

18th April 2005

Lloyds TSB - Group IT

LTU's IT Pay Ballot 2005

LTU's IT Negotiating Committee met with Group IT at ACAS earlier this week to continue our discussions on Pay 2005.

Unfortunately, those discussions have not produced any movement in Group IT's position and LTU will therefore be consulting its members in a ballot on the next steps in our campaign to secure a just settlement for all IT staff.

This is the most important LTU Ballot in Group IT for a long time. The current pay system will be in place for many years and if IT members want it changed we need to take a stand against it now.

The issues for IT staff, whether they are in the 'Primary', 'Market' or 'High Performance' zones, are quite clear.

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We need your views and we therefore need you to vote NOW.

Please complete the enclosed ballot paper and return it to LTU immediately using the envelope provided.

Disclosure of IT Survey Data

The data from the IT salary surveys determines the pay zones and market movement for Group IT staff. Group IT understand the importance of the salary survey information to LTU and have in the past always disclosed information at the start of our pay negotiations.

It was therefore unacceptable, particularly given that LTU have been given similar information in other forums, for the Bank to decide that the IT

salary survey data was suddenly confidential and could not be disclosed to LTU.

Following our discussions at ACAS, Group IT has agreed to write to the survey companies explaining the importance of the survey data to the IT pay negotiations and asking them for permission for limited publication of the salary surveys within the Lloyds TSB Group. The contents of that letter will be agreed with LTU.

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Year Zeroists Are Damaging IT Pay

Last year's pay booklet, endorsed by Eric Daniels, told staff that "If your salary is currently in the bottom zone then it shouldn't take more than two or three years for you to move to the middle zone." At the time IT said that Bands TD - TA would get from the 'primary' zone to the 'market' zone in three years. Pay awards in April 2004 were based on an individual's contribution in 2003 and as far as IT staff were concerned that was the first year of the new pay system. So we expected IT's pay pot this year to be large enough to award significant increases to IT staff in the 'primary' zone to enable them to get into the 'market' zone next year.

But no. IT has said that last year wasn't the first year of the new pay system, it was Year Zero. According to the Year Zeroists, Group IT doesn't need to get staff into the 'market' zone until April 2007. LTU believe

that the 3.5% pay pot will not be enough to get IT staff into a position to move into the 'market' zone next year. According to the figures produced by Group IT, up to 22% of staff are currently paid at between 85% and 87.5% of the market rate. We know the market has moved by 2.28% in 2004 and that will be needed to just keep staff in the same position they are now relative to the market. So that leaves just 1.2% of the pay pot available to progress staff to the market zone. That is not going to be enough.

According to Group IT, provisional information shows that 50% of staff who were in or below the 'primary' zone last year have moved into the 'market' zone. As yet we have not been able to verify that figure.

Progression to IT Market Rate

In countless surveys IT staff have consistently said that they should be told how long it should take them to be paid the market rate for the job. Group IT has always refused to do so. The reason why it has refused to do that is not because it can't, but because once it's done so future IT pay pots will need to be significantly higher than they have been in recent years to enable staff to achieve their 'market' rate.

Last year there were 1,650 staff in the 'primary' and 'market' zones; this year there will be 1,834 staff in those zones. This year's pay pot is just 1% higher than last year's, and one of the consequences of that will be that salary progression in zones, and between zones, will have slowed down significantly.

Group IT Underclass

According to the figures produced by Group IT, there were 660 members of staff whose salary puts them either in or above the 'High Performance' zone. We know that up to 304 of those staff are

subject to the protection we agreed as part of the Grade Alignment Process. Those staff will get an automatic salary increase of 2.28%.

The reality for the remaining 356 members of staff in or above the 'High Performance' zone is that a number of them will once again get no basic salary increase this year and they will see their standard of living deteriorate further. Group IT accepts that their performance may be exceptional but because they happen to be high in their pay scales, which incidentally could be due to previous periods of exceptional performance or recognition, it is quite happy for the salaries of this 'underclass' of staff to

slowly wither on the vine. That is unacceptable for an organisation which published profits of £3.5bn in 2004.

LTU believe that all staff, regardless of their zonal position, should automatically get the increase in the market movement for their Band. This does not break any equal value legislation, the main reason given by Group IT for not doing it.

LTU Rejects The Pay Pot

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

What we want the Group IT to do is deliver on its own policy and pay fully experienced and competent IT staff their 'market rates'. Yet again Group IT's

offer fails to meet that policy. There are no proper guarantees that staff who should be paid the rate for the job will be. Experienced staff already paid above the market rate will see their pay relative to the market rate deteriorate yet again and that is unacceptable.

Industrial Action Ballot - Members to Decide

The Union's General Council is empowered to ballot members on one or more forms of industrial action. These would be appropriate to the categories of staff concerned.

Possible options available to LTU would include the following:

- **the withdrawal of goodwill - for example: refusing to work unpaid overtime; refusing to carry out call-out duties, refusing to carry out premises overtime;**
- **working to rule - i.e. refusing to break the Bank's own rules and regulations in order to meet local work requirements or get jobs done more quickly;**
- **a ban on overtime working;**
- **strike action for a period of time which could be anything from one hour up to one or more days in duration.**

Mark V Brown
Assistant General Secretary