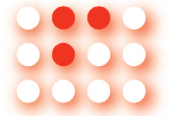
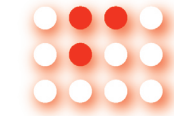


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Employers should keep red card in pocket

Employers should not score an own goal during the World Cup and should allow staff who wish to watch televised games to do so, either away from work or if appropriate, somewhere on the company's premises, says the TUC.

Rather than showing staff the red card for throwing "sickies" in order to catch the games from South Africa, the TUC believes this month's football tournament is a perfect opportunity for employers to introduce working flexible hours.

Many workplaces already operate a system of flexi-time which allows staff the freedom beyond their core hours to come in early and go home early, or get into work late and leave the office later.

The TUC believes that flexible working has real benefits for businesses and also for their workforces, and is calling on those employers yet to embrace greater flexibility to use the World Cup as an opportunity to try it

TUC general secretary Brendan Barber said: "Rather than impose a blanket ban on football, and run the risk of de-motivating staff and losing hours through unauthorised sick days, we would encour-

age employers to let people watch the games if they like – and claim back their time afterwards. That way, everyone wins."

Surveys have shown that people in the UK work the longest hours in Europe and the TUC believes rigid working hours contribute to their unhappiness.

"Whether it's about watching great sporting events like the World Cup or collecting children from school, allowing people more flexibility makes them happier and, ultimately, more productive for their employers.

"Employers who adopt flexible working patterns see the benefits because their production rates go up, they have less absenteeism and a more contented workforce,"

The TUC's Worksmart website has advice and guidance for staff who want to watch the games.

www.tuc.org.uk/work_life/tuc-17980-f0.cfm

www.worksmart.org.uk/rights/viewssubsection.php?sun=100

Stay of execution urged on public sector cuts

The government should construct a growth strategy based on expanding private sector jobs in all regions and countries of the UK, in order to tackle

LABOUR RESEARCH DEPARTMENT

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the deficit, according to the independent authority on employment The Work Foundation.

Cut, tax, grow?, the foundation's new policy prospectus, warns that until a recovery is in place, triggering big cuts in the public sector workforce would be counter-productive.

The first requirement is that enough new jobs in the private sector are generated in order to bring unemployment down. Total employment in the private sector was still falling according to the statistics available at the time of writing. This suggests the government should be wary of making big cuts in public sector employment before the private sector is hiring in sufficient numbers to take up the slack.

Ian Brinkley, director of the knowledge economy programme at The Work Foundation said: "Much of the public debate and discussion has been on reducing the deficit through public spending cuts and tax rises. However, any successful deficit reduction strategy must encourage growth and jobs and this has so far received little attention in the public debate. The new government must focus on growth as well as cuts."

The pace of cut-backs in the public sector must also be sensitive to the impact on the regions.

"A key objective must be to grow the private sector outside the South East. Economic activity in the UK became dangerously skewed towards excessive reliance on public sector job generation over the past decade: 70% or more of net job generation came from the public sector in much of the Midlands and North," Brinkley said. "This imbalance must be corrected, but at a pace and in a way that does not cripple the economic base in areas where the public sector represents the main source of high value knowledge intensive activity."

www.theworkfoundation.com/Assets/Docs/Publications/Cut,%20Tax,%20Grow.pdf

Coalition commitments on flexi and equal pay

Commitments to flexible working and equal pay were included in the Queen's Speech delivered at the end of May, but they do not form part of the legislative programme for the moment.

The Coalition document says: "We will extend the right to request flexible working to all employees, consulting with business on how best to do so."

And on equal pay that it will "promote equal pay and take a range of measures to end discrimination in the workplace".

The right to request flexible working is currently available to employed parents of children aged 16 and under, parents of disabled children up to 18 and carers of certain adults.

Extending the right to request flexible working to all will ensure that individuals within the wider caring structure, such as grandparents and neighbours will be able to take a more active role in caring and manage their work and family lives effectively.

This extension will it is hoped also help to remove the stigma attached to flexible working requests at the moment.

