

# PAY 2008 – DISTRIBUTION AGREED

**Following the Unite newsletter “Pay 2008 – Agreement Reached”, your Unite negotiating team met with AFD Management on the 8th May to discuss distribution of the agreed pay pot, that was detailed in the aforementioned newsletter. Agreement was reached on pay distribution, with the headline figures as follows:**

- 71% of staff in the flexible areas and 62% of staff in the career matrix areas receiving 2.5% or more
- 29% of staff in the flexible areas and 56% of staff in the career matrix areas receiving 3% or more
- 15% of staff in the flexible areas and 8% of staff in the career matrix areas receiving 4% or more
- All staff in the career matrix areas, with a BSC rating of at least ‘Met Expectation’ who were paid below 110% of the Market Indicator received a minimum of 50% of the Market Movement (2.5%) as a pay award, cash award or a combination of both
- 55 staff (47 in the flexible areas and 8 in the career matrix areas) who were eligible for a pay review received neither a pay increase or cash award, representing 1.75% of the Bargaining Unit. Of these 43 were related to performance or long term absence issues.

## 10 MONTH PAY DEAL

As detailed in the previous newsletter, as the pay settlement date for Pay 2009 has been moved forward to the 1st April, this pay deal covers a 10 month period and therefore whilst the pay increases may appear reduced from Pay 2007, the overall amount spent on pay in 2008 is identical to that in 2007, if compared across a 12 month period. As Pay 2008 is a 10 month pay deal, the relative value of any pay award is increased by a sixth, as there will be a further review of salaries and Market Indicators to be effective 1st April 2009. Given the limited overall pay spend available of 2.92% (3.5% based against a 12 month equivalent) your Unite negotiating team felt that the final figures presented represented a reasonable deal to which agreement could be reached, which recognising that there is still much work to be done in addressing sub-inflation pay increases and nil awards. The financial performance of the company over recent years has impacted on the size of pay pots that the union has been able to negotiate, a shortfall the union will clearly be seeking to clawback once AFD returns to more profitable levels.

## BALANCED SCORECARD RATINGS & NIL AWARDS

Clearly BSC Ratings contribute towards the pay award receives, therefore if any members are not happy with their BSC Rating and/or pay increase you should in the first instance raise this with your line manager and if you are still unhappy you should contact the Unite LTSB Helpline on 08081 449595 or one of your Unite AFD Reps.

## FEEDBACK

If any members have any feedback, question or queries regarding the Pay 2008 deal, you can contact one of your Unite AFD Reps or the

union via e-mail on [Stuart.Davies@unitetheunion.com](mailto:Stuart.Davies@unitetheunion.com).

## NEW BONUS SCHEME

The Group have recently announced a new bonus scheme that will be introduced group-wide including many parts of Asset Finance. The details have been shared and discussed with Unite; however concerns have been raised regarding the larger bonuses available for more senior members of staff, and differences in the bonus arrangements between Asset Finance and the rest of the Group. The company have argued that the new scheme provides greater transparency and that the market dictates larger bonus potential for more senior staff. It has also pointed out that initially there will a larger bonus pot available in Asset Finance than elsewhere in the group for Bands A and B. Also the company have argued that whilst the Group’s maximum bonus at this level is 10%, employees in Asset Finance who have a performance rating of ‘exceeded’ and ‘outstanding’ have the ability to receive a bonus up to twice the stated AF guideline of 6% – i.e. up to 12% of salary, however Unite pointed out that the ability to double bonus potential for ‘outstanding’ performers also exists in the Group, giving potential bonus provision of up to 20%. Unite will continue to monitor this issue, as well as comparing bonus distribution next year for the new scheme against bonuses paid this year in existing schemes.

## ‘MET EXPECTATION’ ORGANISATION

Members will be acutely aware that AFD has been rated as a ‘Partial Met Expectation’ Organisation in recent years, which has impacted upon the level of pay spend that the union has been able to negotiate, as well as influencing performance rating distribution. The good news is that at mid-year, AFD has an indicative rating of a ‘Met Expectation’ Organisation, which will have a positive impact on performance rating distribution and as a result on pay and bonus. This achievement is no small part attributable to AFD staff who have continued to perform extremely well in very difficult circumstances and should this company wide performance rating be maintained until year end, Unite will be calling upon AFD to ensure that AFD staff are adequately rewarded.

## NOT A MEMBER?

Join Unite – Amicus Section today for the unbeatable amount of £5.77 per month for full time staff or £3.17 for part time staff, in addition you will receive the first three months membership completely free. Contact the helpline for further details or one of the Unite AFD Reps.

## UNITE AFD REPS

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