

Job Security Appeals

Just as LTU has been very successful when accompanying C&G Staff at Disciplinary, Grievance and Performance proceedings, our members also have a legal right to be accompanied to Job Security / Redundancy Appeals.

It is the legal right of all workers in the UK to choose which Union's Officials they want to be supported by at such formal proceedings!

Members are able to use the Job Security / Redundancy Appeals Procedure in circumstances where:

- **They wish to appeal against being selected for Compulsory Redundancy.** In these circumstances, staff have a right to challenge whether they were fairly selected for Redundancy and whether all reasonable steps have been taken to find them an alternative role within the Company.

An application to appeal on these grounds must

be submitted in writing within 5 working days of the formal notice of redundancy being issued.

- **They do not consider that the alternative roles they have been asked to transfer into meet the definition of 'suitable alternative employment' (see pages 3/4).** In LTU's experience, this is by far the most common issue concerning staff.

To appeal for this reason, staff must submit in writing the grounds for appeal within the latter of either (i) 4 weeks from the offer of alternative employment, or (ii) the expiry of notice of redundancy.

Members wishing to use this procedure will have the full support of - and accompaniment at the Appeal Meeting by - a full-time, experienced LTU Official.

Furthermore, if LTU is convinced that an Appeal hasn't been held fairly then, as a last resort, it will consider supporting members at Employment Tribunal.

Union Membership ... It's Your Choice!!!

LTU believes that it should be a decision for C&G Staff - and C&G Staff alone - which trade union they should join and which will negotiate on their behalf.

Of course, we understand why Top Management should be so keen to reach a 'sweet heart' arrangement with Amicus Unite which guarantees it an easy ride. But for all the reasons this is an attractive option for the Company, it is the complete opposite for staff.

What C&G Staff really need is the support of a trade union that is able to operate organisationally and financially independently

of the Company - without fear of undue influence from the Company - and which doesn't fear communicating openly and honestly on behalf of staff.

Only LTU can guarantee this.

LTU already represents almost one third of all C&G Staff and as our membership grows stronger - by over 100 in the past 2 weeks - it becomes ever more difficult for C&G Management to continue its policy of actively promoting Amicus Unite membership for its own ends whilst at the same time making every possible effort to impede LTU.

STEVE TATLOW
Assistant General Secretary

21st AUGUST 2007

ALL MEMBERS IN CHELTENHAM & GLOUCESTER

C&G Restructuring & Job Losses: Staff Rights Explained

C&G Top Management's recent announcement of the closure of 31 C&G Branches and restructuring of roles in the C&G Branch Network could mark the beginning of the end of C&G as a separate entity.

Key features of the announcement made earlier this month are that:

- **31 Branches are to close in this phase of the closure programme.** LTU believes it is inevitable that, once this phase is complete, more waves of closures will follow.
- **Customers affected by branch closures are being encouraged to manage their C&G accounts via local Lloyds TSB branches in the future. This was made possible by the extension of Lloyds TSB's Personal Banking System (PBS) to C&G branches.** Of course, this can apply equally to all other C&G branches and it can surely be only a matter of time before Top Management seeks to cut costs further where there are C&G and Lloyds TSB branches in close proximity to each other.
- **A further 14 branches will no longer be open on Saturdays from 1st December.** We are naturally concerned that these will be next in line for full closure.
- **At this stage, 315 C&G roles are being lost as a result of this restructuring.**
- **The number of Group Managers is reducing from 64 to 20, with the remaining Group Managers being responsible for managing**

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anything between 6 and 11 branches.

- **The number of Registered Mortgage Advisers is being slashed by 165 and the number of Intermediary Sales Managers by 17.**
- **Staff affected by this phase of C&G branch closures and restructuring must complete and return Preference Forms by 24th August, indicating what alternative roles they would be interested in, or if they would prefer to leave with a Severance Payment. Redundancies are inevitable.**

Obviously this is a very testing time for all C&G Staff; and particularly those directly affected at this stage of the closure and restructuring programme.

This Newsletter explains the rights and entitlements of C&G Staff and the support LTU is able to provide our members.

Key Issues For Affected Staff

In this section we explain the employment rights and entitlements of staff affected by this phase of the C&G reorganisation.

Preference Exercise

All staff affected by the first phase of C&G branch closures and restructuring will have been given a Preference Form to complete and return by 24th August.

This indicates what alternative roles staff might be interested in or whether they would consider leaving the Company on Voluntary Severance Terms.

The Selection Process for all 'at risk' staff will involve staff being ranked against their peers on their 'Behaviour and Competence' through the use of both 'Positive' and 'Negative' Indicators.

For example, in the case of Customer Services Assistants:

- **Positive Indicators** include "Professional approach, polite and courteous at all times to customers", "Positive response to change", "Use of initiative and proactive" and "Positive attitude particularly in coping with the difficulties and high work volumes in Q1".
- **Negative Indicators** include "Poor attitude with regular 'moaning and whinging'", "High short term absence" and "Lateness, working to rule, not prepared to put themselves out when the branch under pressure, especially in Q1".

The Selection Process will also assess affected staff against other criteria, which include: Performance Ratings for 2006 (Mid and End of year); Sales Performance where appropriate, and; any issues concerning Performance, Disciplinary warnings or Attendance Plans.

Members who would like to see full details of the 'Behaviour and Competence Indicators' being used in this Selection Process can do so by logging on to our website at www.ltu.co.uk/newsletters/17.

LTU is concerned that this process is too subjective and wide open to abuse. We are already aware of staff who are involved in the process themselves applying for some of the remaining roles.

Furthermore, we know that in one area the confidential rankings of staff have been publicised!

The Company has said that selection decisions will be announced by 7th September.

Compulsory Redundancies

LTU has commented in previous Newsletters that the staff populations we believe are at most risk of Compulsory Redundancy are Group Managers, Branch Managers and Mortgage Arrangers. To this list can be added Intermediary Managers.

This is because at these grades, there are less alternative roles available and staff will have more difficulty integrating within the Lloyds TSB branch network at a similar grade, if they chose to work there.

In circumstances where staff genuinely would prefer to transfer into alternative roles in the Company, one way of avoiding Compulsory Redundancies would be to open a Voluntary Severance Register. This way, staff not directly affected by these job losses could themselves express an interest in Severance: swapping positions with those staff at risk.

LTU is disappointed that Top Management have so far ignored this 'win win' opportunity for staff.

Avoiding Forced Redeployment

For staff, an issue that is every bit as much of a concern as Compulsory Redundancy, is the risk of being 'forced' into accepting alternatives role that they do not consider suitable.

Where members of staff are found genuinely suitable alternative roles, they have no option but to accept these roles - unless they are willing to risk forfeiting their Severance Payments. However, it is equally correct that if a suitable alternative role cannot be found, staff are legally entitled to decline the roles that are offered and insist upon receiving a Severance Payment instead.

The following section spells out precisely what types of roles staff can and cannot be required to accept.

Lloyds TSB Salary Scales

Within Lloyds TSB, staff are graded according to a series of Pay Bands: Band 8 being the lowest and Band 1 the highest. For Bands 5 and above, there are two pay levels - an 'Upper' and a 'Lower' grade.

For staff in Bands 7 and 8, pay varies between areas according to local labour market conditions. Each branch is allocated to one of five different Pay Zones. The Market Indicators in the lowest Pay Zone are currently £12,654 for Band 8 and £14,708 for Band 7; and in the highest Pay Zone £15,992 for Band 8 and £18,034 for

Band 7. Pay is typically managed within the Market Zone for each Pay Band; which is over a range of 95% to 105% of the Market Indicator. However, staff can be recruited on as little as 90% of the Market Indicator; with an expectation that their salary will be moved into the Market Zone within two years of being in their role.

