on the employer. Some, such as the local government scheme, have more transparent arrangements and are 'funded', unlike for example the civil service, which is 'unfunded'. However, the CBI believes that, taken as a whole, the current approach to public sector retirement is simply not sustainable.

www.unison.org.uk/asppresspack/pressrelease_view.asp?id=1818
www.cbi.org.uk/ndbs/press.nsf/

April brings changes to employment law

A number of changes to legislation affecting employees have taken effect in early April.

"Fit notes" From 6 April 2010, the existing system of sick notes is replaced by a fit-note system under which a person's GP can suggest adjustments to an employee's role and/or workplace to enable them to return to work.

The TUC has published a guide to the new method for reporting sickness. Brendan Barber said: "Many employers lack the occupational advice support needed to act on a doctor's recommendations. That's why we've produced this guide to get em-

ployers and unions working together to get round any problems the changes could create."

Statutory maternity and paternity pay From 4 April 2010, the standard rates of statutory maternity pay, statutory paternity pay and statutory adoption pay will increase from £123.06 to £124.88 a week.

Pension age April sees the start of the equalisation process of the pension age for women. The state pension age for women born on or after 6 April 1950 starts increasing to 65 between 2010 and 2020.

Training From 6 April 2010, employees have a legal right to make a request in relation to study or training – for example, time off work to study. The right is modelled on the procedure allowing parents and carers to make a request for flexible working. A refusal of a request must be on one or more grounds specified in the legislation (see *FS13*).

www.tuc.org.uk/extras/fitnote.pdf
www.dwp.gov.uk/docs/benefitrates2010.pdf
www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG_4017919
www.direct.gov.uk/en/Employment/Employees/Timeoffandholidays/DG_183635

Vice-chancellors on a nice little earner

Universities spent 11% more on vice-chancellors than in the previous year, a new report reveals.

A pay survey in *Times Higher Education* has revealed that universities spent 10.6% more on vice-chancellors' pay and benefits in 2008-09 than they did in the previous year. During the same period, staff received a nationally-agreed pay rise of 5%.

University and college lecturers' union UCU said the lack of transparency over vice-chancellors' pay rises and benefits, coupled with enormous pension contributions, continued to be a source of ridicule for universities.

Embarrassingly, the news of the huge rises for vice-chancellors comes just days after universities offered the higher education unions a pay freeze for this year.

www.ucu.org.uk/index.cfm?articleid=4533