

2ND FEBRUARY 2004

ALL MEMBERS 2/2004

## Bank 'Sexes Up' Pay Pot

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

All staff should have received the "dodgy" booklet which announces on the front cover a pay pot of 3.5%. It goes on to say that there will be an "...additional 0.85% spend on automatic adjustments.". **It concludes, in a statement which even Comical Ali - that's the Iraqi Information Minister - would have been proud of, that if you "...add the 4.35% spend on basic pay to the 4% Flavours cash sum and this makes a total of 8.35%."** The clear implication of that statement is that staff will get a salary increase worth 8.35%. That is simply not true. The two payments are separate. The Flavours payment is fixed at 4% and the majority of staff will get an increase from the pot of less than 4.35%. **You don't need an Hutton style Inquiry to realize that the Bank's Spinmeisters are playing fast and loose with the figures.**

Our proposals sought to address the structural inadequacies of the Bank's approach to pay

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and provide real, lasting and guaranteed improvements in pay through a mechanism of defined salary progression.

The Bank's offer, announced today, falls well short of the action required.

There is a history of the Bank repeatedly changing its pay policy and dressing up poorer packages as improvements. Under the current pay policy the Bank's stated objective is to get people to the market rate – 100% of its pay range. Now it says that its policy is to get staff to the "market zone" which starts at 95%. That's an immediate reduction in expected pay.

The Bank's pay pot is explained inside this Newsletter.

# LTU Rejects Pay Pot

When looking at the pay pot spend members should not be seduced by the Bank's headline figure of 4.35% because it contains payments for uplifts in April and October and market movement increases.

## Salary Uplifts = 0.85%

We would be the first to acknowledge that under the new package staff are now to be paid at least 90% of the market indicator for Bands 6, 7 and 8 and 85% for Bands 5-2. The Bank has said that it will take about 0.85% of the headline pay pot figure to get staff to these minimum levels. But rather than doing this in one go the Bank, in a blatant act of tightfistedness, intends to make 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. Staff deserve the full increase in April.

## Market Movements = 2.1%

We now know that 0.85% of the headline pay pot is for uplifts. This then leaves a figure of 3.5% to use for increases covering movement in the market and to move staff through the Pay Zones. However, the Bank has said that up to 2.1% of the pay pot,

for Bands 6-2, will actually be used just to keep staff in the same position they are now relative to the market. If you're a Band 6, as the table opposite shows, you will need a salary increase of 1.03% just to tread water. Anything less than that and you are moving backwards. Tables 1, 2 and 3 opposite set out the new pay zones, market indicators and local market indicators for staff in Financial Services. Separate Newsletters will be issued for staff in other business units.

## Performance Pot = 1.4%

That leaves line managers with just 1.4% of the pay pot to move staff through to the 'market' zone. That will not be enough given the Bank's new 'commitment' of getting staff into the 'market' zone in 2 to 3 years. **At least with market indicators the Bank 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 left over to spend on moving staff through the zones the Bank is in danger of breaking its 'commitment' immediately.

# How To Judge This Offer

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

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

**IAN PARTRIDGE**  
General Secretary

<b>BAND 7</b>									
Local Market	Primary Zone		Market Zone		High Performance		LMI		
	From	To	From	To	From	To			
1	£12,375	£13,062	£13,063	£14,437	£14,438	£16,500	<b>£13,750</b>		
2	£12,825	£13,537	£13,538	£14,962	£14,963	£17,100	<b>£14,250</b>		
3	£13,500	£14,249	£14,250	£15,749	£15,750	£18,000	<b>£15,000</b>		
4	£14,400	£15,199	£15,200	£16,799	£16,800	£19,200	<b>£16,000</b>		
5	£15,165	£16,007	£16,008	£17,692	£17,693	£20,220	<b>£17,000</b>		

<b>BAND 8</b>									
Local Market	Primary Zone		Market Zone		High Performance		LMI		
	From	To	From	To	From	To			
1	£10,575	£11,162	£11,163	£12,337	£12,338	£14,100	<b>£11,750</b>		
2	£11,025	£11,637	£11,638	£12,862	£12,863	£14,700	<b>£12,250</b>		
3	£11,700	£12,349	£12,350	£13,649	£13,650	£15,600	<b>£13,000</b>		
4	£12,600	£13,299	£13,300	£14,699	£14,700	£16,800	<b>£14,000</b>		
5	£13,365	£14,107	£14,108	£15,592	£15,593	£17,820	<b>£15,000</b>		

## Financial Services MIS for 2004

Band	Primary Zone		Market Zone		High Performance		Market Indicators				0% Increase 2003 - 2004
	From	To	From	To	From	To	2001	2002	2003	2004	
6	17,730	18,714	18,715	20,684	20,685	23,640	18,750	19,500	19,500	<b>19,700</b>	<b>1.03</b>
5L	20,188	22,565	22,563	24,937	24,938	28,500	22,800	23,000	23,250	<b>23,750</b>	<b>2.15</b>
5U	23,630	26,409	26,410	29,189	29,190	33,360	26,950	26,950	27,250	<b>27,800</b>	<b>2.02</b>
4L	27,200	30,399	30,400	33,599	33,600	38,400	30,500	31,000	31,350	<b>32,000</b>	<b>2.07</b>
4U	32,045	35,814	35,815	39,584	39,585	45,240	35,300	36,000	36,750	<b>37,700</b>	<b>2.59</b>
3L	37,868	42,322	42,323	46,777	46,778	53,460	42,000	42,800	43,250	<b>44,550</b>	<b>3.01</b>
3U	45,348	50,682	50,683	56,017	56,018	64,020	48,600	50,500	51,550	<b>53,350</b>	<b>3.49</b>
2L	54,740	61,179	61,180	67,619	67,620	77,280	56,900	61,000	62,200	<b>64,400</b>	<b>3.54</b>
2U	64,643	72,247	72,248	79,852	79,853	91,260	70,300	72,000	73,500	<b>76,050</b>	<b>3.47</b>