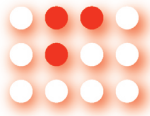


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Court victory for asbestos victims

The Supreme Court has handed down a judgment which will affect many of the 2,500 people who are diagnosed with mesothelioma each year.

The highest court in the land upheld the Unite general union's appeal and rejected arguments by insurance companies which would have denied compensation to victims of the terminal disease mesothelioma. The Supreme Court agreed with the union that the insurers of an employer at the time of the exposure to asbestos should pay compensation.

Unite appealed to the Supreme Court after insurance companies were partly successful in an earlier appeal to the Court of Appeal. The companies argued that in some cases the employers' liability insurance is "triggered" not by the exposure to asbestos but by the development of the disease which is always decades later when there is no insurance in place to respond to the claim.

In his judgment, Lord Clarke concluded that: "The whole purpose of these policies was to insure employers against liability to their employees. That purpose would be frustrated if the insurers' submissions on this point were accepted."

Lord Phillips added that diseases are contracted when the process that leads to them is initiated as a result of wrongful exposure to the noxious substance that causes the disease.

The judgment went on to emphasise that these principles apply not only to mesothelioma but also to other industrial diseases.

www.unitetheunion.org/news__events/latest_news/justice_for_asbestos_victims_a.aspx

Employers aren't ready for ageing workforce

There is little evidence of UK employers taking proactive steps to engage and retain older workers according to new research conducted by Cranfield School of Management and Nottingham Business School for the employment relations service Acas.

The employment relations challenges of an ageing workforce concludes that if the UK economy is to fully benefit from the skills and experience of its older workers, a larger proportion of organisations will need to adopt age management policies and practices which are effectively communicated to their workforces.

John Taylor, Acas chief executive, said: "An ageing workforce brings new challenges for employers

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– for instance, handling flexible working requests fairly and providing training or support to develop the careers of older workers. Having more people working longer means that employers also need to think about the job opportunities and career progression of the rest of the workforce.”

Employers will need to ensure their business policies and procedures are applied fairly and communicated appropriately to staff.

“Despite anti-age discrimination legislation, stereotypical attitudes about both older and younger workers appear to be both widespread and well embedded,” said co-author Dr Emma Parry. “To overcome this, companies need a supportive culture with policies and procedures that focus on supporting and capturing the skills and experience of older workers.”

www.acas.org.uk/index.aspx?articleid=3735

www.acas.org.uk/media/pdf/e/p/The_Employment_Relations_Challenges_of_an_Ageing_Workforce.pdf

A Tory gives his idea of workplace rights

A major donor to the Conservative Party proposed the dilution of workplace rights in a report which won the backing of David Cameron but was blocked by the Liberal Democrats.

Adrian Beecroft, a venture capitalist who has given £593,076 to the Conservatives since December 2006, recommended companies be allowed to sack unproductive workers at will. The businessman, whose interests include payday loans company Wonga.com, argued that “coasting” workers inhibit economic growth and deter employers from recruiting.

Many of his sweeping proposals would have gone ahead if the Tories governed alone, Lib Dem ministers claimed, because Nick Clegg’s party could not have mounted its strong rearguard action inside the coalition.

His report, submitted last autumn, remains shrouded in mystery. Unusually for a government-ordered study, it has not been published. Downing Street is coy about who commissioned it. The driving force is believed to be Steve Hilton, Cameron’s strategy adviser, who is leaving No 10 in May.

Ministers believe the report has not been published as it is too sensitive. Ideas are said to include watering down maternity rights, which would have

jeopardised Cameron’s goal of making Britain the most “family-friendly” country in Europe. Another official said: “His report was full of the Tory millionaires’ philosophy that government should not interfere in anything.”

www.independent.co.uk/news/uk/politics/david-cameron-wanted-to-wave-through-donors-policy-to-destroy-rights-of-workers-7593585.html

Balance of payments

The UK current account recorded a deficit of £8.5 billion in the fourth quarter of 2011, down from a revised deficit of £10.5 billion in the previous quarter.

A deficit of £12.0 billion was recorded with the EU in the fourth quarter of 2011, compared with a deficit of £12.2 billion in the previous quarter. This decrease in the deficit was due to reductions in the deficits on income, on trade in goods, and on current transfers, which were partially offset by a fall in the surplus on trade in services.

