

10th June 2004

Lloyds TSB - Offshore Banking

Future Of Travel Arrangements In Offshore Banking

Staff in Offshore Banking who receive a travel concession as part of their terms and conditions of employment should have received a questionnaire asking them for their views on the future of the current arrangements.

Those arrangements, of which there are at least 12 different heritage schemes, that we know of, operating at the moment covering over 600 staff, have been the subject of ongoing negotiations between LTU and Offshore Banking for the last 12 months. It was agreed that before any changes to the benefit were introduced it would be helpful to get the views of those staff receiving the benefit.

The issue we have been discussing with Offshore Banking is the method by which the benefit should be paid to staff. Offshore Banking's view is that the current arrangements mean inconsistency, policies not being applied correctly and high cost fares still being booked unnecessarily. They would like to move to a cash payment of £260 per concession, either paid monthly or consolidated into basic salary.

LTU's Offshore Banking Negotiating Committee's view is that staff should have the flexibility to choose how they wish to receive the benefit. We believe that to force staff to take the benefit in cash, either by a monthly payment or consolidated into salary, when the Group is moving towards a more flexible approach to benefits would be unacceptable to staff.

When considering whether to convert their current concession to a cash allowance to be paid monthly, staff should understand that the allowance will be reviewed annually by Offshore Banking. However, the allowance for those staff who currently receive a cash payment, for example Lloyds staff in the Isle of Man, hasn't increased since it was first introduced a number of years ago. Equally, when considering whether to go for the consolidated cash option staff should be aware that such a payment could move them closer to the market indicator and that will result in a smaller pay rise next year. Line management will not disaggregate the consolidated cash allowance when discussing pay.

Members with any questions on this Newsletter or the questionnaire can contact the Union's Advice Team on 01234 262868 or they can email me at Mark.Brown@ltu.co.uk.

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