

14TH JUNE 2005

ALL MEMBERS IN WHOLESALE & INTERNATIONAL BANKING

WBO Transformation Programme: More Closures

WBO Senior Management has announced that its Transformation Programme is to result in the closure of two more offices.

It has confirmed that rather than transferring to Group Operations, as previously intended, the following two sites will now be closing:

- **London**
- **Southampton**

This increases to 10 the number of offices to close as a result of the WBO Transformation. Three offices - at Manchester, Tonbridge and Birmingham - are still presently due to transfer to Group Operations.

LTU has always been suspicious about the future of WBO offices being transferred to Group Operations, given the business unit's reputation for offshoring work to India. The Union's concerns were first raised when WBO began discussing its plans with LTU.

These were raised further when Group Operations announced last month that it was to close offices in five areas with the loss of 465 jobs. LTU believes these closures are directly connected to offshoring - even if the specific work itself is being retained in the UK - since the transfer of other work to India is creating surplus capacity on remaining Group Operations sites.

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There is now a clear risk that staff at the closing sites could find themselves being made compulsorily redundant. This is particularly so at Southampton where the scope for redeployment was last month reduced when C&G announced it was to cut 100 jobs at nearby Segensworth. LTU considers these job losses to also be directly connected to offshoring.

LTU has already begun discussions with senior management over how the closure programme should be managed to take account of the needs of staff and to minimise the risk of compulsory redundancies.

Avoiding Compulsory Redundancies

LTU has proposed a number of measures that would ensure full account is taken of the needs and concerns of staff and to minimise the prospect of compulsory redundancies.

It is particularly important to differentiate between those staff who would prefer to remain working for the Bank (and therefore avoid redundancy) and those who would be inclined towards accepting Voluntary Severance or Voluntary Early Retirement (VS/VER).

That way, the Bank's efforts can be focussed more effectively towards meeting the needs of individual staff.

LTU's proposals include:

- **Establishing a Severance Register to identify those staff within WBO who would be willing to consider leaving the Bank if given a Severance Payment.**
- **Promoting to and including on the Severance Register staff working in other business units close to those WBO offices closing who would also be willing to accept a Severance Payment to leave the Bank.** This would facilitate what is known as 'bumping'; this is where staff whose own jobs are surplus but would like to remain working for the Bank can swap positions with those staff happy to consider accepting Voluntary Severance instead.
- **Differential guaranteed Job Search Periods depending upon whether staff wish to remain working for the Bank or would prefer Voluntary Severance.** This is particularly important since the Bank has indicated that it would still prefer to limit the demands on its Severance Budget wherever possible through redeploying staff.

LTU believes this should be limited to 3 months for those staff who would prefer Voluntary Severance (to enable them to get on with their lives outside of the Bank free of uncertainty). For those staff wanting to remain working for the Bank, this should be 12 months (the same amount of time as has recently been applied to surplus branch managers, irrespective of their preferences).

Senior Management has said that, whilst it will consider LTU's proposals, at this stage it intends only to open a Severance Register to selected groups of staff. This will be for staff in 'Non Strategic Sites' and for Band 5 and 6 staff in 'Strategic Sites', since the biggest loss of jobs will be from amongst these populations.

Remaining Non-Strategic Sites

Staff working at the remaining 'non-strategic sites' - who are to be transferred to Group Operations control - will understandably be concerned about the future of their own sites.

These will include two further WBO operations that are now due to transfer to Group Operations:

- **CICAC, Cardiff (35 FTE)**
- **BIGS, Birmingham (10.5 FTE)**

Group Operations certainly has been at the forefront of transferring work to India and it has made no secret of the fact that it has a Premises Strategy involving the consolidating of its operations in fewer and fewer buildings.

Senior management have insisted that staff at the remaining sites have a future within the Bank.

LTU will be monitoring developments carefully.

Suitable Alternative Employment

During any reorganisation such as this, staff should be aware that they have a number of rights both legally and under the Bank'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 Bank's Voluntary Severance Terms as an alternative.

'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**
- * **within recognised mobility parameters.**

It is possible, however, that if no jobs are available that meet the above criteria then staff may be forced to accept a lower grade (see section '*Transfer To A Lower Grade*').

Some staff might be offered temporary secondments or projects, but these would only be genuinely suitable if there is the prospect of the individual continuing in 'suitable alternative employment' for the foreseeable future.

Where a member of staff is offered genuinely 'suitable alternative employment' then they cannot unreasonably decline it. However, if the Bank is unable to offer such a position, staff have a right to be offered the Bank's Voluntary Severance Terms instead.

Travel & Mobility

In some cases, LTU would expect staff to be offered alternative roles close to where they currently work.

However, it is likely that many staff may face the prospect of being offered alternative jobs that are some distance from where they live.

The guidelines agreed between LTU and the Bank specify that staff should not normally be expected to transfer where;

- **the journey from home is more than 25 miles, or;**
- **the journey time for staff travelling by public transport is more than 1 hour 15 minutes.**

Of course, each case needs to be judged on its own merits. In some circumstances (such as quick driving routes) a longer journey may be justifiable, whilst in other cases a shorter distance may be required (i.e. congested or cross-country journeys).

The Bank must also take into account the "personal and domestic circumstances" of staff when considering asking them to transfer; for instance, child care responsibilities.

Trial Periods

Staff accepting new jobs or agreeing to consider other positions - whether deemed suitable or otherwise - should be offered a Trial Period of between four and twelve weeks before they confirm final acceptance of any new position. It is essential that staff establish their right to a Trial Period in advance of taking up a new position and get it clearly understood that if a job is deemed unsuitable and no further job is offered, they will be free to take Severance. They can make this decision at the end of the trial or during it.

Job Size & Duties

Any members considering accepting an alternative job should:

- **Ask for the Hay Job Units score for the new job. The job may be in the same broad 'Pay Band' but (for Bands 5 and above) 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, find out what training will be provided by the Bank.**

Staff must remember that following the introduction of Broad Banding, just because a job is in the same Band doesn't mean that they will have their salaries managed around the same Pay Band. So check the job size to establish that the same Pay Band applies.

Transfer To A Lower Grade

Under certain circumstances staff can be asked to accept a lower grade. It is important to note,

however, that:

- **this must be no more than one Band lower than the individual's current job.**
- **salaries will be protected and managed in the new Band. This guarantees annual pay awards of no less than the median movement of the Market Indicator for Bands 6 to 2 for the three Annual Pay Reviews following the downgrade, regardless of the individual's position against the Market Indicator or Pay Zone.**

For Bands downgraded from Bands 7 to 8, the movement in their previous Band's Pay Local Pay Zone will apply for the next three years.

- **however, if an individual's salary is above the Market Indicator for the new job after three years following the downgrade, he or she will face the prospect of no pay increase for some considerable time.**

It is important that any staff facing the prospect of being downgraded should discuss their circumstances with LTU's Advice Team.

Support You Can Count On

LTU represents the majority of staff working within WBO and has been providing members with comprehensive support throughout the WBO Transformation Programme.

LTU has been:

- **Regularly meeting WBO Senior Management to discuss developments and to ensure full account is taken of staff needs and concerns.**
- **Issuing detailed newsletters examining**

all developments and providing advice on staff rights and entitlements.

- **Visiting offices affected by the Closure Programme to provide members with face-to-face advice and support.**

Members needing support, or wishing to comment on the WBO Transformation Programme, should telephone LTU's Advice Team on **01234 262868** or email me at **Steve.Tatlow@ltu.co.uk**.

STEVE TATLOW
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