

FACT

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Boost to factory output

Manufacturing output posted a healthy rise in the three months to April.

Output was up by 2.0% on the previous three months and by 4.0% on the same period 2013.

There were increases on the previous three months in eight of the 13 subsectors. The manufacture of rubber, plastic products and other non-metallic mineral products increased by 4.5%, while the manufacture of computer, electronic and optical products increased by 4.2%.

There was a 3.7% increase in output in both the manufacture of food, beverages and tobacco and the manufacture of basic pharmaceutical products and pharmaceutical preparations.

The manufacture of transport equipment posted a 3.4% increase.

The biggest decrease of the five subsectors, where output was down, was in coke and refined petroleum products with a 9.0% fall.

The more volatile figures showed manufacturing output increased by 0.4% between March and April, the fifth consecutive increase since November 2013.

For the production industries (manufacturing, energy and utilities), output was up by 1.1% in the three months to April compared with the previous three months and 2.6% up on the same period last year. The more volatile figures showed an increase of 0.4% between March and April.

www.ons.gov.uk/ons/dcp171778_366055.pdf

New right to request flexible working

The right to request flexible working arrangements changes from next week.

On 30 June 2014, new *Flexible Working Regulations* and part 9 of the *Children and Families Act 2014* come into force. This will mean that the right to request flexible working will be extended to cover all employees after 26 weeks' service, rather than only those with children under the age of 17 (or 18 if the child is disabled) and certain carers.

Employers can refuse requests where they can demonstrate good business grounds to do so. The various categories of business reasons for refusing a request remain unchanged.

The statutory procedure for dealing with requests is also being replaced by a duty to deal with requests reasonably, and the employment relations

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service Acas has produced a revised statutory code of practice which relates to that duty.

A good practice guide designed to help employers and employees with handling the statutory right to request flexible working has been published by Acas as a companion to the statutory code of practice.

Reps should acquaint themselves with the new regulations and code of practice as soon as possible by following the link below.

Workplace Report, the sister magazine to *Fact Service*, will be covering flexible working arrangements in its July issue. Any reps who have agreements, please send them to: info@lrd.org.uk

www.acas.org.uk/index.aspx?articleid=1616

Zero-hours contracts developments

Employees on zero-hours contracts will have the freedom to find work with more than one employer after business secretary Vince Cable announced plans to ban exclusivity clauses.

Exclusivity clauses prevent an individual from working for another employer, even when no work is guaranteed. Therefore, the use of such clauses in zero-hours contracts undermines choice and flexibility for the individuals concerned.

The ban is expected to benefit around 125,000 zero-hours contract workers who are thought to be tied to an exclusivity clause and is part of a bid to clamp down on abuses in the workplace by less scrupulous employers. It will allow workers to look for additional work to boost their income.

Cable said: "It has become clear that some unscrupulous employers abuse the flexibility that these contracts offer to the detriment of their workers."

Preventing employers from insisting that their zero-hours staff are only allowed to work for them will be good news for some employees, but the government needs to go much further if the widespread abuse of these kind of contracts is to be stamped out, said the TUC.

General secretary Frances O'Grady said: "The ban is welcome news, but it's not nearly enough to tackle the problem.

"A lack of certainty is the real issue. Far too many employees have no idea from one week to the next just how many hours they'll be working or more importantly how much money they'll earn. This makes managing household budgets stressful and organising childcare very difficult indeed.

"The one change that would really make a difference would be for employers to have to guarantee their staff a minimum number of paid hours each week. And as the economy continues to grow that would give many zero-hours workers struggling to get by a much-needed pay rise."

Cable has ruled out an outright ban on zero-hours contracts. However, he has also announced that the government will consult further on how to prevent rogue employers evading the exclusivity ban, for example through offering one-hour fixed contracts.

He said that the coalition government would work with business representatives and unions to develop a code of practice on the fair use of zero-hours contracts by the end of the year.

Unions will be demanding much more. Steve Turner, assistant general secretary of the Unite general union, said: "Employers use zero-hours contracts to dodge tax and cut their wage bill, while avoiding holiday pay, pensions, and other benefits enjoyed by other employees and agency staff.

