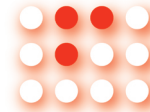
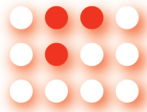


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## Vocational awards

Over 3,250,000 vocational qualifications were awarded in the UK last year according to figures released by the education foundation Edge. The figures show a rise of nearly 10% on the previous year and have more than doubled (up by 117%) on five years ago.

The top five vocational subject areas to study in the last year were: healthcare, retail, business, construction and engineering; although vocational qualifications are available in a vast range of subjects reflecting the modern economy.

Edge's review concludes that this growth in numbers taking vocational qualifications has been down to the significant demand from employers for qualifications designed to meet the skills needed in the economy.

Benefits for people gaining vocational qualifications mentioned in the review included increased earnings, and improved and increased progression to further learning – including university.

While women and men gain around the same number of vocational qualifications overall, there is a marked polarisation in some areas. For example, just over a third (36%) of all NVQs achieved by women were in "health, public services & care",

while engineering accounts for less than 3%.

Ethnic minority participation in vocational qualifications is variable – with participation in apprenticeships especially low. Black and minority ethnic (BME) participation in (mainly vocational) college programmes is just under 20%. However, less than 7% of apprentices are of BME origin, with participation particularly low among Indian, black African and Chinese communities.

Take-up of vocational qualifications varied in different parts of the UK – 37% of all post-16 learning (excluding higher education) in Wales and Scotland is linked to vocational qualifications. This is higher than England (32%) and Northern Ireland (26%).

[www.edge.co.uk/docs/content/vq\\_day\\_report.pdf](http://www.edge.co.uk/docs/content/vq_day_report.pdf)

## Trade union membership 2007

The rate of union membership – union density – for employees in the UK fell by 0.3 percentage points in 2007 to 28.0% – down from 28.3% the year before, according to latest figures from the Labour Force Survey (LFS) for the fourth quarter 2007.

The other key findings were:

- For the sixth consecutive year, a higher propor-

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tion of women than men were trade union members. Union density among women was 29.6% in 2007, while for men it was 26.4%.

● Northern Ireland had the highest union density (39.7% of employees), while in Wales it was 37.3%, and in Scotland 32.6%. Union density was lowest in England at 26.6%.

● In the English regions, the North East had the highest union density at 35.7%, while the South East had the lowest union density at 21.0%.

● Private sector union density fell by 0.5 percentage points to 16.1% in 2007, whereas public sector union density rose 0.3 percentage points in 2007 to 59.0%.

● Across all sectors, just under half of UK employees (46.6%) were in a workplace where a trade union was present. Over one-third of UK employees said their pay and conditions were affected by a collective agreement.

● Collective agreements covered around one in five private sector employees, while in the public sector collective agreement coverage was over three and half times greater at 72.0%.

● The hourly earnings of union members, according to the LFS, averaged £12.74 in 2007, 15.6% more than the earnings of non-members – £11.02 per hour.

The LFS figures do not include key groups such as student nurses and student teachers; and a significant number of retired members and jobseekers have also been excluded from the report, which deals solely with those in employment.

<http://stats.berr.gov.uk/ukxa/tu/TUM2008.pdf>

## Directors' pay

Twenty five top executives on pay and benefits of over £500,000 a year, including 12 on over £1 million, feature in the table below. The figures exclude share bonuses and pension payments unless as an extra.

Angela Ahrendts, chief executive of clothes retailer Burberry tops the list with £4.2 million, well ahead of the second highest John Condron, chief executive of directory group Yell, with £1.8 million.

Ben Verwaayen, who has now stood down as BT's chief executive, got a tasty farewell of £1.8 million in pay and benefits.

Philip Green, chief executive of United Utilities, and Bill Coley, chief executive of British Energy, were closely matched with pay packets of just over £1.4 million each last year.

Year-on-year comparisons could be made for 20 executives and 12 got a pay rise.

The top two rises went to British Energy men: finance director Stephen Billingham saw his package double to £801,000 and Bill Coley's rise was 52.2% – both rises were due to substantial bonus payments.

Charles Cornish, managing director of business development at United Utilities, saw his pay packet rise by 13.2% to £678,000 thanks to an increased bonus.

Robert Wiseman, who heads the dairy group bearing his name, got a 12.1% rise while Stacey Cartwright, chief financial officer of Burberry, got a 10.2% rise to £1.1 million to complete the quintet who got pay rises in double percentage figure terms.

