



# LANDMARK PAY OFFER? PLAYING WITH YOUR FUTURE EARNINGS

**Despite the Bank's announcement on its plans to introduce a landmark 3 year pay deal with the Lloyds in-house union [LTU]. Unite can confirm that the so called land mark deal is not so "landmark after all".**

The Bank wishes to align its future pay pots by market movement plus 1% for the next three years.

At a meeting with the conciliation services, [ACAS], Unite called for the Bank to review its pay strategy in 2009 and 2010 to assess what economic conditions will be in place at the time. Unite have real concerns about this long term proposal bearing in mind that we are entering into a time of financial instability which according to some commentators has not been known since the 1920s stock market crash.

Unite have recently agreed with Barclays a 3 year deal of around 4.7 pay spend, in addition for years 2 and 3 of the deal, the Bank agreed that the spend will be RPI plus 0.9. This gives protection against any blips in inflation over the 3 year period. It's a massive leap of faith to consider that market movement plus 1% will be sufficient for the Bank to meet its obligations on being a higher performance organisation and that their pay strategy will keep pace with inflation.

The 3.8 pay pot for 2008 whilst falling short of the current inflationary figures Unite have decided not to oppose, however we have informed the Bank that we will want to return to the negotiating table in 2009 and 2010 so that we can assess the consequences of such a long term proposal.

In addition we have informed the Bank that should their pay pot not broadly align with inflation, then we will Ballot our members as to what action they wish to take if the

Bank ignore inflationary pressures that hit members pockets.

## PROTECTION

At the ACAS talks, your union asked the Bank to consider an RPI (inflation protection clause) that would come into place during the three year period if RPI exceeds the pay pot by 1%.

Unfortunately this was rejected by the Bank's executives for reasons only known to themselves. Why do both Barclays and National Australia Bank agree RPI protection clauses with Unite, yet your directors are reluctant to do so? Of course their salaries do not put them under the same pressure in terms of meeting financial commitments.

## POLITICAL NAIVETY

We are aware that the Lloyds in-house staff association LTU have agreed these proposals. This smacks of political naivety at a time when there is so much uncertainty within the economy. One has to question their independence bearing in mind that its sole income is derived from its LTSB staffs membership. Any union that has any idea about wage bargaining will know that members salaries are dependant on inflation not running ahead of annual pay awards. Their desire to cosy up to the Bank at the first attempt will prohibit staff from being protected from inflation if the Bank's market movement philosophy does not keep with average earnings across the economy, indeed only recently we have seen increases of energy prices of up to 15%.

From Unite's perspective there could be a scenario where inflationary pressure mounts at a time when the financial services sector goes into meltdown. Unite sincerely hope that this is not the case. However to put at risk staff's future earnings capabilities is not only naive but extremely foolish.

Negotiations have now been concluded, but we will be meeting the Bank throughout 2008 to assess the distribution of the Bank's pay pot and to consider further the economic conditions during the period of these arrangements.

Members will be kept informed of developments. We urge staff to join the only independent trade union in the Bank. And, our subscriptions rates roughly half what you would pay to the LTU.

## NOT A MEMBER

Being part of a TUC affiliated independent trade union that has over two million members allows us the opportunity to offer you an unbeatable discounted rate on your membership. Membership subscriptions are £5.77 per month for full-time staff and £3.17 for part-time staff. In addition you will receive the first three months of your membership completely free. To join visit our website on [www.unitetheunion.com](http://www.unitetheunion.com).

## EMAIL UPDATES

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