| Band | Market Indicator | Scale Min. | Market Zone | | Scale Max. |
|---------|------------------|------------|-------------|---------|------------|
| | | | From | To | |
| 6 | £21,150 | £19,035 | £20,093 | £22,208 | £25,830 |
| 5 Lower | £25,400 | £21,590 | £24,129 | £26,670 | £30,480 |
| 5 Upper | £29,050 | £24,693 | £27,597 | £30,503 | £34,860 |
| 4 Lower | £34,550 | £29,368 | £32,823 | £36,278 | £41,460 |
| 4 Upper | £41,000 | £34,850 | £38,950 | £43,050 | £49,200 |
| 3 Lower | £48,400 | £41,140 | £45,980 | £50,820 | £58,080 |

Staff in Bands 6 and above have their salaries managed according to the National Pay Scales which are detailed in the table.

Suitability: C&G Customer Service Assistants

Job Title: Customer Assistant

Band: 8

Role: Cashier and Customer Services e.g. account opening (basic accounts only), enquiries, change of address, standing orders, etc.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on Local Market pay structure. Bonuses paid on leads which produce sales (£3 each after minimum 30 per quarter), subject to risk issues such as cash differences.

Suitability: C&G Customer Service Assistants

Job Title: Personal Banking Manager & Senior Personal Banking Manager

Band: Unbanded.

Salary: Basic salary starts at £15,696, with anyone earning over £22,500 being called a SPBM. Salary can increase in line with annual reviews or an overachievement of target (by at least 20% in two consecutive quarters). However, salary increases also lead to target increases. Salary can drop voluntarily or after going through full Performance Management process if target missed by at least 20% over two consecutive quarters, which of course leads to a target reduction.

Role: Sales of non-regulated products to customers e.g. loans, overdrafts, credit cards, home insurance products, etc.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on National pay structure. Bonuses and further salary increases paid on achievement against sales target based on multiple of salary (currently x 3.77)

Suitability: C&G Intermediary Managers, Branch Managers & RMA's

Job Title: Financial Advisors (FA), Senior Financial Planning Managers (SFPM)

Band: Unbanded

Salary: Regulated Sellers divided between FA's and SFPM's. For FA's, salaries range between £16,854 (Level A) and £67,418 (Level G); and between £52,266 (Level 1) and £115,293 (Level 5) for SFPM's.

Role: Sales of Regulated products such as investments, pensions, life insurance, etc.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on National pay structure. Bonuses paid on achievement against sales target.

Suitability: C&G Intermediary Managers, Branch Managers & RMA's

Roles may also be available as Business Banking Managers (Bands 6 to 3 Upper) in Commercial Banking.

Space permits only a brief summary of each role. For more details, contact LTU's 24 Hour Advice Line Service on 01234 262868.

Alternative Jobs For C&G Staff In Lloyds TSB Branch Network

Where C&G Staff are losing their jobs as a consequence of this phase of restructuring and branch closures, one option they are being presented with is redeployment within the Lloyds TSB Branch Network.

However, this is an option for staff alone. Though the Management Team might wish to encourage - or even pressurise - staff to transfer into Lloyds TSB, it cannot force them to do so since legally C&G and Lloyds TSB are different employers.

LTU can help members to resist any pressure to transfer into Lloyds TSB roles.

Job Title: Branch Manager

Band: 6, 5L, 5U, 4L, 4U & 3L

Role: Leading and developing staff in achievement of branch sales and service targets.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on national pay structure. Bonuses based on achievement of 90% of Branch Salespoint Target (extra for achieving 100%), plus a customer service element based on telephone interviews on service issues (smile, greeting, eye contact, use of customer's name and offer of follow up help) following a visit to branch.

