

Year Zeroists Are On The Back Foot

Members will have seen the Bank's latest pay communication which has been issued in response to LTU's Consultative Ballot which is currently under way.

The clear impression from the desperate tone of the memorandum is of the Bank's Compensation and Benefits Department scrambling around like headless chickens trying to cobble together enough arguments and statistics to justify the size of the pay pot, the speed of staff progression through the zones and why those staff in the 'high performance' zone should get nothing again.

Surprisingly, the Bank's communication on a subject of this importance is left unsigned. All

"Is it the case that the Bank is so rattled by LTU's Pay Campaign that no one, not even the newly appointed Director of Compensation and Benefits, wants to be directly associated with a pay system that produces so many demoralised and disengaged staff?"

previous communications on Pay 2005 have been signed by Eric Daniels, Chief Executive. Is it the case that the Bank is so rattled by LTU's Pay Campaign that no one, not even the newly appointed Director of Compensation and Benefits, wants to be directly associated with a pay system that produces so many demoralised and disengaged staff?

LTU's Right To Reply

Bank The Bank says that the majority of staff will get a rise of market movement or better.

LTU That's not good enough. All staff

regardless of their pay zone should get at least the market movement increase for their band. Market movement increases are vital because they just keep staff in their current position relative to the market.

Local Market - Branch (Band 7)									
Local Market	Primary Zone		Market Zone		High Performance		Local Market Indicators		
	From	To	From	To	From	To	2004	2005	
1	£12,579	£13,277	£13,278	£14,676	£14,677	£16,772	£13,750	£13,977	
2	£13,838	£12,762	£13,762	£15,211	£15,212	£17,284	£14,250	£14,487	
3	£13,727	£14,488	£14,489	£16,015	£16,016	£18,302	£15,000	£15,252	
4	£14,844	£15,466	£15,467	£17,085	£17,086	£19,525	£16,000	£16,271	
5	£15,422	£16,279	£16,280	£17,994	£17,995	£20,564	£17,000	£17,137	

Local Market - Branch (Band 8)									
Local Market	Primary Zone		Market Zone		High Performance		Local Market Indicators		
	From	To	From	To	From	To	2004	2005	
1	£10,275	£11,377	£11,378	£12,576	£12,577	£14,372	£11,758	£11,977	
2	£11,228	£11,862	£11,863	£13,111	£13,112	£14,984	£12,258	£12,487	
3	£11,927	£12,588	£12,589	£13,915	£13,916	£15,962	£13,000	£13,252	
4	£12,844	£13,266	£13,267	£14,985	£14,986	£17,125	£14,000	£14,278	
5	£13,622	£14,279	£14,280	£15,894	£15,895	£18,164	£15,000	£15,137	

Financial Services 6 - 2 - 2005 Pay Zones and Market Indicators

Band	Primary Zone		Market Zone		High Performance		Market Indicators			Market Movement Increase 2005	
	From	To	From	To	From	To	2002	2003	2004		2005
6	£17,910	£18,904	£18,905	£20,895	£20,896	£23,880	£19,500	£19,500	£19,700	£19,900	1.02%
5L	£20,528	£22,942	£22,943	£25,357	£25,358	£28,980	£23,000	£23,250	£23,750	£24,150	1.68%
5U	£23,800	£26,599	£26,600	£29,399	£29,400	£33,600	£26,950	£27,250	£27,800	£28,000	0.72%
4L	£28,135	£31,444	£31,445	£34,754	£34,755	£39,720	£31,000	£31,350	£32,000	£33,100	3.44%
4U	£32,810	£36,669	£36,670	£40,529	£40,530	£46,320	£36,000	£36,750	£37,700	£38,600	2.39%
3L	£39,100	£43,699	£43,700	£48,299	£48,300	£55,200	£42,800	£43,250	£44,550	£46,000	3.25%
3U	£47,090	£52,629	£52,630	£58,169	£58,170	£66,480	£50,500	£51,550	£53,350	£55,400	3.84%
2L	£56,398	£63,032	£63,033	£69,667	£69,668	£79,620	£61,000	£62,200	£64,400	£66,350	3.02%
2U	£66,895	£74,764	£74,765	£82,634	£82,635	£94,440	£72,000	£73,500	£76,050	£78,700	3.48%

The evidence from the Bank's post-pay analysis shows that some 13,329 staff got no market movement increase at all in 2004. Given the changes in the pay setting process, which we will discuss in more detail in our next Newsletter, we would expect the number of individuals who get no market movement in 2005 to increase. Furthermore, 5,282 staff, or 10% of the total number of staff who were in the 'market' zone, got no market movement increase at all in 2004. More worryingly, 957 in the 'primary' zone got no market movement increase and thus went backwards relative to the market.

