FACT SERVICE

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Top executives receive £243m in pay and perks

Thirty nine top executives received a total of £243.3 million last year, the latest *Fact Service* examination of the remuneration reports of top FTSE 350 companies reveals.

The average (mean) package for the 39 was £6.24 million, which reflects the distorting effect of the top four packages, each worth £42 million or more. The midpoint (median) package was £2.04 million.

On a weekly basis, the average package was worth £119,670 and the median package £39,310 a week.

The latest official figure for a full-time worker's weekly salary is £550, so the 39 received on average at least 71 times the average worker.

Melrose Industries, the buyout group successful in the recent hostile takeover bid for rival GKN, dominates the list. Chief executive Simon Peckham received a package worth £42.76 million or £822,390 a week. Chief financial officer Geoffrey Martin's package was worth £42.58 million or £818,770 a week. The group's chair, Christopher Miller, picked up £42.34 million or £814,140 a week. And deputy chair David Roper's package came to £42.33 million or £814,115 week.

Xavier Rolet, chief executive of the London Stock Exchange, was in fifth spot with a £5.56 million package. Rolet was due to leave at the end of 2017, but left with immediate effect in November.

Year-on-year comparisons could be made for 30 of the 39 executives and 22 saw their packages increase last year. The increases ranged from 4.8% up to the increases for the four Melrose executives, which worked out at 4,232% or more. Compare that with average earnings for the UK economy as whole, — they were only increasing by 2.8% at most in the same period.

The fifth highest increase was the 117.2% hike received by Stefan Bomhard, chief executive of car distributor and retailer Inchcape, putting him on £3.05 million or £58,595 a week.

Mark Dixon, chief executive of workspace group IWG, saw his package shrink by 63.1%, but it still gave him £1.12 million or £21,560 a week.

Fact Service examines the remuneration reports of the top 350 FTSE companies, quoted on the London Stock Exchange. The total remuneration figure given in the table includes: basic salary, cash bonus, long-term share bonuses, golden hello, golden handshake, cash 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. Dividends received from their shareholdings in the company are not included.

LABOUR RESEARCH DEPARTMENT

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Executive	Company (financial year ending)	Total remu-neration (£000)	% change
Simon Peckham	Melrose Industries (12.17)	42,764	4,232.7
Geoffrey Martin	Melrose Industries (12.17)	42,576	5,202.1
Christopher Miller	Melrose Industries (12.17)	42,335	7,611.3
David Roper	Melrose Industries (12.17)	42,334	7,625.2
Xavier Rolet	London Stock Exch (12.17)	5,564	n.a
Willie Walsh	IAG (12.17)	3,954	60.6
David Warren	London Stock Exch (12.17)	3,587	19.1
Nigel Wilson	Legal & General (12.17)	3,451	-36.3
Dominic Burke	JLT (12.17)	3,361	31.6
Raffaele Jerusalmi	London Stock Exch (12.17)	3,280	-11.6
Stefan Bomhard	Inchcape (12.17)	3,047	117.2
Ian Griffiths	ITV (12.17)	2,720	24.3
Mark Zinkula	Legal & General (12.17)	2,627	-32.1
Martyn Coffey	Marshalls (12.17)	2,383	24.6
Rodney Cook	Just Group (12.17)	2,369	26.7
Richard Solomons	IHG (12.17)	2,179	n.a
Keith Barr	IHG (12.17)	2,127	n.a
Stephen Young	Meggitt (12.17)	2,073	5.3
Adam Crozier	ITV (12.17)	2,050	n.a
Paul Edgeciffe-Johnson	IHG (12.17)	2,044	24.1
Enrique Dupuy de Lôme	IAG (12.17)	1,903	55.5
Rupert Pearce	Inmarsat (12.17)	1,875	-20.1
Charles Rozes	JLT (12.17)	1,662	25.8
Tony Bates	Inmarsat (12.17)	1,532	-15.3
Craig Donaldson	Metro Bank (12.17)	1,519	16.4
Kerrigan Procter	Legal & General (12.17)	1,513	n.a
David Fischel	Intu Properties (12.17)	1,493	-17.7
Mark Drummond Brady	JLT (12.17)	1,444	37.4
Jack Clarke	Marshalls (12.17)	1,425	29.2
Robin Watson	John Wood (12.17)	1,420	20.4
Richard Howes	Inchcape (12.17)	1,368	n.a
Simon Thomas	Just Group (12.17)	1,283	20.6
Doug Webb	Meggitt (12.17)	1,281	6.1
David Richardson	Just Group (12.17)	1,166	n.a
Matthew Roberts	Intu Properties (12.17)	1,150	-18.1
Jeff Davies	Legal & General (12.17)	1,137	n.a
Mark Dixon	IWG (12.17)	1,121	-63.1
Philip Green	Meggitt (12.17)	1,117	4.8
Tony Wood	Meggitt (12.17)	1,062	n.a

Labour enforcer sets out his demands

Payslips for all workers is just one of the many recommendations made by director of labour enforcement Sir David Metcalf.

Metcalf's *Labour market enforcement strategy 2018 to 2019* includes recommendations on:

- higher financial penalties for employers who exploit their workers and pursuing more prosecutions;
- enforcing holiday pay and making it the law that employers must provide a statement of rights for employees and a payslip for all workers;
- making leading brands jointly responsible for non-compliance in their supply chains. This would be done in private, but with public naming of the brand and supplier for failure to correct non-compliance;
- more resources to the Employment Agency Standards Inspectorate to enforce current regulations and expanding their remit to cover umbrella companies and intermediaries;
- locally or regionally piloting licencing of hand car washes and nail bars, which have been identified as sectors at risk of labour exploitation; and
- tackling "phoenixing"' – the practice of directors dissolving their companies to avoid paying workers tribunal awards and other enforcement penalties.

Data cited by Metcalf show the present lack of enforcement. He cites official Office for National Statistics estimates that 342,000 jobs were paid below the National Living Wage in 2017. This is equivalent to 1.2% of all employee jobs.

Recent research suggests that total unpaid wages amounted to £3.1 billion in 2016. Over half of this "wage theft" is in fact unpaid holiday pay. Metcalf estimates that the 6.6 million workers in the bottom 30% of the wage distribution would, therefore, each incur an annual pay penalty of £470.

Sir David Metcalf said: "This strategy sets out how we can toughen up enforcement activity to protect vulnerable workers and ensure that good, compliant firms are not undercut by unscrupulous competitors."

TUC general secretary Frances O'Grady said: "Toughening up the law is not enough alone. If enforcement is done on a shoe-string, bad bosses will continue getting away with treating staff like dirt. Ministers must make sure that enforcement agencies have the full resources they need.

"The proposal to make leading brands jointly responsible for abuses by their suppliers is welcome. To fully stamp out exploitation, ministers must make every employer at the top of a supply chain jointly and severally liable for abuses."

www.gov.uk/government/publications/labour-market-enforcement-strategy-2018-to-2019

www.tuc.org.uk/news/tuc-welcomes-metcalf-report-and-calls-government-increase-enforcement-funding

Forty six thousand fall in jobless number

Unemployed has resumed its downwards trajectory, official figures show.

The number of unemployed people in the UK was down by 46,000 to 1.43 million in the three-month period ending March 2018 compared with the previous three-month period ending December 2017, according to Labour Force Survey data.

The fall in numbers was sufficient to cut the unemployment rate to 4.2% from 4.4%.

The number of unemployed men fell by 26,000 to 756,000 and their unemployment rate was cut to 4.2% from 4.4%.

The number of unemployed women fell by 20,000 to 669,000 and their unemployment rate was cut to 4.2% from 4.4%.

Unemployment seasonally adjusted

	Claimants [1] (000s)	% [2]	LFS [3] (000s)	%
February 2017 (r)	770	2.1	1,559	4.7
March (r)	787	2.2	1,541	4.6
April (r)	792	2.2	1,530	4.6
May (r)	796	2.2	1,495	4.5
June (r)	801	2.2	1,484	4.4
July (r)	798	2.2	1,455	4.3
August (r)	800	2.2	1,443	4.3
September (r)	805	2.2	1,425	4.3
October (r)	812	2.3	1,429	4.3
November (r)	823	2.3	1,439	4.3
December (r)	836	2.3	1,470	4.4
January 2018 (r)	833	2.3	1,453	4.3
February (r)	850	2.4	1,423	4.2
March (r)	866	2.4	1,425	4.2
April (p)	897	2.5		

[1] Jobseeker's Allowance and Universal Credit claimants [2] Percentage of working population – the employees, unemployed, self-employed and the armed forces. [3] The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

There was an increase on the other main unemployment measure – the claimant count – which only includes claimants receiving Jobseeker's Allowance and those on the means-tested Universal Credit.

In April 2018, unemployment under this count rose by 31,200 to 897,000 from the revised figure for March of 865,700. The increase in numbers was enough to push the joblessness rate up to 2.5% from 2.4%.

Male claimant numbers increased by 15,500 to 545,200 and their joblessness rate was up to 2.9% from 2.8%.

The number of female claimants increased by 15,800 to 351,800, pushing their joblessness rate up to 2.1% from 2.0%.

Regions In the three months to March 2018, unemployment fell in nine of the UK's 12 regions/countries, and was up in the remaining three.

There was a 14,000 fall in the West Midlands and numbers were down by 11,000 in the East.

The increases included one of 13,000 in the South East.

The unemployment rate was above the UK average of 4.2% in six of the 12 regions/countries.

The highest rates were 4.9% in the North East and 4.8% in the West Midlands.

In April 2018, the claimant count rose in all 12 regions/countries.

The claimant count rate was above the UK average of 2.5% in seven regions/countries. The highest rates was 4.9% in the North East.

Region	April claimants Number	%	LFS Jan — Mar Number	%
North East	60,100	4.9	63,000	4.9
North West	124,900	3.3	154,000	4.3
Yorkshire & the Humber	85,500	3.1	126,000	4.6
East Midlands	52,200	2.1	97,000	4.0
West Midlands	96,600	3.2	139,000	4.8
East	58,400	1.8	123,000	3.9
London	130,200	2.2	247,000	4.9
South East	75,000	1.5	163,000	3.4
South West	52,800	1.8	101,000	3.5
Wales	42,800	2.7	67,000	4.4
Scotland	89,600	3.1	118,000	4.3
Northern Ireland	29,000	3.2	28,000	3.1

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2018

Retail price inflation erodes wage growth

In March 2018, average weekly earnings growth, including bonuses, were provisionally estimated to have risen by 2.3% against the 2.6% increase in February.

As retail price inflation rose by 3.3% in March and 3.6% in February, there was a real-terms cut in earnings of 1.0 percentage points in both months.

Average Weekly Earnings Indices [1]

2000= 100	Whole economy	annual change	Manu-facturing	Services	Private sector	Public sector[2]
Jan 2017	159.2	1.8%	159.6	162.8	159.3	160.5
February (r)	159.6	2.9%	160.1	163.0	159.8	160.6
March (r)	160.6	2.6%	160.3	164.4	160.7	161.0
April	160.7	1.4%	160.9	164.3	160.8	161.1
May	160.8	2.0%	160.6	164.5	160.8	162.2
June	161.3	2.8%	160.9	164.8	162.0	161.2
July	161.5	1.7%	162.2	165.1	161.5	162.1
August	162.0	2.4%	162.3	165.6	162.2	163.2
September	162.6	2.8%	162.8	166.2	163.0	162.2
October	162.8	2.4%	163.8	166.5	163.1	163.5
November	163.3	2.4%	164.1	166.9	163.6	163.5
December	163.6	3.1%	164.3	167.3	164.0	163.6
Jan 2018	163.7	2.8%	164.3	167.2	164.0	164.3
February (r)	163.8	2.6%	163.7	167.4	163.9	164.8
March (p)	164.2	2.3%	163.2	167.9	164.5	164.8
% annual rise for March			1.8%	2.1%	2.4%	2.4%
% rise — March headline rate [3]		2.6%	2.3%	2.5%	2.6%	2.5%

[1] Average weekly earnings in Great Britain seasonally adjusted [2] Excluding financial services [3] Annual increase in rolling three-month average (p) provisional

The sectoral figures for March show that earnings growth in manufacturing was down to 1.8% from 2.2% in February. Meanwhile, growth in services was down to 2.1% from 2.7%.

In the private sector as a whole, growth was down to 2.4% from 2.6% the previous month. In the public sector, excluding financial services, growth was also down to 2.4% from 2.6%.

Headline earnings growth (the rolling three-month average) for the whole economy in March was cut to 2.6% from 2.8%.

In manufacturing, growth was down to 2.3% from 2.8%, while growth in services was down to 2.5% from 2.9%.

In the private sector as a whole, growth was cut to 2.6% from 3.0%, while in the public sector, excluding financial services, growth edged up to 2.5% from 2.3%.

The ONS also produces regular pay figures which strip out bonuses. In March, earnings growth for the whole economy was up to 3.0% from 2.9%.

The annual increases in the year to March for various sectors (previous month's rises in brackets), were: manufacturing 2.3% (2.8%); services 2.8% (2.9%); private sector 3.1% (3.0%); and public sector, excluding financial services, 2.4% (2.6%).

The rolling three-month average increase in regular pay in the whole economy for the period ending March was up to 2.9% from 2.8% the previous month. The three-month sectoral increases were: manufacturing 2.6% (2.9%); services 2.8% (2.7%); private sector 3.0% (2.9%); and public sector, excluding financial services, 2.5% (2.3%).

The following table is based on the median average earnings figures for April 2017 published in the Annual Survey of Hours and Earnings. The figures have been uprated by the 2.2% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and March 2018 to give a rough estimate of earnings now in the various occupational groups.

Full-time average weekly earnings by occupation

	£ a week
All employees	£562.50
All male	£604.50
All female	£504.50
Managers	£842.20
Professionals	£749.20
Associate professionals	£618.90
Admin & secretarial	£441.10
Skilled/craft	£521.00
Services	£369.40
Sales	£378.50
Operatives	£482.90
Other manual jobs	£377.70

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2018

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