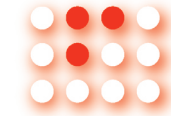


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## Prince's princely profit

The Prince of Wales's private income rose last year to £17.2 million – but less official travel meant he received a cut in grant-in-aid and money from government departments, that is, taxpayers' money. This meant his total income and funding was down by 3.4% to £18.83 million from £19.49 million.

Prince Charles's private income from the Duchy of Cornwall rose by 4.3% to £17.2 million, with a further £1.66 million from the public purse in grant-in-aid and from government grants for his official travel, communications and property maintenance.

The Duchy of Cornwall, established to provide income for heirs to the throne in 1337 when Edward III bestowed estates on his son the Black Prince, now consists of almost 135,000 acres of land in 23 counties, mainly in the south west of England.

According to the Duchy's accounts, revenues rose by 8.8% to £22.0 million in the year ending March 2010 and the Duchy's net surplus was £17.2 million – a 4.3% increase on the year before.

In money terms, the big factor in the increase was more income from the Duchy's commercial properties, but in percentage terms the biggest increase – 12.8% – came from residential properties, including the Prince's pet project Poundbury.

The value of the Duchy's property rose by 11.0% to stand at £677 million at the end of March 2010 against £610 million the year before.

According to the Prince of Wales's website, he paid £3.48 million in income tax and VAT – £391,000 more than the year before. But as a proportion of the £17.2 million surplus from the Duchy the tax rate works out at only 20%.

[www.duchyofcornwall.org/Annual\\_Report\\_09-10.pdf](http://www.duchyofcornwall.org/Annual_Report_09-10.pdf)  
[www.princeofwales.gov.uk/mediacentre/index.html](http://www.princeofwales.gov.uk/mediacentre/index.html)

## Transsexual wins right to pension at 60

A married transsexual has won a legal battle to receive a pension from the age of 60.

Christine Timbrell, who was born Christopher Timbrell but had a sex-change operation 10 years ago, applied for a state pension in 2002 after reaching the age of 60, but was denied one because she was still married to wife Joy. The marriage meant that her new gender status was not recognised by law, and she was told she would have to wait for her 65th birthday.

Under the 2004 *Gender Recognition Act*, transsexuals are entitled to enjoy the full status of their new

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gender, but married transsexuals could apply to have their gender recognised only if their marriages are annulled or dissolved. This did not apply to the Timbrells, who are happily married and still living together.

Timbrell appealed the decision, arguing that it was unreasonable for her to be forced to end her happy marriage in order to qualify for the pension. This week, the appeal court ruled in her favour and she will now receive back-dated pension payments from when she reached the age of 60.

Lord Justice Aikens, giving the ruling of the three appeal judges, said that before the *Gender Recognition Act* in 2004, English law had no way of dealing with a person who had changed gender, meaning "once a man, always a man".

But he said that a total lack of legal framework to allow UK law to recognise gender change and obtain a pension was discrimination, and that the Department for Work and Pensions therefore had no right to deny Timbrell a pension at 60.

[www.peoplemanagement.co.uk/pm/articles/2010/06/married-transsexual-wins-right-to-pension-at-60.htm](http://www.peoplemanagement.co.uk/pm/articles/2010/06/married-transsexual-wins-right-to-pension-at-60.htm)

## Earnings growth dips

Average earnings showed the distorting effect that City bonuses can have on the official earnings figures. The monthly rise in April was 1.0% against 6.6% in March and 5.6% in April.

The sectoral figures show that growth in services was 0.6% against 6.1% the previous month and the overall rise for the private sector was down to 0.7% from 7.2% in March.

Growth in manufacturing was down to 3.7% from 10.5% the previous month.

Meanwhile, growth in public sector earnings was more modest with 1.7% growth, against the 4.2% rise in March.

Headline average annual earnings growth (the three-month rolling average) for the whole economy was steady at 4.3% in the three months ending April.

Manufacturing posted a 6.6% rise in the three months to April against 7.1% in the three months to March.

Service sector growth was steady at 4.2% while in the private sector as a whole, growth edged up to 4.8% from 4.7%.

In the public sector, earnings growth was down to 2.7% in the period ending April from 4.2% in the previous three months to March.

Excluding bonuses from the figures produces a more even trend. The headline average for the whole economy was steady at 1.7% in the three months ending April, while for manufacturing it was unchanged at 3.5%.

