



Every day we campaign for **Security of Employment, Fair Reward** and **Dignity at Work.**

DC 2011/02

April 2011

## Accord Direct Channels Ballot

### Pay Ranges, Pay Uplift, Bonus, and Overtime

#### Introduction

Accord members rejected the bank's proposals on pay ranges, pay uplift, bonus and overtime back in November 2010. Further negotiations have taken place since then resulting in a revised offer.

It is important to emphasise that **no agreement has yet been reached with Accord or Unite**. What the unions do next will be determined by members through independent ballots.

Accord is conducting an on-line ballot of HBOS members using the independent balloting agency – Electoral Reform Services.

On Friday 15<sup>th</sup> April 2011, Accord members who are impacted will be sent an email containing a secret two part code so you can vote on-line. Members who have not registered an email address with Accord will be sent their voting instructions by 1<sup>st</sup> class letter posted on 15<sup>th</sup> April 2011. If you haven't received your communication to vote by Tuesday 19<sup>th</sup> April 2011, please contact ERS's customer service team on 0208 889 9203.

The ballot will close at **NOON on Tuesday 3<sup>rd</sup> May 2011**. It is really important that you have your say. Your vote will determine what happens next.

To help you reach a decision on how to vote, please read the briefing below.

#### Background

The discussions between the Bank and the Unions have taken place against the backdrop of a set of terms and conditions for HBOS colleagues which were implemented on 1st October 2010. The implementation followed extensive negotiations and an acceptance of the proposals by a majority of Accord members who voted in the union's ballot.

Grade A customer facing colleagues in Direct Channels have already moved onto the majority of the new terms and conditions from 1<sup>st</sup> October 2010 but pay ranges, bonus and overtime have not yet been agreed.

The unsociable hours payment arrangements (Flextra +) within HBOS will continue for now and will be the subject of separate negotiations later in 2011.

#### Proposals:

##### Background

The proposals identify three main roles within Direct Channels which are:

- Core Banking (sales through service)
- Service (service no sales)
- Sales

All three roles are in Grade A and each will have a defined role profile and its own separate pay range.

##### Pay Range Proposal

No colleague will see a reduction in their current basic salary as a result of these proposals.

From 1<sup>st</sup> June 2011 three new pay ranges will be introduced for each of the role types and locations or clusters.

There are no Direct Channels sites in LBG cluster 1. cluster 2 includes Dundee, Dunfermline, Rosyth, Motherwell, Speke, Pendeford (BM), Cardiff Gate and Warrington whilst Leeds and Belfast are in cluster 3.

## Core Banking Pay Range

Band A	Primary		Market Zone			Market Plus Zone	
Cluster	Min	Max	Min	Midpoint	Max	Min	Max
2	£14,445	£15,248	£15,249	£16,050	£16,853	£16,854	£19,260
3	£15,165	£16,008	£16,009	£16,850	£17,693	£17,694	£20,220

## Service Pay Range

Band A	Primary		Market Zone			Market Plus Zone	
Cluster	Min	Max	Min	Midpoint	Max	Min	Max
2	£13,815	£14,582	£14,583	£15,350	£16,118	£16,119	£18,420
3	£14,499	£15,304	£15,305	£16,110	£16,916	£16,917	£19,332

## Sales Pay Range

Band A	Primary		Market Zone			Market Plus Zone	
Cluster	Min	Max	Min	Midpoint	Max	Min	Max
2	£13,428	£14,174	£14,175	£14,920	£15,666	£15,667	£17,904
3	£14,094	£14,877	£14,878	£15,660	£16,443	£16,444	£18,792

## Pay Uplift Proposal

To harmonise T&C's on pay we have negotiated the following proposals which will increase the salaries of approx 1800 colleagues:-

All HBOS colleagues in employment for more than 6 months at 1st June 2011 will receive a salary uplift to 95% of the market midpoint of their salary range for their role type and cluster.

