

10th January 2017

All Members Newsletter

MUCH ADO ABOUT NOTHING

The juxtaposition in treatment couldn't be any more telling. Just before Christmas, the Bank published the latest details of Antonio Horta-Osorio's 4% additional increase in base pay, which is delivered in a tranche of monthly shares.

Fast forward a few weeks and the Bank has announced today, with the tacit agreement of the HR approved staff unions, a pay pot of just 2%. And's that at a time when all commentators are predicting that inflation is going to increase significantly over the next few months.

The Group's pay proposals are as follows:

- **A pay pot of 2%**
- **Fixed pay matrices for staff in grades A-G. These matrices will provide for a range of salary increases depending on position in scales and performance ratings. However, what the matrices show is that for most staff the increases for 2017 are going to be the same as, or less than, what they received in 2016 despite the fact that inflation is rising.**
- **Staff who are above the maximum of their pay scales will receive nothing from the Accord deal.**

- **Staff with a 'Developing' rating will get increases of up to 0.50% depending on position in scale.**
- **Grade A-E staff in the 'Market Plus' zone with 'Strong' and 'Good' ratings will receive less this year than they did last year.**
- **A 2% market movement will be applied to all salary scales.**

"Inflation..picked up in 2018"

The inflation figure we are interested in is the retail price Index (RPI) because that figure takes into account housing costs, which for most members is the biggest outgoing every month. In November RPI was 2.2%.

The 2017 pay negotiations are taking place against a dramatic rise in inflation. Historically RPI has been higher than CPI and forecasters are predicting RPI rising to between 3.5% and 4.5% for 2017.

It's possible that come April when salary increases are effective inflation could be up

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to 2.5% or more. But staff shouldn't worry about it because according to Accord "The prospect of rising inflation in 2017 is a concern. Any upturn in inflation in 2017 will be picked up in the 2018 pay review". Who are they kidding?

Inflation is picking up now, every month in fact. If inflation "is a concern" then deal with it now. Staff are far too intelligent to be fobbed off with talk about jam tomorrow.

Why Are We Waiting?

The Bank has said that "...in Q3 2017 colleagues at grades D and E will be eligible to receive a separate 'one-off' pay award to progress them to 92% of the mid-point of their pay range".

Accord has welcomed this move. Why? Surely the Bank should be progressing these

staff to the mid-point of their pay range and not just 92%. Staff who have been doing the same roles for many years will progressed to a position which means they are being paid 8% less than the market rate and we are supposed to applaud that movement. And why should staff have to wait until Q3 to get any movement at all? We know that a large number of grade D and E staff work in the branch networks and it could be that the Bank intends to announce a series of redundancies and wants staff out of the way before the salary increases become effective.

We will return to this issue in our next Newsletter. In the meantime, members with any questions comments on the Pay 2017 should email us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary

Grades A-E Fixed Matrix		Top Performer	Strong Performer	Good Performer	Developing Performer	Under Performer
Primary		5.50%	3.50%	2.50%	0.50%	0.00%
Market		4.00%	2.50%	2.00%	0.25%	0.00%
Market Plus * %age of mid-point in pay range	105% - 110%*	2.50%	1.00%	0.75%	0.00%	0.00%
	110% - 130%*	1.25%	0.75%	0.50%	0.00%	0.00%
Above Maximum		0.00%	0.00%	0.00%	0.00%	0.00%

Grades F-G Fixed Matrix		Top Performer	Strong Performer	Good Performer	Developing Performer	Under Performer
< 95% mid-point		5.50%	3.50%	2.50%	0.50%	0.00%
95% - 105% mid-point		4.00%	2.50%	2.00%	0.25%	0.00%
105% - 150% mid-point		2.50%	1.00%	0.75%	0.00%	0.00%
> 150% mid-point		0%	0%	0%	0.00%	0.00%

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