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All Members Newsletter

Fog Of Misinformation Descends On Pay

We can expect the Bank to make further, if hopeless efforts to win the hearts and minds of Lloyds TSB staff on pay during the lead up to LTU's industrial action ballot.

Not surprisingly the first salvo was launched on the Interchange by Compensation and Benefits, the architects and defenders of the thoroughly discredited pay zone system.

We appreciate that many members will have seen the Interchange communication from the Bank as a blatant piece of propaganda, which should be ignored and normally we would agree: but on this occasion the Bank's fog of misinformation needs to be rebutted line by line.

1. In its Interchange communication the Compensation and Benefits Director said "We meet on a regular basis with our Unions to consult and discuss the Group's plans and so we were surprised to hear about the ballot as LTU have not approached us to discuss this." That statement is untrue. The Bank knew perfectly well that our consultative ballot was taking place – they could hardly have missed it – and knew what questions members were being asked.

Furthermore, the Group Compensation and Benefits Director recently admitted that "People may not like pay zones .." So the fact that that a substantial majority of members (97%) voted in favour of a second, industrial action ballot cannot have surprised the Year Zeroists and even they must have foreseen that the Union's General Council would decide to conduct the second ballot.

2. The Group Compensation and Benefits Director then alleges that some of the information we have issued, in particular on the number of staff who received no pay award, is inaccurate.

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It is difficult to see how that information can be called inaccurate since it was based on the most up to date information provided to us by the Bank. Following Pay 2004 the Bank conducted a review of how the pay pot was spent and they shared that information with LTU. According to that information there were up to, and I emphasise those words because the Group Compensation and Benefits Director conveniently missed them out in his communication, 15,540 staff in or above the 'high performance' zone and we know that the vast majority of those staff will have received no pay increase again this year. At a recent Q&A with staff on pay, which was reported in the latest edition of 'Upfront', the Group Compensation and Benefits Director was confronted by a member of staff who said "I'm working as hard as I've ever done but I'm over the mark so I get nothing. I've given body and soul to this company and this feels like a smack in the face."

The fact is that thousands of staff in Lloyds TSB will get no pay rise again this year. That is unacceptable for an organization that produced profits of £3.49 billion last year.

3. The Bank's overall pay pot may be above inflation but thousands of staff will have received salary increases below the rate of inflation.

72% of staff may have received a rise of market movement or better but even that is down from 77% last year. But the Group Compensation and Benefits Director is being very selective with the statistics. For example, in UKRB there are 15,631 staff at Band 8 and 36% of those staff received a rise of market movement or worse.

4. **We appreciate that the Group Compensation and Benefits Director is new to the organisation, but the reference to Flavours and free shares is grossly misleading. Previously LTSB staff received profit sharing payments of approximately 10% per year rather than the 7% that they now get from Flavours and free shares – this isn't new money. In fact it's just another cut!**

Lloyds TSB has announced pre tax profits of £3.49bn and that means the Bank has more than enough money to ensure that staff in the 'primary' and 'market' zones progress to the rate for their roles within a reasonable timescale. Equally, only a tiny fraction of those profits would be needed to give staff in the 'high performance' zone an increase that maintains their current position relative to the market.

If there's anyone out there who still believes the Bank's case we'd like to hear from you.

Mark V Brown
Assistant General Secretary