"Rather than giving the freedom to be exploited by a number of employers and not just one, the government should be taking action to create decent jobs and stop the growth of insecure working that is consigning millions to in-work poverty."

www.gov.uk/government/news/government-crackdown-on-zero-hours-contract-abusers
www.tuc.org.uk/workplace-issues/employment-rights/zero-hours-workers-need-greater-protection-says-tuc

www.uniteunion.org/news/government-plans-on-zero-hours-contracts-do-nothing-to-tackle-insecure-working-warns-unite/

Asbestos in schools

In 2013-14, around one in eight non-local authority schools that were inspected by the Health and Safety Executive over asbestos on their premises were subject to enforcement action, in the form of improvement notices.

The HSE published this result after its latest asbestos in schools inspection initiative, which took place April 2013 and January 2014, and which included inspecting independent, voluntary aided and foundation schools, free schools and academies.

The majority of 153 schools inspected (71%) required no further action or were given straightforward, simple advice. However, just shy of a third – 29% or 44 schools – received written advice from HSE, and 13% or 20 schools were issued with improvement notices.

The enforcement action by inspectors at the 20 schools targeted the following issues:

- no written asbestos management plan – eight schools;
- failure to undertake survey/assessment or an inadequate assessment of the presence of asbestos containing materials – eight schools;
- failure to effectively manage the risks or implement a suitable system to manage the risks from asbestos – two schools; and
- inadequate training and information for employees – two schools.

Geoff Cox, head of the HSE's public services sector, said: "Schools should not be under any illusion – managing asbestos requires ongoing attention. Schools now have access to a wealth of guidance setting out clear and straightforward steps to achieve and maintain compliance.

"Where duty holders fall below acceptable standards, HSE has taken, and will continue to take, enforcement action."

<http://press.hse.gov.uk/2014/hse-announces-results-of-asbestos-management-in-schools-inspections-201314/?ebul=gd-cons/jun14&cr=37>

Minimum wage arrears

HM Revenue and Customs (HMRC) has revealed that over £4.6 million in wage arrears has been paid to more than 22,000 workers following a successful year for its National Minimum Wage enforcement teams.

Underpayment cases included an unnamed Premier League football club, which was ordered to pay arrears of over £27,500 to over 3,000 workers after it made deductions for uniforms and travelling time for staff working in hospitality.

The biggest payout involved a social care provider that was found to have not paid its staff for travelling time and other hours worked. It was told to repay over £600,000 in arrears of wages to almost 3,000 workers.

TUC general secretary Frances O'Grady said: "It is shocking that so many employers – including some who pay their star players millions of pounds

a year – are cheating low-paid workers out of the minimum wage.

"HMRC staff deserve credit for winning back millions of pounds for cheated employees, but they need greater resources to catch the many minimum wage crooks still out there."

A few days a later, a further 25 employers who failed to pay their employees the minimum wage were named under the new regime introduced last October, which makes it easier to name and shame wrongdoers. Between them they owed workers more than £43,000 in arrears and, in addition, had to pay financial penalties totalling over £21,000.

www.gov.uk/government/news/government-names-employers-who-fail-to-pay-minimum-wage

www.tuc.org.uk/workplace-issues/employment-rights/minimum-wage/hmrc-needs-more-cash-catch-more-minimum-wage-crooks

www.gov.uk/government/news/hmrc-secures-record-46m-minimum-wage-arrears-for-underpaid-workers

Executive pay

Pay at the top of the retail sector is very healthy, as it is for bookies and bus and rail firms.

Twenty three of the 29 top executives listed in the table work in retail, one in retail property, two work at bookies William Hill and three at transport groups National Express and FirstGroup. They received at least £1 million in total remuneration from their employer in the last financial year.

Top of the pile is Angela Ahrendts. She has since stood down as chief executive of luxury brand Burberry to head the retail business of computer group Apple and no doubt earn even more than the £8 million she received in her final year at Burberry.

Five executives from the Next fashion group feature and products director Christos Angelides takes second spot in the table with £6.6 million. However, he is another executive moving to pastures new. Angelides has been poached to be "brand president" of US clothing group Abercrombie & Fitch after 28 years at Next.

The man in third spot, Next finance director David Keens, pocketed £5.4 million, but he is calling it a day after 23 years at Next and is to retire in March next year.

Sainsbury's chief executive Justin King is another executive on the move. He relinquishes his post in July after 10 years in the job as he didn't want to stay

“too long”. His final full year’s remuneration package at the supermarket came out at £3.9 million.

