

Large Pay Rises Agreed For Many Telephone Banking Advisers

LTU has reached agreement with the Bank that will lead to large Pay Increases for many Telephone Banking Advisers.

This is a major breakthrough for LTU, which has been alone in campaigning for better Pay in Telephone Banking. It will mean that on 31st December, many Telephone Banking Advisers will have their pay increased by over £700.

Key features of the new arrangements are:

- **Three specific Telephone Banking grades are being introduced: Core Banking Adviser, Sales Adviser and Service Adviser. Each will have its own Salary Scale and Bonus opportunities.**
- **The existing Effective Levels will be scrapped and replaced by annual pay increases managed around a 'Market Rate'.**
- **New Telephone Banking Advisers should expect to have their salaries automatically increased to the Market Rate within six months of joining the Bank.**
- **From this month, the Market Rates for Telephone Banking Advisers will increase as follows:**

| | |
|-------------------------|---------|
| * Core Banking Adviser: | £14,520 |
| * Sales Adviser: | £14,000 |
| * Service Adviser: | £13,500 |
- **All Telephone Banking Advisers who are not already paid at these levels will have their pay increased automatically on 31st December.**

Average Advisers' Pay Increases

| | |
|---------------|-------------------|
| Core Banking: | £709 (£2,468 max) |
| Sales: | £752 (£1,933 max) |
| Service: | £374 (£1,905 max) |

- **As a result of these arrangements, many Advisers will have significant increases in their pay; with some receiving increases at the end December worth over £2,000!**
- **Staff will also receive further pay increases in April, in line with the normal Annual Pay Review.**

The Unacceptable Side To The Bank's Proposals

It is certainly true that LTU is pleased with the substantial progress we have made on behalf of many Advisers ... in particular those in Phonebank.

But there is also a wholly unacceptable side to the Bank's proposals that LTU has rejected and said we will oppose.

This is that the Bank intends to scrap Band 7 Adviser roles; downgrading all Advisers in these roles to Band 8. These Advisers would face long-term cuts in the value of their pay as a consequence.

LTU cannot accept this and has told the Bank that the Union is triggering the Disputes Procedure; which could lead to the issue being referred to ACAS if progress cannot be made in negotiations.

Telephone Banking's New Salary Structure Explained

Under the new Salary Structure arrangements, the Effective Levels system is being scrapped within Telephone Banking.

In future, the overall pay of Telephone Banking Advisers will be managed at two levels:

- **Basic Salary. This will now be managed around the Market Rate for each of the three different types of role; Core Banking Adviser, Sales Adviser and Service Adviser.**

Advisers whose performance is meeting the Bank's expectations will be paid at least the new 'market rate' for their roles. This will normally be within six months of joining the Bank.

Higher levels of Basic Salary will be possible if 'Contribution' is judged to merit it. This will be measured through a renewed focus on Balanced

Scorecard.

- **Bonuses. These will continue to be managed through the new Variable Pay arrangements, with different levels of bonus opportunity depending upon which of the three types of Adviser.** These range from 'On Target Earnings' of 20% of salary for Sales Advisers and 10% for Core Banking Advisers, to 5% for Service Advisers.

The Bank has agreed to review these arrangements with LTU to ensure that they are being managed fairly and consistently throughout Telephone Banking.

Because LTU and the Bank have moved swiftly to agree the automatic increases in Salaries where they apply - with effect from 31st December - Advisers will have increased entitlement under the Free Shares allocation.

The New Salary Scales

| Adviser Status | New Salary Scales | | | Pay Increases | |
|---------------------|-------------------|-------------|---------|---------------|---------|
| | Entry | Market Rate | Maximum | Average | Maximum |
| Core Banking | £13,068 | £14,520 | £17,424 | £709 | £2,468 |
| Sales | £12,600 | £14,000 | £16,800 | £752 | £1,933 |
| Service | £12,150 | £13,500 | £16,200 | £374 | £1,905 |

Within Telephone Banking, there will now be three salary scales operating for all 'Core Banking', 'Sales' and 'Service' Advisers.

These are detailed in the table above and will operate as follows:

- **New entrants will be initially paid at the Entry level for their role.**
- **So long as new Advisers meet the basic standards for their role, they will normally receive a pay increase within six months to take their salary to the Market Rate for their role. This increase will be automatic**

and not be delayed until the following April's Annual Pay Review.