The current account with non-EU countries showed a surplus of £3.5 billion in the fourth quarter of 2011. This was due to a reduction in the deficit on trade in goods, partially offset by an increase in the deficit on current transfers together with a fall in the surplus on income.

The trade in goods deficit in the fourth quarter of 2011 was £24.2 billion, compared with £27.6 billion in the previous quarter. Exports rose by £3.0 billion while imports fell by £0.4 billion.

The deficit in semi-manufactured goods narrowed by £1.5 billion to a deficit of £1.8 billion, driven by higher exports of chemicals and lower imports of material manufactures and chemicals. The deficit in finished manufactured goods narrowed by £1.2 billion to £11.9 billion, driven by higher exports of intermediate goods and capital goods and lower imports of cars and other transport equipment.

2011 The current account deficit was cut £29.0 billion last year from £48.6 billion in 2010.

A deficit of £41.2 billion was recorded with the EU last year, compared with a deficit of £47.6 billion in 2010. There was a surplus of £12.2 billion with non-EU countries in 2011, following a deficit of £1.0 billion in the previous year.

The deficit on trade in goods was £99.7 billion in 2011, the highest on record, compared with £98.5 billion in the previous year. The deficit on oil wid-

ened by £6.4 billion to £11.2 billion in 2011, while the deficit in other fuels widened by £2.5 billion to £7.5 billion. The deficit on trade in semi-manufactured goods widened by £1.9 billion to £10.1 billion in 2011. However, the deficit on finished manufactured goods narrowed by £9.5 billion to £50.4 billion.

www.ons.gov.uk/ons/dcp171778_261403.pdf

Public-private sector regional pay gap

The difficulties of estimating the differences in public and private sector pay have been highlighted in a report by the official statisticians the Office for National Statistics (ONS).

The ONS said: "It is difficult to make comparisons of the two sectors because of differences in the types of jobs and characteristics of employees."

Nevertheless, the ONS, allowing as far as possible for these differences, reckons that public sector employees are paid on average between 7.7% and 8.7% more than private sector employees.

However, the ONS admits there are factors that can influence the gap and their analysis does not include other forms of remuneration, such as pension contributions, company cars and health insurance.

Also, the figures in part use the pay figures from the Annual Survey of Hours and Earnings (ASHE), which does not cover the self-employed so will miss many high paid and also some lower paid employees. And the timing of the ASHE survey – carried out each April – means that only bonus payments made in that month are included and so miss the main bonus season which runs from January to March.

Factors that contribute to the pay gap include the workforce in the public sector is more skilled than the private sector. That skill difference has widened over the years as the public sector has contracted-out or privatised mainly lower-skilled jobs, such as cleaning.

In addition, public sector workers tend to be older: age is used as a proxy for experience by ONS given that experience tends to increase with age. Around 15% of employees in the private sector are aged 16 to 24 compared with around 5% of employees in the public sector, and around 44% of public sector workers are aged 35 to 49 compared with around 38% of private sector workers.

Last autumn, George Osborne asked the Independent Pay Review Bodies (PRBs) to consider "how public sector pay might be made more responsive to local labour markets" ignoring the fact that there is, according to the TUC, "patchy evidence as to what extent clear local and regional labour markets exist," and this is particularly true in the occupations covered by the pay review bodies.

The TUC in its evidence points to the chancellor's "misreading" of private sector pay practice that it is mainly done on a local basis. It isn't as most multi-site private companies tend towards either national pay structures with a nod to London and the South East or limited "zoning" arrangements.

The TUC concludes in its evidence to the Office of Manpower Economics, the overarching body for the (PRBs): "It is unfair that public sector staff who have the same skills and qualifications should be paid differently simply because of where they live. In the current economic context it is misleading to suggest that public sector pay is 'crowding out' the private sector. In fact, the public sector is an important economic bulwark, and moves that led to lower public sector pay in the poorer areas would have a significant knock-on effect on private businesses by taking spending power out of the economy."

The table below is taken from ASHE 2011 so covers April 2011 and are the regional mean hourly earnings, excluding overtime, for all public and private sector workers – part-time and full-time – whose pay was not affected by absence. The figure above the earnings figures is the percentage difference of the public sector over the private sector rate; weekly earnings with the same provisos are given in the second earnings column.

They don't take into account any of the differences used by the ONS in their calculation of the pay differential between the public and private sector.

