

23rd November 2009

ALL MEMBERS NEWSLETTER

Group Refuse To Publish Terms & Conditions Offer

Members will recall that in a previous Newsletter we said we had begun negotiations on a new set of terms and conditions, covering reward, employment policies, pensions and performance management, for all staff in the Lloyds Banking Group.

In that Newsletter we said the proposed new terms and conditions were completely unacceptable and that no Trade Union worthy of that name would ever accept them. That is still our position and our Newsletter explaining the new harmonised terms and conditions will explain why we think both heritage populations will be losers.

Unlike other Unions, LTU is not prepared to sell out its members for the sake of some shabby agreement or enter into a game of charades whereby the proposals are put out to consultation and the Bank follow that consultation with some prearranged changes, which are then heralded by a Union as a major victory. The issues would then be put to bed and the Bank and the Union then do a Morecambe and Wise style dance off into the sunset their hands held high whilst staff pay and conditions are torn to shreds. That may be the way things were done in HBOS but LTU will never enter into those kinds of games.

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The Union wrote to the Bank demanding that they publish their proposals in order to allow staff the opportunity to determine the acceptability of the their proposals.

The Bank has refused to publish its proposals. LTU has not been in a position to publish the proposals yet because of our agreement with the Bank on confidentiality which requires both parties to agree to publication while negotiations continued.

We have told members that whatever proposals emerge from our negotiations will be put to members in a formal ballot.

Members with any questions on this Newsletter can contact the Bedford Office on 01234 262868.

To join call 01234 262868... today!

Crossing The Rubicon?

There is no benefit more emotive or more valuable than membership of a final salary pension scheme, whether people work in Lloyds TSB or HBOS. It is the main reason many staff have worked the long hours they have and put up with the constant pressure of targets, Balanced Scorecards and the need to do more year after year.

To try to change peoples' pension rights now would be seen as highly opportunistic. Most members would conclude that the banking crisis, with rising unemployment, media hostility to the industry and the Government's ownership of 43% of the Group, had given the Bank a once in lifetime opportunity to force through measures which it would not consider proposing in normal times.

Staff will therefore see any attempt to play around with their final salary pensions as opportunism on the part of the Bank's Group Executive Committee that should be strongly resisted.

What About Top Pensions?

When you read the justifications used by companies for slashing their pension scheme arrangements many of them are either knee jerk reactions to market conditions, blatant attempts to shore up shaky profit and loss accounts or responses to weakened market capitalisation positions. The common thread has been opportunism.

But in none of these justifications do the individuals making the decisions, normally Chief Executives, acknowledge their central role in creating the problems in the first place. One is left with the impression that they were innocent bystanders as share prices collapsed, funding from wholesale markets dried up and the value of the companies they are paid millions to manage nose-dived. Not surprisingly, they themselves are usually covered by other special arrangements.

If the Bank attempts to withdraw final salary pensions it will be seen as desperately opportunistic and will be resisted strongly by this Union and its members. We will not stand by and see our members futures being sacrificed simply to save money now by jumping on the most dubious of bandwagons when according to its own predictions the Bank will be massively more profitable in the future.

If the Bank really had no option but to make changes to pension rights LTU would be adopting a very different stance but changes now would be all about cutting cost and not reducing the risk of unknown cost escalation in the future.

Bank Tell HBOS Managers – Destroy LTU Communications

In recent years HBOS has enjoyed a very close relationship with both Unite, who have become notoriously ineffective and Accord, the Union representing most union members in HBOS.

Just how close becomes clear when one realises that:

1. HBOS set a target for Union membership of 70% of staff. Many companies would like

to have a target of 0% but I have only ever seen this sort of policy in companies determined to support Unions who say little and do even less;

2. To help achieve its policy HBOS even paid for the first 6 months of Accord members' subscriptions.

One is bound to ask how independent a trade union can be if it becomes that close to and dependent on an employer?

LTU neither seeks nor accepts favours or financial support from the Bank. Our view is quite simple: you can't have effective independent trade unions without paying for them but you definitely won't get independent trade unions if the employer pays for them.

Instead we've given staff an efficient and independent form of representation that no other Union in the finance sector offers and it's worked. LTU represents the vast majority of Lloyds TSB staff and 87% in the branch network in England and Wales and 73% in Scotland.

This is obviously not good news for senior managers from HBOS who have got used to very little objection to their policies and timid if any communication. Not surprisingly, most of the HBOS staff who have now joined LTU have told us that the openness and honesty of LTU communication is a breath of fresh air.

Now, in a move which shows just how desperate it is to get a clear run at ripping up staff pay and benefits, the Bank has instructed HBOS managers to destroy communications from LTU. This is presumably to stop their staff learning what the Bank plans to do to their pay and benefits next year.

In a revealing insight the Bank has said:

"We know and understand that the activities by LTU, and in particular the communications they have distributed have had an unsettling effect on our colleagues and it is the companies desire to avoid where possible rumour and speculation.."

Any literature that is posted or faxed to our branches/sites from a union that is not recognised must be immediately destroyed (unless it is addressed on a personal basis) - and under no circumstances should be displayed."

We don't doubt that people have become unsettled. That's because for the first time they're getting regular and open communication on the issues critical to their future. For the first time they will be able to make fully informed decisions on issues affecting them.

The best way of avoiding unsettling people is not to attack their pay, pensions and other benefits.

The best way to avoid "rumour and speculation" is to tell staff what the Bank proposes on pay and benefits.

Let's see whether the Bank does either of these very soon!

Whether it does or it doesn't, Lloyds and HBOS staff are certainly going to get the facts from LTU.

Ian Partridge
General Secretary