- **All Advisers will have their performance measured each year in respect of their 'Contribution' using Balanced Scorecard. They will be allocated one of the following five Performance Ratings:**
 - * Outstanding
 - * Excellent
 - * Met
 - * Partially Met
 - * Not Met

- **The Performance Ratings that Agents receive will determine the Pay Increase they receive in the April of each year.**
- **Three factors will combine each year to determine the April Increases. These are:**
 - **Increase in Pay Scales:** This is influenced by reference to 'market movement' (i.e. increases in pay in other companies)
 - **Increases in the 'Pay Pot':** This is the overall amount of money that is negotiated between the Bank and LTU to fund salary increases each April.
 - **Individual Performance Ratings:** These are based on overall 'Contribution' (measured against the Balanced Scorecard) and will influence the actual increases staff receive.
- **Where Advisers receive Performance Ratings of 'Outstanding' or 'Excellent' - and they are paid well below the Scale Maximum - it is likely that their pay will increase in April by more than the increase in both the Market Rate and the 'Pay Pot'.**

However, the closer these Advisers are to the Scale Maximum, the lower their pay rises are likely to be.

- **Where Advisers are rated 'Outstanding' or 'Excellent', but above the Scale Maximum for their role, they will not receive a Pay Increase but are guaranteed a minimum £500 Non-Pensionable Bonus instead.**
- **Where Advisers are rated 'Met', they will be guaranteed a pay increase that at the very least will keep them at or above the Market Rate for their role.**

However, where these Advisers are paid above the Market Rate, it is possible that they will receive little or no pay increase at all.

Advisers rated as Met but above the Scale Maximum will receive no Pay Increase and no Non-Pensionable Bonus.

- **Where Advisers are rated 'Not Met' or 'Partially Met', they will receive no April Pay Increase at all. However, LTU and the Bank have agreed that so long as through coaching these staff 'get back on track' - typically within 3 months - they will receive an automatic Pay Increase without having to wait until the next April's Annual Pay Review.**

Immediate Impact Of These Changes

The impact of these changes will differ depending on how much Advisers are currently paid:

- **Any Advisers who are currently paid below the new Market Rate for their roles will receive an automatic Pay Increase on 31st December. This will be first paid into salaries with January's pay.**

For some Advisers, this will be the second significant pay increase in four months ... since in September, 923 Tier 1 Advisers benefited from an automatic £581 increase in their Starting Salaries.

- **All Advisers have the prospect of benefiting from a further pay increase in April, when the Salary Scales will increase and a Pay Pot negotiated between the Bank and LTU distributed amongst staff.**

Longer Term Impact

Though many Telephone Banking Advisers will derive immediate benefit - at times substantial - from these changes, they will nevertheless lose the advantage in future of being able to influence increases in their salary through the Effective Levels system that has operated over recent years.

There will be a general trend toward all staff - irrespective of individual performance - being paid roughly the same basic salaries.

Furthermore, as we explain later, those staff currently paid above the Market Rate face real cuts in the value of their pay over a period of years through receiving no pay increase at all.

Downgradings & Real Cuts In Pay For Experienced Staff

The majority of Telephone Banking Advisers will benefit from the new Salary Structure that is being introduced with effect from 31st December.

This is because the Basic Salaries of Band 8 Core Banking Advisers, who are currently paid at the 'Competent' Effective Level, will be increasing automatically by £1,452 or 11%; from £13,068 to £14,520.

But LTU is vehemently opposed to other Advisers across Telephone Banking - and particularly many of those working outside Phonebank - facing the prospect of long-term pay freezes and cuts in the real value of their salaries.

An Attack Both On Band 7's & On Experience

The biggest impact of the Bank's plans - and the issue over which LTU is most fundamentally opposed - is the scrapping altogether of Band 7 Advisers and the penalising of more experienced staff.

The Bank has argued that the contribution made by Band 7 Advisers and those Advisers presently at the higher Effective Levels (i.e. 'Effective Level 3' and 'Expert') is typically no greater than other Advisers who have been working for the Bank for only a few months.

LTU has responded by saying this is a preposterous suggestion that ignores the fact that it is the more experienced staff in Telephone Banking who are the bedrock of the business unit. Their experience is relied upon by those Advisers with far shorter service; particular given the fact that there is so much staff turnover.

The Union has no doubt whatsoever that if Telephone Banking was no longer able to count on its more experienced and longer-serving staff, it would run into serious difficulties.

Senior Management is going down a dangerous

road by treating the value of these key staff with such little regard.

Understanding The Impact

The table below will help members identify where Advisers will benefit and where they will lose from the new Telephone Banking Grading and Salary Structure.

