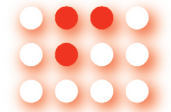
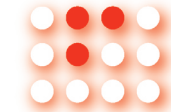


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NATS directors fly off as millionaires

Two directors of the air traffic control group NATS flew off into the sunset with £million pay and benefits packages, the company's latest accounts reveal.

Paul Barron stood down as chief executive at the end of the financial year – 31 March 2010. His final pay and benefits package came to just over £2 million. His basic salary was £672,000 on top of which he received a £931,000 bonus and £50,000 worth of benefits. In May 2010, Barron's final year bonus of £274,000 was paid making a total of £1,927,000 – a 158% increase on the £747,000 he received in 2009.

Lawrence Hoskins retired at the end of the financial year with a total pay and benefits package of £1.29 million – a 143% increase.

Prospect, the professionals' union representing over 3,000 air traffic controllers, engineers and specialists at NATS, described the sums as "disgraceful and repugnant".

Garry Graham, aviation officer at the union, said: "In a year when our members have had to endure a pay freeze, and senior management have lectured staff on the need for restraint and to reduce costs,

we see two departing executives choosing to 'fill their boots'.

"This is another example of the red in tooth and claw impact of partial privatisation – where there is one rule for staff and another for senior executives. It is yet one more reason we believe the further sell-off of NATS should be opposed."

www.nats.co.uk/wp-content/uploads/2010/07/NATS_ARAA_2010.pdf
www.prospect.org.uk/news/newsstory.php?news=694

New equality law takes effect from October

The first wave of implementation of the 2010 *Equality Act* will go ahead as planned in October, the coalition government has announced.

Theresa May, minister for women and equalities, said: "By making the law easier to understand, the *Equality Act* will help business treat staff fairly and meet the needs of a diverse customer base. The law will be easier to understand and better able to protect people from discrimination."

"Implementing the *Equality Act* to the planned timetable makes clear our commitment to equality. A successful economy needs the full participation of all its citizens and we are committed to implementing the Act in the best way for business."

LABOUR RESEARCH DEPARTMENT

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However, the coalition has refused to outline its intentions on reporting the gender pay gap.

The *Equality Act* brings together nine separate pieces of legislation into one single Act simplifying the law and making it easier for firms to comply with discrimination law. The Act also extends some protections to characteristics that were not previously covered, and also strengthens particular aspects of equality law.

For example, it levels up protection for people discriminated against because they are perceived to have, or are associated with someone who has, a protected characteristic, so providing new protection for people like carers.

The employment relations service Acas has produced a guide for employers on the new legislation, which includes a useful chart of the changes to and new types of protection (follow the Acas link below).

The Government Equalities Office has also produced a number of guides on the Act (follow the equalities link below).

<http://nds.coi.gov.uk/content/detail.aspx?NewsAreaId=2&ReleaseID=414229&SubjectId=2>

www.acas.org.uk/CHHttpHandler.ashx?id=2833&p=0

www.equalities.gov.uk/equality_act_2010/equality_act_2010_what_do_i_n.aspx

Boardroom pay – no link to performance

The pay packages enjoyed by Britain's top directors are increasingly out of step with the actual performance of their companies, a report claims.

Chief executives of top ranked FTSE 100 companies have seen their remuneration rise by 5% to an average of £3.1 million since 2008, while earnings per share fell by 1% over the same period, according to the *Total remuneration 2010* survey by pay consultants MM&K and corporate governance group Manifest.

Over the past 10 years, chief executive remuneration has quadrupled while share prices have declined, suggesting little or no link between rewards, performance and shareholder value, according to the report.

There had been a shift towards increasingly expensive, short-term reward strategies, such as annual bonuses. "This mirrors the approach that caused

so many problems in the banking sector," the report said. "Furthermore, as most remuneration strategies now involve the use of long-term incentive plans, reward horizons have shortened to only three years. A decade ago, when share options were the favoured incentive, the horizon average was seven to 10 years."

