

26th August 2003

All Members 12/2003

Pension Fund Trustees - Election

In November 1997 three LTU directors were elected to the board of the Lloyds TSB Group Pension Trust (No. 1) Limited for a period of six years. These three Director positions are due for re-election this year. Staff and pensioners will shortly receive a letter from the Bank asking for nominations.

Important To Members

Giving members some control over how their pension fund is run is a critical objective for LTU and experience has shown that Member Nominated Trustees are most effective where they are not isolated individuals but have the resources and backing of a strong trade union.

Nominations

LTU's Executive Committee will be asking members to support the nomination of three members of the scheme:

- **Neilson Smith (Existing Trustee and Chairman of LTU)** - Neilson has served as LTU Chairman for 7 years. He has been a member of the Union's Executive Committee and Chairman of the South Wales District Committee for the past 20 years.
- **Bryan Jackson (Active Staff and Deputy Chairman of LTU)** - Bryan has served as Chairman of the Union's IT Section Committee as well as on the Executive Committee for a number of years.
- **Laurence Pearse (Existing Trustee)** - Laurence was the Treasurer of LTU for 15 years and was previously a Manager in Lloyds Private Banking. He recently retired from the Union's Executive Committee having served for 21 years.

In the case of a contested election the Executive Committee will be seeking the support of all members of LTU in ensuring the election of all three nominees onto the Trustee Board. Guidance on this will follow once the names of all nominees are known and arrangements for the election itself are published.

An Appetite For Appeasement

As LTU is about to embark on a country-wide campaign to give customers a say in whether work servicing their accounts should be exported overseas, Unifi instead of supporting that campaign is seeking to undermine it in order to appease the Bank. Unifi's willingness to roll over and play dead to protect its future in Lloyds TSB would be laughable if it wasn't so serious for staff in Lloyds TSB.

The Bank's pilot exercise, which involves basing up to 250 jobs at a remote centre in Bangalore, will be just the beginning of its policy of exporting jobs and not the end. The success of the pilot is guaranteed on cost grounds alone. In India manpower costs are almost one tenth of what they are in the UK. The Bank's undertaking, which Unifi are clinging to like a drowning man, that for the duration of the pilot existing UK jobs will not be threatened is worthless without any guarantees about what will happen in the future.

Today firms like Tesco, British Airways, Royal Sun Alliance, AXA, HSBC and Amex all have back operations and contact centres in India. LTU is rightly concerned that in this environment the Bank's pilot in Bangalore will become a stampede as jobs are outsourced from the 'back rooms' in the UK to the 'front rooms' overseas. There are tens of thousands of UK-based jobs in remote centres, including the Cheltenham & Gloucester, Scottish Widows in Chatham and Edinburgh and a host of call, service and processing centres, and without any guarantees about the future we have to assume the Bank will try to maximise its cost savings by exporting more of these jobs overseas.

Outsourcing Of Policy

In response to this threat, Unifi's reaction is not to try to persuade the Bank to change its policy but instead to call on the Government to give special protection to vulnerable areas. They said they received a "sympathetic reception" from MP's and that a DTI Select Committee may investigate the matter. So in exchange for tea and sympathy, Unifi is prepared to outsource their policy on this vital issue to politicians. The reality is that by the time MP's and a Select Committee produce their findings, which will be ignored by Government, Lloyds TSB will have exported thousands of jobs overseas and Unifi will have collectively buried its head in the sand.

But now LTU is trying to stop the Bank from exporting jobs overseas we are accused of exploiting prejudice. This could not be further from the truth. LTU's objectives are simple: to scrap the pilot and to pursue the business case for keeping work in the UK. The fact that the Bank has chosen India instead of Australia is irrelevant.

The reason Unifi has chosen to criticise LTU rather than the Bank on this issue is simply one of survival. Without the financial support of the Bank, and that must come with strings attached, Unifi could not operate in Lloyds TSB. Many of its officials who have represented staff have been employed and paid by the Bank. They have also been provided with phones, cars and office accommodation, again paid for by the Bank. This lack of financial independence means that when 'push comes to shove' Unifi will always have to side with the Bank because to do otherwise would be financial suicide.

Unifi's membership in Lloyds TSB is now well under 4,000 and many if not most of those people pay no subscriptions anyway. So a question worth asking is why the Bank continues to recognise Unifi, despite the fact it is a demonstrably unrepresentative body? The answer is pretty obvious!

Nevertheless, I hope that we've heard the last of Unifi's negative utterances and that their lay representatives and members will now get a grip on their Union's policy makers. In a democracy, differences of view are fine and Unifi is quite entitled to take a different approach to LTU. What should not be acceptable to Unifi members is their Union being used as a 'spin' machine against LTU's campaign to protect jobs.

LTU - The Union of Choice

Unifi - 4,000 members in Lloyds TSB.

LTU - 45,000 members.

By a massive margin staff have delivered their verdict on which union they believe best represents their interests.

They know that there is only one union that is interested, able and prepared to represent Lloyds TSB staff effectively.

I would urge members to recruit any remaining colleagues who are not yet members of LTU so that together we can made the Bank see sense.

Ian Partridge
General Secretary