The 'Current Rate' used in the table indicates either the 'Market Rate' or 'Competent' Effective Level that is currently being used to manage salaries.

| Centre | Function | Current Rate* | | Grade |
|------------------|--------------------|---------------|---------|---------|
| | | Band 8 | Band 7 | |
| Bridgend | Phonebank | £13,068 | N/A | Core |
| Newport | Phonebank | £13,068 | N/A | Core |
| | Service Excellence | £13,068 | £16,050 | Service |
| | Internet Support | £14,000 | £16,050 | Service |
| Sunderland | Phonebank | £13,068 | N/A | Core |
| | Lending | N/A | £15,245 | Sales |
| West Mids | Business Banking | £14,000 | £16,050 | Core |
| Swansea | Business Banking | £13,192 | £15,245 | Core |
| Solent | C&G Savings | £15,077 | £17,123 | Core |
| | Retail Enquiries | £15,077 | £17,123 | Core |
| Brighton | Card Services | £15,077 | £17,123 | Service |
| | Contact Centre | £15,077 | £17,123 | Core |
| | PPC Sales | £15,077 | £17,123 | Sales |
| Southend | Credit Card | £15,077 | £17,123 | Core |
| | Debit Card | £15,077 | £17,123 | Core |
| | PPC Sales | £15,077 | £17,123 | Sales |
| Glasgow | AVA | £13,068 | £16,050 | Sales |
| | BCRU | N/A | £16,050 | Core |
| | Outbound | £14,950 | N/A | Core |
| | Direct Marketing | £13,068 | N/A | Sales |
| | Lending | N/A | £16,050 | Sales |
| | Phonebank | £13,068 | N/A | Core |
| | Premier | £13,068 | £16,050 | Core |
| Internet Support | £14,000 | £16,050 | Service | |

The 'Rate Increase' shows how the new 'Market Rate' compares to the 'Current Rate'. **Where there is an increase, the majority of staff in these roles are likely to benefit financially from the new structure. Where there is a decrease, most staff will lose out.**

The Winners & The Losers

It is easy to draw conclusions concerning which Advisers will be the 'Winners' and which the 'Losers' from the new Telephone Banking Grading and Salary Structure:

- **Phonebank Staff will be the biggest winners, with increases of 11.1% in the typical salaries staff are paid.**
- **Just about anyone who is currently a Band 7 Adviser will lose out; with the 'Market Rate' around which salaries are typically managed falling anywhere between 4.8% and 18.2%.**

This means that most Band 7 Advisers face the prospect of a real cut in their pay over a number of years; with many likely to receive no pay increase at all for years on end.

- **Many Business Banking Advisers will also be 'losers'; particularly at the West Midlands Contact Centre where over two-thirds are presently Band 7.**
- **Advisers working at the Cards Contact Centres at Brighton and Southend, and Telephone Banking's operation at Solent, will almost all lose out as a result of the new arrangements.**
- **Finally, those longer-serving and more experienced Advisers - even working at Phonebank - who are currently paid at the top Effective Level (i.e. 'Effective Level 3', 'High Performing' or 'Expert'). This is because the scrapping of Effective Levels and management of Pay around a Market Rate will mean that there is a pressure to manage pay downwards toward the Market Rate.**

Real Cuts In Pay

The Bank is wrong to try to obscure the fact that hundreds of Telephone Banking Advisers face real

cuts in the value of their pay.

The fact is that Telephone Banking Advisers who are paid more than the Scale Maximum will receive no increase in their basic salary - irrespective of performance - and many who are paid above the Market Rate but below the Maximum can at best only expect nominal pay increases that are below the rate of inflation.

The closer staff are to the Scale Maximum, the lower the pay increase they can expect to receive - if any at all - each year; even if they are rated as being 'Excellent' or 'Outstanding' performers in their Balanced Scorecard.

The reality is that many staff will receive no pay increase for years on end.

Protection of Pay & Allowances

At one stage of our negotiations, the Bank had agreed to provide indefinite salary protection for Telephone Banking Advisers who are being downgraded from Band 7 to Band 8.

This would have been acceptable to LTU since it would have guaranteed that these Advisers continued to receive pay increases as if they had remained as Band 7's; rather than immediate real cuts in their pay. But the Bank withdrew this offer at the last minute.

As a consequence, all Band 7 Advisers who are downgraded to Band 8 will be covered only by the Bank's standard *Protection of Pay & Allowances Policy*. This means that until April 2011, they will be guaranteed pay increases each April in accordance with the scale movement for Band 7.

However, after this three year protection ends, Advisers will be paid in accordance with the Band 8 'Market Rate', which for many - and in particular those higher up the pay scale - will almost certainly result in no pay increases at all for years on end; or at best pay increases below the rate of inflation.

