

31st March 2017

All Members Newsletter

# Levelling The Paying Field

**The Bank has confirmed that the Group Chief Executive, Antonio Horta-Osorio received an 8.4% salary increase last year.** That was the largest salary increase of any member of staff in the whole of Lloyds Banking Group. Details of the difference in pay and benefits between the GCE and all employees across the Bank are set out in the table below. **This year the GCE will get a salary increase of 6.5%, again the largest annual salary increase of any member of staff in the Bank.**

## %age change in remuneration of the Group Chief Executive

	%age change in base salary (2015-2016)	%age change in bonus (2015-2016)	%age change in benefits (2015-2016)
Group Chief Executive	8.4%	44%	2%
All employees	2%	17%	2%

At the same time the Bank published the figures above, it was announced that inflation as measured by the Retail Price Index (RPI) rose to 3.2% in February from 2.6% the month before. RPI is the key determinant for staff when looking at pay increases because that figure includes housing costs which for most of us is our biggest outgoing every month, unlike the Consumer Price Index (CPI), which is always quoted by Accord and the Bank.

The Bank's pay pot of just 2% means that the average member of staff will see their living standards fall by 1.2% as higher inflation, which will probably increase again next month, eats into their take home pay. That squeeze on incomes will be com-

pounded for those members who get tax credits and child benefit because neither of those will be rising in line with inflation next month.

In fact, based on the Bank's pay matrices, only staff with 'Top' and 'Strong' performance ratings in the Primary Zone and those with a 'Top' performance rating in the Market Zone will see their living standards increase relative to inflation. We estimate that 90% of staff will receive a salary increase which is less than the 3.2% rate of inflation. The Bank reached an agreement with Accord following a ballot of its members and simply ignored the fact that Unite rejected the pay pot following a ballot of its members. We refused to sign the Recognition Agreement because the Bank could reach an agreement with one union, and that would always be Accord, and impose that on the other two unions regardless of their views. And once imposed, LTU couldn't even criticise an agreement even if we thought it was bad for our members. That was unacceptable to LTU.

**Interestingly, neither of the in-house staff unions published the results of their pay ballots. Why not? We suspect that both Accord and Unite were too embarrassed by the low turnouts and their respective membership levels. Reaching a bad agreement with the Bank is the easiest thing in the world to achieve. What's more difficult is being prepared to accept that no agreement is better than a bad agreement. And that principle applies whether you are talking about pay, pensions, harmonisation of terms and conditions, trade union recognition or Article 50 negotiations between nation states.**

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## Pensions Equalisation – LTU Case Update

The respective legal teams in our landmark discrimination case on the equalisation of pensions are discussing and, hopefully, agreeing the questions that will be put to the High Court. Our expectation is that the case will be heard in early 2018. Members will recall that following the commencement of our legal action, the Department of Work and Pensions issued a consultation document seeking views from the pensions industry and other interested parties on a “new methodology for equalising pensions for the effect of inequalities caused by Guaranteed Minimum Pensions (GMPs), and potential changes to GMP conversion legislation that may be needed to enable equalisation to take place”. It was the last methodology, published in 2012, which caused the pensions industry to suggest that equalising GMPs would cost of up to £20bn.

In response to the consultation paper many respondents suggested that the Government should not consider any action until the outcome of LTU’s legal action against the Bank had been decided. **The Government said “Notwithstanding our opinion on equalisation [The Government agrees with our analysis of the legal position], we will consider our position in the light of any action taken by Lloyds Trade Union and any legal decisions resulting from that action”. LTU’s case is being watched by the whole of the pensions industry and Government and the outcome will determine whether 5 million women get increased pension benefits.**

## Working Conditions In An Agile World

The Bank has said that it is looking to reduce its non-branch property portfolio by 30% by the end of 2018. We know that it has identified 14 offices in London which will be closed and staff moved to alternative sites, but what the Bank is ignoring is that even now, before the closures, finding a suitable desk in London is getting more and more dif-

ficult. We’ve seen photographs of 12 people in Chiswell Street sitting around a desk designed for 6 people. Staff are sitting at desk-ends trying to find any available space to rest their laptops. Members have said to us that “battery hens get more space and the noise is deafening”. Ian Lloyd, Director, Digital Transformation, apologised to staff who had moved from Shaftsbury Avenue to Chiswell Street saying “Plans are in place to swap approximately 100 project tables and 45 smaller desks-ends for standard desks. We are also planning to install an additional 30 new desks”. **Mr Lloyd needs to get a move on because if those desks don’t start appearing in the next few weeks we’ll start publishing the photographs, pixelated to protect the identity of individuals, showing the conditions in which staff are being expected to work. The current chaos in some buildings brings a whole new meaning to the concept of agile working. And not content with treating staff like animals, the Bank, in a bid to reduce its cost: income ratio even more, is planning to charge staff for hot drinks. You couldn’t make this stuff up.** We will cover this issue in more detail in a future Newsletter.

Mark V Brown  
General Secretary

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