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# Law Central



## Ronnie Fox: Treasury plans to take control of bonuses 'not in the interests of taxpayers'

News that the Treasury intends to seize control of RBS's bonus pool hasn't been greeted with any enthusiasm by employment lawyers.

Ronnie Fox, principal of Fox Lawyers and a member of The Times Law Panel, responds:



The insistence of the Treasury in dictating the "quantum and shape" of bonuses demonstrates very clearly that the Treasury does not understand the differing roles of shareholders and management in a major public company.

Remuneration issues for the vast majority of staff are a matter for which a company's management alone should be responsible. If the shareholders, the owners of the business, are unhappy with the decisions taken by the management, they have the power to remove the management.

It is a gross understatement to say that the interference by the Treasury will pose a "challenge" for management. If total compensation (including bonuses) paid to profit-generating executives at RBS is significantly lower than competitive organisations are paying their senior staff, RBS will simply lose its best people.

This is yet another vote-catching attempt by the Government. In my view, the actions of the Treasury in relation to RBS are not in the best interests of the tax payer.