Homogenisation Of Pay

The key advantages of the Effective Levels arrangements that have operated across much of Telephone Banking over recent years, have been:

- **Advisers have been able to influence how much they have been paid by meeting the requirements of the respective Effective Levels. Where they have performed well, they have been able to move up to the top Effective Level.**
- **So long as Advisers have continued to meet the requirements of their Effective Level, they would be guaranteed an increase in salary each year in accordance with the increase in the Pay Rate for their Effective Level.**

But now this will all change, to the detriment of longer-serving and more experienced staff who have achieved the top Effective Levels.

Take for example Core Banking Advisers who work in Phonebank. Where these Advisers are at the 'High Performing' Effective Level (Effective Level 3), they are paid £16,698.

Under the new Salary Structure, Advisers will now be told that only if they consistently achieving 'Outstanding' or 'Excellent' performance ratings - which is typically limited to around 10% of all staff - will they be able to justify being paid at this level of pay; even though it remains under the Salary Scale Maximum.

As a consequence, many staff in this situation may find themselves facing below-inflation pay increases - or no increases at all - year after year, as their pay is 'realigned' and 'homogenised' down toward the Market Rate for their roles.

Dispute Begins

During our negotiations with the Bank on the new Telephone Banking Salary Structure, LTU did make some quite significant progress in protecting Advisers.

For example, the Bank dropped its initial plans to grade staff at the West Midlands, Swansea and Solent Contact Centres as 'Service Advisers'. By revising the roles to 'Core Banking Advisers', the new 'Market Rate' is over £1,020 (or 7.6%) better than it would otherwise have been.

But there is still no getting away from the fact

that by downgrading en-masse many Advisers from Band 7 to Band 8 - and forcing down pay scales in Brighton, Southend and Solent in particular - long-term financial hardship will be caused to many people.

The Union believes these measures will have serious consequences for the efficient operation of Telephone Banking and upon customer service; since many Advisers facing pay cuts will no doubt believe they are no longer valued by the Bank and start looking for jobs elsewhere.

LTU has therefore told Senior Management that it is wholly opposed to the Bank's plans for downgrading Advisers and is therefore triggering the Disputes Procedure. This will mean that if agreement on the way forward cannot be agreed through negotiations, our dispute can be referred to ACAS for conciliation.

Only LTU Campaigned For Telephone Banking Pay Rises!

LTU has been alone in campaigning for better pay in Telephone Banking:

- In May, the Union published a Newsletter - ***“Telephony Pay Worth Less Now Than Three Years Ago”*** - condemning how poorly Pay in Telephone Banking compares with other UK call Centres. The Union stated at the time that ***“the case for increasing salaries to at least the ‘market rate’ in order to recruit and retain staff is therefore compelling”*** and that LTU would be pressing for ***“significant pay increases in Pay Rates for Telephony Staff”***.
- And most recently, in September, the Union published a further Newsletter demanding that Top Management ***“urgently commence negotiations with LTU that must lead to significant increases in Pay Rates for all staff across the whole of Telephone Banking”***.

The Union is therefore obviously pleased that following this campaign, Top Management has relented and agreed significant increases in Pay Levels for many Telephone Banking Advisers.

Amicus Unite - No Role, No Say, No Influence!

Whilst LTU has been campaigning hard and effectively for better pay for Telephone Banking Advisers, Amicus Unite has shown little interest in the issue.

It has not issued even one Newsletter pressing for better pay in Telephone Banking over the past two years!

Of course, this has been a constant theme on a wide range of others issues - from Sickness Management to Adherence - where LTU has

campaigned hard on behalf of Telephone Banking, whilst Amicus Unite sit on the sidelines appearing disinterested.

Not Yet An LTU Member?

Wherever you work, and whatever you do in Telephone Banking, LTU membership is important to you.

LTU - which represents the majority of staff across Telephone Banking, with around ten times as many members as Unite - provides many important benefits for staff, including:

- **Campaigning successfully on behalf of Telephone Banking Staff, on issues as important and diverse as Telephone Banking Pay, Salary and Grade Protection, Sickness Management, Time Off for Emergency Appointments and Adherence.**
- **Providing high quality, very successful individual representation to Telephone Banking Staff over a wide range of issues; from Persistent Short Term Absence and Performance Improvement, to wider Disciplinary and Grievance cases.**
- **Regular detailed Newsletters updating staff on key developments and providing the information they need to know concerning working for Telephone Banking.**

Of course, the focus of LTU’s attention over the coming months will be to protect the ‘losers’ from the new Salary Structure.

How To Join LTU?

Joining LTU couldn’t be easier.

Just complete and return the Application Form overleaf ... we will even give you your first three months membership absolutely free.

STEVE TATLOW
Assistant General Secretary