

# Pay 2006 - An Agreement Too Far

Since our last pay Newsletter the feedback we have received from members has been supportive of our decision to reject the Bank's 2 year pay deal. Pay decisions are being communicated now and whilst some staff will inevitably benefit from the 4% pay pot, which is good, many thousands of staff in Branches and Offices up and down the country will not.

LTU could simply have accepted the deal, as others have done, but to have accepted such a fundamentally flawed reward system would have been wrong. Our reasons for rejecting the reward system are as follows:

- Many of those staff whose salaries put them in the 'market plus' zone and are not high performers will be meeting their Line Managers shortly to discuss pay. We're paraphrasing what the Line Managers will say, but it will go something like this, "You're a solid performer and have met all your objectives. No one can deny your commitment to the Bank and your experience has been valuable to me personally throughout the

---

## INSIDE

### Remember What You're Worth

### The 'Union' That Likes To Say "Yes"

### LTU General Council Elections

---

year. Unfortunately, the reward system says you're paid more than the role's worth and I'm sorry but there will be no salary increase this year ....".

- This group of staff will see their standard of living deteriorate yet again. The so called guidance given to Line Managers to address the issue of zero awards, which we discussed in our last Newsletter, will not make a blind bit of difference to this group of staff. Those who think it will, which includes AMICUS, are living in Neverland.

- The Bank said that if the amount of money that is needed to fund the pay pot next year was more than 4%, the increase would need to be approved by the Bank's Executive.

The Bank was proposing a two-year pay deal but one that allowed it to pull out of the agreement if it wanted to. **Such an agreement was totally unacceptable. Only a fool would agree to a two-year pay deal that allows one party to pull out of the agreement whenever it suits it.**

- LTU was asked to accept that the average market movement, which is the amount of money required to keep staff in the same position relative to people in other companies, should be the key factor in the size of the pay pot. **However, there is simply no way of checking the accuracy of the average market movement because the Bank refuses to**

**release the salary survey information that shows how the market has moved.** LTU, on behalf of its members, would not be allowed to see the salary survey data despite the fact that we were being asked to sign up to a two-year pay deal.

**If the Bank had wanted a credible pay deal it should have stopped concealing its pay survey data.**

- LTU has always said that all staff, regardless of their zonal position, should get the increase in the market movement for their Band automatically. Market movement increases are important because they are needed just to keep staff in the same position they are relative to the market. If you get an increase less than market movement you're going backwards.

---

## Remember What You're Worth

When it comes to individual discussions at Branch/Office level, your Line Manager will have been told to talk about the whole of the 'market' zone reflecting what other employers pay for fully effective, competent employees. In your pay discussions don't be fooled by this verbal sleight of hand. Members should never forget that market indicators still exist and are equivalent to the middle of the 'market' zone. The market indicators for the local markets and for the Financial Services market are set out on page 4 of this Newsletter. It is the

market indicator figures that other employers will pay for a fully effective and competent member of staff, and that is what you are worth in the job market. So remember, simply falling across the threshold of the 'market' zone is not enough. You need to progress to at least the middle of the 'market' zone in order to be getting paid the rate for the job.

# The 'Union' That Likes To Say "Yes"

Some members may have seen a recent briefing from AMICUS criticising LTU's decision to reject the Bank's two-year pay deal. Whilst we normally ignore such criticisms, it is important on this occasion to respond to some of the points in that briefing and separate fact from fiction. The facts are these:

- Negotiating from a position of strength means that LTU doesn't have to accept whatever offer is put on the table by the Bank. But if your organisation is financially dependent on the organisation you are negotiating with, which is the position of AMICUS, then you are in a very vulnerable position and are more likely to accept, rather than reject, inferior deals. That is what's happened this year.
- AMICUS says, in defence of its agreement, that "... the Bank's offer on pay this year was far removed from the opening offer.". Whilst we can't comment directly on discussions between the Bank and AMICUS, we can say that in our case the Bank's final offer was almost exactly the same as their opening offer. Trying to dress up the negotiating process, which they described as "long and arduous", as a way of diverting attention away from an inferior agreement is to mislead their 2,500 members.
- It is because of our campaign last year, and in previous years, that the Bank has shifted its position on a number of pay issues. If it wasn't for our campaigns the Bank wouldn't have made the changes it did. The fact is that we felt those changes were not good enough and that on the key issues the Bank's position hadn't really changed, most notably the fact that those staff whose salaries put them in the 'market plus' zone and who are not high performers will get no salary increase yet again,. In fact, AMICUS admit as much when they say that 'zero awards will not disappear overnight'. The fact is that thousands of staff will get zero awards again and no trade union, worthy of the name, could condone that.

