

31st March 2011

OFFSHORE BANKING NEWSLETTER

Offshore Banking Pay 2011 Update

LTU and Offshore Banking are due to meet at the Jersey Advisory and Conciliation Service (JACS) this week to continue our discussions on Offshore Banking Pay.

Since our last Newsletter, Offshore Banking has failed to move its position during further meetings on Pay 2011.

Offshore Banking's proposals remain as follows:

- A pay pot of just 2.5%.
- A pay matrix for all staff in grades A-E which will provide a range of increases depending on performance rating and position in scale. LTU believe that commitment should be extended to all LBG staff, regardless of heritage. The matrix will be pre-populated by the Bank with suggested increases, so don't be fooled by the ranges. There is no specific matrix for staff in grades F and G but increases will be made from a 2.5% pot.
- Apart from a small population of staff on the Isle of Man, the pay scales will not be increased at all.

The impact of the Offshore Banking's proposals on staff are:

- The abandonment of the commitment to move staff from the 'Primary' to the 'Market' Zones in 2 or 3 years depending on grade. Removing unilaterally the pay progression guarantees means that staff will take significantly longer to be paid the market rate for the job. That is a step back in time and completely unacceptable. No Union could accept that.

- We believe that the pay pot will not be enough to move Offshore Banking staff into the right zones. Historically more staff in Offshore Banking have been in the 'Primary' zone than in any other comparable business unit in the Group and the fact that most of the zones are not going to increase this year gives us an opportunity to correct that anomaly. LTU proposed a pay pot of 3% but that was rejected by Offshore Banking.
- LTU has had concerns for a long time that the Bank's pay system is discriminatory and in breach of Equal Pay legislation. It is our contention that the proposed matrix will make any equal pay problems worse rather than better.
- The Bank's own research has highlighted some significant pay differences between males and females within certain populations of staff in Offshore Banking and LTU has claimed that these differences should be addressed now. LTU has requested further detailed information around the salaries of male and female staff offshore but this has not been provided yet.

I will report back to Members later this week.

Members with any questions on this Newsletter can contact the Union's Advice Team on 01234 262868 or email us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary