

WORKING FOR YOU IN BIRMINGHAM

GREED THREATENS HOUSING MARKET

Boardroom pay at the UK's top companies soared 37% last year.

The surge in pay, which takes the average total pay for a chief executive to £2,875,000, is more than 11 times the increase in average earnings and nearly 20 times the rate of inflation as measured by the consumer prices index.

The ratio between Plc bosses' rewards and employees' pay has risen to 98:1, up from 93:1 a year ago — meaning that the work of a chief executive is valued almost 100 times more highly than that of their employees.

The figures are revealed in the Guardian's annual survey of executive pay at FTSE100 companies, conducted in association with the pay consultancy Reward Technology Forum. The pay rise for the 2006-07 financial year is the biggest in recent years. The previous year directors' pay climbed 28%, following rises of 16% and 13%.

For the first time last year the rewards handed over to the directors of FTSE 100 companies topped £1 billion. The news comes after the Guardian revealed that city bonuses went up 30% last year.

Huge rewards are being paid at a time when increasing numbers of homeowners are facing the threat of

repossession and household debt is at record levels. UNITE believes that boardroom greed is plunging Britain into unprecedented moral decline.

Topping the league of FTSE 100 directors' pay is Bob Diamond, who heads the investment banking arm of Barclays Bank and earned £23 million last year. Diamond, who is not chief executive of the bank, earns a basic salary of only £250,000, but his package was magnified nearly 100-fold as a result of a performance bonus of £10 million and about £12 million in share awards.

Three other top earners received eight-figure salaries. They include Bart Becht, chief executive of Reckitt Benckiser, the company behind household brands such as Cillit Bang and Mr Sheen, and Giles Thorley, the boss of the Punch Taverns pubs group.

Their pay last year was £22 million and £11.2 million respectively. Thorley also emerges as the boss whose salary is most out of line with his employees; his remuneration package is equal to 1,147 of his employees, mostly pub workers.

Lord Browne, the former chief executive of BP, received £10.6 million. He was forced to step down earlier this year after it was revealed he had lied in court.

Part-time chairmen of top companies — who generally work no more than two days a week — now earn an average of £311,000, up 15% on a year ago.

The highest paid woman — with a pay package of £2.1 million — was once again Dame Marjorie Scardino, the chief executive of Pearson, publisher of the Financial Times. She and Dorothy Thompson of the Drax power station company were the only two female chief executives in the survey period and their salaries lagged behind their peers by 25% and 75% respectively. There were only 16 female full-time executive directors of FTSE 100 companies, out of a total 527 such posts.

The Equal Opportunities Commission described that statistic as "shocking".

Does anybody really believe that directors have become massively more productive than everyone else in recent years?

Not only do increasing numbers of ordinary people find the growing gap morally offensive, but the pay bonanza is directly feeding house price inflation, threatening both economic stability and social cohesion.

Find out more about Unite at
www.unitetheunion.com

LTSB MEMBERS SURVEY

A comprehensive survey of Unite within LTSB has revealed a considerable feeling of disillusion when it comes to their pay and remuneration. In one question members were asked if they thought "the pay system in Lloyds TSB is fair", only 0.56% strongly agreed with this statement with 3.38% agreeing. Over 50% of staff strongly disagreed with this statement. Unite will be commencing the 2008 pay negotiations with Lloyds TSB shortly. The message from this survey is very clear in that moving towards a higher performance organisation is not motivating its staff. Unite will be calling on the bank to move back to a more transparent pay system that considers not only increasing sales opportunities but customer service and loyalty.

CONFIRMATION THAT THE RBS CONSORTIUM HAS SUCCEEDED IN BID FOR ABN-AMRO

Unite has called on the RBS consortium to honour its commitment to safeguard workers' jobs in light of the news that their hostile bid for ABN Amro has gone ahead. The consortium of RBS, Fortis and Santander have succeeded in their €70billion Euro cash and shares offer for ABN the Dutch-based bank following a six month battle with Barclays. The consortium has already signalled that up to 19,000 jobs will go if their take over is successful.