For example, a core banking consultant with 2 years service earning £14700 and working in Dundee (cluster 2) would get an uplift to £15249 (95% of £16050).

All colleagues with less than 6 months service at 1<sup>st</sup> June 2011 will have their salaries uplifted to 90% of the market midpoint of their salary range for their role type and location. In addition, when 6 months service is completed and a consultant is deemed competent, they will be moved to 95% of the market midpoint of their salary range.

For example: a sales consultant who started in February 2011 earning £13800 and working in Belfast (cluster 3) would get an uplift to £14094 (90% of

£15660) on 1st June and if competent after 6 months in role would get a further uplift to £14878 (95% of £15660).

All colleagues new to role from 1<sup>st</sup> June 2011 will have their salaries uplifted to 95% of the market midpoint of their salary range for their role type and location, when deemed competent after 6 months service.

Colleagues who currently receive a £50 monthly multi-skilling payment will have this consolidated into their salaries from 1<sup>st</sup> June 2011, resulting in an increase of £600 (pro-rata for part time colleagues). This increase will replace the monthly payment and will be applied after any move to a minimum pay level has been awarded. Additionally, any colleagues who started after 1st January 2011 and have been multi-skilled will receive the consolidated payment.

Increases will be applied to July salaries but will reflect the increase from 1<sup>st</sup> June 2011 (if the revised proposals are agreed).

For example, a core banking consultant in Leeds (cluster 3) with more than 3 years service earning £15300 and in receipt of a £50 per month multi-skill payment would get an uplift to 95% of their midpoint

which is £16009 and then would have the multi-skill payment consolidated into their pay to arrive at a final salary of £16609.

## Bonus Proposal

Sales consultants: increase from 12% to 20% on target earnings (uncapped)

Core Banking consultants: decrease from 12% to 10% on target earnings (uncapped)

Service consultants: decrease from 12% to 5% on target earnings (uncapped)

## Overtime Proposal

The overtime payment offer is consistent with the remainder of the Group and is based on when the overtime is worked.

Eligibility for an overtime payment starts after 15 minutes. Additional hours worked per week in excess of full time hours (normally 35) will be paid at the following rates but premium rate overtime is only available after 35 hours have been worked in the week:

- Monday to Sunday: 1.5 x basic hourly rate
- Bank holidays: 2 x basic hourly rate

Direct Channels have reserved the right to offer overtime at the level of double time for overtime worked as business needs dictate.

## Commentary:-

The pay range midpoint salaries for both service and core banking consultants have increased when compared to the historic HBOS pay ranges.

Core banking midpoint salary in cluster 2 has moved from £14928 to £16050 and in cluster 3 from £15378 to £16850.

Service consultants' midpoint salary has moved from £13680 to £15350 in cluster 2 and £14090 to £16110 in cluster 3.

The uplift in pay for colleagues currently below 95% of their midpoint salary is a significant improvement.

Consultants currently in receipt of a £600 per annum multi-skilled payment will have this consolidated into their base pay. Additionally, a small number of colleagues employed since 1st January 2011 and trained into a multi-skill role will receive the £600 pay rise. Just under 1000 colleagues will benefit from this part of the proposals.

Sales consultants will see no reduction in actual salary and will have increased bonus earnings potential of 20% OTE uncapped. However, when voting, they will need to carefully consider the implications on future pay rises because of a lower midpoint salary. Sales consultants' midpoint salary has moved from £16230 to £14920 in cluster 2 and from £16717 to £15660 in cluster 3.

For example, a sales consultant in Warrington (cluster 2) earning £16200 will now be in the Market Plus Zone and as such will potentially get a lower pay award than if they had been in the Market Zone.

These are fundamental changes being proposed by LBG and replicate the model that exists within the LTSB Sales part of Direct Channels. They are aimed at incentivising sales consultants to obtain increased reward through an increased potential, uncapped bonus scheme but with a downside of a lower pay range.

For example, all sales consultants earning above £17904 in Warrington or £18792 in Belfast will be above the maximum of their pay ranges and potentially in line for a zero pay award for 2012.

