

2nd June 2005

Ballot Memorandum

LTU's Industrial Action Ballot

The failure of our negotiations with the Bank, both internally and at ACAS, to find any agreed settlement on pay, despite the Bank announcing profits of £3.49bn, leaves the Union no alternative but to ballot members on industrial action short of a strike.

The form of industrial action the Union's General Council has decided to implement is a ban on all forms of non-contractual overtime and the withdrawal of goodwill. If members vote for industrial action then the Union will provide members with details of what constitutes non contractual overtime and the withdrawal of goodwill.

Under the Union's Constitution a simple majority of those members voting, voting

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in favour, is required before the Union's Executive Committee is able to authorise industrial action. However, the Union's Executive Committee will not call for action unless a substantial majority of members vote in favour.

Union Opts For Impact Over Tokenism

The Union is balloting its members on the type of industrial action which is most likely to bite hardest over a protracted period, rather than opting for more tokenistic one-day strikes.

Members are therefore being asked to vote on an

overtime ban and withdrawal of goodwill; the two options which the Executive Committee believe most likely to have the biggest impact over a protracted period. Members must understand that success on pay will not come in weeks, but months.

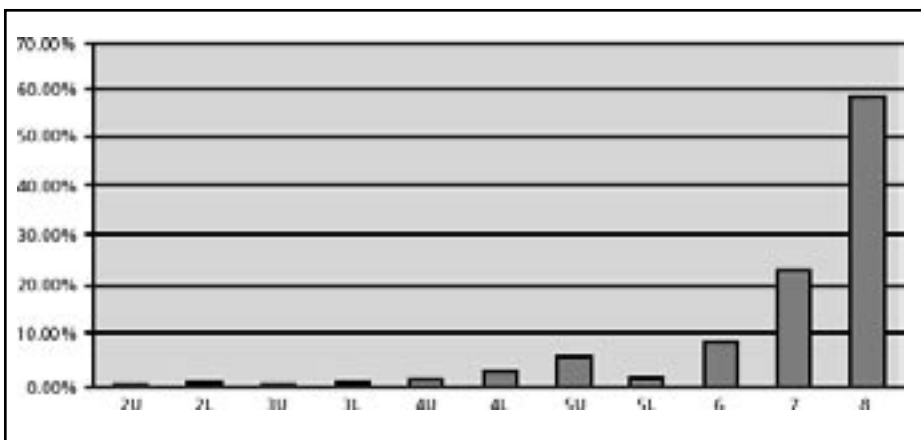
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Zero Awards Skewed To Lower Grades

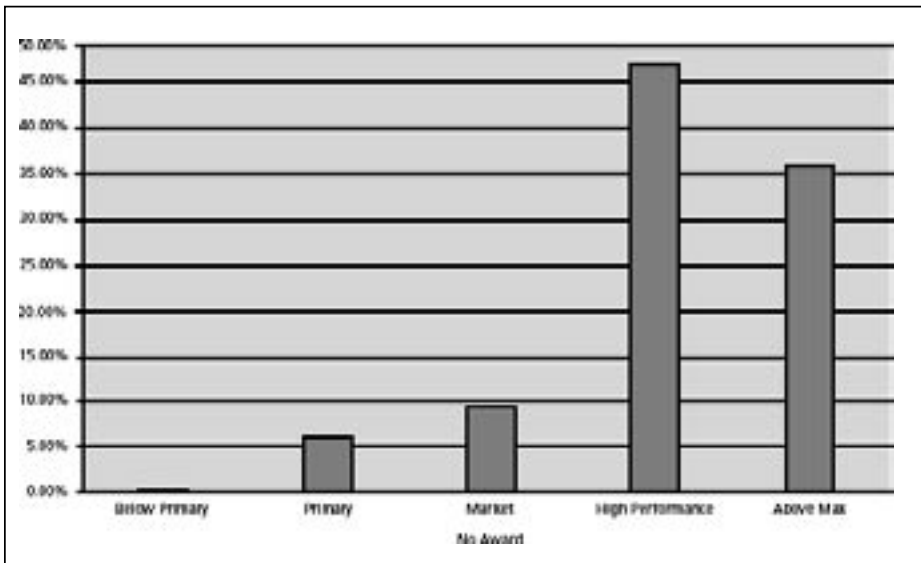
According to the latest figures provided by the Bank, there were 15,540 staff who were either in or above the 'high performance' zone going into Pay 2005. The reality for the vast majority of those staff is that they will have got no basic salary increase this year

and, with the cost of living running at over 3%, they will see their standard of living deteriorate even further. **But if that wasn't bad enough research conducted by the Bank, and leaked to LTU, shows that staff are more likely to**

Graph 1 - Zero Awards By Band



Graph 2 - Zero Awards By Pre Pay Pay Zone



get a zero award the lower their grade. In UKRB, which has 32,329 staff, of the 4,828 staff who received no pay award in Pay 2005, 82% were in Bands 7 and 8 staff (see Graph 1 opposite). Thus the most vulnerable members of staff, some of whom we know are in receipt of tax credits from the Government because of their low incomes, are the most likely to get zero awards. **Every member of staff, regardless of grade, salary position or union membership, should reject a pay system designed to take from the lowest paid in order to give to the highest paid. That is unacceptable to all right thinking individuals.**

Graph 2 also shows that the higher your pay zone the more likely you are to get no pay rise, which is in line with the aims of the pay zone strategy.

