

# PAY 2011 – SETTLEMENT REACHED

**Unite has reached agreement with Lloyds Banking Group for 2011 pay. This Agreement was reached after long and protracted negotiations over the past 4 months including a ballot of the membership and 2 days at the offices of ACAS.**

Throughout these negotiations Unite has argued that the Company's Pay framework has not supported colleagues, particularly the performance management system which is flawed, non-transparent and therefore unfair.

Unite members and colleagues will know that Unite has been campaigning against the performance management system over the past year or so and is seeking advice to the possibility of a legal challenge.

With this backdrop the Agreement reached at ACAS is:

- A joint Company/Union review of Lloyds Banking Group's Pay Framework - this will include a joint review of the performance management process system.
- A non-consolidated award for members and colleagues, from a specific population of Grade As and Bs, who are not in the Group Annual Bonus Scheme and are now 'Above Max' due to the narrowing of the LBG pay ranges. This will be:

Top Performer	1.5%
Strong Performer	1.0%
Good Performer	0.5%

- A pay award for all members and colleagues impacted by agreed integration projects, who have suffered a loss due to the change in cluster. These colleagues will be notified locally of the arrangements.

## PAY MATRIX

In addition the following pay matrix applies:

2.5% pay pot to be distributed by using a matrix. Line managers use a system which for colleagues in A to E include increases based on the following matrix:

	Top Performer	Strong Performer	Good Performer	Developing Performer	Under Performer
Below Min & Primary	6.50%	4%	3%	1.5%	0%
Market	4.5%	3.5%	2.5%	1%	0%
Market Plus	3.5%	2.5	1%	0%	0%
Over Max	0%	0%	0%	0%	0%

The Company will give some discretion to Managers through a discretionary payment range.

	Top Performer	Strong Performer	Good Performer	Developing Performer	Under Performer
Below Min & Primary	4.5%-8.5%	2.5%-5.5%	1.5%-4.5%	1%-2%	0%
Market	3%-6%	2%-5%	1.5%-3.5%	0.5%-1.5%	0%
Market Plus	2%- 5%	1.5%-3.5%	0.5%-1.5%	0%	0%
Over Max	0%	0%	0%	0%	0%

The matrix system will not be used for colleagues in F&G broad bands where managers will have discretion to make awards, within the set budget based on a wider set of criteria.

In addition:

- Awards are pre-populated in the pay system, in line with the above matrix and ratings to be input to the pay systems and that managers will have to manually change these should they wish to use their discretion
- Managers would have to fully justify altering the proposed award to the colleague if they fell outside the discretionary ranges.

## LLOYDS TSB COLLEAGUES ON OLD CONTRACTS

As previously advised, the Company has refused to give pay awards to any colleague who is not now on the new harmonised terms and conditions.

Unite had secured a commitment that this population will have another opportunity to sign the contracts from April onwards and will then qualify to have a pay review in July 2011.

Unite believes that the scaremongering on signing the new contracts has been irresponsible and has led to many colleagues being financially disadvantaged by a poorer 2010 bonus award, no pay rise and inferior Standby overtime and Call-Out payments for those working in IT.

Meanwhile those who used the scaremongering tactics have entirely absolved themselves of any responsibility and abandoned these colleagues.

Unite has also reached agreement for Wealth & International UK Private Banking colleagues and Retail Bancassurance colleagues will receive an across the board increase of 2.5%. For colleagues in Jersey, Guernsey and Isle of Man, Unite has referred negotiations to JACS (offshore ACAS equivalent).

## PERFORMANCE RATINGS

Unite has received numerous calls from members and colleagues who believe their rating does not reflect their performance. If you wish to challenge your rating, please contact your Unite rep who will be only too happy to advise you on how this can be done.

Unite has been informed that many colleagues have been marked as 'too soon to rate' and subsequently given a 'developing' performing rating. This is incorrect. Any colleague who has a 'too soon to rate' should automatically fall into the 'Good' performance rating. If you wish to discuss this further, contact your rep who will advise you accordingly.

## DEALS ELSEWHERE IN BANKING

Unite members will know that your union negotiates throughout the finance sector and the pay deal reached in LBG is one of the best for 2011. Other deals reached are:

Barclays	-	2.5%
HSBC	-	2.5%
Royal Bank	-	2.1%
Clydesdale/Yorkshire Bank	-	2%

## UNITE COMMENT

**Unite recognises that this agreement is not ideal but it is the best that can be achieved through negotiations – including ACAS. Unite is aware that members and colleagues are still suffering frequent public abuse because of the mistakes made by their Employer as well as living in fear for their job – with yesterday's latest announcement the total number of jobs lost in the UK since the creation of LBG is a staggering 22,000+! Little wonder this is no appetite for any type of action at this time.**

**Unite also believes that had agreement not been reached, the Company would have imposed the offer without the improvements achieved at ACAS and would have withdrawn the commitment to jointly review the Pay Framework including the unfair the unfair Performance Management process.**

**Unite believes that to exclude ourselves from this review would genuinely disadvantage our members and remove any opportunity to help construct a better appraisal structure that would properly recognise colleagues' true worth and contribution in the Company.**

## NEXT STEPS

**Members and colleagues will receive confirmation of their pay award in the next few weeks and the award will be reflected in April salaries.**

**To make sure your voice is heard in Lloyds Banking Group – join a Union that will campaign and achieve on your behalf. Be a part of the Pay Framework Review – be a part of Unite.**

**WE DESERVE  
BETTER**

