

No Agreement On Pay Pot For IT Staff

The Bank stands accused of deliberately and mischievously trying to 'sex up' the amount of pay staff will get from the pay pot.

All IT staff should have received the 'dodgy' booklet, which was produced by the Bank centrally and not Group IT, which announces on the front cover a pay pot of 2.5%. It goes on to say that there will be an "....additional 0.93% spend on uplifts.". It concludes,

in a statement which even Comical Ali - the Iraqi Information Minister - would have been proud of, that if you "...add the 3.43% spend on basic pay to the 4% Flavours cash sum and this makes a total of 7.43%." The clear implication of that statement is that IT staff will get a salary increase worth 7.43%. That is simply not true. The two payments are separate; the Flavours payment is fixed at 4% and the majority of IT staff will get an increase from the pot of less than 3.43%. **You don't need a Hutton style Inquiry to realize that the Bank's Spinmeisters are playing fast and loose with the figures.**

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Table 1: Group IT Salary Structure 2004

Band	Min Salary	Market Indicator
TA	£39,525	£46,500
TB	£33,745	£39,700
TC	£28,220	£33,200
TC TS	£21,845	£25,700
TC OS	£21,250	£25,000
TD	£18,700	£22,000
TD TS	£16,575	£19,500
TD OS	£14,875	£17,500

Group IT Pay

Historically when it comes to determining pay the Hay ITEX survey has been the single most important source of information since it provides a direct comparison between salaries in Group IT and those for equivalent sized jobs in other organizations. It is a direct comparison of data from that survey which determines the Group IT market indicators for each band.

This year we have looked at a number of other IT surveys, CEL Computer Staff Survey and HR4IT, and they are all making the same point that in the last two years the IT market has been subdued and that's been reflected in the salary survey data. At the TC Band median salaries in the ITEX survey have reduced by 9.32% from £32,360 to

£29,344 over the last two years. TD median salaries have reduced by 4.91% over the same period. Both the CEL and HR4IT surveys confirm that median salaries in the market have got much worse over the last 12 months. According to the two surveys median salaries at TC (OS) level have fallen to £21,773. If that was applied to Group IT the current TC (OS) market indicator would be reduced from £25,000 to £21,773, a reduction of some 12.91%.

But whilst the IT pay market may be subdued our negotiations this year have not been taking place in isolation. Group IT is part way through a 3 to 5 year major reorganization programme designed to improve the performance of the business. In our discussions with Group IT, LTU said that given the importance of the Improving IT Programme it would be disastrous to reduce market indicators now and that such a move would be opposed vigorously. Group IT and LTU have agreed to maintain market indicators at their 2003 level.

Guaranteed Salary Levels Now

The need to avoid staff being paid significantly below the 'rate for the job' given their levels of responsibility has been an important priority for LTU over many years. Last year resulted in an agreement in which all staff, with an acceptable standard of performance, were guaranteed a salary of at least 80% of the appropriate market indicator. That figure had been increased from 75% the previous year following agreement with LTU.

Under the new reward package, which we still believe has a number of important weaknesses, all IT staff are now to be moved into the 'primary' zone, which is set at 85% of the appropriate market indicator for Bands TD - TA. Table one on the front page shows the Market Indicators and Guaranteed Minimum salaries for all Group IT staff.

Table 2 opposite shows the number of IT staff in each of the pay zones. 698 IT staff will be uplifted to the entry point of the 'primary' zone and that is before the pay pot is distributed. If Group IT had introduced the lower market indicators then that figure would have fallen to just 84, the majority of which would have been at the TB Band.

Group IT has said that it will take about 0.93% over and above the headline pay pot figure to get staff to these minimum levels. But rather than doing this in one go the Bank centrally, in a blatant act of tightfistedness, intends to make all staff wait an extra 6 months to get to the new minimum salary level. That is not the behaviour you would expect from a high performance organisation. IT Staff deserve the full increase in April.

2.5% Pay Pot – Not Enough

That leaves IT line managers with just 2.5% of the pay pot to move staff through to the 'market' zone. That will not be enough to meet the Bank's new 'commitment' of getting staff into the 'market' zone in 2 to 3 years. At least with market indicators Group IT had the decency to wait a few years before breaking its commitment to pay staff the market rate for the job. With the small amount of money to spend on moving IT staff through the zones Group IT is in danger of breaking its 'commitments' almost immediately.

How To Judge The Pay Pot

In recent years Group IT has said that its policy on pay has always been driven by the market and the 'rate for the job'.

What we want Group IT to do is deliver on its own policy and pay fully experienced and competent IT staff their 'market rates'. This pay offer fails to meet that policy. There are no proper guarantees that staff who should be paid the rate for the job will be. Moreover, experienced IT staff already paid above the market rate will see their pay relative to the market rate deteriorate.

Our negotiations continue and I will keep members informed of developments.

Mark V Brown
Assistant General Secretary

Table 2: Group IT Pay Zones For 2004

Band	Primary Zone		Market Zone		High Performance	
	From	To	From	To	From	To
TA	39,525	44,174	44,175	48,824	48,825	55,800
TB	33,745	37,714	37,715	41,684	41,685	47,640
TC	28,220	31,539	31,540	34,859	34,860	39,840
TC TS	21,845	24,414	24,415	26,984	26,985	30,840
TC OS	21,250	23,749	23,750	26,249	26,250	30,000
TD	18,700	20,899	20,900	23,099	23,100	26,400
TD TS	16,575	18,524	18,525	20,474	20,475	23,400
TD OS	14,875	16,624	16,625	18,374	18,375	21,000

Table 2: Group IT Pay Zone Analysis

Band	Below Primary (<85%)	Primary (85-95%)	Market (95-105%)	High Performance (105-120%)	Above High Performance (>120%)
TA	6	20	112	121	25
TB	49	120	246	172	17
TC	493	285	284	195	16
TC TS	7	25	12	13	2
TC OS	5	7	2	0	0
TD	125	58	48	15	1
TD TS	10	34	20	7	5
TD OS	3	7	0	5	1
Total	698	556	724	528	67