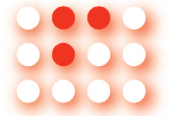
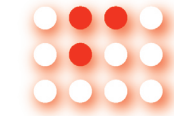


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ESA benefit is not fit for purpose

A new benefit promising to end the UK's sicknote culture has been condemned as unfit for purpose by Citizens Advice Scotland, who called for an urgent review.

Employment and Support Allowance (ESA) was introduced 18 months ago to replace incapacity benefit and income support paid on the grounds of incapacity. But its new medical assessment has led to allegations by Citizens Advice Scotland that it targets the most vulnerable.

A BBC Scotland investigation found that under ESA, more than two-thirds of claimants are being found fit to work, almost 20% more than the government had planned.

It is now the most commonly appealed benefit, with 8,000 tribunals heard every month across the UK – and 40% of decisions are being reversed.

So far, only those claiming after 2008 have undergone the medical, but longer-term claimants are due to be transferred to ESA in October.

ESA's controversial medical assessment is based on a points system. Those scoring 15 or more are

entitled to extra money, and support back into employment. Meanwhile, those scoring less than 15 have to apply for Jobseeker's Allowance, which is paid at a lower rate, or find work.

However, the Department for Work and Pensions believes ESA is the best way to ensure people get back to work. And the department plans to press ahead with the roll out from October and it is expected to be implemented nationally from next year.

<http://news.bbc.co.uk/1/hi/scotland/10159717.stm>

Economic recovery in UK is still on course

The UK economy grew faster in the first quarter of 2010 than first thought, according to the latest official estimates from the Office for National Statistics (ONS).

The economy, as measured by gross domestic product (GDP), increased by 0.3% in the first quarter against the final quarter of 2009, above the 0.2% growth in the preliminary estimates.

The production industries (manufacturing, mining and energy) also increased by 1.2% on the previous quarter. And in that figure, manufacturing output increased by 1.2% against the 0.7% rise first thought, the ONS said.

LABOUR RESEARCH DEPARTMENT

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Output of the services industry rose by 0.2%, while construction output is estimated to have fallen by 0.5%.

www.statistics.gov.uk/pdfdir/oie0510.pdf

Directors' pay

Delegates representing 60,000 staff at BT telecoms group at the CWU communication workers' union conference have voted unanimously to hold a strike ballot as the current standoff over pay continues.

The vote came as BT published its annual report which showed chief executive Ian Livingston received £2.11 million in the year ending March 2010. That sum included a £1.2 million bonus – equivalent to 142% of his basic salary of £850,000 a year.

Livingston is one of 26 top executives featuring in the table below. They earned over £500,000 each with 19 picking up over £1 million last year. The total pay and benefits bill, excluding long-term share bonuses, for the 26 comes to £28.3 million or an average of £1.09 million for each executive. On a weekly basis, the average is £20,913.

After Livingston, Paul Polman, chief executive officer of home, food and personal care giant Unilever, takes second spot with £1.89 million.

Serco are looking to bank on profits from more government outsourcing (see *Fact Service* issue 20). And Christopher Hyman, the group's chief executive, will be looking to benefit in his pay packet which last year totaled £1.58 million. Hyman earns £6,000 more in a week – £30,365 – than the average Serco employee earns in a year – £24,296.

Year-on-year comparisons could be made for 25 top executives and 19 got a pay rise last year. Thirteen of the rises are for 11.2% or more when average earnings for the whole economy have been rising by 6.8% at most (see story this issue).

The top five pay rises went to executives at either BT or house builders Persimmon.

Livingston again comes out on top with a 69.3% rise overall. Meanwhile, Gavin Paterson and Hanif Lalani of BT take third and fifth spots with rises of 62.3% and 44.8% respectively.

Mike Killoran, finance director of Persimmon, saw his pay rise by 66.7%, while chief executive Mike Farley pocketed a 47.2% rise.