Leaked Information Confirms Slow Progression To Market Rate

LTU's own Deep Throat source has provided information confirming that salary progression in zones and between zones is slower than expected for some staff and that the overall cost of moving groups of staff from the 'primary' to the 'market' zone is just a tiny fraction of the Bank's overall pay budget.

in the same role for up to 3 years and they are still in the 'primary' zone. LTU believes that movement from the 'primary' zone to the 'market' zone should be achieved in 1 year for Bands 8 and 7 and 2 years for Bands 6-2.

Despite staff consistently saying that they should be told how long it should take them to be paid the market rate for the job, the Bank has consistently refused to do so. The reason why it has refused to do that is not because it can't, but because once it's done that, future pay pots will need to be significantly higher than they have been in recent years to enable staff to achieve their 'market' rate.

The Bank will no doubt argue that pay zones are working because there is movement between the zones. In UKRB, only 2,581 staff moved from the 'primary' zone to the 'market' zone.

But members should never forget that simply falling into the 'market' zone is not the same as being paid the 'market' rate for the job. The middle of the 'market' zone is what other employers will pay for fully effective and competent members of staff and that is what staff are worth in the job market. You need to progress to at least the middle of the 'market' zone in order to be getting paid the rate for the job.

As if to confirm the slow progression between zones, information leaked to LTU, which is set out in the table opposite, shows that in UKRB the number of staff in the 'primary' zone who have been there for more than one year is 3,337, of whom 2,643 are in Bands 6-8. There are 703 Band 8 staff who have been

Post Pay Zone 2005	Grade	Time In Job Range					Grand Total
		<1	<2	<3	<4	4+	
Below Primary	2U			1		1	2
	2L		1				1
	3U	2	1				3
	4U	10	3		1		14
	4L	3	1				4
	5U	14	1				15
	5L	1					1
	6	13	2	1			16
7	23	2	1	1		27	
8	19	2	5		1	27	
Below Primary Total		85	13	8	2	2	110
Primary	2U	31	18	2	2	3	56
	2L	35	22	6	1	7	71
	3U	45	28	16	3	1	93
	3L	80	28	7	5	5	125
	4U	192	78	17	10	6	303
	4L	278	45	27	9	5	364
	5U	1539	186	66	16	20	1821
	5L	134	34	13	3	5	189
	6	741	217	73	24	24	1079
	7	937	170	54	10		1171
8	1798	1344	703	22	2	3869	
Primary Total		5810	2170	984	105	78	9147
Grand Total		5895	2183	992	107	80	9257

The leaked information we have seen shows that the cost of actually moving staff who have been doing the same job for at least 2 years from the 'primary' to the 'market' zone is as follows:

Bands 6 - 8 who have been in the 'primary' zone for 2 years or more, into the 'market' zone, is £211,781.

Bands 2 - 5 who have been in the 'primary' zone for 4 years or more, into the 'market' zone, is £92,048.

Bands 2 - 5 who have been in the 'primary' zone for 3 to 4 years, into the 'market' zone, is £84,778.

So for £388,607, which is the cost of a few management consultants, the Bank could move Bands 6 - 8 staff with 2 years or more service and Bands 2 - 5 staff with 3 years or more service from the 'primary'

zone into the 'market' zone and give them a chance of getting to the 'market' rate for the job before they retire.

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 objective. 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 have seen their pay relative to the market rate deteriorate yet again.

Vote Now

The current pay system will be in place for many years and if members want to change it for the better then everyone needs to take a stand against it now.

The issues are clear, the way forward is clear, what we need is for members to vote immediately.

Please ensure that you return your ballot paper in the pre-paid envelope enclosed. Do not use any other envelope or the internal postal system.

Members of LTU in Group IT, C&G, Offshore Banking, Scottish Widows staff on workflow contracts, LTIDD, Private Banking IFAs and Salesforce members, except

Premier and Privilege Managers, are excluded from taking part in the industrial action ballot because they are covered by separate pay negotiations.

The law covering the conduct of industrial action ballots is very prescriptive and says that each ballot paper must contain a separate, consecutive serial number to prevent against ballot fraud. Returned ballot papers will be counted by the independent scrutineer, Hope Agar, stored by them and then destroyed after six months.

The closing date for receipt of returned ballot papers is 30th June 2005.

Mark V Brown
Assistant General Secretary