

18th February 2005

All Members

LTU Demand Fair Pay For Lloyds TSB Staff

The Bank said that one of the main reasons for introducing Local Market Indicators, and for deciding whether they should increase year on year, was to address local recruitment and retention problems.

If that is true then staff in the new Local Market Groups would not unreasonably expect to see relatively high increases in Local Market Indicators (LMIs) in those Groups with a high staff turnover and, conversely, low increases in LMI in Groups with low staff turnover.

Staff in Branch Director Groups like Manchester for example, might well therefore be asking themselves why it is, with a turnover figure for the first year of service in their Group of 77.4%, their Local Market Indicator for 2005 has been increased by just 1.9%.

With that in mind, and while not wishing to deny the validity of the increase itself, staff in the Manchester Group might also ask why the Local Market Indicator in both the Scunthorpe and Aberdeen Groups also went up by 1.9% when the turnover of staff in their first year of service in those Groups was 0% and 7.7% respectively.

What is clear from LTU's analysis, which is set out in the table overleaf, is that there is no consistency in the setting of Local Market Indicators. It is a lottery and the ultimate losers are staff.

Local Market Indicators are important for staff because they drive the salary ranges in the new pay zones. If Local Market Indicators are not increased sufficiently year on year then over time many staff will see their salary stagnate and eventually deteriorate relative to the local market.

Remember What You're Worth

When it comes to individual discussions at Branch / Office level, the Bank will talk about the whole of the 'market' zone reflecting what other employers pay for fully effective, competent employees. Don't be fooled by this verbal sleight of hand. Members should never forget that market

Branch - Band 7		Branch - Band 8	
Local Market	Local Market Indicators 2005	Local Market	Local Market Indicators 2005
1	£13,977	1	£11,977
2	£14,487	2	£12,487
3	£15,252	3	£13,252
4	£16,271	4	£14,270
5	£17,137	5	£15,137

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indicators still exist and are equivalent to the middle of the 'market' zone. The market indicators for the local markets are set out opposite. It is those figures which 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.**

Why We Rejected Pay 2005

The Bank has said that its policy on pay has always been driven by the market and the 'rate for the job'.

What we want the Bank to do is to deliver on its own policy and pay fully experienced and competent staff in all the Local Market Groups the rates for the job. The Bank's current offer fails to meet that basic requirement.

Industrial Action Ballot Likely

LTU has registered 'First and Second Failures to Agree' as prescribed by the procedural agreement. We will be having further discussions with the Bank at ACAS where we hope that an agreement can be reached on the new reward system and pay 2005. If we fail to reach an agreement the Union's General Council is empowered to ballot members on one or more forms of industrial action. We will shortly be asking members for their views on the next stage of our pay campaign.

Low Local Market Indicator Increase vs High Staff Turnover

Group	Zone	MI Inc/Dec 2004/05		% T/O less than 1 year of service
		Band 8	Band 7	
Hull & North East	1	1.9%	1.7%	43.3
North Scotland	1	1.9%	1.7%	68.0
South Scotland	1	1.9%	1.7%	42.0
Bolton	2	1.9%	1.7%	48.1
Bradford	2	1.9%	1.7%	48.2
St Helens	2	1.9%	1.7%	46.4
Middlesborough	2	1.9%	1.7%	45.3
Sunderland	2	1.9%	1.7%	46.4
Newport	2	1.9%	1.7%	35.5
Plymouth	2	1.9%	1.7%	35.7
Manchester	3	1.9%	1.7%	77.4
Northfield	3	1.9%	1.7%	30.9
Solihull	3	1.9%	1.7%	40.5
Leeds	3	1.9%	1.7%	31.9
Wolverhampton	3	1.9%	1.7%	39.3
Coventry	3	1.9%	1.7%	38.0
Exeter	3	1.9%	1.7%	30.3
Bournemouth	4	1.9%	1.7%	54.7
Colchester	4	1.9%	1.7%	46.0
Enfield	4	1.9%	1.7%	49.5
Brighton	4	1.9%	1.7%	32.9
Bath	5	1.9%	1.7%	37.3
High Wycombe	5	1.9%	1.7%	57.3

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