Directors in larger companies could now receive up to 300% of their salaries as annual bonuses compared to their counterparts in smaller companies (those with a market capitalisation of between £100 million and £1 billion) where bonuses tend to be capped at 100%. For larger companies, the report found, maximum bonus levels as a proportion of salaries were about 25% higher than in 2006.

The report lays the blame for the discrepancy between pay and performance squarely on company remuneration committees, which it says struggle to maintain their independence from chief executives.

www.guardian.co.uk/business/2010/jul/05/executive-pay-rises-shares-fall

Returning to work can aid recovery

People with mental health problems do not have to be completely recovered to return to work as getting back into their job can aid recovery, according to a new report.

People with depression and anxiety should be offered specialist support to return to work as well as psychological therapy, according to a research review conducted by the Sainsbury Centre for Mental Health and published with support from the British Occupational Health Research Foundation.

Common mental health problems at work, by Linda Seymour, examines recent international research evidence on how to help people with depression and anxiety to stay in work or to return after a period of ill health.

It confirms that people with common mental health problems do not have to be completely well to return to work. For many, going back to work actually helps their recovery.

The review finds that expert, third-party employment advice can be as important as psychological therapy in helping people remain in work and get back to work quickly after sickness absence and that both are needed to achieve success.

It also finds that the response of supervisors and line managers when a person becomes unwell can have a big impact on their chances of staying at work.

Linda Seymour, Sainsbury Centre head of policy, said their review has shown that "people with common mental health problems can return successfully to work before they are completely recovered". But, she added: "Many need support from expert employment advisers as well as timely access to psychological therapy and a good GP."

"Existing research has shown that work is good for our health and that too many people lose their jobs as a result of mental ill health," said Seymour. "We need to ensure that alongside the new 'fit note' that enables GPs to comment on what people can do as well as what they can't, and the new government's continuing commitment to improving access to psychological therapy, good quality employment advice is provided to both employees and employers."

www.scmh.org.uk/pdfs/BOHRF_common_mental_health_problems_at_work.pdf

Government assault on civil service pay-offs

The coalition government is to attack the redundancy rights of those civil servants it is attempting to get rid off in its all-out attack on the public sector.

Francis Maude, minister for the Cabinet Office, has announced that he is to bring in legislation as soon as possible to cap the amount of redundancy payments made to civil servants.

Playing the blame game, Maude said the government had made the decision to legislate "with reluctance". But it had become necessary because of the unilateral action taken by a single union, the PCS civil service union, to contest the previous government's reforms and the current economic climate.

The Bill will cap all compulsory redundancy payments at 12 months' pay and limit payments for those taking voluntary redundancy to 15 months' salary.

The move comes in the wake of the courts giving the government a bloody nose saying it was unlawful to cut redundancy pay without the consent of the workforce.

PCS general secretary Mark Serwotka said: "The High Court ruled twice in our favour that it was

unlawful for the government to cut civil service redundancy pay. It is a disgrace that, simply because it failed to get its way, the government now appears to be prepared to change the law to make it easier and cheaper to sack tens of thousands of civil and public servants.

"Following the High Court decision, we immediately said we were open to negotiations to seek to reach an agreement. So it is shocking that the government does not seem willing to even test whether this is possible.

"There is an alternative to these cuts and we are clear that we will use all the means at our disposal to resist any attempt to make low-paid public servants pay the price for an economic crisis they did not cause."

Professionals' union Prospect said the emergency plans were unlawful and undeserved and a breach of election promises made by both governing parties. It pledged to fight them in the courts and the House of Commons.

"Six hundred thousand staff are affected, of whom tens of thousands potentially face redundancy through no fault of their own," said deputy general secretary Dai Hudd.

www.cabinetoffice.gov.uk/newsroom/news_releases/2010/100707-compensation.aspx

www.pcs.org.uk/en/news_and_events/news_centre/index.cfm/id/8DCAAA2F-1E46-4329-AB809F75CA368950

www.prospect.org.uk/news/newsstory.php?news=696

Fatalities at work down to record low

The number of people killed at work in Britain fell last year to a record low, but the figures came with a warning against complacency.

