

100 IT Jobs Offshored To India

Today IT Senior Management announced the results of its sourcing review. IT is proposing to offshore 100 permanent roles from the CBS, Telephony, Sales & Service and General Insurance platforms. There are 160 permanent roles in scope across the four platforms, including designers, developers and testers, but IT has said that it aims to retain 60 of those roles in house. The remaining 100 roles will be offshored to India and the work carried out by Tata and Wipro. In addition 110 roles currently undertaken by UK contractors will be offshored and other work which is currently done offshore will now be undertaken by IT's chosen Indian providers. In total 450 IT roles will be impacted by the announcement today.

The geographical breakdown of the permanent roles in scope are:

Table 1: Geographical Breakdown

Platform	Location	Number
CBS	Brighton	1
	London	6
	Manchester	54
GI	Brighton	5
	Cardiff	34
Sales and Service	London	33
Telephony	Manchester	27
	Brighton	1
Total		161

Offshoring - A Failing Strategy

LTU's position on Offshoring is well documented. We have always accepted that there are circumstances where either through operating more efficiently or because of a reduction in customer demands there may be a case for closing a site or reducing the number of staff that the Bank requires.

But what we cannot accept under any circumstances are UK staff being made redundant merely because they can be replaced by workers paid a fraction of their salary on the other side of the world.

It is unacceptable that a major UK Bank, whose profits are generated from UK customers, should seek to sacrifice well paid IT jobs in this country simply because they can be done more cheaply overseas.

It's short termism gone mad and a strategy that will ultimately fail. If Group IT hadn't wasted up £100 million on the Accenture debacle it might not now feel the need to sacrifice the economic future of its staff on the altar of profitability.

LTU has been the only Union to recognise the very real threat to all members of staff in non-customer facing roles and only LTU is campaigning for Lloyds TSB jobs to be kept in the UK. When the Bank's plans to export jobs were first leaked to LTU some years ago we said that it would only be a matter of time before IT jobs were in the firing line: the outcome of this review prove that prediction to be true.

Beginning Of The End

The announcement today is not the end of the sourcing review, just the start. Once the work has gone to India, IT will then consider what other platforms could be offshored. So those staff who are not affected directly by today's announcement could be next and that in itself creates more uncertainty and instability for IT staff. We will be discussing the next stages of the review with IT shortly and we will keep you informed of developments.

Voluntary Severance Register

Group IT will be announcing today that it is opening up a Register of Interest for staff who would be interested in taking Voluntary Redundancy and Voluntary Early Retirement.

The Register will be open to all Group IT staff, including those who are on C&G terms and conditions, between the 8th August and 12th September. Those staff interested in registering will need to complete the preference form and return to their Line Manager who will forward it to HR.

The fact that a member of staff expresses an interest in being considered for a Voluntary Redundancy or Voluntary Early Retirement package does not commit them to take such a package if it is offered.

Equally, the Bank is under no obligation to offer members of staff a package simply because they have registered an interest.

Revised Severance & Retirement Terms Agreed

We are pleased to report that following intense negotiations over the last few months LTU and the Bank have agreed to revised severance and retirement terms for those staff leaving through redundancy until 2010.

Members may recall that following the introduction of new legislation last year that made treatment on the grounds of age illegal, the Bank introduced new severance and retirement arrangements.

Under those arrangements there was no augmentation of pension for early retirement - either through the payment of non-actuarially reduced pensions for staff in the final salary scheme or extra pension payments for staff in the money purchase schemes. Coincidentally the Pension Scheme Trustees announced at the same time new actuarial factors for pensions drawn early. These were reductions of 6% per annum for deferred pensioners and 4.75% per annum for retirement from active service.

As a result of further negotiations we have now agreed the following arrangements:

- **From the 1st January 2007 to the 31st December 2008 staff leaving Lloyds TSB through redundancy will have the choice of either taking the 1997 Redundancy Terms and for staff aged over 50 drawing an immediate non-actuarially reduced pension or taking the 2006 Redundancy terms with an actuarially reduced pension.**
- **Members of the money purchase scheme will also have their pension pot increased.**
- **The Bank will write to all those staff that have left since the 1st October 2006 to offer them the opportunity to take advantage of the new arrangements.**
- **From the 1st January 2009 to 6th April 2010 staff leaving through redundancy who choose to take their pension early will have the actuarial reduction limited to 3% per annum rather than 4.75%.**

Advice For Members

Any members who have any questions regarding the announcement today or any other problems which they are encountering at work should contact the Union's 24 Hour Advice Line on 01234 262 868 (or by email at 24hours@ltu.co.uk) for independent professional help and guidance.

Mark V Brown
Assistant General Secretary