

# UNITE SUBMITS PAY CLAIM FOR 2009

Unite the union has submitted a 6% pay claim for 2009. Unlike the in-house staff association, Unite was not prepared to agree the three year pay review that started with pay 2008. This was because the bank was not prepared to agree any form of inflation protection for the second and third years (2009 and 2010). We knew from our experience of three year deals in other companies in the sector that, without inflation proofing, these deals bring, at best, the need to renegotiate each year anyway and, at worst, the danger of sub-inflation pay awards and hardship for our members.

Needless to say, history has proved us right as inflation for September is now 5%. Our claim is thus simply inflation plus 1% for performance.

## HARD TIMES

At this time of uncertainty and fear for the future, basic pay becomes increasingly important. Apart from the immediate need to protect pay from the effects of rising prices, the union is conscious of the beneficial impact of any increase in basic pay on pensions and, in the worst case scenario, on redundancy payments.

This makes the need to improve basic pay a triple imperative at this difficult time. By the same token, to have settled, as the staff association did, for a deal based on increases in a now devastated labour market without reference to the cost of living was, to say the least, extreme folly.

## THE UNITE THE UNION CLAIM IN DETAIL

- 1) Protection from inflation and performance** – our claim is based on the September 2008 RPI figure of 5% plus 1% for performance and is thus for an across-the-board pay award of 6%. In the current climate, a simple across-the-board pay rise is the fairest and most caring way forward on pay that the bank could choose. In our view, it would also help to motivate staff in this time of insecurity.
- 2) 0% pay awards** – Unite the union is opposed to 0% awards. Our claim is for an across-the-board rise which would preclude 0% rises. If the bank insists on maintaining its existing pay philosophy, the union has identified a number of steps towards the eradication of 0% rises that we are seeking for 2009 –
  - almost 10% of 0% awards (having excluded promotions, new starters, etc) made to staff in 2008 were to staff at met or above and in the market zone or below. This practice is senseless in the bank's own terms and should cease.
  - in addition, we seek a full review of 0% awards to staff in the partially met category and
  - we require confirmation that those above scale will continue to receive pay rises.
- 3) Bonus schemes** – Unite has raised its concerns in recent years with the fact that annual bonuses based on a higher percentage of salary are paid to higher graded employees. Unite believes this practice is discriminatory, given that the proportion of women (BME staff, those with disabilities, part-time workers, etc) is so much higher in the lower grades. This practice should be reviewed and changed.

To this argument we would add the fact that there is such widespread government, regulatory and public concern at huge bonuses being paid to senior bank employees.
- 4) Equal pay** – Unite welcomes the bank's commitment to examine smaller pay gaps within grades than they have done in the past (3% to 5%) from 2009. Our claim is that any pay gap in a band which is greater than 3% should be eradicated in the next pay round and that the bank should consult with the union on future measures towards the eradication of the overall pay gap. We have also reiterated our claim that the bank's equal pay agenda should be broadened to include other forms of discrimination, notably ethnic origin, disability and part-time work.
- 5) Minimum salary** – we are seeking a minimum salary in the bank of £14,000. This figure is just above the minimum income that the eminent social research organisation the Rowntree Trust now believes is required for a single person to live in our society which is £13,800.
- 6) Disclosure of information** – for the purposes of these negotiations, we are seeking full disclosure of any market data, including detail of individual companies and benchmark roles/grades that the bank intends to use as comparators.
- 7) Pensions** – in light of current pressure on pension funds and how critical this issue is to our members' future, we are seeking a commitment from the bank to continue to fully fund the existing defined benefits pension schemes, including in respect of future accrual (the amount by which your pension grows year on year). HBOS has made a historic agreement, a "covenant", to this effect to the trustees of its schemes. We believe that LTSB staff should have an equal commitment from the bank both for the immediate future and on moving into the new organisation.

# YOUR UNION

You will see from the pay claim that we have submitted that it is Unite which is speaking for you and defending your interests to LTSB.

We are also your voice on the proposed takeover of HBOS, to the bank, government and in the public arena. You can keep yourself informed on the union's response and activities on this issue by going to our website page at [www.unitetheunion.com/lloydstsb](http://www.unitetheunion.com/lloydstsb) where we will post regular updates.

Not surprisingly many non members have decided to join Unite since the takeover was announced.

We give below some of the reasons why they have made this choice.

- Unite is the only union recognised in both LTSB and HBOS.
- Unite is the union that will represent all members impacted in this takeover.
- Unite is the only union recognised in all business areas of LTSB.
- Unite has extensive experience in mergers and takeovers.
- Unite was heavily involved in the merger of Lloyds and TSB.
- Unite was heavily involved in the merger of Bank of Scotland and Halifax.
- Unite has a network of 150 MPs and broad political and media influence.

Please keep feeding your questions on the takeover into us.

We will be updating our questions and answers section on the website on a weekly basis.

**If members wish to discuss or comment on any of the above, please email [ltsb@unitetheunion.com](mailto:ltsb@unitetheunion.com)**

## NOT YET A MEMBER?

**If you are not already a member, it is time to join and take advantage of our unbeatable service and unbeatable subscription rates.**

**Join on line by going to [www.unitetheunion.com](http://www.unitetheunion.com), speak to a Unite workplace representative or call our helpline on 08081 449595.**

**You can also get connected to the union by signing up to our email updates.**

**Visit the membership area of our website [www.unitetheunion.com/membership](http://www.unitetheunion.com/membership) and "change my details" to enter your email address.**