



Membership Application

LTU, St John's Terrace, 3-7 Amphill Street, Bedford MK42 9EY Tel 01234 262868 Fax 01234 262821 www.ltu.co.uk 24hours@ltu.co.uk

Title

Surname

Forename(s)

Home address

Postcode

Date of birth

Payroll number

Branch/Office/Dept

Location code

Home telephone

Work telephone

Personal Email address

Work Email address

Job title

Pay band

Date of joining group

Vassar Smith Fund

The Vassar Smith Fund is a registered charity which provides support and financial assistance to current, retired and former members of staff and their dependants.

If you would like to contribute to the Fund tick this box to make a monthly contribution of 10p or, if you would like to donate more simply write the amount you would like us to add to your subscription in the same box.

Subscription Category... 2008

Bands 1, 2, 3 & 4	£11.05 p.m.	<input type="checkbox"/>
Band 5	£10.50 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 over 25	£9.75 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 under 25	£8.80 p.m.	<input type="checkbox"/>
Part time over 15 hrs	£5.35 p.m.	<input type="checkbox"/>
Part time under 15 hrs	£4.10 p.m.	<input type="checkbox"/>

"For the purposes of the Trade Union Act 1984 and other statutory requirements I authorise the Union to use my work address as my "proper address" to which any communications may be sent."

Signature Date

To receive LTU newsletters by email ... tick here

Email address preference (please tick) Personal Work

9th JANUARY 2008

All Members Newsletter

LTU & Bank Agree Pay Deal

Following a period of intensive negotiations LTU and the Bank have agreed a 3-year pay deal.

Our agreement consists of the following elements:

- In 2008 there will be a Pay Pot of 3.8% which is made up 2.8% to reflect salary movements in the market and 1% to fund the movement of staff through the zones. In future years the agreed formula of market movement plus 1% will be maintained. The Bank's previous policy of a 'get out' clause if the Pay Pot needed to go above 4% has been removed.
- One of LTU's long standing concerns has been the speed of progression particularly for staff in the lower bands. The Bank has now agreed that Bands 6-8 staff will move into the 'market' zone within 2 pay rounds.
- There will be joint review of the Bank's performance management system with the aim of producing a clearer link between pay and performance and the most appropriate pay distribution process.
- The Bank has accepted that for the duration of our agreement, Watson Wyatt, who provides the pay survey data on which the market movement is based, will be

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required to write to the Union confirming that the Bank's interpretation of the market movement data is correct.

Members with any questions or comments on this Newsletter can contact the Bedford Office on 01234 262868 or email us 24hours@ltu.co.uk

Newsletters by Email

LTU is offering members the opportunity to receive newsletters by Email.

We will send all newsletters for your area direct to you on the day they are sent to members by post giving you authoritative, immediate information on the issues that matter.

To subscribe to the service all you need do is email us at 24hours@ltu.co.uk with the subject line "Newsletters and your membership number (your file or payroll number)" or phone on 01234 262868. We'll do the rest.

Instructions to your Bank or Building Society to pay by Direct Debit

Please fill in the whole form and send it to:
Lloyds TSB Group Union, St John's Terrace, 3-7 Amphill Street, Bedford MK42 9EY

1. Name and full postal address of your Bank or Building Society

To: The Manager

Address Bank or Building Society

Postcode

2. Name(s) of account holder(s)

3. Branch sort code

4. Bank or Building Society Account Number

5. Lloyds TSB Group Union reference no.

6. Instructions to your Bank or Building Society. Please pay Lloyds TSB Group Union Direct Debits from the account detailed on this instruction subject to the safeguards assured by The Direct Debit Guarantee. I understand that this instruction may remain with Lloyds TSB Group Union and, if so, details will be passed electronically to my Bank/Building Society.

Signature(s)

Date

The Direct Debit Guarantee This Guarantee should be detached and retained by the Payer.

- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.
- If an error is made by Lloyds TSB Group Union or your Bank or Building Society you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please send a copy of your letter to us.

Bank Accepts 'No Get Out' Clause

Members will recall that previously when we discussed a multi-year deal the Bank had said that if the amount of money needed to fund the pay pot was more than 4%, the increase would need to be approved by the Bank's Executive.