Bank **The Bank says that we have seen "real movement of people through the zones as a result of last year's pay review."**

LTU We accept that there was a big movement of staff from below the 'primary' zone into the 'primary' zone but the Bank cannot expect to receive any plaudits from those staff for systematically underpaying them for so many years in the first place. All it's done is to reduce the scale of a problem it created not remove it.

Bank **The Bank says that it expects up to 45,000 staff to be in the 'market' zone or higher following Pay 2005.**

LTU This is grossly misleading. What the Bank neglects to say is that of those 45,000 we would expect at least 15,540 staff to either be in or above the 'high performance' zone. The overwhelming majority of those staff will get no increase at all in 2005.

In any case, simply being in the 'market' zone, which starts at 95% of the rate for

the job, is not good enough. The Bank says that the 'market' zone reflects what other employers pay for fully effective, competent employees. But 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.

Members should not forget that market indicators still exist and are equivalent to the middle of the 'market' zone. The market indicators for the various local markets are set out below. Those for staff in Bands 6-2 are set out on the back page of this Newsletter. It is those figures that other employers will pay for fully effective and competent members of staff, and it's those rates that staff are worth in the job market and should be paid.

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

Incidentally, there is also one question which the Bank consistently fails to answer and that is how long it should take the average member of staff to be paid the 'market' rate for the job? Why can the Bank not say how long it takes for the average Band 8 Customer Service Officer to become fully competent?

Bank The Bank says that just over 9,000 staff in Bands 6-8 were in the 'primary' zone at the introduction of pay zones; following Pay 2005 we expect this number to fall to around 1,000.

LTU If the Bank's figures for Bands 6-8 were correct then that would be good news. However, the Bank is playing fast and loose with the statistics because according to their own pay analysis there were just over 17,076 staff in the 'primary' zone following Pay 2004 of which 8,076 were in Bands 2-5. What the Bank doesn't say in its pay memorandum, presumably because the figures are not as good, is how many Band 2-5 staff will still be left in the 'primary' zone following Pay 2005.

Bank An individual's pay reflects the contribution to business objectives and not their length of service.

LTU The implication of what the Bank is saying is that a member of staff's contribution to

the achievement of business objectives and their length of service are mutually exclusive. As the Bank itself acknowledges, the skills, knowledge and experience of members of staff that have been built up over many years, can have a much greater impact on the achievement of business objectives than those of people with less experience. These experienced staff ought to be able to expect their salaries to be high enough to maintain their position relative to the market.

Equally, not all staff in the 'high performance' zone are there simply because of the length of time they have worked for the Bank. Many staff will have been downgraded, through one of the Bank's many restructurings, but the Bank is quite happy for the salaries of those staff to simply wither on the vine. That is totally unacceptable for an organisation that produced profits of £3.49bn last year.

Vote NOW

LTU is currently undertaking the most important ballot it has held for a long time.

The Bank's current pay system will be in place for a long time and if members want to change it, as we know they do, then they must take a stand against it together now and make clear what they want.

It is important, on this most vital issue, to ensure that we get the views of all members. We need your views and we need you to vote NOW.

If you have any questions on LTU's pay campaign please contact Simon Reynolds at the Union's Bedford Office on 01234 262868 or email him at Simon.Reynolds@ltu.co.uk.

If you haven't received your ballot paper please contact Janet Gilkison at the Union's Bedford Office. Staff in Group IT, Offshore Banking and members of the regulated and non-regulated salesforce, except those subject to an April pay review, are not covered by this ballot.

Mark V Brown
Assistant General Secretary