

## Pay 2012 – Negotiations Conclude

**Following a protracted set of pay negotiations that have taken place throughout November, Lloyds Banking Group has announced their full and final offer.**

**The background to the negotiations could not have been worse as the Group had just announced considerable losses, the Eurozone was in crisis and the Group's share price was tumbling significantly.**

During these talks, Unite's negotiating team presented our claim and in an attempt at being progressive, presented other solutions to pay such as a reduction to senior managers bonus from 25% to 20% to free up some monies that could be paid to low graded colleagues whose bonus is a modest 5%. This was rejected by the Group as they are satisfied with the current bonus structure.

### The Offer:

Grades A – -D: 2.5% pay pot allocated using the following fixed matrix:

	Top performer	Strong performer	Good performer	Developing performer	Under performer
Market Primary or below		3.00%			0.00%
Market		2.00%			0.00%
Market Plus		1.00%			0.00%
Over Maximum		0.00%			0.00%

Grades E – G - : 2% pay pot. For Grades E - the matrix is devolved i.e. pre-populated with awards but can be amended at line-managers discretion:

	Top performer	Strong performer	Good performer	Developing performer	Under performer
Market Primary or below		2.50%			0.00%
Market		1.50%			0.00%
Market Plus		1.00%			0.00%
Over Maximum		0.00%			0.00%

Grades F & G : awards can be made at line managers discretion within 2% pay pot.

In addition, the Group has responded to Unite's claim as follows:

- All pay ranges will not be below the Living wage currently £7.20 for outside London and £8.20 for London
- There will be no line-manager discretionary element at grades A to D
- No business area within Lloyds Banking Group can opt-out of this agreement
- Future negotiations on the simplification of the pay ranges as the Group operate a considerable amount which leads to confusion and frustration
- There will be separate local arrangements as agreed in the 2011 pay deal for those colleagues who have contributed to the business - separate communications will be cascaded in these workplaces
- Whilst refusing a joint equal pay audit, LBG has agreed to jointly work with Unite to address the gender pay gap and to identify and address equality issues associated with promotion, working practices etc

- Although unable to give a commitment to progressing to the midpoint of market rate in 2 years, the Group believes that by removing performance (with the exception of under-performers) from the pay matrix and by distributing the pay pot by pay zone, this should help colleagues to progress to the market rate
- No movement to the pay ranges for Grades A-C.

Whilst Unite welcomes the break of the relationship between performance and pay, your Union continues to reject the Group's proposal to give nearly 10% of colleagues a 0% award.

### **Offer for Lloyds TSB Colleagues Not on Harmonised Terms & Conditions**

Unite vigorously fought for this offer to also apply to those colleagues from heritage Lloyds TSB who have refused to sign the new contract of employment, and although this was not achieved, it has resulted in the Group conceding to offer:

Grades A – -D:

	Top performer	Strong performer	Good performer	Developing performer	Under performer
Market Primary or below	1.50%				0.00%
Market	1.00%				0.00%
Market Plus	0.00%				0.00%
Over Maximum	0.00%				0.00%

Grades E:

	Top performer	Strong performer	Good performer	Developing performer	Under performer
Market Primary or below	1.25%				0.00%
Market	0.75%				0.00%
Market Plus	0.00%				0.00%
Over Maximum	0.00%				0.00%

Whilst this is disappointing, it is an improvement on the Group's stance for 2011 pay.

### **Next Steps:**

Unite is a democratic union, run by the members for the members and therefore believes it should be the members who decide on whether or not this pay offer is acceptable.

As a result, all Unite members will receive a letter to their home addresses in the next few days giving more details on the offer and consulting you by way of an online survey in order that your views count.

Only by being a member of Unite will you have your say in the consultation – if you wish to have your say on Pay 2012, you can do so by joining Unite.

You can do this by:

- **Website – go to [www.unitetheunion.org](http://www.unitetheunion.org)**
- **Contacting your local rep – to find out who this is go to [www.unitetheunion.org/lloyds](http://www.unitetheunion.org/lloyds)**
- **Email at [LBG.Support@unitetheunion.org](mailto:LBG.Support@unitetheunion.org)**
- **Telephone: 0808 1449595**

If you have any queries or comments regarding pay or any other issue, please do not hesitate to contact us.

### **Remember:**

Unite – working on your behalf regardless of heritage.

- Unite is the only union negotiating for members in all areas of Lloyds TSB
- Unite is the only union negotiating for members in Cheltenham & Gloucester
- Unite is the only union negotiating for members in both Lloyds TSB and HBOS
- Unite has a workplace reps structure of 170+ to ensure your voice is heard at negotiations

## **Union – The Campaigning Union**

**WE DESERVE BETTER**