According to the Number 10 website: "Flexible working is good for:

- business, as it enables them to draw on a wider pool of skills and talents in the workforce, improve recruitment and retention rates, and increase staff morale and productivity;
- society, in helping individuals to find working patterns that match their other responsibilities, and balance work and home life; and
- families, as it enables families to spend time with their children as well as work and contribute to the family income."

But the coalition government wants to take the time to consult fully with business and families, to identify the best way to make this extension. So there is no rushing in with legislation on this issue before a full consultation.

The gender pay gap has declined since 1975, so that now the full-time mean pay gap is 16.4%. Nevertheless progress towards equal pay for women is slow, and more action is needed than is provided in the *Equality Act 2010*.

The causes of the gender pay gap are complex and include the concentration of women in particular industries; the negative effect on wages of having previously worked part time or having time out to look after family; formal educational levels and unobservable factors, which could include sex discrimination.

Action to tackle the pay gap could involve a range of non-legislative and legislative measures. These include extending the right to request flexible working to all employees, promoting a system of flexible parental leave and looking to promote gender equality on the boards of listed companies.

Unions gave a cautious welcome to the commitments. TUC general secretary Brendan Barber said: "It's important to consult with both employers and unions on any new measures, but the government will soon find that genuinely bold measures to close the pay gap will be opposed by business groups. Ministers must stand up to their pleading.

"Increasing the number of women on the boards of listed companies is a worthy objective but this will need a fundamental shift in boardroom attitudes where men's club rules still operate.

"And while extending the right to request flexible working and promoting a system of flexible parental leave could bring positive changes to UK workplaces, the millions of employees set to benefit will not want to wait years before they get this new right."

Flexi is valuable Employees believe that flexible working is the most valuable benefit they can be offered, beating many financial rewards, a new PricewaterhouseCoopers (PwC) survey has revealed.

PwC's *Managing tomorrow's people* report found that flexible working arrangements were rated the most important benefit by nearly half (47%) of the 1,200 UK workers surveyed, above performance-related bonuses, which came second at 19%.

Flexible working was a priority for a significant number of both men and women, with 41% and 54% respectively ranking such a benefit the most valuable, according to the survey.

A better work-life balance was seen as more achievable in the long term by 42% of respondents, compared to a considerable increase in responsibility and salary, which was cited by 39%.

www.number10.gov.uk/queens-speech/2010/05/queens-speech-flexible-working-and-equal-pay-50606

www.tuc.org.uk/equality/tuc-17975-f0.cfm

www.peoplemanagement.co.uk/pm/articles/2010/06/flexible-working-valued-more-than-bonuses.htm

Pension schemes are closed to new entrants

More than 75% of final salary or defined benefit (DB) pension schemes have been closed to new entrants, according to Capita Hartshead's annual *Pension scheme administration survey*. This figure is up from 71% in 2009.

The survey, which covers 414 UK workplace pension schemes run by 280 organisations, also found half of respondents (51%) are likely to revise current scheme benefits to hold down costs in the face of the introduction of auto-enrolment.

In addition, 31% of eligible employees have chosen not to join their employer's pension arrangement and there seems to be little expectation that auto-enrolment, which will come into effect in October 2012 will improve this significantly.

Based on experience, respondents expect 25% of employees to exercise their right to opt out. Among defined contribution (DC) also known as money purchase schemes the opt-out rate is expected to be 40%.

Two-thirds of pension schemes that had previously ruled out the possibility of outsourcing their administration would now consider doing so. This is up a full 35 points on last year's survey and is most prevalent among DC schemes.

Capita Hartshead's Paul Sturgess said: "It is no surprise people are taking a cautious view this far ahead of October 2012. Everyone has been affected by the recession and there is more hardship to come as the government's steps to reduce the national debt start to bite.

"Once auto-enrolment comes into effect, I would expect to see fewer people opting out than predicted, if only due to inertia. Our job in the pensions industry is to use the next two years to increase the level of understanding so that people make a positive choice to save towards their retirement."

www.employeebenefits.co.uk/item/10711/pg_dtl_art_news/pg_hdr_art/pg_ftr_art

Hazardous substances – new LRD booklet

Hazardous substances are used in almost every workplace – offices, factories, building sites, shops, schools, hospitals, kitchens, parks, gardens and farms.