Director	Company (year end)	Pay £000	% rise
Ian Livingston	BT (3.10)	2,105	79.3
Paul Polman	Unilever (12.09)	1,894	-52.2
Christopher Hyman	Serco (12.09)	1,579	33.8
Tim Breedon	Legal & General (12.09)	1,440	43.1
Allan Cook	Cobham (12.09)	1,421	7.5
Andrew Sukawaty	Inmarsat (12.09)	1,283	31.7
Mike Farley	Persimmon (12.09)	1,269	47.2
Mark Gunter	Wm Morrison (1.10)	1,172	11.2
Hanif Lalani	BT (3.10)	1,166	44.8
Richard Pennycook	Wm Morrison (1.10)	1,165	15.2
John McDonough	Carillion (12.09)	1,162	-18.1
Marc Bolland	Wm Morrison (1.10)	1,159	-31.8
Gavin Patterson	BT (3.10)	1,133	62.3
Tony Chanmugam	BT (3.10)	1,109	n.a
Jim Lawrence	Unilever (12.09)	1,031	-53.7
Andrew Stevens	Cobham (12.09)	989	4.2
Martyn Jones	Wm Morrison (1.10)	969	18.3
Warren Tucker	Cobham (12.09)	929	5.7
Andrew Jenner	Serco (12.09)	888	21.5
Nick Salmon	Cookson (12.09)	760	21.4
Mike Killoran	Persimmon (12.09)	675	66.7
Sir Michael Rake	BT (3.10)	670	6.3
John Pollock	Legal & General (12.09)	654	33.5
Rick Medlock	Inmarsat (12.09)	570	16.1
Don Kenny	Carillion (12.09)	548	-20.1
Dennis Proctor	Hunting (12.09)	535	-33.2

Source: Company remuneration reports

Employers fail to back paternity leave

Few employers are currently embracing paternity leave, presenting the new government with a significant challenge in implementing its ideas on flexible parental leave, research by the Chartered Institute of Personnel and Development (CIPD) has shown.

Only two out of five (40%) of organisations offer working fathers two weeks' leave at or near the full rate of pay. Meanwhile, around a quarter (24%) offer no paid paternity leave beyond the two-week statutory level, the CIPD/KPMG *Labour Market Outlook* 'Employer Focus' survey of 800 respondents found.

Both the Conservatives and the Liberal Democrats committed to introducing flexible parental leave in their manifestos, involving some ability to transfer leave from mothers to fathers.

Mike Emmott, employee relations adviser at the CIPD, said "The intractable challenge to both the government and employers lies in encouraging more working fathers to take up their entitlements to paid paternity leave.

"If flexible parental leave is going to become a reality, we need a step-change in the reward policies of UK organisations that encourages more fathers to take their statutory rights.

"This is something that will only be achieved through cultural change – and legislation is emphatically not the answer. The new government will have to think imaginatively if it is to nudge and lead this change."

<http://www.peoplemanagement.co.uk/pm/articles/2010/05/employers-not-backing-paternity-leave-cipd-survey-finds.htm>

Earnings growth posts another sharp rise

Average earnings showed another sharp rise in March, according to the latest figures from the Office for National Statistics.

The average earnings index (AEI) showed annual growth of 6.8% in March, against a revised figure of a 5.9% rise the previous month. The AEI has been replaced as the official earnings measure by the average weekly earnings (see *Fact Service*, issue 16).

The sectoral figures show that growth in manufacturing was into double figures in percentage terms with a 10.8% rise against 5.9% the previous month.

Services showed 6.3% growth against 6.4% the previous month and the overall private sector rise was 7.6% – up from 6.8% in February.

Growth in public sector earnings was more modest with a 4.0% growth, against 2.3% previously.

Headline average annual earnings growth (the three-month rolling average) for the whole economy was a provisional 4.5% in the first quarter of the year – up from 2.6% growth in the previous three months to February.

Manufacturing posted a 7.3% rise in the first quarter of 2010 against 5.1% in the three months to February.

Service sector growth was up to 4.3% from 2.4%, while in the private sector as a whole, growth was up to 4.9% from 2.7%.

In the public sector, earnings growth was up to 2.9% in the first quarter of the year from 2.1% in the previous three months to February.

Average earnings indices¹

	Whole economy	Manufacturing	Services	Private sector	Public sector
2000=100					
2009					
March (r)	135.4	133.9	135.8	133.8	141.8
April	138.5	136.5	139.4	137.7	142.8
May	138.4	135.7	139.3	137.4	142.9
June	138.5	136.3	139.4	137.3	143.5
July	138.3	135.7	139.1	137.0	143.2
August	138.8	137.5	139.5	137.6	143.7
September	139.0	138.0	139.8	137.8	144.2
October	139.4	138.5	140.1	138.3	144.3
November	139.5	139.8	139.0	137.3	144.8
December	139.4	141.0	138.9	137.4	144.2
2010					
January (r)	139.0	142.6	138.7	137.3	145.3
February (r)	141.5	143.1	141.4	140.3	145.7
March (p)	144.6	148.4	144.4	144.0	147.5
% annual change					
Single month	6.8	10.8	6.3	7.6	4.0
3-month average ²	4.5	7.3	4.3	4.9	2.9