For the private sector, growth was unchanged at 1.5%, while for services it dipped marginally from 1.6% to 1.5% in the three months ending April.

In the public sector, earnings growth was down to 2.3% in the period ending April from 2.4% in the previous three months to March.

Average earnings indices <sup>1</sup>					
	Whole economy	Manufacturing	Services	Private sector	Public sector
<b>2000=100</b>					
<b>2009</b>					
March (r)	134.8	133.7	135.2	133.3	141.6
April (r)	139.8	137.4	140.6	139.0	143.2
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
<b>2010</b>					
January	139.0	142.6	138.7	137.3	145.3
February (r)	140.1	142.4	140.4	140.3	145.5
March (p)	143.8	147.8	143.4	143.0	147.5
April (p)	141.1	142.5	141.5	140.0	145.6
<b>% annual change</b>					
Single month	1.0	3.7	0.6	0.7	1.7
3-month average <sup>2</sup>	4.3	6.6	4.2	4.8	2.7

<sup>1</sup> Average weekly earnings in Great Britain, seasonally adjusted, including bonuses. <sup>2</sup> 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/StatBase/Product.asp?vlnk=9537&Pos=&ColRank=1&Rank=240](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=9537&Pos=&ColRank=1&Rank=240)

## BBC to cut pensions

Media unions have condemned proposals by the BBC to radically change the pension provision for current and future staff at the corporation from December this year.

The move is the first in what will more than likely be an all-out assault on pension provision in public corporations and organisations.

The proposed key changes would see the defined benefit pension/career average schemes closed to new employees from December 2010.

For current members future increases in pensionable pay would be capped at a maximum 1% a year irrespective of the level of any pay award or increases following staff promotions.

Gerry Morrissey, general secretary of broadcast union BECTU, said: "The restriction on future pensionable salary increases of 1% will permanently break the link between an individual's salary and their final pension."

The BBC has conceded no change to the retirement age, no changes to accrual rates and no further increases in employee contributions. The proposals are now subject to a 90-day consultation.

Sue Harris, organiser at the NUJ journalists' union, said it was "a significant reduction in the employment benefits package which sets up an unfair two tier system that may ultimately threaten the viability of the defined benefits schemes altogether".

It is anticipated that negotiations with the BBC will continue throughout the 90-day consultation period, which is set to conclude in September.

[www.bectu.org.uk/news/868](http://www.bectu.org.uk/news/868)

[www.nuj.org.uk/innerPagenuj.html?docid=1664](http://www.nuj.org.uk/innerPagenuj.html?docid=1664)

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## Job cuts will follow austerity Budget

George Osborne's austerity Budget will result in the loss of up to 1.3 million jobs across the economy over the next five years, according to a private Treasury assessment of the planned spending cuts, the *Guardian* newspaper has learned.

Unpublished estimates of the impact of the biggest squeeze on public spending since the second world war show that the government is expecting between 500,000 and 600,000 jobs to go in the public sector and between 600,000 and 700,000 to disappear in the private sector by 2015.

The chancellor gave no hint last week about the likely effect of his emergency measures on the labour market. But a slide from the final version of a presentation for the Budget seen by the *Guardian*, says: "100-120,000 public sector jobs and 120-140,000 private sector jobs assumed to be lost per annum for five years through cuts."

The job losses in the public sector will result from the 25% inflation-adjusted reduction in Whitehall spending over the next five years, while the private sector will be affected both through the loss of government contracts and from the knock-on impact of lower public spending.

The Treasury is assuming that growth in the private sector will create 2.5 million jobs in the next five years to compensate for the spending squeeze. Osborne said in his Budget speech that tackling Britain's record peacetime deficit would help keep interest rates low and boost job creation. "Some have suggested that there is a choice between dealing with our debts and going for growth. That is a false choice."

The opposition and trade unions said the unpublished Treasury forecasts backed up their argument that the unprecedented scale of the cuts in public spending would hamper Britain's recovery from the deepest and longest recession since the Great Depression.

TUC general secretary Brendan Barber said it was "absurd" to think that the private sector will create 2.5 million new jobs over the next five years.

"This is not so much wishful thinking as a complete refusal to engage with reality," he said. "Much more likely are dole queues comparable to the 1980s, a new deep north-south divide and widespread poverty as the Budget's benefit cuts start to bite. Many will find that a frightening prospect."

John Philpott, chief economist at the Chartered Institute for Personnel and Development, said that there is "not a hope in hell's chance on the creation of new jobs".

