

# Pay 2010 - Still No Agreement!

Members will recall that Offshore Banking was proposing a total pay pot of 2%, with 1.5% being spent in April and a further 0.5% to be spent during the course of the year. During our discussions the Bank said that it would increase the amount spent in April to 1.8%. Moreover, unlike on the mainland, Offshore Banking said that it would give Line Managers some discretion through the use of a variable matrix and that will be distributed on the basis of performance ratings as follows:

Rating	Increase
Not Met	0%
Part Met	0.5%-0.7%
Met	1.5%-1.8%
Exceeded	2.5%-2.8%
Outstanding	3.5%-4%

It would be churlish of us not to acknowledge that OB has moved its position, albeit only slightly. The reality is that a 2% pot is simply not enough to manage staff around the market rates. Many staff will move backwards in salary terms and that is simply unacceptable. The Bank's pay proposals mean that:

- Whereas historically LTU and OB have sought to direct Line Managers to use the pay pot to drive staff towards the market rate for their roles to compensate for the fact that more staff in OB are positioned at the lower end of the 'Market' zone than their colleagues on the mainland. Using a matrix based on just rating rather than position against the market and compounding that mistake by not using the whole of the pay pot will undermine fundamentally that approach to pay management.
- Large numbers of staff in Offshore Banking are going to see their pay going backwards relative to the market. The average market movement across all three Islands is 2.7% and with a pay pot of just 2% means that on average staff are going to receive increases less than the movement in the market. But that tells only part of the story. If we take Jersey for example; there are 352 members of staff at Bands 6,7 and 8 out of a total population of 517 staff. The average market movement for those staff is 2.7%. The vast majority of those staff are going to get a 'Met' performance rating which will give them a salary increase of between 1.5% - 1.8%. So relative to the market, those staff are going backwards and many of those at the bottom of the 'Market' zone, some 16% of staff across the whole of Offshore Banking, are going to drop into the 'Primary' zone. At Bands 2-5 there are 12% of staff just in the 'Market' zone and again we would expect many of those to drop into the 'Primary' zone.

The Union's Offshore Banking Committee will be meeting shortly to discuss the next steps but in the meantime we would welcome feedback from members on the Bank's proposals. One of the options open to the Union is to pursue the issues through the statutory industrial relations mechanism on each of the Islands but in the past that's proven to be a complete waste of time. We will keep members informed of developments.

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