Dave Prentis, general secretary of the public services UNISON, said: "Don't let anyone be fooled into thinking that public sector workers are enjoying high wages. There are a lot more highly skilled, older and well-qualified staff working in the public sector that skew the figures and masks the grim reality of low pay for hundreds and thousands of public service workers.

"Millions of public service workers are being hit by the government's pay freeze. Local government workers are in the middle of a three year freeze and even the lowest paid have not been given the £250 promised each year by George Osborne."

Dave Prentis was commenting on the ONS analysis, but his comments apply equally to the table below, as the figures it must be stressed are only averages and come with the caveats mentioned by the ONS.

However, they do give an indication of the hit public sector workers could take if Osborne goes ahead with his misconceived and economically damaging idea of local pay in the public sector.

| Regional pay in public and private sector | | |
|---|--------------|--------------|
| | % difference | % difference |
| | Hourly (£) | Weekly (£) |
| North East | 31.0% | 23.5% |
| Public sector | 15.31 | 472.90 |
| Private sector | 11.69 | 383.00 |
| North West | 24.1% | 15.1% |
| Public sector | 15.54 | 475.50 |
| Private sector | 12.52 | 413.10 |
| Yorkshire and The Humber | 25.8% | 13.1% |
| Public sector | 15.31 | 458.40 |
| Private sector | 12.17 | 405.30 |
| East Midlands | 24.9% | 11.9% |
| Public sector | 15.48 | 465.70 |
| Private sector | 12.39 | 416.10 |
| West Midlands | 24.0% | 9.4% |
| Public sector | 15.60 | 459.50 |
| Private sector | 12.58 | 420.20 |
| East | 16.9% | 4.0% |
| Public sector | 15.72 | 464.60 |
| Private sector | 13.45 | 446.90 |
| London | -3.5% | -7.2% |
| Public sector | 20.45 | 669.80 |
| Private sector | 21.18 | 721.70 |
| South East | 5.0% | -6.2% |
| Public sector | 16.00 | 475.20 |
| Private sector | 15.24 | 506.40 |
| South West | 26.5% | 15.7% |
| Public sector | 15.81 | 466.80 |
| Private sector | 12.50 | 403.60 |
| Wales /Cymru | 32.2% | 26.1% |
| Public sector | 14.86 | 463.00 |
| Private sector | 11.24 | 367.10 |
| Scotland | 21.7% | 13.9% |
| Public sector | 15.89 | 491.60 |
| Private sector | 13.06 | 431.70 |

www.ons.gov.uk/ons/dcp171776_261716.pdf

www.tuc.org.uk/industrial/tuc-20805-f0.cfm

www.unison.org.uk/asppresspack/pressrelease_view.asp?id=2649

Economy is expected to grow this year

The UK economy is expected to grow by 0.5% this year, according to summary of forecasts collated by the Treasury.

The average (median) figure is slightly below the 0.8% forecast by the Office for Budget Responsibility, supplied to chancellor George Osborne for his Budget speech.

However, there is a wider divergence of views, with a range of a 1.3% contraction up to 1.5% growth, and an average figure of 0.5% growth.

Inflation, under the RPI retail prices measure, is expected to be running at between 0.9% and 3.5% by the fourth quarter of the year and the average forecast is for a 2.5% rise.

By the end of 2012, inflation, using the CPI consumer prices measure, has a range of 1.3% up to 3.0% with a median figure of 2.0%.

The midpoint or median rise for average earnings over the year is 2.2% with a range of a 1.0% rise up to a 4.1% rise. So there is the possibility that living standards may improve – for some – this year.

2011 revisions The UK's economic growth for the last three months of 2011 has been revised down to a contraction of 0.3% by the Office for National Statistics (ONS) from a contraction of 0.2%.

The ONS blamed the revision on the transport and communications and business services and finance sectors.

The annual figure for 2011 growth has also been revised down to 0.7% from 0.8%.

www.hm-treasury.gov.uk/d/201203forcomp.pdf

<http://www.ons.gov.uk/ons/rel/naa2/quarterly-national-accounts/q4-2011/index.html>

Pay settlements

The latest figures from the Labour Research Department's Payline database show pay settlements averaging 3.0% in the three months to February – the same rise as for January.

Payline figures show increases running at 3.0% across all sectors with the only variation being a median of 3.2% for settlements in services.

www.lrd.org.uk/index.php?pagid=18