

21st May 2004

Lloyds TSB - Group IT

New IT Grading And Pay Structure

All staff in Group IT will be attending 'Roadshows' over the next few weeks. The aim of these 'Roadshows' is to explain to staff the new Career & Performance Framework and to provide an understanding of how current roles are being read across into the new grading structure.

The new salary structure which will complement the new grading structure and the impact of the readacross exercise on staff across the whole of Group IT, are still the subject of further negotiations with LTU. At this stage what we can say is that there will be one market indicator for each of the new grades A - H. The pay zone approach, which was recently imposed across the Bank, will apply to the new IT pay structure. Each grade will have a salary range, which will overlap across grades, and that will be determined by the market indicator.

The position of IT staff in Scottish Widows is that they will continue with their current grading and salary structure. That position might change when the new Head of IT in Scottish Widows is appointed.

Readacross Exercise Is Key

We have said it before, but it is worth repeating, that the Career & Performance Framework element of the Improving IT Programme will only be successful if staff feel that they have been read across fairly to the new grading structure. If staff feel that they have been treated unfairly, or we see a wholesale downgrading exercise in order to save money, then Group IT will just be creating a new set of problems.

INSIDE

Impact of Readacross Exercise

**Thinking About Your New
Grade**

Appeals Process Agreed

The importance of the readacross exercise cannot be overestimated given the potential impact it could have on salaries, benefits and future career aspirations. Moreover, given what LTU has said in the past about staff being undergraded, and thus underpaid, relative to their contribution to the business it is important that this exercise is carried out consistently and transparently.

However, some of the current managerial statements we have been made aware of don't bode well for the outcome of the readacross exercise. For example, one Director has told his direct reports, and it's been cascaded down the management chain, that no one will readacross at Grade B unless he or she is a Tier 3. We hope that such rubbish, which runs contrary to everything Group IT has said about the alignment process being about the roles and not individuals, is identified at the consistency checking stage and put right. If it isn't, not only will there be hundreds of appeals but the advantages of the new grading and career structure will be lost.

LTU's IT Negotiating Committee will shortly begin discussions on the outcome of the readacross exercise and we will keep members informed of developments.

Impact of Readacross Exercise

We have already said that the impact of the readacross exercise could have a major impact on salary and benefits. If members of staff are allocated to a grade that would provide them with benefits or a salary range that are less than they currently enjoy, Group IT will help them to find an alternative role at the right level.

If no suitable role is found then the individual will be subject to the Bank's Protection of Pay and Allowances Policy. This policy will protect pay and benefits until the end of 2006. If you are no longer eligible for a car then as a minimum the benefit will be protected until the end of 2006. If your level of car benefit is reduced then, as a minimum, you will retain your current level of benefit for the remainder of the current year plus a further two years.

LTU's position is that if as a result of this readacross roles are established under the new structure that gives job holders higher pay zones than they currently enjoy then, unless there are exceptional circumstances, they should be promoted immediately and their salary and benefits adjusted to the higher level. The circumstances when this would not happen are subject to further discussion between IT and LTU.

Thinking About Your New Grade Now

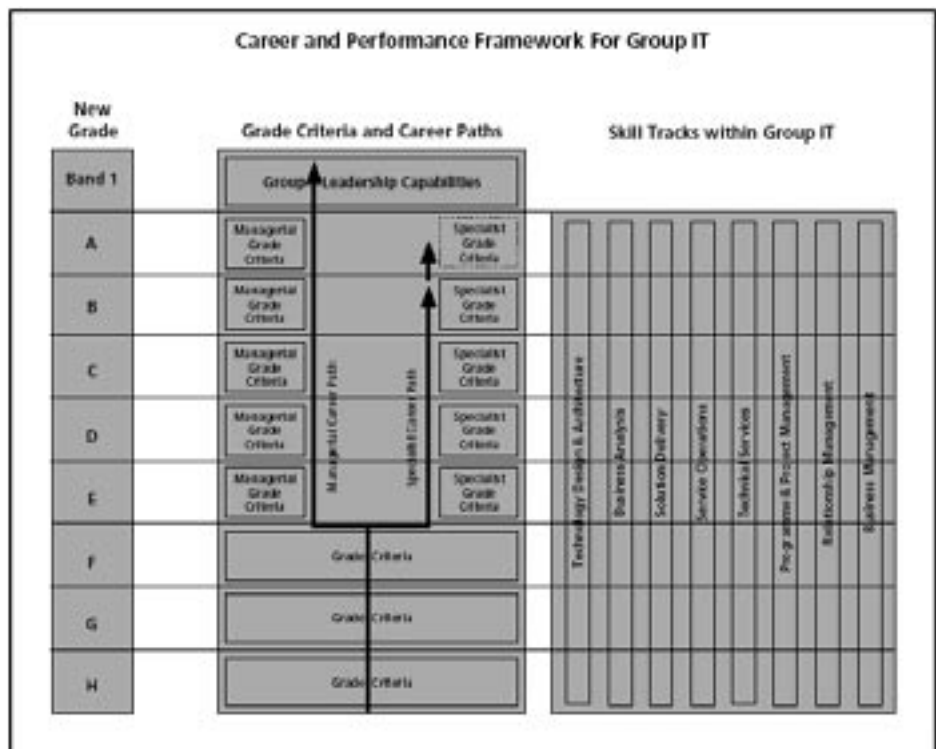
The accountabilities, competencies, skills, knowledge and experience expected at each grade in both the managerial and specialist career paths are set out in the grade criteria that have been published

on the Group IT intranet site . We would advise staff to identify the grade criteria which best fit their current role and those criteria above and below their role. You don't need to meet all of the grade criteria for it to apply to your current role, but you will need to show that at least the majority apply.

Whilst at this stage staff will not know the outcome of the readacross exercise you should at least have some idea of your career path, skill track and the grade criteria which best fit your current role before you meet your line manager, which will be towards the end of June. Members should be preparing for those interviews now. Details of the new grades, career paths and skill tracks are set out below. If you are currently in the TC Band and believe that the grade criteria which best fit your current role would put you in the new grade D, then you may be required to justify that to your Line Manager during your 1 to 1 interview. We would suggest to members that they ensure they are able

to provide examples to show that they meet at least the majority of the grade criteria. This will be particularly important in those cases where members of staff disagree with the grade alignment decision of their line manager.

If members need help in interpreting the grade criteria or would like to discuss the readacross process they can contact the Union's Bedford Office on 01234 262868.



Appeals Process Agreed

LTU and Group IT have agreed a three-stage appeals process, which will be discussed in detail in our next Newsletter, providing for LTU representation at every stage of the process. Those staff who disagree with the grade alignment decision of their line managers will have until the second week of July in which to appeal. Members with any questions on this Newsletter should contact LTU at 01234 262868.

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