Unite House
128 Theobald's Road
London WC1X 8TN

Tel: 020 7611 2500
Fax: 020 7611 2555

CENTRAL OFFICE

[redacted]
Employee Relations – NWH Customer Businesses HR
Gogarburn Business House A
PO Box 1000
Edinburgh
EH12 1HQ

Monday 9th November 2020

By email: [redacted]

Dear [redacted]

Unite the Union NatWest Holdings Pay Claim 2021

Please find enclosed below a briefing paper and narrative supporting the union's claim on pay for 2021. Please note we will look to publicise this with our membership by Friday 13th November at the latest.

Background

Unite is disappointed to learn that the employer is missing the opportunity to adjust its pay philosophy given the unprecedented economic and cultural times we find ourselves in. The insistence on staying with a performance rating based system does not take into account the turmoil of 2020. It is the trade union's position that any associated pay offer based strictly upon the 1-5 rating distribution contradicts the bank's stated philosophy and flies in the face of academic study.

Performance related pay does not support the values and ethos that NatWest Group espouse. Studies (Pfeffer 1998) show that performance related pay focuses on individual contribution over teamwork (Teamwork being one of the Group's Core Service Behaviours), short-termism over sustainable long term results ("LONGTERM SUSTAINABLE PERFORMANCE" is part of our 5 principles of a purpose driven business). Financial incentives have also been shown to work primarily in incentivising mechanical skills and that when cognitive skills are required tying reward to performance, this actually resulted in poorer performance.

Unite calls on the employer to urgently reconsider their 1-5 ratings process and to decouple the pay and reward scheme from this in favour of rewarding all staff adequately.

Nat West Employer Survey results

At the request of the employer, Unite's National Company Committee reviewed the proposed survey the bank sent out and collated views, comments and feedback. The collective position of the trade union on behalf of its members, is summarised below:

- When reviewing the colleague value proposition, "Fair Reward" was by far the most commonly responded as the most important aspect.
- Member capacity elicited a lot of response rejecting the question as unfair and patronising. The question presents a false dichotomy as so often members who have the capability to react well to change are not given the resources, time or clarity to do so.
- Market forces were deemed to be relevant only for minimums. We should be aware of what other organisations are doing, but not utilise this as a race to the bottom.
- Overwhelmingly, fairness transparency and equality in pay was deemed to underpin the desired approach.

The Unite Claim:

- A £700 One-off non-consolidated cash payment
- Payable to all permanent UK staff in the bargaining unit
- Regardless of 2020 performance rating or position in range
- Payable in April 2021 to all staff who were employed as at 31/12/2020
- An option to convert this into an APeC

Rationale:

- This gives a powerful acknowledgement to the fact that that the bulk of the staff who took the most risk to work (as they could not work at home continuously) during 2020 are in lower paid roles in retail front line and call/ service centres
- Has greatest value %-wise to the lowest paid staff

Business Benefits:

- Reflects the 'Invest In Our People' aspect of 'Our Purpose'
- Enhanced staff satisfaction with their reward
- Enhanced staff motivation
- It does not give an ongoing bottom-line cost to the Bank
- The Employer retains the ability to differentiate between performance levels via the discretionary bonus scheme

2020 COVID-19 Award

Unite has called on NatWest repeatedly to follow the example set by others in the UK in recognising the extraordinary efforts put forth by staff to keep the bank and UK economy afloat and show gratitude to staff who have worked longer hours, at greater risk in unfavourable circumstances, whether that being working from home in sub-optimal workspaces, travelling into their place of work at personal risk or trying to balance work and caring responsibilities.

The Award:

- A free issue of 250 Ordinary NWH shares to all permanent staff at all levels across the group, who may legally own shares in NatWest Holding)
- Issued at 01/01/2021
- To be treated as per past staff share issues: In line with tax regulations they may be sold and incur tax liability or retained for 5 years and sold with no tax liability

Rationale:

- This would be an unprecedented gesture to thank-all staff for their efforts to keep the Bank afloat and support our customers and colleagues during the unprecedented Covid-19 Pandemic.
- Has greatest value %-wise to the lowest paid staff

Business Benefits:

- It reflects the Employer's 'Invest In Our People' initiative
- No immediate bottom line cost to the Employer
- No ongoing cost to the Employer

On behalf of the trade union and its members I look forward to discussing this claim with you in greater detail in due course.

Yours sincerely

Rob MacGregor
National Officer