

7th July 2005

All Members Newsletter

# Pay 2005 Ballot Result

Voting and counting in the Union's Pay 2005  
Ballot has now been completed.

The results of the ballot are as follows:

<b>Number of Ballot Papers Issued:</b>	<b>30,660</b>
<b>Number of Ballot Papers Returned:</b>	<b>6,798</b>
<b>YES:</b>	<b>5,348</b>
<b>NO:</b>	<b>1,429</b>
<b>Spoilt Ballot Papers:</b>	<b>21</b>

Of the members voting, over 78% have voted to reject the Bank's pay offer in the only ballot staff have had the opportunity to take part in.

Members of LTU in Group IT, C&G, Offshore Banking, Scottish Widows staff on workflow

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contracts, LTIDD, Private Banking IFAs and Salesforce members, except Premier and Privilege Managers, were excluded from voting in the ballot because they are covered by separate pay negotiations.

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## The Way Forward

Although the ballot has produced a majority of members in favour of industrial action, the Union's Executive Committee is clear that this

majority is by no means large enough to allow it to call on members to take part in industrial action. We explained in the ballot memorandum to members

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accompanying the ballot paper that the Executive Committee would not call for members to take part in industrial action unless a substantial majority of the overall membership voted in favour.

**The reasons for this are important. Our previous experience has shown that there is no point in taking part in industrial action unless there is a strong likelihood that it will be successful. A much larger majority of members than have voted in this ballot would be needed in order to prosecute a successful pay campaign over many months.**

**We understand that those members who voted for industrial action will be clearly disappointed but it would be unconscionable for LTU to lead members into industrial action knowing that it is unlikely to be successful.**

## Key Issues Will Not Go Away

LTU's two ballots and all the feedback we have had from members have made it clear that the new pay structure does not command widespread support amongst staff across the Group. Notwithstanding the outcome of the industrial action ballot the key issues will remain festering until the Bank sits up and listens to staff and acts on what they are saying.

## Zero Awards For Lower Grades

As a result of Pay 2005 at least 9,000 members of staff will have got no basic salary increase again this year and, with the cost of living running at over 3%, they will have seen their standard of living deteriorate yet further.

**If that wasn't bad enough research conducted by the Bank, and leaked to LTU, shows that staff are more likely to 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.** 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**

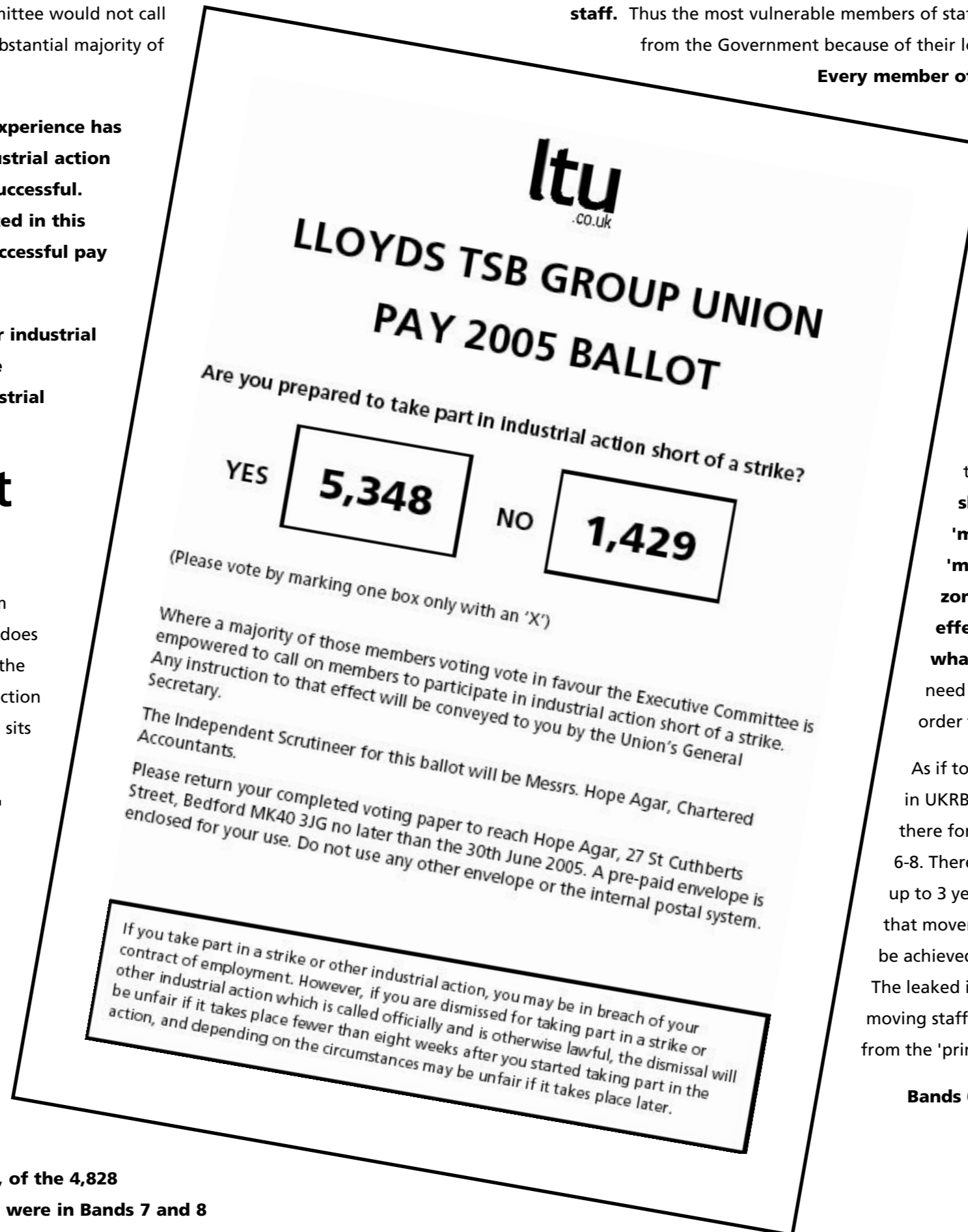
**membership, will have nothing but contempt for a pay system designed to take from the lowest paid in order to give to the highest paid. That is unacceptable to all right thinking individual and should be changed immediately.**

## Slow Progress To Market Rate

In its own communications to staff the Bank has argued 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 Lloyds TSB 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 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 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. 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.**

For £388,607 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 to the 'market' zone and give them a chance of getting to the 'market' rate for the job before they retire.

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## The Way Forward

That so many members have registered their rejection of the new pay system is a clear warning to the Bank and one which Executive Management ignore at their peril. The issues for next year are clear and we will be making sure that the Bank keeps to its commitment to get all Bands 8-6 staff into the 'market' zone. Equally, we will be looking for a pay pot that is

capable of ensuring that Band 5-2 staff also move into the 'market' zone. The fight to ensure that all staff in the 'high performance' zone get an increase they deserve will continue until the Bank changes its grotesque policy.

**Mark V Brown**  
Assistant General Secretary