So, at the time what the Bank was proposing was a multi-year deal but one that allowed it to pull out of the agreement if the pay increases it produced were higher than the Bank wanted. At the time LTU said that a two-year pay deal that allowed one party to pull out of the agreement whenever it suited it was a non-starter **This time the Bank has accepted that there should be no 'get out' clause and that it will have to accept the size of the pay pot produced by the agreed formula.**

Speed of Progression - A Key Issue

One of LTU's long standing concerns has been the speed of progression from the 'primary' zone to the 'market' zone particularly for staff in the lower bands. Members will recall our 'Year Zero' campaign a few years ago when we criticised the speed, 3 to 4 years in total, it would take Bands 6 to 8 staff to get to the 'market' zone.

The Bank has now agreed that Bands 6-8 staff will move into the 'market' zone within 2 pay rounds. So a member of staff promoted into a Band 6 role today and positioned in the 'primary' zone will move into the 'market' zone in 2009 rather than 2011. The Bank has also agreed that this new commitment on salary progression will also mean that in future staff promoted or recruited will be given

higher salaries to enable them to reach the 'market' zone within the agreed timescales.

Credible Survey Data

When the Bank last proposed a multi-year deal based on increases in the average market movement it did so without providing LTU with any verification of the salary survey data.

The Bank has now agreed that for the duration of our agreement, Watson Wyatt (the company providing the survey data) will be required to assess that the Bank has interpreted its data correctly and will then write to the Union confirming that the Bank's market movement data is correct. Whilst many of our criticisms of Bank commissioned pay surveys remain, given what the Bank had said previously on this issue that's a significant step forward, which will give greater credibility to the data.

Joint LTU & Bank Working Party

Previous LTU pay surveys have shown that many staff in Lloyds TSB believe, as we have long argued, that the links between performance management and the reward system are poor. Staff do not see a clear link between what they agree to do in their Balanced Scorecards and what salary increases they get or don't get in April.

Moreover the Balanced Scorecard process is seen as a twice-yearly event, if staff are lucky, which focuses on only that part of their performance which impacts on their Line Managers' bottom lines. In addition the concept of 'contribution' for determining pay awards, which is supposed to

look at ongoing performance as opposed to one year's rating together with an assessment of your competencies and skills, is not particularly well understood by the Line Management population. Furthermore the reward and performance systems do not apply the principles of 'contribution' consistently and we remain to be convinced that they can do.

The main purpose of the joint Working Party, which will be made up of Senior Officials from LTU and Senior Management from the Bank, will be "...to agree changes to the performance management system, giving consideration to existing practices and issues of line management capability, to enable a clear link between performance ratings and pay". The Working Party will also be reviewing the pay distribution process, which currently recommends that 5% of staff are 'Not Met', 15% are 'Part Met', 60% are 'Met', 15% 'Exceeded' and 5% 'Outstanding', to ensure that it's fit for purpose following changes to the pay and performance management systems.

Equal Pay For Work Of Equal Value

Some of our newer members will not be aware of LTU's landmark equal pay for work of equal value case which we fought successfully some time ago. Many of the principles that decided the outcome of that test case, which was supported by the then Equal Opportunities Commission, are now being used by hundreds of thousands of woman up and down the country who are bringing claims for equal pay against their employers. Recent reports have estimated that Local Councils are having to remortgage their town halls and raid reserves to meet a £2.8 billion bill to pay back a generation of woman who have been discriminated against. It's interesting that in addition to suing their employers many of these woman are also bringing claims against Unions, like Unite, for not protecting their interests.

Having been at the vanguard of the fight for equal pay we are determined to ensure that any outstanding equal pay issues in Lloyds TSB are identified and addressed by the Working Party.

The Working Party will be starting its work immediately and we will keep you informed of developments through regular Newsletter updates. In the meantime, if there are members who would like to discuss any of the issues being dealt with by the Working Party, they can contact me on 01234 262868 or they can email me with their views at Mark.Brown@ltu.co.uk

Summary

This agreement has stemmed from the first genuine pay negotiations for some years and a very different and more constructive approach from the Bank. But, although we've agreed an important improvement on pay progression this is only the beginning: a great deal more needs to be done to resolve some important problem issues.

Nevertheless, the more inclusive and open approach we've seen from Senior Management has been a good start and we welcome the joint review of the key pay and performance issues, which is about to begin. The Bank and staff should have a strong mutual interest in high performance that produces higher profits and improved pay and benefits but this has been undermined by a generally negative and aggressive approach to pay and related issues that, frankly, has not worked but instead has damaged morale and produced excessive staff turnover. The review needs therefore to be part of a much wider process of change that we will be doing everything possible to encourage.

We will keep members posted on developments.

Mark V Brown
Assistant General Secretary