Accord has held a Certificate of Independence under the governing trade union legislation since May 1980.

It originated in the Halifax Building Society in the late 1970s but through successive merger and acquisition activity in the banking industry, now has its major membership groupings in Lloyds Banking Group and TSB.

Around one third of LBG staff are Accord members.

The union is affiliated to the TUC & Scottish TUC.

The General Secretary, Ged Nichols, has been in office since 1993.

Turning to pensions matters in Lloyds Banking Group, since the Group’s creation at the height of the financial crisis in late 2008 / early 2009, turnover has meant that many of the top 200 executives who were members of a defined benefits pension scheme are no longer members of those Schemes with new hires joining the Group’s Defined Contribution (DC) Schemes.

Both the LloydsTSB and HBOS defined benefits schemes had been closed to new members since around 2000.

As part of the harmonisation of terms and conditions of employment in 2010, the Group implemented a 2% cap on the growth of pensionable pay for members of the Group’s defined benefit pension schemes although this part of the proposal was rejected by union members.

Later, the Group imposed a 0% cap on the growth of pensionable pay (effective from April 2014) for members of the Group’s defined benefit (DB) pension schemes.

Accord carried out a consultative ballot for industrial action at that time but did not get sufficient support from members.

Further discussions with the employer brought about some improvements to terms and conditions for all staff (particularly the lower paid) as the Group was prepared to re-invest the majority of the annual savings from pensions into the workforce more generally as the capital impact of the introduction of the 0% cap was the more significant issue for the Group.

The Group’s main DB pension schemes had a combined deficit of £7.3bn at the last actuarial valuation (2016) and a recovery plan has been agreed with the Pensions Regulator.

We estimate that around 20% of Accord members are active members of DB schemes in LBG.

The remainder are in defined contribution schemes with a maximum employer contribution of 13% of salary.

Regarding the relationship between profits and the funding of pensions, the Committee might be interested in the attached letter from Accord to LBG dated 6th February 2019 which calls for a different approach to variable pay in the Group and the introduction of a more transparent and equal profit-sharing scheme.

The 2015 recognition agreement between Lloyds Banking Group, Accord and Unite provides for collective bargaining up to Grade F which is 3 grades below senior executive level.