Director	Company (year end)	Pay (£000)	% rise
Angela Ahrendts	Burberry (3.08)	4,178	9.9
John Condron	Yell (3.08)	1,825	-2.9
Ben Verwaayen	BT (3.08)	1,816	-2.4
Philip Green	United Utilities (3.08)	1,407	n.a
Bill Coley	British Energy (3.08)	1,402	52.2
Iain Ferguson	Tate & Lyle (3.08)	1,264	-20.5
Francois Barrault	BT (3.08)	1,263	n.a
Ian Marchant	Scot & Southern Energy (3.08)	1,208	-0.2
John Davis	Yell (3.08)	1,176	-1.1
Stacey Cartwright	Burberry (3.08)	1,147	10.2
Hanif Lalani	BT (3.08)	1,076	0.7
Ian Livingston	BT (3.08)	1,018	-12.6
Colin Hood	Scot & Southern Energy (3.08)	899	0.6
Robert Wiseman	Robert Wiseman Dairies (3.08)	874	12.1
Tim Weller	United Utilities (3.08)	869	n.a
Stephen Billingham	British Energy (3.08)	801	100.3
Gregor Alexander	Scot & Southern Energy (3.08)	689	5.0
Alistair Philips-Davies	Scot & Southern Energy (3.08)	687	4.2
Dr Paul Reynolds	BT (3.08)	686	n.a
Charles Cornish	United Utilities (3.08)	678	13.2
Stanley Musesengwa	Tate & Lyle (3.08)	675	-22.7
John Nicholas	Tate & Lyle (3.08)	664	7.8
Andy Green	BT (3.08)	646	n.a
Tony Wray	Severn Trent (3.08)	621	-86.0
Michael McKeon	Severn Trent (3.08)	586	n.a

Source: Company remuneration reports

## Overwhelming backing for new rule book

Members of the Unite general union have overwhelmingly approved the rule book for their new union, formed last year through a merger of Amicus and the T&G. Voting in a postal ballot was 281,357 (95.3%) in favour of adopting the rule book to 13,948 against (4.7%) on a turnout of roughly 17%.

The rules provide for the union to have 24 industrial sections, reflecting the diversity of the union's membership, from the motor industry to health, construction to agriculture, civil aviation to road transport and energy to utilities.

There will be 10 regions with broad authority – one each for Scotland, Wales and Ireland and seven in England.

The executive council will determine the timetable for the full introduction of the new rules, which will supersede the Instrument of Amalgamation, on the basis of which Unite has been operating up to now, and the rulebooks of the two sections.

Joint general secretaries Derek Simpson and Tony Woodley expressed their delight with the vote, saying the new rules provide “the platform for our work as the main union fighting for workers in this country industrially and politically, and for our plans to expand through organising workers across the economy and the extension of our global union, Workers Uniting”.

[www.amicustheunion.org/Default.aspx?page=8899](http://www.amicustheunion.org/Default.aspx?page=8899)

## Conciliation cases up

Employment tribunals and potential employment tribunal claims passed to Acas for conciliation rose by a quarter in 2007-08 on the previous year, according to its annual report. The number of ET1s – tribunal claim forms— and non-ET1s received by Acas was 203,184 last year against 162,653 the year before.

The number of ET1s was 151,249 against 105,177 the year before – a 44% rise. An analysis by the main grounds for complaint showed over a third of cases (36%) were equal pay claims, and just over a fifth (22%) were claims for unfair dismissal.

After that working time claims accounted for just over one in 10 claims (12%) with much smaller percentage figures for other claims, such as sex discrimination, claims under the Wages Act and breach of contract.

Acas figures show that they were involved with 896 collective disputes in 2007-08 – down 1.8% on the previous year's figure of 912. Nearly half of the disputes were over “general pay” complaints (220 or 25%) or disputes over “other pay” matters (208 or 22%).

The biggest increase in percentage terms was in disputes over “changes in working practices”, where there were 57% more disputes last year than the year before – 74 disputes against 47. Disputes involving “discipline and dismissal” were up by more than half (up by 52%) to 41 from 27.

[www.acas.org.uk/CHttpHandler.ashx?id=919&p=0](http://www.acas.org.uk/CHttpHandler.ashx?id=919&p=0)

## Top UK pensions in deficit

Funding levels of the UK pension schemes of the FTSE 100 companies suffered the biggest swing in their fortunes since 2002. These pension schemes had a net deficit of £41 billion in mid-July 2008 compared to a £12 billion surplus in July 2007, according to Lane Clark & Peacock LLP (LCP), a leading European firm of actuaries and consultants, in its annual survey of top pension schemes.

The credit crunch, equity market volatility and rises in expected inflation have caused severe swings in funding levels over the last year, say LCP.