Unite Deputy General Secretary, Graham Goddard says, "Unite will be holding the RBS consortium to account on its worker commitments. We have told the banking consortium which plans to break up ABN-Amro, that the international trade union movement will hold them to account over their commitments to safeguard workers jobs following the hostile takeover. We have welcomed the banks' commitments to the combined workforce but these employers will be judged by what they actually do to ensure those commitments are honoured in full."

NEW RESOURCES

The union's Research Department has three new publications now available both in hard copy and on the website. A new up to date guide to Job Evaluation can be found at www.amicustheunion.org/pdf/JobEvaluation.pdf and a guide to Public Procurement in the UK can be found at: www.amicustheunion.org/pdf/PublicProcurementGuide.pdf.

The third publication provides a detailed list

of useful websites for negotiators and can be found at: www.amicustheunion.org/pdf/WorkplaceRepSGuidetoWeb.pdf.

UNITE CALL C&G BRANCH CLOSURE UNWARRANTED

Unite the union have branded the Lloyds TSB decision to close 31 branches of Cheltenham & Gloucester as needless. At a time when the company have just reported profits of nearly £2bn for the first six months of the year Unite views the decision to close 17% of the branch network as excessive. The decision could result in some 340 job losses. John Bancroft, Unite Officer said: "Unite the union is very disappointed at the decision to close 31 branches across the country. We will oppose any compulsory job losses and will continue to challenge the business rationale for this decision. We believe local branches are the financial lifeblood of the company. This decision could affect a number of local communities in terms of banking facilities. Both long serving staff and loyal customers now face a period of insecurity." Unite has agreed with the company the introduction of a voluntary severance register, which will allow staff the opportunity to put their name forward for selection within the branch network. In addition Unite have been in negotiations on redundancy terms that has secured improved severance terms for those who leave the company. This will benefit staff who will now be able to take enhanced pension arrangements at fifty or over.

HSBC

Our 2008 pay claim for HSBC members can be downloaded at our website. Starting pay in HSBC is lower than Cashiers at ASDA, Tesco and Morrisons. This is unacceptable from a Bank making over 11 Billion global profit.

FINANCE INDUSTRY CAMPAIGNS - SEE OUR WEBSITE FOR

- Offshoring
- Corporate Social Responsibility
- Call Centre Campaign
- Work Your Proper Hours Day
- Equal Pay in the Finance Sector
- Fat Cat Pay
- HFC Bank Recognition Campaign
- Register for Email updates or free Unite
- Podcasts

AVIVA ANNOUNCES PLANS TO SLASH ANNUAL COSTS BY £350 MILLION

Aviva the insurance company has announced plans to cut annual costs by £350m across the UK and Europe. Britain's largest insurer said the 4,000 job cull announced last year would be added to, but it was unclear at this stage how staff would be affected. Graham Goddard, Unite Deputy General Secretary says: "Unite is angry and disappointed at this latest announcement from Norwich Union. In September 2006 Norwich Union cut 4000 jobs in the UK. Staff are still reeling from the effects."

BARCLAYS PAY OFFER SETS THE STANDARD

Unite, has negotiated a market leading pay offer with Barclays covering 48,000 staff. The offer bucks the trend in the banking industry, where many employees have been receiving below inflation pay deals. Following tough negotiations over a period of three months, the union received an offer of a 3 year deal which amounts to RPI plus 0.9%, subject to a maximum of 5% for each year of the deal. This offer means, from the 1st April 2008, over 80% of staff covered by the deal will receive an above inflation pay increase. Graham Goddard said: "This deal raises the bar for the banking industry. It means the vast majority of Barclay's employees will get an above inflation pay rise in each year of the 3 year deal."

HAVE YOUR SAY !!

Why not come along to your local Union Branch meeting ?

The Birmingham Branch for Banking and Finance workers is now in it's 90 year. Meetings are monthly. All members welcome.

Tuesday January 8th
Tuesday February 12th
Tuesday March 11th

These meetings will be held at the T&GWU office –
Transport House, Broad Street,
Birmingham

Meetings start 5.45 pm