

PAY 2011 – UNITE PAY CLAIM

UNITE has received extensive feedback from our members across the Group following publication of the union's recent newsletter where we asked for your views on the 2011 Pay Claim. Members from every division across the country have been in touch with their views on pay, so much so that we have been unable to respond individually to all our members. However we would like to extend our thanks to all those who took the time and effort to get in touch and respond to the specific questions posed around your expectations for Pay in 2011.

YOUR FEEDBACK

We asked you to provide specific feedback on a number of key areas:

- What is important to you in determining your 2011 pay award?
- Do you believe that all staff, regardless of market rate and/or performance should receive a pay rise?
- Do you believe that pay rises should differ according to how well an individual has performed?
- Do you believe that pay is awarded fairly and transparently across the Group?
- Do you support the bonus culture which operates across the financial services sector?
- Are all aspects of the Total Reward Package important to you?

Once again the consistent message received was disappointment at the denial of or very modest increases in basic pay for many. It is especially difficult for those members who have received little or zero pay awards to accept this position, when their performance, loyalty, knowledge and commitment to the Group is not in question. Indeed our members and all staff have continued to grapple throughout 2010 with an ever challenging and demanding working environment whilst at the same time being expected to drive the bank's recovery to "stand alone strength".

Whilst the majority of you responded that you support being awarded for good performance, what is abundantly clear is that this should be secondary to an increase in basic pay. For many years the trade union has been telling the Group that a pay system which has forced performance distribution at its core is both divisive and subjective and undermines the integrity of the pay process. Indeed hundreds of staff gave this very message to Stephen Hester earlier this year in the 'Share your Thoughts' blog on Insite. Particular concerns were expressed around the lack of transparency and confidence in the process which often results in individuals being marked as underperformers due to the forced distribution of performance ratings and peer group relativity.

In terms of the bonus culture which continues to prevail, there was an overall recognition from members that in a sales and target driven environment bonus is a complementary part of pay and reward. However the feedback pointed to the fact that bonuses should be fair and transparent with consistent objectives and realistic targets, rather than a reliance on sales and risk taking with short term gains as opposed to long term sustainability.

On the Total Reward Package question, members advised us that all aspects are important but none more so than maintaining the Defined Benefits Pension Scheme. There is bitter disappointment around the imposed changes to the scheme which sees the value of future pensionable increases

capped at a maximum of 2% or CPI, whichever is lower and members urged the trade union to seek an increase on the current cap as part of the salary negotiations.

In addition as detailed in the previous Pay newsletter, the bank have been engaging with Unite on an Equal Pay Audit which will highlight any disparities in pay between men and women doing similar roles. Unite is seeking a commitment from the bank as part of the salary negotiations to tackle any gender pay gap quickly should this be revealed at the outcome of the pay audit. Any gender pay gap identified by RBS would not be unique to the Group as across the financial services sector the gap is an alarming 38% and this disparity is further compounded when annual performance related awards and bonuses are taken into account. RBS has also committed to addressing issues through ongoing dialogue as part of the Diversity and Inclusion agenda.

THE 2011 PAY CLAIM

As a result of this feedback and taking into account the position of the Group and the wider Economy, the UNITE National Company Committee (NCC) agreed to submit the following Pay Claim:

- **An increase in base pay for all staff, achieving the union's aim of reducing the number of individuals who do not receive a pay increase.**
- **An increase on the current cap on pensionable increases.**
- **Abolition of peer group relativity and an end to the bell curve to form an integral part of the pay settlement.**
- **All bonus systems to be transparent with clear and consistent objective measures.**
- **A commitment from the Group to tackle the Gender Pay Gap should this be revealed at the outcome of the Pay Audit.**

PAY 2010 REVISITED

The outcome of salary negotiations for 2010 has been well communicated and documented throughout the course of this year. Whilst the trade union managed to achieve improvements on the bank's initial pay offer which resulted in a significant reduction in the number of zero awards and for the first time in many years a salary increase for all Level 3 and above performers, the union recognises the continued disappointment for those members who receive zero or minimal pay awards, a situation which our 2011 Pay Claim once again seeks to address.

Unite Comment

We enter negotiations during a period of continued uncertainty for the bank. There is no doubt that negotiations will be challenging and that RBS is a tough place to work at the moment with many members facing fears over job security on a day to day basis. For those whose jobs are safe, they are now faced with the unenviable task of returning the Group to "stand alone strength".

Many members have been left disillusioned and de-motivated as they continue to cope with the demands and impacts of the Group's restructuring plans which has seen many negative changes in terms and conditions and has resulted in the announcement of a staggering 21,500 job losses across the Group. Ultimately members have told us that they are angry that they have been left to pick up the pieces for the near collapse of RBS and whilst job security is understandably the number one priority for many, members also want to be treated with respect and awarded a fair day's pay for their efforts and commitment to the Group. Many commented that the organisation needs to lead by example with fair pay being driven from the top of the organisation down.

Against this background we will do our utmost during negotiations to ensure that those members who are now so vital in aiding the bank's recovery will be recognised for their hard work and ongoing commitment to the Group.

NEXT STEPS AND PAY 2011 NEGOTIATIONS TIMETABLE

Unite has recently commenced pay discussions with the bank with talks set to continue later this month and conclude in January 2011 in time for the implementation of any settlement effective 1st April 2011.

Members will be updated on progress and the outcome of pay negotiations in February 2011.

If members have any comments or feedback on the Pay Claim that you would like to share with Unite then please email us at rbsinfo@unitetheunion.org or speak to your local Workplace Representative.

Unite Representatives

Unite has also recently concluded negotiations with the bank on a new and improved Unite Representative Agreement.

We are always seeking members to take on one of the four Unite Representative roles, i.e. Workplace, Union Learning, Safety and Equality.

Any Unite members interested in finding out more about becoming a Unite Representative please contact the Unite RBS Helpline or email rbsinfo@unitetheunion.org

UNITE UPDATES

If you would like to receive regular updates electronically from the union please email from your preferred email address to rbsinfo@unitetheunion.org

Not a Member?

Join Unite's one and a half million members and have a voice on this and other issues, as well as receiving support, advice and representation for £10.96 a month for full time staff and £4.98 per month for part time staff working less than 20 hours a week.

Membership forms can be obtained by phoning 0845 850 4242 or emailing rbsinfo@unitetheunion.org plus you can join on line at www.unitetheunion.org

