

New Roles & Structure - Update & PBIFA Targets

In my last newsletter I reported details of the Bank's latest plans to reform salesforce and relationship roles. Central to this would be a significant increase in the number of Private Banking Consultants (PBCs) - hybrid IFA/Relationship Manager roles - to manage the relationship with all new 'Target' customers and the segmentation of the PBM role to deal with existing 'Target' and 'Traditional' clients.

I commented at the time that although our negotiations had already begun there was still much to address: including the new packages the changes would necessitate; training and selection; career development; caseloads and of course targets. This has indeed proved the case and it will be January at the earliest before I can report further.

However, one consequence of this delay is that PBIFAs will remain in their existing role for longer than expected and therefore targets for 2005 have had to be addressed. I can report that targets, certainly for the first half of 2005, will continue at Q4 2004 levels.

As members will recall in June we agreed that the year end salary adjustments would now apply to those whose performance against target was below 50% of full years target, as opposed to 90%.

This was in recognition of consistent low levels of performance against target: targets that LTU had consistently said were unrealistic. Indeed, until the last two quarters LTU had successfully delayed the introduction of salary adjustments with a series of salary protection guarantees.

The review of performance that will take place at the end of the year will be the one and only time that PBIFA salary levels can be

adjusted downwards for failing to meet target thresholds. As the new structure is introduced throughout 2005 PBIFAs will continue to have the ability to progress to higher salary levels if their performance exceeds target but failure to hit 90% of target will not result in a reduction in salary level. We welcome this change.

As usual the Bank has produced a number of reasons why it believes the 2005 targets are achievable. It might appear churlish to say that we have heard all this before, but of course we have. The Para-Planner role is not due to be in place until the middle of the year and any big IT improvements not until the second half of the year.

However, the Bank accepts that this is a trust and judgement issue and that the "proof of the pudding will be in the eating". Whilst the threat of salary reductions has been removed, the fact remains that if the Bank's view of what business can be delivered proves wide of the mark, few if any bonuses will again be paid.

The PBIFA pay review which is due in January is also still under negotiation. I will keep members informed of developments.

NICK HOLT
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