Key findings of LCP's 2008 report include:

- The sharp plunge in funding levels is despite FTSE 100 companies pumping nearly £40 billion into their pension schemes over the last three years, and some taking steps to reduce risk, with the average level of equity investment falling from 59% to 53% over 2007.
- The position could have been far worse. An accounting standard has had a “cushioning” effect on balance sheets, as it requires companies to value liabilities using corporate bond yields, which have risen to unprecedented levels compared to gilts. LCP estimate that, since January 2008, rising bond yields have reduced liabilities by £40 billion, highlighting one of the shortcomings of the accounting standard.
- Companies continue to use a wide range of life expectancy rates with those for a male pensioner aged 60 in the UK ranging from 82 to 89 years.

Bob Scott, partner at LCP, said that some companies chose to spend their surpluses on “various forms of de-risking activity including buy-out, purchasing financial swaps and reducing their exposure to equities”.

Notable examples of de-risking include Rolls-Royce (equity holdings reduced by more than half and financial swaps deployed to cover interest rate and inflation risks) and Friends Provident (a “buy-in” securing liabilities for all pensioners). But

Scott said that de-risking comes at a price – Rolls-Royce made a one-off pension contribution of £500 million.

The report highlights that at least three FTSE 100 companies could have secured their pension liabilities earlier this year in full without having to make additional contributions. But by mid-July, deteriorating market conditions meant that the opportunity had passed thus highlighting a possible governance gap with regard to the speed of investment decision-making.

LCP also point to a rapidly evolving buy-out market that has led to the first FTSE 100 companies offloading pension liabilities, namely Lonmin and Friends Provident. LCP see scope for significant further buy-out activity within the FTSE 100, even as prices start to edge up.

[www.lcp.uk.com/information/documents/aug2008/AFPSurvey2008.pdf](http://www.lcp.uk.com/information/documents/aug2008/AFPSurvey2008.pdf)

## Index of production

A slowdown in the economy is feeding into official figures. Manufacturing output in the second quarter fell by 0.8% on the previous quarter, according to the Office for National Statistics.

Most notable was a 1.6% fall in the food, drink and tobacco industries and a 4.4% fall in manufacturing industries that have not been allocated elsewhere.

Manufacturing output in the latest quarter was 0.8% lower than the same period a year ago.

In the second quarter, the output of the production industries, which includes oil and energy, fell by 0.8% compared with the previous quarter.

Output of the production industries was 1.0% lower than the same period a year ago.

[www.statistics.gov.uk/pdfdir/iop0808.pdf](http://www.statistics.gov.uk/pdfdir/iop0808.pdf)

## Clampdown on rogue employers

A new government drive to crack down on rogue employers who abuse vulnerable workers and undercut honest businesses has been unveiled but unions don't think it goes far enough.

The strategy, outlined in Department for Busi-

ness, Enterprise and Regulatory Reform's (BERR) Vulnerable Workers Forum report includes a single telephone helpline for vulnerable workers to report abuses to the government's workplace enforcement agencies; breaking down barriers so agencies can share vital information to catch rogue employers. There will also be a £6 million information campaign to raise awareness of employment rights and how to enforce them.

The crackdown will be overseen by a new Fair Employment Enforcement Board which will co-ordinate the work of the government enforcement agencies covering minimum wage, health and safety, employment agencies and gangmasters.

The board will be chaired by the employment relations minister and will include representatives from business and trade unions, as well as the enforcement agencies.

Unions welcomed the move but said an opportunity to expand the Gangmasters' Licensing Authority had been missed. TUC general secretary Brendan Barber said the government should have taken the chance to widen the scope of the act to new sectors.

"It is disappointing that ministers are not prepared to extend the coverage of the Gangmasters' Licensing Authority (GLA) to cover other vulnerable sectors such as construction, care and hospitality," he said.

"The GLA is cleaning up the agriculture and food sectors it covers, and good employers in those sectors have welcomed the assurance that they will not be undercut by the rogue agencies and gangmasters."

Jim Kennedy, national political officer of construction union UCATT, was "at a loss to understand the opposition to the licensing of gangmasters in the construction industry".

"We have produced a wealth of data that highlighted the endemic abuse of vulnerable workers by gangmasters in our industrial sector. UCATT is the only organisation to have produced such data with the employer's representatives – the CBI and Construction Confederation – unable to counter this hard evidence," he said.

[www.berr.gov.uk/pressroom/index.html](http://www.berr.gov.uk/pressroom/index.html)  
[www.tuc.org.uk/newsroom/tuc-15161-f0.cfm](http://www.tuc.org.uk/newsroom/tuc-15161-f0.cfm)  
[www.ucatt.info/content/view/545/30/](http://www.ucatt.info/content/view/545/30/)