

Claims Re-engineering - New Operating Structure

Earlier this year I described 2004 as the year of uncertainty for Insurance staff as the Bank reviewed its business strategy, tried to move work to India and, as part of an 'Efficiency Review' announced at the time, cut £5M from its cost base with the loss of over 100 jobs.

Insurance continues to be at the forefront of the Bank's plans to move work to India and more announcements are expected shortly.

As I reported to members at the time, the 'Strategic Review' aimed to look at more fundamental issues to determine the structure of the business for the future. In essence, the review was about what the business should look like going forward and one outcome identified by the Bank was the need to change the way Claims were administered.

According to the Bank, the claims process has become cumbersome: with inconsistent levels of performance between teams; too many technical errors being made; too much time spent on non-claims work; Team Leaders being unable to spend sufficient time on coaching and development and limited technical support on the claims floor.

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For a number of months now we have been working with the Bank on its Claims Re-engineering Project, the first part of which - a new operating structure for Foundation Claims - will be cascaded this week.

LTU welcomes these changes as they evidence a positive commitment to the business and staff rather than the cost cutting, exporting work approach we have so far seen this year.

Inside this Newsletter I provide members with further details and advice. Importantly the Re-engineering Project does not involve any staff reductions and Voluntary Severance/Voluntary Early Retirement (VS/VER) will not be an option.

New Operating Model

In essence the Bank's plans involve:

- **moving to Team ownership of claims**
- **increasing the number and changing the role of Team Leaders (Band 6) by reducing the number of staff managed to approximately 10 and re-orienting the role to provide greater emphasis on leading, coaching and managing whilst removing some auditing and Grade of Service (GOS) work**
- **establishing the role of Technical Specialist (Band 7) within each Team Manager Area to provide technical assistance and knowledge to Case Assessors**
- **removing the Senior Clerk role**
- **establishing a new Central Audit Team**
- **introducing a new Resourcing Team to centralise daily resource planning and the management of GOS**
- **the Insurance Technical Unit increasing in size and being renamed the Claims Specialist Unit.**

According to the Bank the time spent by Team Leaders and Technical Specialists in the new structure providing technical coaching, audits and feedback should virtually double and should also provide greater clarity and consistency.

It is also hoped that the new structure should establish clearer career paths and facilitate staff being able to pursue progression based on technical expertise rather than having to move into supervisory/management roles.

Insurance has been honest and open about the problems that have dogged it in the past which have been reflected in staff turnover and the unacceptable number of staff subject to Performance Improvement Plans. The Bank has been keen to stress that central to all these changes is a real desire to improve job satisfaction which in turn should assist performance and attrition rates.

The new Team structure will involve:

1 x Team Leader (Band 6)

7 x Claims Assessors (Band 8 Skill Set 2-4)

3 x Resolution Assessors (Band 8 Trainees & Skill Set 1)

Each Team Manager will be supported by 2 Senior Technicians (Band 7).

Case Assessors will take notification calls and decide how to proceed with the claims. The aim is that Case Assessors should complete a higher proportion of calls at that first touch without hand-off.

Three Day Teams will be matched with one Evening Team.

Overall the new structure requires more Team Leaders due to the reduced spans of control i.e. less staff to manage, but there will be fewer Band 7's because the Senior Clerk role is being done away with.

The Bank has told LTU that all displaced B7's will be found roles within the new structure and it does not expect any staff surpluses. Therefore VS/VER will not be an option as part of this restructure.

Because of the number and nature of new Team Leader and Technical Specialist roles job suitability is not expected to be an issue. However, members who have concerns over the suitability of any new role should contact the Union's Advice Team on 01234 262868 for independent professional advice.

The Bank has confirmed that there will be no changes to working hours as part of the move to new roles. However, the Bank has told LTU that it is possible that in a limited number of situations staff may be asked, on a purely voluntary basis, to 'tweak' their hours slightly.

LTU has a clear understanding with the Bank that where an employee has worked on the same work pattern for more than six months, that pattern may not be changed without agreement and that changes to contracted hours, in this case parameters, should be purely voluntary. Neither are staff under any obligation to discuss or provide any reasons for not wanting to change their hours and the Bank has accepted that repeated encouragement to change or discuss hours would be regarded as harassment.

Selection for Band 6&7 Roles

The selection process for Band 6 & 7 roles will be restricted to those Teams affected. Where a Function or Team is not directly affected all staff/roles will be ring fenced i.e. protected.

Staff affected will undertake a preferences exercise in the next few weeks in which they can indicate which of the 'new' jobs they wish to be considered for.

A closed selection pool will then be used to appoint staff into roles within the new Insurance structure. This will be completed in 4 stages:

- current permanent Band 6 team leaders will have their preferences processed first
- current permanent Band 7 staff, including Band 7's seconded into Band 6 roles, in impacted roles will be dealt with next
- any Band 7 vacancies will then be opened to Band 8's in the Claims area
- any remaining vacancies will be advertised to staff within the rest of Insurance.

A Desktop Selection Process will be used that will rate staff according to 4 weighted factors as follows:

- **Work Performance**
- **Competencies**
- **Knowledge & Skills**
- **Relevant Experience**

Skill Set Progression & Training

According to the Bank the Skill Set ideal for Insurance as a whole is higher than current levels. As a result there is a need to move staff through the levels in order to meet the demands of the new structure for it to work properly.

The Bank has told LTU that the ideal split between Claims and Resolution Assessors is 70:

30 but that, particularly for Evening Teams it is some way off that figure. Therefore more focused training is to be made available to Evening Teams.

It is intended to complete the Selection Process and appoint staff by early November with the new structure coming into effect from the 19th November.

Skill Sets will also have been re-applied and take effect from that date so as to be up and running for new structure. In the short term this will mean by-passing the normal Skill Set criteria and time scale for progression.

We are currently looking with the Bank at progression in the longer term i.e. how staff get ongoing experience to become Case Assessors. This is because of the conflicting requirements of Claims Assessors dealing with as many first touches as possible whilst handing-off to Resolution Assessors to gain experience and to prove they have the capability for progression.

LTU Advice

Organisational Design is only the first part of Claims Re-engineering. We are also looking with Insurance at issues such as Performance Management and I hope to provide members with more details shortly.

Members requiring advice or assistance on these or any other issues should contact the Union's 24 Hour Advice Line on 01234 262868 to speak to a full-time official for independent, professional advice and guidance.

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