The TUC estimates that over seven million – one in three – of all workers in Britain breathe in harmful fumes and dusts on a daily basis in the course of their work. These substances can cause skin diseases like dermatitis, lung diseases like asthma, and in some cases such as asbestos, even fatal cancers like mesothelioma.

Health and safety in the workplace has always been a priority for unions, and trade union success in influencing change can be seen as a result of campaigns on hazardous substances such as those for legal asbestos controls and justice for asbestos victims, a successful campaign for an Approved Code of Practice (ACoP) on asthma, and an awareness raising campaign on the causes and prevention of occupational asthma.

At workplace level it is trade union safety reps and other workplace representatives who play a key role in making sure that these preventable diseases are actually prevented by taking action to protect their members in their workplaces.

Hazardous substances – a guide for safety reps gives examples of the kind of action being taken to tackle hazardous substances at work as well as detailing the relevant health and safety law. It explains in a clear and concise way about where hazardous substances can be found and how exposure can be prevented or controlled.

www.lrdpublications.org.uk/publications.php?pub=BK&iss=1504, *Hazardous substances – a guide for safety reps*, £5.75 from LRD, 78 Blackfriars Road London SE1 8HF

UK takeovers abroad fall to record low

Spending on mergers and takeovers abroad by UK companies fell to an historic low, according to the latest official figures.

In the first quarter of 2010, spending fell to just £0.2 billion from £1 billion the previous quarter. The latest figure is the lowest reported in value since records began in 1987.

There were 10 acquisitions abroad, however they were offset by UK companies selling off four companies with a combined value of £2.3 billion. The two biggest sales were by mining multinational Rio Tinto which sold two Alcan packaging subsidiaries for a combined sum of £2 billion.

Mergers and takeovers in the UK by UK companies were also at a low level, in terms of value, with 52 deals worth a total of just £1 billion. The biggest deal was Barclays' purchase of Standard Life Bank for £0.2 billion.

The number of deals by foreign companies in the UK was up, but their value was marginally down, with 41 deals worth £14.3 billion in total. The big

deal in the quarter was Cadbury's controversial takeover by US giant Kraft Foods for a reported £11.5 billion.

The deal went through despite strong campaigning by the Unite general union against the takeover.

Merger and takeover activity involving UK companies

	Over-seas by UK firms		In the UK by foreign firms		In the UK by UK firms	
	No	£bn	No	£bn	No	£bn
2004	305	18.7	178	29.9	741	31.4
2005	365	32.7	242	50.3	769	25.1
2006	405	37.4	259	77.8	779	28.5
2007	441	57.8	269	82.1	869	26.8
2008	298	29.7	252	52.6	558	36.5
2009	118	10.1	112	32.0	286	12.2
2007						
Q2	105	17.6	75	51.5	212	10.1
Q3	141	9.9	80	15.0	258	7.8
Q4	87	25.8	53	9.2	208	3.2
2008						
Q1	86	15.9	86	21.1	172	4.5
Q2	91	5.7	63	20.0	183	9.6
Q3	72	4.2	54	3.2	104	4.1
Q4	49	3.7	49	8.3	99	18.2
2009						
Q1 (r)	17	3.7	28	12.4	88	8.2
Q2 (r)	32	2.8	22	0.6	59	0.7
Q3 (r)	28	2.6	28	3.9	62	1.9
Q4 (r)	41	1.0	34	15.1	77	1.4
2010						
Q1 (p)	10	0.2	41	14.3	52	1.0

(p) provisional (r) revised

Prudential One overseas deal that won't be featuring in future figures is that of UK insurer Prudential buying AIA, the Asian business of US insurer AIG. The deal collapsed after Prudential failed to negotiate a lower price for AIA.

Prudential had sought to fund the takeover by raising £14.5 billion from shareholders through a rights issue, the biggest in the UK's history.

But a number of the company's shareholders were opposed to the bid, believing the price being offered was too high.

They formed a rebel shareholder group, the Prudential Action Group, which planned to oppose the deal at a shareholder vote due to be held on 7 June. That vote will not now be held.

www.statistics.gov.uk/pdffdir/ma0610.pdf
http://news.bbc.co.uk/1/hi/business/10211773.stm

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