Provisional data from the Health and Safety Executive (HSE) shows that 151 workers were killed between 1 April 2009 and 31 March 2010 compared to 178 the previous year.

HSE chair Judith Hackitt said that "the recession has resulted in lower levels of activity in some sectors". And she warned against "not getting complacent about what we've collectively achieved".

"We should also remember that 151 families are mourning the loss of someone who last year went out to work and never came home," she said.

Against the overall fall, deaths in agriculture were up to 38 against 25 in 2008-09.

Meanwhile, construction union UCATT has welcomed the fact that construction deaths decreased to 41 deaths against 52 workers the year before.

Alan Ritchie, general secretary of UCATT, said: "The reduction in construction deaths is good news. Yet, it must never be forgotten that each death is an individual tragedy.

"The reduction is primarily due to the economic downturn, which has not only meant that fewer people are working on construction sites, but has reduced time pressures, reduced working hours, and decreased the number of inexperienced workers on site, all of which are major factors in accidents."

In the other sectors of the economy, deaths in services were down to 42 from 62 the previous year, while the numbers in manufacturing were down to 24 from 33. The figure of six for mining and utilities was unchanged.

The coalition government has appointed Lord Young to review the so-called "burden" of health and safety regulation on businesses.

However, TUC general secretary Brendan Barber said: "None of these deaths were a result of over-regulation or risk aversion. In most cases they were caused by basic health and safety precautions not being taken."

www.hse.gov.uk/statistics/fatals.htm
www.hse.gov.uk/statistics/fatalinjuries.htm
www.ucatt.info/content/view/full/886/30/
www.tuc.org.uk/h_and_s/tuc-18154-f0.cfm

People missing out on minimum standard

People on low incomes face a much higher inflation rate than shown in the official Consumer Prices Index, which the Budget announced as the future basis for uprating benefits, according to a report from the anti-poverty campaigners the Joseph Rowntree Foundation (JRF).

The change means that in real terms, people out of work, relying on these benefits, could become worse off. For people in work, the gap between the minimum wage and the wages needed for a minimum household budget has widened, the JRF says in *A minimum income standard for the UK in 2010*.

The report shows how much various households need this year to reach a minimum standard of living, according to members of the public. A single person now needs to earn at least £14,400 a year to reach this standard, and a couple with two children £29,200. These have increased from £13,400 and £26,900 in the past two years.

The research, carried out by the Centre for Research in Social Policy at Loughborough University, is based on what ordinary people think should go into a minimum budget. This includes things people need in order to participate in society, as well as physical essentials, such as food and shelter.

In the past year, the annual earnings needed to keep up with the minimum income standard have risen by over £1,600 (or 6%) for a couple with two children – much faster than wages. This is partly because personal tax allowances and the income rules for receiving tax credits have been frozen rather than increased for inflation.

The Budget's announcement of a £1,000 hike in tax allowances from next year will help such a family by making them £320 a year better off, after inflation, if both partners are working. However, all of these gains could be lost by other Budget changes, such as cuts in tax credits and the freezing of child benefit. A family will also be hit by a rise in VAT as well as the slower uprating of benefits generally.

Donald Hirsch, head of income studies at the Centre for Research in Social Policy, Loughborough University, and one of the report's authors, said the new research "underlines how people living close to the minimum income standard can end up not having enough if economic trends start going against them".

Hirsch said: "The raising of the amount people can earn before paying tax is one way of helping people on low earnings to reach the minimum income standard. However, this will not on its own ensure that more people have enough, if at the same time tax credits and benefits are cut and incomes do not keep up with the real price rises that people face. We must also remember that most people on benefits currently have far less income than they need for a minimum acceptable standard of living."

www.jrf.org.uk/sites/files/jrf/MIS-2010-findings.pdf
www.jrf.org.uk/media-centre/MIS-2010