

2004 - The Year Of Uncertainty

Over the next 12 months Insurance will undergo possibly the biggest shake up many staff will ever have experienced as it reviews its business strategy, pilots the transfer of work to India and, as announced today as part of an efficiency programme, seeks to cut £5M from its cost base.

Today's announcement is in response to changes in the way Group businesses are now required to demonstrate their profitability and the target is to cut £5M from annual costs.

In total, 110 jobs will be taken out of the business. Not filling existing vacancies and re-deployment opportunities already identified will account for 20 jobs, but the remainder will involve displacing staff.

The majority of those affected will be at managerial level and will result from restructuring activities and removing duplicate teams. For example, the three Change Teams across Newport and Bournemouth will be merged into one team. This will reduce the overall headcount by 26 FTE.

Staff reductions will account for the majority of the savings required. The remainder involves reductions to the marketing and research budgets, expenses, dropping incentive schemes, and changing to local rate calls rather than free phone calls.

For example, as part of the changes the NVQ award and annual event will be withdrawn,

INSIDE

Selection & Redeployment

LTU Advice & Support

although all staff currently on the programme will, on completion, still receive the £300 payment. Discussions continue on the technical competency arrangements that will replace the NVQ Scheme.

Although the Bank has said it will do all it can to re-deploy staff it has not given a guarantee that there will be no compulsory redundancies.

LTU full time officials will be in Newport this week to provide members with immediate independent professional advice and assistance.

LTU has been told that the aim is to have any new structure known and ready to be implemented by April so as to be ready for the outcome of the next big review - the strategic review of the business.

Selection and Redeployment

The Bank has said that it cannot guarantee that there will be no compulsory redundancies, but is hopeful that many of those displaced will be redeployed.

Those affected will undertake a preferences exercise in which they can indicate what of the 'new' jobs in the various structures they wish to be considered for or whether, if available, they would consider leaving the Bank through Voluntary Severance.

A single selection pool will be used to appoint staff whose roles have been affected into roles within the new Insurance structure.

For Band 3 roles and above, selection will be based on Competency Based Interviews. For all other staff, a Desktop Selection Process will be used

that will rate staff according to 5 weighted areas as follows:

- **Work Performance**
- **Skills and Competencies**
- **Relevant Experience**
- **Adaptability**
- **Attendance / Reliability**

It is intended to complete the Selection Process and appoint staff by the end of March.

Displaced staff will then be referred to Pathways to explore what other job opportunities might be available elsewhere in the Group.

LTU Advice and On-Site Help

LTU full time official Trevor Noon will be in Newport this week to provide members with immediate independent professional advice and assistance.

Members will be able to talk in confidence to Trevor about any aspect of this re-structure, from the Selection Process and the potential involvement of Pathways, to what constitutes

Suitable Alternative Employment or, if appropriate, the calculation of Severance/Early Retirement Terms.

Any members affected by this announcement who have not yet sought advice or assistance should contact the Union's 24 Hour Advice Line on 01234 262868 and speak to a full time official.

The Strategic Review

Although members may be aware that a strategic review is underway, little detail has been generally available.

The Bank has told us that this review is looking at more fundamental issues to determine the structure of the business in the future. In essence, the review is about what the business should look like going forward.

We expect our discussions with the Bank to begin by the end of the first quarter with details being announced in the second quarter. **At present we have had no indication of how many, if any, staff may be affected by this review.**

This period will no doubt be unsettling enough but on the horizon is the issue of offshoring - the export of jobs to India.

India

As members will know Insurance is one of the 5 Business Units at the forefront of the Bank's plans to export 1,500 jobs to India by the end of this year. The Bank will then review the situation further to see how many more jobs could go.

Insurance already has a pilot involving 50 jobs but - to use a phrase from the Bank's initial pilot last year - this is just "a toe in the water".

The threat posed by exporting 'back office' jobs to India is therefore very real and one that, for Insurance staff, potentially dwarfs the impact of the 'savings' to come out of the 'efficiency' and 'strategic' reviews.

LTU's campaign to stop the export of jobs to India continues and we will be providing members with more details shortly.

I will keep members informed of developments.

NICK HOLT
Assistant General Secretary

Insurance LTU Liaison Committee

LTU has active Representatives Liaison Committees working for Members in most areas of the Bank, and is looking build upon the existing Representatives structure in Newport by forming a Committee which will represent Members in Insurance.

The Newport Insurance Representatives Liaison Committee will;

- **provide an ideal opportunity for Members to let the Union centrally know exactly what is happening within your individual offices and departments.**

This enables LTU to focus our energies on the issues of greatest importance to Members when we meet with the Bank.

- **enable LTU to advise Representatives about things that are happening in other areas of the Bank that may impact on Insurance, either now or potentially in the future.**

LTU's Campaign against the transfer of jobs to India is a classic example of this, and Representatives will be brought fully up to date with the Bank's plans, as well as our Campaign.

If you are interested in attending the next meeting - or future meetings - of the Newport Insurance Representatives Liaison Committee please tick the box below. Or if you have an issue - or issues - that you would like the Committee to discuss, please outline it/them below.

Please fax the sheet back to LTU's Bedford Office on 01234-262821.

LTU will arrange for all attendees to be released from normal work duties for the day through Employee Relations in Bristol. And, of course, if you attend the meeting LTU will pay all your expenses.

Tick Here I would be interested in attending this/future Newport Insurance Representatives Liaison Committee meetings.

NAME _____ DEPARTMENT _____

DAYTIME TEL _____ E-MAIL ADDRESS _____

ISSUES FOR DISCUSSION BY NEWPORT INSURANCE REPRESENTATIVES LIAISON COMMITTEE