It has also been reported that the former Tesco chief financial officer Laurie McIlwee is in line to collect a £970,800 golden goodbye when he leaves the supermarket chain this October after six months with the unusual job title of “CFO emeritus”.

McIlwee, who resigned his role on Tesco’s board in April amid rumours of a difficult relationship with his boss, Philip Clarke, has remained at the company to carry out “transition activities” as Tesco hunts for his replacement.

He will continue to collect his salary of £886,420 plus a potential bonus worth double his pay for the six-month period. Tesco said McIlwee would receive a payment on departure because he had left by mutual agreement.

In 2011, JD Sports decided they wanted to keep hold of executive chair Peter Cowgill at least until March 2014. It set up a special retention scheme bonus scheme, which pays out if profit targets are met. In the year to January 2014, £1.7 million was paid to Cowgill under the scheme, thereby boosting his remuneration package to £3.1 million.

Year-on-year comparisons could be made for 24 of the 29 executives and 15 saw their remuneration packages increase on the previous year. One executive – Dalton Philips of Wm Morrison Supermarkets – saw no change, while eight saw their packages shrink.

The two top executives at William Hill had the biggest increases – finance director Neil Cooper a 243.5% increase and chief executive Ralph Topping a 159.8% increase.

The increases came about as their performance share plans (PSP) paid out big time against smaller annual bonuses the year before. Topping received £4.1 million from the PSP taking his total remuneration to just under the £5 million a year mark, while Cooper received a £2.6 million payment taking him to just over £3 million a year.

Tim Steiner, chief executive of the online supermarket Ocado, was the third top executive to see his remuneration package more than double. A 109.3% rise took him past the £1 million mark for the first time since Ocado floated on the London Stock Exchange in 2010.

David Fischel, chief executive of Intu Properties, owner of some of the best shopping centres in the country, saw his package shrink by 40.3% to £1.08 million, but that he still means he received the equivalent of over £20,780 a week last year.

The total remuneration figure given in the table includes: basic salary, cash bonus, long-term share bonuses, golden handshake, pension payments and a cash figure for other benefits that directors receive, such as use of company car, life insurance, private health benefits and housing allowance.

Executive	Company (financial year end)	Total remuneration (£000)	% change
Angela Ahrendts	Burberry (3.14)	7,995	-26.7
Christos Angelides	Next (1.14)	6,559	11.0
David Keens	Next (1.14)	5,402	19.2
Ralph Topping	William Hill (12.13)	4,973	159.8
Lord Wolfson	Next (1.14)	4,646	0.3
Justin King	J Sainsbury (3.14)	3,945	-9.6
Sir Ian Cheshire	Kingfisher (1.14)	3,566	26.6
Peter Cowgill	JD Sports (1.14)	3,137	53.4
Neil Cooper	William Hill (12.13)	3,013	243.5
Kevin O’Byrne	Kingfisher (1.14)	2,632	37.1
Philippe Tible	Kingfisher (1.14)	2,211	9.7
Mike Coupe	J Sainsbury (3.14)	2,009	-8.8
Tim O’Toole	FirstGroup (3.14)	1,986	86.0
Terry Duddy	Home Retail (2.14)	1,983	-7.1
John Rogers	J Sainsbury (3.14)	1,713	-3.0
Jane Shields	Next (1.14)	1,699	n.a
Michael Law	Next (1.14)	1,688	n.a
Philip Clarke	Tesco (2.14)	1,634	27.7
Marc Bolland	Marks & Spencer (3.14)	1,587	-25.9
Dean Finch	National Express (12.13)	1,553	-8.7
Karen Wilts	Kingfisher (1.14)	1,541	n.a
Laurie McIlwee	Tesco (2.14)	1,536	12.5
John Smith	Burberry (3.14)	1,400	n.a
Richard Ashton	Home Retail (2.14)	1,172	2.8
Jez Maiden	National Express (12.13)	1,155	-8.8
Dalton Philips	Wm Morrison (1.14)	1,089	0.0
David Fischel	Intu Properties (12.13)	1,081	-40.3
Carol Fairweather	Burberry (3.14)	1,049	n.a
Tim Steiner	Ocado (11.13)	1,011	109.3