---

## LTU General Council Elections

General Council is the Union's governing body and its Principal Executive Committee for the purposes of the Trade Union Act 1984.

Its members are elected for a three-year period of office and consist of elected District and Section representatives.

Meetings take place at least once a year in London. Time-off work is provided and all reasonable travelling expenses are met by the Union.

The various District and Section Committees are entitled to a number of seats on General Council according to the number of Members represented. Meetings of these

District and Section Committees have recently taken place and nominees have been put forward from these committees to serve on General Council.

As existing representatives these candidates are strongly recommended. However, any other members wishing to stand for election should write to the General Secretary at the address above requesting a nomination form. Only members with at least twelve months membership of the Union are eligible for nomination. The closing date for receipt of completed nomination forms is 5<sup>th</sup> April 2006.

**Mark V Brown**  
Assistant General Secretary

Local Market - Branch (Band 7)									
Local Market	Primary Zone		Market Zone		Market Plus		Local Market Indicators		
	From	To	From	To	From	To	2005	2006	
1	£12,784	£13,493	£13,494	£14,914	£14,915	£17,045	£13,977	£14,204	
2	£13,250	£13,985	£13,986	£15,459	£15,460	£17,667	£14,487	£14,723	
3	£13,950	£14,724	£14,725	£16,275	£16,276	£18,600	£15,252	£15,500	
4	£14,882	£15,708	£15,709	£17,362	£17,363	£19,843	£16,271	£16,536	
5	£15,674	£16,544	£16,545	£18,286	£18,287	£20,899	£17,137	£17,416	

Local Market - Branch (Band 8)									
Local Market	Primary Zone		Market Zone		Market Plus		Local Market Indicators		
	From	To	From	To	From	To	2005	2006	
1	£11,062	£11,676	£11,677	£12,906	£12,907	£14,750	£11,977	£12,292	
2	£11,533	£12,173	£12,174	£13,456	£13,457	£15,378	£12,487	£12,815	
3	£12,240	£12,919	£12,920	£14,280	£14,281	£16,320	£13,252	£13,600	
4	£13,181	£13,912	£13,913	£15,378	£15,379	£17,575	£14,270	£14,646	
5	£13,981	£14,757	£14,758	£16,311	£16,312	£18,641	£15,137	£15,535	

### Financial Services 6 - 2 - 2006 Pay Zones and Market Indicators

Band	Primary Zone		Market Zone		Market-Plus		Market Indicators				Market Movement Increase 2006	
	From	To	From	To	From	To	2002	2003	2004	2005		2006
6	£18,540	£19,569	£19,570	£21,630	£21,631	£24,720	£19,500	£19,500	£19,700	£19,900	<b>£20,600</b>	<b>3.5%</b>
5L	£21,080	£23,559	£23,560	£26,040	£26,041	£29,760	£23,000	£23,250	£23,750	£24,150	<b>£24,800</b>	<b>2.7%</b>
5U	£24,353	£27,217	£27,218	£30,083	£30,084	£34,380	£26,950	£27,250	£27,800	£28,000	<b>£28,650</b>	<b>2.3%</b>
4L	£28,433	£31,777	£31,778	£35,123	£35,124	£40,140	£31,000	£31,350	£32,000	£33,100	<b>£33,450</b>	<b>1.1%</b>
4U	£34,000	£37,999	£38,000	£42,000	£42,001	£48,000	£36,000	£36,750	£37,700	£38,600	<b>£40,000</b>	<b>3.6%</b>
3L	£39,865	£44,554	£44,555	£49,245	£49,246	£56,280	£42,800	£43,250	£44,550	£46,000	<b>£46,900</b>	<b>2.0%</b>
3U	£48,280	£53,959	£53,960	£59,640	£59,641	£68,160	£50,500	£51,550	£53,350	£55,400	<b>£56,800</b>	<b>2.5%</b>
2L	£58,013	£64,837	£64,838	£71,663	£71,664	£81,900	£61,000	£62,200	£64,400	£66,350	<b>£68,250</b>	<b>2.9%</b>
2U	£68,298	£76,332	£76,333	£84,368	£84,369	£96,420	£72,000	£73,500	£76,050	£78,700	<b>£80,350</b>	<b>2.1%</b>