Both Accord and Unite have pressed LBG for increases in the proposed pay ranges based on our analysis of market pay within the Call Centre Financial Services world, but LBG have concluded that there is no further room for negotiation at this time. However if the proposals are accepted, Direct Channels have agreed to review the position of any colleague moved to above the maximum of their new salary range as a result of T&C's harmonisation. The intention would be to discuss some form of financial recognition for these colleagues who achieve a "good" or better performance rating for 2011.

In addition to this and as a result of Accord's Group pay negotiations, we have secured agreement to review the pay framework within LBG and the application of the performance management process in advance of the 2012 pay discussions.

The overtime proposal is an improvement for all full time members relative to their current contractual rate which is single time. Part time colleagues have no loss of potential earnings and will be paid the increased rate on completion of 35 hours work in any week.

## What happens next?

You should take time to fully understand the proposals and their implications.

LBG will be organising briefings so that you fully understand the proposals and how they affect you.

In addition, Accord Representatives have been fully briefed and can be contacted on your site if you have any questions.

If you don't know who your local rep is, please ring Hollie Suter in our membership team at Union Headquarters on 0118 934 7887 and she'll point you in the right direction.

Alternatively, you can email your queries/concerns to [jim.fielding@AccordHQ.org](mailto:jim.fielding@AccordHQ.org).

LBG will give you time off the phone to complete the online ballot.

## Over to you

This is your future and you will decide on whether or not Accord should sign a collective agreement on behalf of HBOS colleagues to allow the changes to be implemented on 1<sup>st</sup> June 2011.

Both Accord and Unite believe that we have obtained the best outcome available by negotiation and unless the majority of members are serious about taking some form of industrial action to force the bank to improve their offer, Accord recommends that you vote in favour of these proposals.

It is really important that every member votes.

The ballot results will be published soon after the closing date and Accord will act in accordance with members' wishes.

**Accord will not commit to any agreement with the Bank which would implement changes unless we have a clear mandate from members to do so.**

Thank you for your continued membership and support.

Non-members can join us at: <http://www.accord-myunion.org/union/joinus.php> or by ringing 0118 934 7887.

**Although Accord's primary aim is to protect your interests at work, we also provide a range of excellent benefits which make membership great value for money.**

**Legal Helpline** All union members and immediate families are entitled to use the legal helpline. This gives you access to a qualified legal adviser on any matter. The advice is completely confidential, **FREE** and easily accessible at all hours of the day or night.

**Call 0800 884 0118.**

**Personal Injury Claim line** If you've been injured in an accident, our legal experts can help. Our personal injury claim line is provided by Russell Jones & Walker (RJW), one of the UK's leading law firms. It's a **FREE** service to members and their families. All you need to do is pick up the telephone.

**Call 0800 884 0114.**

**Personal Accident Insurance** Your Accord membership automatically provides you with **FREE** personal accident insurance.

For details call **0870 905 0668**.

**Accord Travel Club** Before you book **ANY** holiday / tour / flight / hotel / car **ANYWHERE**, ring **0800 953 1263** and checkout your Accord Travel Club Discount.

**Commission Cashback Scheme** The Union's Commission Cashback Scheme specialises in sourcing level and decreasing term assurance, critical illness and income protection policies for Accord members and their families. Members then receive cashback of up to 9 times their monthly premium. The average lump sum cashback paid out this year under the scheme is **£400**. Since its inception, the scheme has paid out over £2.5m. Ring our brokers on:

**Lifelink: 01189 349800**

**Valley: 01706 218719**

**Tax & Pensions Advice Line** For **FREE** confidential access to taxation and financial specialists you can call **0870 428 1909**.

**These benefit schemes aim to make your membership value for money, but the most important reason for joining Accord remains the individual and collective rights you enjoy. We will never leave you alone to tackle a work related problem and will support you to the end to ensure that you are treated fairly and with dignity at work.**