"There would have to be extraordinarily strong private sector employment growth in a ... much less conducive economic environment than it was during the boom," he said.

[www.guardian.co.uk/uk/2010/jun/29/budget-job-losses-unemployment-austerity](http://www.guardian.co.uk/uk/2010/jun/29/budget-job-losses-unemployment-austerity)

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## 'Progressive' Budget claim is debatable

The coalition's claim that the Budget is "progressive" is debatable, according to the respected think tank the Institute for Fiscal studies (IFS).

The Budget, according to chancellor George Osborne and deputy leader of the coalition Nick Clegg

was "progressive" in the sense that the rich will feel more pain than the poor. But Robert Chote, director of the IFS, said this is a debatable claim.

The Budget report includes a formal distributional analysis of the impact of those tax and benefit spending measures where it is relatively easy to identify the households affected in 2012-13. It suggests that higher income households are indeed hit harder than lower income households, although the very lowest 10% of incomes are also hit relatively hard, according to the IFS.

And the Budget looks less progressive – indeed somewhat regressive – when you take out the effect of measures that were inherited from the previous government, when you look further into the future than 2012-13, and when you include some other measures that the Treasury has chosen not to model.

"Conversely, looking at the impact of the Budget on households with different income levels overstates how regressive it is in comparison to an analysis based on households with different spending levels, which should give a better guide to their lifetime living standards," said Chote.

"The main reason is that the VAT increase looks regressive when viewed against snapshots of income, but progressive when viewed against households' spending. That said, perhaps the most important omission in any distributional analysis of this sort is the impact of the looming cuts to public services, which are likely to hit poorer households significantly harder than richer households."

And a union-backed assessment of the Budget by Tim Horton of the Labour think tank the Fabian Society and Howard Reed of Landman Economics shows just how hard it will hit low income families.

By taking into account what services households lose, along with changes in taxes and benefits, the report finds that the impact of the emergency budget will be "deeply regressive". All households stand to take a hit, but the poorest will suffer the biggest blow, according to the authors.

Assuming the planned cuts fall evenly across non-ring fenced departments, the average annual cut in public spending on the poorest tenth of households is £1,344, equivalent to 20.5% of their household income.

In contrast, the average annual cut in public spending on the richest tenth of households is £1,135, equivalent to just 1.6% of their household income.

Dave Prentis, general secretary of the public services union UNISON, said: "It doesn't matter how much the Tories and Lib Dems try to spin the emergency Budget, we are not all in this together. The truth is that the poorest, the least able to lose money from their household budgets, will be hardest hit by the coalition's cuts. Meanwhile, the wealthy, and the bankers who got us into this mess, get away lightly."

[www.ifs.org.uk/budgets/budgetjune2010/chote.pdf](http://www.ifs.org.uk/budgets/budgetjune2010/chote.pdf)

[www.unison.org.uk/acrobat/B5131.pdf](http://www.unison.org.uk/acrobat/B5131.pdf)

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## Network Rail directors pick up £6 million

The total pay bill of directors at public sector rail infrastructure company Network Rail came to £6.2 million in the year ending March 2010 – a 39% rise on the £4.4 million the year before.

Iain Coucher, who has announced he is standing down as chief executive, was paid £1,447,000 in total, including annual and deferred long-term bonus and supplementary pension contributions. It ranks as a 53% rise on the year before when he received no annual bonus.

Peter Henderson, director of asset management, was the second Network Rail executive to pick up over £1 million last year. A 15% rise took him to £1,041,000 from £903,000 the year before.

Another three directors received over £700,000 compared to less than £400,000 the year before. Investment projects director Simon Kirby picked up £769,000 in total against £368,000 a year earlier, while Robin Gisby, director of operations and customer service, pocketed £735,000 against £361,000. Paul Plummer, director of planning and development, received £720,000 – more than double the £353,000 he received in the year to March 2009.

Patrick Butcher, who joined the company in March 2009 and took up the finance director's job the next month, got £669,000.

Rick Haythornthwaite got £188,000 as the part-time chair after taking on the role in July 2009, while former chair Ian McCallister picked up £85,000 for three and half months' work.

[www.networkrailmediacentre.co.uk/Resource-Library/Annual-Report-2010-de1.aspx](http://www.networkrailmediacentre.co.uk/Resource-Library/Annual-Report-2010-de1.aspx)