

# Pay 2003 - Root & Branch Review Agreed

**L**TU's Pay Claim for 2003 aimed to address the structural inadequacies of the Bank's approach to pay and provide real and lasting improvements in pay for staff at all levels through a mechanism of defined salary progression. But, as members are only too aware, the Bank offer announced in February fell well short of the action required and was rejected as totally inadequate by LTU.

On all counts the Bank's offer fails staff:

- **there is no guarantee that staff who should be paid the market rate will be or that staff will, as a minimum, maintain their positions relative to market indicators**
- **experienced staff already paid the market rate will see their pay deteriorate relative to the market rate**
- **virtually all staff will see a deterioration in their real income once increases in the cost of living have been taken into account.**

**With the views of members abundantly clear our negotiations have continued and**

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## INSIDE LTU's Pay Claim 2003 Review Must Be Genuine

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**we have told the Bank that it needed to undertake a root and branch review of its pay policy and pay management system.**

**I am pleased to report that the Bank has now agreed to carry out such a review and we expect negotiations to commence no later than July.**

**In addition, the Bank has also improved its pay offer for 2003. All staff in Bands 8 to 5 with two or more years service in role as at 1st April 2003 will now have their pay increased to 90% of Market Indicator. This will benefit over 150 staff and is in addition to any award already made.**

# LTU's Pay Claim 2003

**The Bank has said it is keen to acknowledge the criticisms of its pay policy made repeatedly by LTU and that it sees merit in the pay progression proposals we have proposed.**

**LTU has made clear that what is required is the provision of real and lasting improvements in pay for staff at all levels through properly defined salary progression.**

At present there is an inconsistent approach to setting minimum levels of pay right across the Bank. Some Business Units have a minimum recruitment salary of 80% of Market Indicators; some use 90% whilst others have made no commitment at all in relation to fixed minimum rates.

Our argument is that all staff should be paid at the following minimum levels, regardless of Business Unit:

## Bands 7 & 8

- **Scale Minimum to be 90% of Local Market Indicator. Thereafter:**

## Band 8

- **Minimum of 95% of LMI after 1 year in Band unless there are objective reasons why individuals are not considered fully competent. This would have the impact of ensuring a reduced turnover of staff in the first 12 months – currently running across the branch network at approx 25% - with its knock on effects on the remaining staff in relation to pressures of work and customer service.**
- **Minimum 100% of MI after 2 years unless there are objective reasons why people are considered to be not fully competent.**

**Thereafter for staff at or above MI:**

- **Pay should be increased by 1% above LMI movement (i.e. on top of any increase in LMI) for each year up to a further 10 years in Band i.e. guaranteed maximum of 110% unless there are objective reasons why individuals are not considered fully competent.**
- **For staff paid above 110%, their position relative to MI should be maintained, i.e. they should always receive Market Indicator movement unless there are objective reasons why not, with any further progress beyond 110% being based on exceptional performance.**

## Band 7

We are seeking a similar policy in relation to progression for Band 7 staff except that the initial progression to LMI would be 94% after 1 year, 97% after 2 years and 100% after 3 years in Band. Unless again there are objective reasons why individuals are not considered fully competent.

## Band 6 & above

Again we are seeking a similar policy but with an 80% minimum with progress to the respective Market Indicator as follows:

84% after 1 year  
88% after 2 years  
92% after 3 years  
96% after 4 years  
100% after 5 years.

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# Review must be genuine

**The review that the Bank has now agreed to carry out, must include a fundamental re-examination of the Bank's pay structure. It will not be sufficient for it be an exercise designed merely to tinker around the edges of the current system.**

**Neither will LTU accept any proposals for a new pay structure that is difficult for most members of staff to understand or which is designed in such a way that it is bound to mislead staff into believing it offers benefits that are simply not there. Too often in the past staff have been persuaded to accept new structures that they simply did not understand.**

**All that approach has done is to defer problems and build up the pay pressures that the current management now has to deal with.**

Equally we will not allow the Bank's review to be simply a sop designed to put pay to bed for another year. If the Bank's review does not begin by July or produce speedy progress towards a new structure that is fully transparent and meets our concerns on progression we will consult members on industrial action.

I will keep members informed of developments.

**NICK HOLT**  
Assistant General Secretary