

Pay Review 2014

This year's pay review has been concluded and full details of the settlement have been published in a Joint Statement issued on 4 July 2014.

Pay Review

We entered this year's pay negotiations with a number of objectives, as determined by the Union's Conference in 2013, and I am pleased to report to members that we have been successful in making progress in all of the key areas. This includes increases to the pay ranges which will benefit long serving employees who are at the maximum of the current pay range, and we have delivered some pay progression to those who are below their market anchor.

Most eligible employees will receive individual pay awards that keep pace with or exceed increases in the cost of living. The awards range between 2.75% - 7.25% and are determined by the performance rating and the position in the pay range.

The cost of the settlement (the 'pay pot') is in the region of 3% (of the total salary bill). This compares well with other pay settlements this year, with the latest trends indicating that the median 'whole economy' pay settlement stands at 2% (at the end of May 2014). The settlement is among the best in the financial services sector this year.

Further details of the key elements of the pay review are given below.

Pay Strategy

Although we have achieved a number of objectives in respect of this year's pay review, our wider aim of seeking more fundamental changes to the pay structures continues to be frustrated.

The Society has engaged in some discussion about pay strategy this year, in line with its repeated promises, but has once again failed to deliver any meaningful change or investment in the pay structures. There remain a number of issues of concern, for example, there is still no mechanism to progress employees to the market anchor in a reasonable time, the balance of fixed and variable pay needs further review, and the pay range structure does not adequately support the diverse range of job roles at Nationwide.

The Society's approach is disappointing, particularly in a year when Nationwide has made record profits and claims that its employees are its "most valuable assets". We believe that this continued failure to address these issues will ultimately create difficulties in retaining and attracting employees, undermining the delivery of the corporate plan.

The need for a comprehensive review of pay remains high on our agenda.

Tim Poil
General Secretary

Pay Review 2014 - Further Analysis

Pay Ranges

As part of this year's settlement the pay ranges will be increased by 2.5%. The movement in the ranges occurs before individual pay awards are applied and this means that there is increased scope for employees currently at or close to the maximum of their pay range to receive a full or part consolidated (and therefore pensionable) increase this year. The movement in the ranges recognises general market trends and is set just above inflation, as measured by the Retail Prices Index (RPI) - 2.4% May 2014.

Those employees who remain above the maximum after the range movement has been applied will receive some or all of the pay award paid as a non-consolidated lump sum (depending on their position in the range).

Four new pay ranges have been created and this provides some additional flexibility in determining the appropriate level of pay for some roles. However, we believe this falls short of a more comprehensive restructure of pay ranges that is necessary to appropriately reward Nationwide's diverse range of job roles.

The lowest pay range has been set at a level that aligns with the Living Wage. This Society's commitment to become an accredited Living Wage employer is to be applauded and meets the request we put forward as part of our 2013 pay claim.

Individual Pay Awards

Eligible employees, who were rated 'Met Objectives' or above, will receive an increase of between 2.75%-7.25%, depending on their performance rating and position in the pay range (with a 1% award for employees rated as New Starter depending on their position in the salary range). This is a better-than-inflation award (RPI - 2.4% in May 2014) and will help employees keep pace with the increase in the cost of living.

Employees who are currently paid less than the market anchor for their pay range will receive slightly higher awards to help achieve some pay progression.

Staff Union Mail

The matrix below sets out the pay award for eligible employees in levels 1-3:

Rating	Position in the Salary Range		
	95% & under	95.01 - 100%	Over 100%
Exceptional	7.25%	7%	6%
Exceeded Objectives	5.25%	4.75%	4.25%
Met Objectives	3.5%	3.25%	2.75%
New Starter	1%	1%	0%
Part Met Objectives**	0%	0%	0%
Unacceptable	0%	0%	0%

Employees on Prolonged Sickness Benefit (PSB) will receive an award of 2.5%.

Part Met Rating**

Employees who are rated as 'Part Met' but improve their performance by the half-year review in October 2014 to Met or above will receive a pay award of 2.5%. This will be paid as a consolidated salary increase up to the salary range maximum, with any amount above this paid as a non-consolidated lump sum.

We believe this is the correct approach:

- i) it recognises that the description of 'Part Met' is that an employee has fallen short in some areas but this means they have made some contribution to the business
- ii) the possibility of participating in the pay review in October provides an important incentive to improve performance
- iii) there must be a meaningful distinction between the consequences that apply to the 'Part Met' and 'Unacceptable' ratings.

Allowances

We participated in an annual review of allowances which was conducted earlier in the year and is separate from the pay review. However, there are some allowances which are linked to pay range and these will be increased as a result of the increases to the ranges agreed in this settlement.

We have a separate and outstanding claim in respect of Location Allowances. We are hopeful that these negotiations are nearing a conclusion and that we will be in a position to report the outcome to members very soon.

Group Distribution - Quarterly Bonus Appeals Procedure

We would like to remind members in the Group Distribution quarterly bonus scheme that there is an appeal process - please use the process if you feel your rating for Q1 is unfair.

Your quarterly review and rating should reflect your 'whole of role' performance. We have had some feedback to suggest that failure to make the required number of 'referrals' or 'norms' will automatically be rated as 'Part Met'. This is not true and if your rating is based solely on such a measure, we strongly urge you to appeal.

There are two stages to the appeal process: you must raise your concern with your local manager in the first instance. If your concerns remain unresolved you can submit a written stage two appeal to the review panel.

Details of the full process can be found on the intranet and members can contact the Union for further guidance and support.

National Executive Committee (NEC) Vacancies

We are seeking nominations for National Regional Officers on the NEC to represent branch members in our North 1 and South 1 regions. The closing date for nominations is 5pm on 25 July 2014.

For more details and a nomination form, please contact Kerry Wagg, Rep Support Officer, on 01295 710767.

July Draw Winners

First Prize : £11,410

128085 : Bahadir Cicek of Hammersmith branch

Second Prize : £5,000

121597 : Sandra Hicks of Pensioner Members

Third Prize : £2,000

106245 : Richard Mayo of Specialised Support (London)

Fourth Prizes : £500

088986 : Suzanne Yates of Wisbech branch

123957 : Maureen Gray of DBS Ilkeston branch

076329 : Donna Gray of Edinburgh branch