

Business Transformation Reorganisation

Earlier this year Scottish Widows announced that it planned to establish a Business Transformation function with accountability for delivering Scottish Widows' change management programmes. In the past these programmes have been delivered by bringing together teams from the different business areas. Whilst that matrix management approach to delivering change programmes will continue there will be an increasing demand for Delivery Managers with experience of delivering end-to-end business change. The new Business Transformation Senior Management team believe that there is a significant shortage of staff in Scottish Widows who have the skills and competencies to undertake those new roles.

Moreover, given that Scottish Widows believe that the new roles are significantly different from those that previously existed, a selection exercise was carried out for all staff to assess their capabilities to undertake the new roles. Assessment centres were held and interviews conducted with all staff. The 19 vacancies in the new structure will be filled either by internal

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candidates through the IJA process or by external recruitment.

A total of 21 staff have not been appointed into roles in the new structure and those unsuccessful staff will be advised of their position in one-to-one meetings to be held this week and next week.

Two staff have been redeployed from E-commerce into IT and two have already indicated a wish to leave Scottish Widows with a severance package. In the one-to-one meetings staff will be advised of the outcome of the selection process and those not appointed will have an opportunity for a further meeting to discuss their options, which will include redeployment or redundancy with a severance package.

Job Security and Redeployment

Those staff for whom Scottish Widows fail to find redeployment opportunities will be subject to the Group's Job Security Policy. Details of the new redundancy terms are set out opposite. Staff should note that during reorganisations they have a number of rights both legally and under the Group's Job Security Policy.

In particular, staff have a legal right to be offered 'suitable alternative employment'. If this is not available then they must be offered the Group's Voluntary Severance terms.

'Suitable Alternative Employment' would be:

- **a position at the same band or level of seniority;**
- **within the skills, competencies and experiences of an individual, subject to adequate training;**
- **a 'proper job' rather than one of only a short-term nature;**
- **with similar working patterns.**

It may be possible that staff are offered temporary secondments or projects, but only if there is the prospect of the individual continuing in 'suitable alternative employment' for the foreseeable future.

Where a member of staff is offered 'suitable alternative employment' then they cannot unreasonably decline it. **However, if Scottish Widows is unable to offer such a position then staff have a right to be offered the agreed Voluntary Severance terms instead.**

Job Size and Duties

Any members considering accepting an alternative job should:

- ask for the Hay Job Units score for the new job offered. Otherwise the job may be in the same broad 'Pay Band' but at a different level within that 'Pay Band', in which case the salary of the new job may be managed at a lower level.
- ask for a clear description of the responsibilities and tasks of the new job and, where necessary, what training will be provided by Scottish Widows.

Staff must remember that just because a job is in the same Band as they are now doesn't mean that they will have their salary managed around the same Market Indicator. So check the job size to establish that the same Market Indicator applies.

Accepting a Job at a Lower Band

Under certain circumstances staff might be asked to accept a lower Band, so long as it is no more than one Band lower than their current position.

It is important to note, however, that:

- **anyone downgraded from a Band 4 to Band 5, or Band 5 to Band 6 must be offered Voluntary Severance as an alternative.**

- **if an individual's salary is above the market indicator for their new job then they face the prospect of no pay increase for possibly some considerable time.**

Trial Periods

Staff accepting a new job as a result of a reorganisation, which differs wholly or in part from their existing job, should be offered a trial period of between one and three months before confirming final acceptance of the new position. It is essential that staff establish their right to a trial period in

advance of taking up a new position and that at the end of the trial they are free to seek an alternative, and in exceptional cases apply for severance.

Again, staff should speak to LTU's Advice Team before seeking or accepting redeployment.

It is essential that any members who are facing the prospect of redeployment, or are concerned at how they are being treated, should telephone LTU's Advice Team on 01234 262868.

Severance Terms

Members will be aware that the new severance terms will come into effect on the 1st October 2006 although there will be transitional arrangements for staff leaving the Group through Voluntary Severance / Early Retirement after the 1st October until the end of the year. In short, staff will get the better of the new terms and their existing terms. This guarantee will apply to staff leaving through redundancy on or before 31st December 2006 and for staff leaving through redundancy after 1st January 2007 who receive either a 28 day notice letter or formal notice of potential redundancy by 30th September 2006.

2006 Severance Terms

The severance calculation formula including the multiple will be as follows:

- **Two weeks pay for every year of service under the age of 22**
- **Four weeks pay for every year of service aged 22-40 and**
- **Six weeks pay for every year of service aged 41 and over.**

Only the last 20 years service is used in the calculation and payment is capped at 104 weeks pay.

A week's pay will be defined as follows:

- **Territorial Allowance**
- **Car Limit**
- **Shift Allowance**
- **Contractual Overtime (regular, rostered, pre-determined).**

The calculation of a week's pay is uncapped.

The first £30,000 of any payment remains tax-free.

Severance payments will apply to all staff aged between 16 and 65.

Payments will be based on service to date of termination and will be rounded up to whole years based on age at last birthday. For example, service of 12 years 1 month at date of leaving would be rounded up to next whole year - 13 years.

1997 Severance Terms

Staff who are made redundant will be entitled to receive a lump sum calculated according to a formula based on age and length of service as the table below shows.

Service for the calculation of redundancy payments is actual service for the Bank at the date of termination rounded up to the next whole number of years, and age as at last birthday.

The maximum entitlement is 104 weeks' pay.

The pay figure used to calculate the redundancy payment will include the following:

- **Basic Salary**
- **Territorial Allowance**




- **Company Car Limit**
- **Shift Allowance**
- **Contractual Overtime**

The total figure is then divided by 52 to arrive at a weekly figure. This figure is then multiplied by the factor calculated from the table below.

Age of Member of Staff	Entitlement
Up to 40	4 weeks' pay per year of service
40 - 49	4 weeks' pay per year of service, plus an additional 2 weeks for each year of service between 40 and 49 inclusive.
50+	3 weeks' per year of service (max 104 weeks) reduced by 10% for each year of service over 50.

Contacting LTU

Members can contact the Union's Bedford Office as follows:

 <p>01234 262868 24 Hour Advice Line</p>	 <p>24hours@ltu.co.uk</p>	 <p>01234 262821 Fax number</p>
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