

11th March 2005

All Members Newsletter

LTU Consultative Ballot on Pay 2005

The Bank's pay system is a competition between staff for money and progression in which no-one can win except at someone else's expense.

To put it simply, in Lloyds TSB one member of staff's pay rise, for those staff in the 'primary' and 'market' zones, is at the expense of the overwhelming majority of staff in the 'high performance' zone, who will get nothing. One person's relative contentment, if not happiness, is at the expense of another member of staff's unhappiness and discontentment. Is that a reward system that is likely to produce or even sustain a high performing organisation? No it is not.

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 the role 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.

The Chief Executive says that he wants to spread high performance throughout Lloyds TSB. We support that strategy but it is not going to be achieved at the expense of the Bank's most experienced members of staff. Countless studies have shown that what differentiates high performing workgroups from non-high performing workgroups is the work environment. The right work environment results in satisfied employees and there is a high correlation between employee and customer satisfaction. That linkage is easy to talk about but difficult to achieve and one thing is certain: **Lloyds TSB will never create enough high performing workgroups or improve the performance of its existing workgroups if it continues to devalue the skills and knowledge of its most experienced staff.**

LTU's claim is reasonable, affordable and above all fair to all staff regardless of their pay zone position.

To join call 01234 262868... today!

No Pay Rise Again For Up To 12,000 Staff

In a few weeks time up to 12,000 members of staff whose current salaries put them in the 'High Performance' zone will be told by their line managers that they are not going to get a pay rise for 2005. For many of those staff it will be a one-way conversation they have heard many times before.

Whilst the Bank accepts that their performance may be exceptional, it is quite happy for the salaries of

this burgeoning 'underclass' of staff to deteriorate simply because they happen to be high in their pay scales. It ignores the fact their positions could be due to a range of factors including previous periods of exceptional performance or be the result of one of the Bank's previous restructurings. That is unacceptable in an organisation creating profits of £3.49bn.

Slow Progression To Market Rate

At our recent ACAS meeting we asked the Bank to tell us how long it should take staff to be paid the market rate for the job. Once again the Bank refused to answer that question. The Bank refuses to answer that question because it knows that pay pots will need to be significantly higher than they have been in recent years to enable staff to achieve their 'market' rate.

This year's pay pot is the same as last year's, and one of the consequences of that will be that salary progression in zones, and between zones, will slow down to a snail's pace.

This will be especially so when up to 2.54% of the Bank's 3.5% pay pot will actually be needed to be used just to keep staff in the same position they are now relative to the market.

LTU's Claim For Pay 2005

- **Movement from the 'primary' zone to the 'market' zone in 1 year for Bands 8 and 7 and 2 years for Bands 6 to 2.**
- **Staff in Bands 8 and 7 should move to the market indicator, or rate for the job, in no more than 2 years.**
- **Staff in Bands 6 to 2 should move to the market indicator, or rate for the job, in no more than 5 years.**
- **All staff regardless of their zonal position should get the increase in the market movement for their Band automatically. This does not breach any equal value legislation, the reason the Bank gave for not doing it.**
- **If the new reward package and balanced scorecard approach to performance management are to work, there must be a direct link between the new performance management ratings and pay.**

LTU Rejects The Pay Pot

In recent years the Bank has said that its policy on pay has been driven by the market and the 'rate for the job'.

What we want the Bank to do is deliver on its own policy and pay fully experienced and competent staff their 'market rates'. Yet again the Bank's offer fails to meet that policy. There are no proper guarantees that

staff who should be paid the rate for the job will be and the Year Zeroists running the Bank's policy have even started to renege on the commitments on salary progression they gave to staff last year. Experienced staff already paid above the market rate will see their pay relative to the market rate deteriorate yet again.

Industrial Action Ballot - Members to Decide

The Union's General Council is empowered to ballot members on one or more forms of industrial action. These would be appropriate to the categories of staff concerned.

Possible options available to LTU would include the following:

- **the withdrawal of goodwill - for example: refusing to work unpaid overtime; refusing to carry out call-out duties, refusing to carry out premises overtime;**
- **working to rule - i.e. refusing to break the Bank's own rules and regulations in order to meet local work requirements or get jobs done more quickly;**
- **a ban on overtime working;**
- **strike action for a period of time which could be anything from one hour up to one or more days in duration.**

This Ballot

This is the most important LTU Ballot for a long time. The current pay system will be in place for many years and if members want it changed we need to take a stand against it now.

The issues for staff, whether they are in the 'Primary', 'Market' or 'High Performance' zones, are quite clear.

We need your views and we therefore need you to vote NOW.

Please complete the enclosed ballot paper and return it to LTU immediately using the envelope provided.

Mark V Brown
Assistant General Secretary

Local Market - Branch (Band 7)									
Local Market	Primary Zone		Market Zone		High Performance		Local Market Indicators		
	From	To	From	To	From	To	2004	2005	
1	£12,579	£13,277	£13,278	£14,676	£14,677	£16,772	£13,750	£13,977	
2	£13,838	£13,762	£12,762	£15,211	£15,212	£17,284	£14,250	£14,487	
3	£13,727	£14,488	£14,489	£16,075	£16,076	£18,302	£15,606	£15,252	
4	£14,644	£15,456	£15,457	£17,085	£17,086	£19,525	£16,006	£16,271	
5	£15,423	£16,279	£16,280	£17,984	£17,985	£20,554	£17,200	£17,137	

Local Market - Branch (Band 8)									
Local Market	Primary Zone		Market Zone		High Performance		Local Market Indicators		
	From	To	From	To	From	To	2004	2005	
1	£10,279	£11,377	£11,378	£12,576	£12,577	£14,272	£11,751	£11,977	
2	£11,238	£11,962	£11,963	£13,111	£13,112	£14,944	£12,258	£12,487	
3	£11,927	£12,388	£12,389	£13,915	£13,916	£15,942	£13,008	£13,252	
4	£12,844	£13,356	£13,357	£14,985	£14,986	£17,125	£14,001	£14,270	
5	£13,623	£14,379	£14,380	£15,884	£15,885	£18,164	£15,001	£15,137	

Financial Services 6 - 2 - 2005 Pay Zones and Market Indicators

Band	Primary Zone		Market Zone		High Performance		Market Indicators					Market Movement Increase 2005
	From	To	From	To	From	To	2002	2003	2004	2005		
6	£17,910	£18,904	£18,905	£20,895	£20,896	£23,880	£19,500	£19,500	£19,700	£19,900	1.02%	
5L	£20,528	£22,942	£22,943	£25,357	£25,358	£28,980	£23,000	£23,250	£23,750	£24,150	1.68%	
5U	£23,800	£26,599	£26,600	£29,399	£29,400	£33,600	£26,950	£27,250	£27,800	£28,000	0.72%	
4L	£28,135	£31,444	£31,445	£34,754	£34,755	£39,720	£31,000	£31,350	£32,000	£33,100	3.44%	
4U	£32,810	£36,669	£36,670	£40,529	£40,530	£46,320	£36,000	£36,750	£37,700	£38,600	2.39%	
3L	£39,100	£43,699	£43,700	£48,299	£48,300	£55,200	£42,800	£43,250	£44,550	£46,000	3.25%	
3U	£47,090	£52,629	£52,630	£58,169	£58,170	£66,480	£50,500	£51,550	£53,350	£55,400	3.84%	
2L	£56,398	£63,032	£63,033	£69,667	£69,668	£79,620	£61,000	£62,200	£64,400	£66,350	3.02%	
2U	£66,895	£74,764	£74,765	£82,634	£82,635	£94,440	£72,000	£73,500	£76,050	£78,700	3.48%	