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UNITE

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WHERE DID THE MONEY GO?

Over recent months we have been approached by an increasing number of members asking where did the additional 1% discretionary spend negotiated in the 2011 pay talks go. Whilst we knew where some of it had been spent, we asked the company if they could account for it all.

It is important to remember that whilst the 1% spend was discretionary, that was only in respect of where the money would be spent and not if it would be spent. The pay settlement was clear in that **AXA's** total pay award spend this year was 3% and **AXA** agreed that the 1% would not be 'lost' or used to offset any cost-challenges OpCo's might face as the year progressed.

The agreement was that the money would be used to try and resolve problem issues such as recruitment hot spots and retaining high performers, as well as helping those low in the pay range.

So have the OpCo's spent the money and if so where?

To date **AXA Wealth** has spent 80% of its discretionary spend aligning employees to market rates and addressing a few key retention issues. The remaining spend is currently being targeted at specialists skill retention in IT and business risk.

The **Corporate Centre** still has over 50% of their spend remaining. Some parts of the Centre, such as Marketing, have already spent all their 3%, others like Finance, HR and IT are now using it for targeted retention activity.

The business split between **Personal Lines** and **Commercial Lines** has caused some issues as to



calculating the amount available to spend as it was not a clear process, but current figures show that **Personal Lines** has spent 98% of its discretionary spend already. The main focus here was on Customer Services roles notably in Operations and Lifestyle Claims with other spend in specialist skills set and key talent areas. None of the discretionary spend in **Personal Lines** has been spent above Level 5.

Commercial Lines is some way behind the other OpCo's given its wish not to use the discretionary spend until it had completed its business review and implemented it. Up to 85% of its discretionary amount is unspent at present, however management have identified some recruitment hotspots in actuarial and underwriting that they will be aiming the discretionary spend at over the next few months.