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses. ² The average of the seasonally adjusted data for the latest three months compared with a year earlier. (p) provisional, (r) revised

www.statistics.gov.uk/downloads/theme_labour/AEI/Publicationdata201003.xls

Union takes challenge to European court

Transport union RMT has lodged claims in the European Court of Human Rights after being the subject of an injunction in the UK courts and suffering further because of anti-union legislation in the UK.

It is arguing that its ability to organise industrial action to protect its members is restricted by UK law and that this amounts to a breach of Article 11 of the *European Convention on Human Rights and Fundamental Freedoms* – the right to form and to join a trade union.

The cases that RMT are challenging at European level are the EDF Energy court challenge and Hydrex dispute. These involved two groups of RMT members who balloted for industrial action last autumn.

The arguments that RMT is putting forward are as follows:

- the statutory requirement for the union to serve on an employer a notice which must fulfill onerous conditions such as providing the identification of the specific job descriptions of the intended voters; and

● the absolute prohibition on unions organising solidarity industrial action (even where the secondary employer is closely associated with the primary employer in dispute).

EDF Energy won an injunction against a strike by RMT members last October. The grounds for the court's decision was that the notice of ballot had not sufficiently particularised the job descriptions of the members who were to be balloted.

Meanwhile, in the Hydrex dispute, in September 2009 the company tried to impose new terms and conditions on these members which were less favourable than those they had enjoyed when they worked for Jarvis plc.

The members organised industrial action, and the union wanted to call out its members at Jarvis plc who had continued to work closely with the Hydrex members following the transfer.

However, UK law prohibits a trade union calling industrial action by members other than those employed by the employer directly in dispute.

As a result the members at Jarvis were denied the right to take strike action in solidarity, the members at Hydrex were denied the support of their colleagues and the union was denied the chance to take what would have been the most effective strike action for the purposes of protecting its members' interests.

RMT general secretary Bob Crow said: "RMT is in no doubt that the fundamental human right to withdraw labour has been systematically undermined.

"This is clearly shown by the EDF and Hydrex cases and we have no option but to take these matters to the European Court in a bid to protect the rights of our members and of working people in Britain."

www.rmt.org.uk/Templates/Internal.asp?NodeID=136131&int1stParentNodeID=89732

Blacklist bosses to be named and shamed

Construction bosses who personally sanctioned the use of blacklists in the industry are set to be named and shamed.

The move means managers at construction giants like Balfour Beatty, Kier and Sir Robert McAlpine could be publicly outed for their role in the blacklist scandal.

The decision follows a 12-month legal fight by anti-blacklist campaigners to have full records made public of the blacklist investigation which rocked the industry last year.

Employment details of thousands of workers were held by a shadowy organisation called The Consulting Association which was used by contractors to vet prospective employees. The Consulting Association and its owner Ian Kerr were successfully prosecuted last year.

Now blacklisted builders have won a legal battle which means investigators at the Information Commissioner's Office who led the blacklist probe must reveal full details of a number of test cases.

Other victims of the blacklist are expected to follow suit and bring claims for full disclosure following the ruling by Manchester Employment Tribunal.

The test cases involve three workers Phil Willis, P. Tattersfield and Steve Acheson.

A spokesperson for the Blacklist Support Group said: "This is a major victory for blacklisting campaigners in the courts. Most of the multi-national companies involved in The Consulting Association conspiracy have frustrated all attempts to gain further documentation in this case – now the evidence will be out in the public domain for all to see.

"The un-redacted files are likely to identify the names of the actual managers that supplied the information to the centralised blacklist database."

The court order states that the Information Commissioner's Office shall give disclosure to all parties of the following documents:

- an un-redacted version of each claimant's Consulting Association records;
- extracts from The Consulting Association database that shows the use made by each respondent of the database including any accounting records;
- copies of any invoices, receipts or other documents and correspondence sent to or received from each respondent in the records of The Consulting Association and
- any document necessary to identify construction companies by name from the codes used in The Consulting Association records.

www.constructionenquirer.com/2010/05/20/blacklist-bosses-to-be-named-and-shamed/