

Group IT Pay & Salary Structure: Further Progress

Negotiations on salary Structure Continuing Further Progress Required

Following an improvement last week to the Bank's Pay Offer, LTU has been able to reach agreement on some aspects of this year's Group IT Pay Increases, whilst negotiations continue on how salaries will be managed on an ongoing basis.

The key areas where agreement has been reached between Group IT Management and LTU are:

- **All Group IT Staff will be guaranteed pay increases to at least 80% of the appropriate Market Indicators.**

The table below shows the Market Indicators and Guaranteed Minimum Salaries for all Group IT Staff.

Group IT Salary Structure 2003		
Band	Min Salary	Market Ind.
TA	£37,200	£46,500
TB	£31,760	£39,700
TC-Core	£26,560	£33,200
TC-Tech Supp	£20,560	£25,700
TC-Off Supp	£20,000	£25,000
TD-Core	£17,600	£22,000
TD-Tech Supp	£15,600	£19,500
TD-Off Supp	£14,000	£17,500

For staff currently paid at 75% of the Market Indicator, this will mean automatic pay increases of at least 6.7%; taking them to 80% of the Market Indicator.

Fundamental to LTU being able to reach agreement

with the Bank, Senior Management has now agreed that these increases will be financed from funds entirely separate from the 3% Pay Pot.

- **All IT Staff currently paid below 80% of the Market Indicator will be guaranteed to receive increases of at least 3%.**

This will be important for staff currently paid at, say, 79% of the Market Indicator who might otherwise have feared being moved to just 80%.

- **All Group IT Staff will be guaranteed to be paid increases from a 3% Pay Pot.**

LTU had insisted that this arrangement was essential in order to avoid disadvantaging longer-serving, more experienced staff.

In fact, because of the separate funding for the new minimum salary levels, and restrictions on increases for those staff paid above their Market Indicator, LTU believes that those staff already paid between 80% and 100% of their Market Indicator could typically expect Pay Increases worth around 4.5%.

- **The Bank has agreed that, where appropriate, staff paid above 115% of the Market Indicator will still be able to receive Pay Increases, subject to the Bank's 'Exceptions' Process.**

- **The cap on Overtime Pay will be increased from £15.60 to £18.24 per hour, the TC Market Indicator.**

Negotiations on Salary Structure Continuing

Whilst agreement has been reached on those Pay Arrangements detailed on Page 1, negotiations are continuing on other key aspects of the Group IT Salary Structure.

'Fixing' The Group IT Salary Structure

LTU is concerned that aspects of the Group IT Salary Structure do not operate correctly and that, as such, need to be 'fixed'.

These particularly relate to staff being graded and paid correctly and receive appropriate levels of Shift Pay.

These concerns will form the focus of LTU's negotiations with Group IT Senior Management over the coming weeks, as both parties attempt to reach full agreement on IT Pay for 2003.

LTU's objectives are to:

- **Ensure Staff Are Correctly Graded For The Work They Do.**

Over the past 12 months LTU has become increasingly concerned that staff are being held back from being correctly graded. This must not be allowed to continue.

Whilst in other parts of the Bank, there is typically a distinct organisational structure with a set number of grades in each office, circumstances are different for most areas of Group IT. For those 'Core IT' Staff working for Group IT - in other words those not working in Office Support or Technical Support - the Bank has accepted that as staff acquire skills and experience then their role and contribution becomes 'bigger'. Rather than merely slotting in to a role, staff typically perform 'bigger jobs' over time even if, physically, they appear to be in the same job.

It is for this reason that, for 'Core IT' Staff, in the past TD has been considered to be a 'Training Grade' in which staff are first employed until they acquire the skills and experience to be recognised as contributing at - and therefore automatically promoted to - TC level.

LTU is concerned that this is no longer happening as it should, meaning that staff are being undergraded below their level of contribution and responsibility.

The Union is insisting that this situation must not be permitted to continue. The following two objectives are intended to achieve this.

- **Improve Quarterly Pay And Performance Reviews**

The Bank recently produced new Guidelines on Quarterly Pay & Performance Reviews.

Though LTU had been pressing for new Guidelines - given inconsistencies in the approach adopted across Group IT - the Union is concerned that the version Management eventually produced is imbalanced.

The Guidelines adopt a negative approach, placing a clear focus on when NOT to Promote or award a Pay Increase to a member of staff, whilst singularly failing to provide guidance on determining when such action WOULD be appropriate.

These serve only to heighten LTU's concerns that staff are being held back in artificially low grades for the level of their responsibilities; particularly at Band TD when they should correctly be graded at Band TC, and TC when they should be TB.

LTU is insisting during negotiations that the Guidelines should be rewritten following a process of detailed consultation with LTU.

- **Splitting Band TC For 'Core IT' Staff**

Whilst LTU accepts that some Group IT Staff are in positions which should be graded at Band TD, many others - those in 'Core IT' roles - are in jobs which, as they acquire more skills and experience, mean that they eventually perform their role at TC level without physically changing positions.

However, over the past year less and less staff have been promoted from Band TD to TC, often at best being awarded a Pay Increase instead. This means that staff are being held back in artificially low grades.

Whilst Pay Increases are welcome, this approach neither allows staff recognition for their increased responsibilities nor qualifies them for grade-related benefits whilst restricted to Band TD; such as an additional 3 days holiday and free medical insurance.

LTU is therefore proposing that, for 'Core IT' Staff, Band TC should be split in two; effectively introducing a 'Higher' and 'Lower' Band. It could then accommodate more easily those staff in TD jobs whose jobs have evolved as they have acquired more skills and experience into TC roles.

- **Improve Shift Pay Premia**

LTU is pressing for urgent improvements to the operation of the Shift Pay Structure and increases in the levels of Shift Pay.

When changes were made to how Shift Pay levels were determined, the Bank had insisted that this was to mirror changes planned by other companies. Similar changes did not, however, typically take place elsewhere and LTU believes that Shift Pay Arrangements within Lloyds TSB are now in disrepute.

Group IT Staff face substantial cuts in their Shift Pay from 2006. Of course many working in Central London are also facing significant increases in their travelling costs because of the London Congestion Charge and the fact that they cannot count on public transport because of their unsocial working patterns.

LTU is therefore pressing the Bank to commit itself to a timetable for commencing negotiations on improving both Shift Pay Arrangements and the levels of Shift Pay.

Improving IT Programme No Excuse For Inactivity

LTU has made it clear to the Bank that it will not accept the *Improving IT* Programme as an excuse for not 'fixing' the current shortcomings of the Group IT Salary and Grading Structure.

Objectives of the Improving IT Programme for "improving the skills and experience of our people" will be met with suspicion unless IT Staff can be sure that they will be correctly graded and rewarded for acquiring these new skills and experience. Staff have a right to be paid and graded properly.

That is why it is important to 'fix' the operation of the existing Salary and Grading Structure now, even if further improvements will be planned over the longer-term as the *Improving IT* Programme develops.

Looking to the longer-term, LTU has made a number of further proposals which go hand in hand with the objectives of the *Improving IT* Programme and implementation of Group IT's Pay Policy, these being:

- **Introduce new pay mechanisms to ensure more consistent and effective recognition of experience, skills and performance.**
- **Introduction of worthwhile Bonus and Incentive schemes to facilitate a "high performance culture" and to ensure staff are paid at the Upper Quartile in Total Cash Terms (i.e. Bank Pay Policy).**

LTU is looking to work with the Bank to develop Salary Structure arrangements which most effectively support the goals of the *Improving IT* Programme.

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