Suitability: C&G Group and Branch Managers

Job Title: Customer Service Manager

Band: 6 or 5L (depending upon size of branch)

Role: Leading and developing Customer Assistants in sales and service issues, though with a clear emphasis on sales development.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on national pay structure. Bonuses paid on combination of team and individual targets. Team bonus paid on achievement of 90% of team target with further bonus paid for achievement of 100%. Bonuses also paid on leads which produce sales (£3 each after minimum 30 per quarter), subject to risk issues such as cash differences (same as Customer Assistant scheme). Payment of team or personal bonuses are not inter-dependent and can be

For C&G Staff whose first preference is not Redundancy Terms, a major hurdle to considering transferring into Lloyds TSB roles is the lack of information on what these roles actually are.

Below we attempt to demystify Lloyds TSB roles, through providing a brief summary of the key jobs in the Lloyds TSB Branch Network.

Furthermore, members who would like more information on Lloyds TSB branch roles - or perhaps assistance with making contact with local Lloyds TSB Staff - can telephone LTU's Advice Team, who will be only too pleased to help. The number is 01234 262868.

earned in isolation from each other.

Suitability: C&G Branch Managers and RMA's

Job Title: Team Leader

Band: 6

Role: Leading teams of Account Openers and Customer Assistants. When not leading and developing these staff, will carry out Customer Assistant duties.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on national pay structure. Bonuses paid on leads which produce sales (£3 each after minimum 30 per quarter), subject to risk issues such as cash differences (same as Customer Assistant scheme).

Suitability: C&G Branch Managers and RMA's

Job Title: Account Opener

Band: 7

Role: Opening accounts (all types personal - basic and AVA) and sales of overdrafts, credit cards and home insurance products. When not opening accounts, will do same jobs as Customer Assistant.

Performance measurement / reward: Role-based Balanced Scorecard Objectives leading to review of salary on Local Market pay structure. Bonuses paid on leads which produce sales and sales made by themselves (£3 per lead as above and £5 per personal sale, subject to a minimum 25 personal sales and 50 leads and sales combined per quarter), subject to risk issues such as cash differences.

Suitable Alternative Employment

C&G Staff affected by the Branch Closure and Restructuring programme have a legal right to be offered 'suitable alternative employment' if it is available. If suitable alternative employment is not available, they must be offered the Company's Severance Terms as an alternative.

To qualify as 'suitable alternative employment', any roles offered to C&G Staff would need to be:

- **At the same level of seniority or at a similar grade.**
- **Within the skills, competencies and experiences of the individual, subject to adequate training.**
- **A 'proper job' rather than one of only a short-term nature.**
- **Within reasonable travel distance and time, taking into account personal and domestic circumstances.**

It may be possible that staff are offered temporary secondments or projects, but these would be treated as 'suitable alternative employment' only if there was a real prospect of the individual continuing in the post for the foreseeable future.

Where members of staff are offered genuinely 'suitable alternative employment' they cannot unreasonably decline the alternative jobs.

Travel & Mobility

When it comes to the maximum distance from home the Company can require staff to travel to work, C&G has been less prescriptive than Lloyds TSB. Nevertheless, the Bank's Mobility Policy serves as a good 'rule of thumb' concerning the legal position.

This could be particularly important for C&G Staff, since the nearest remaining branches to which the Company may wish to transfer them could be quite some distance away.

The guidelines agreed between LTU and the Bank specify that normally staff should be expected to

transfer only where;

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

However, each case needs to be judged on its own merits. In some circumstances (such as quick driving routes) a longer journey may be reasonable; whilst in other cases 25 miles may be too great a distance (i.e. congested or cross-country journeys).

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

Job Size & Duties

Members considering accepting an alternative job - whether in a C&G or Lloyds TSB branch - should:

- **Ask for the job evaluation score for the new job. Members need to understand that the fact that two jobs have similar grades doesn't mean that the salaries attached to them will be managed around the same level. This can and will affect the salaries actually paid.**
- **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 should also ensure they understand fully all differences in terms and conditions between their existing and new roles.**

Transfer To A Lower Grade

Under certain circumstances, staff might be asked to accept a lower grade. However, it is important to note that:

- **This must be no more than one grade lower than their current job.**

- Their current salary will be protected and managed using the Pay rates applicable to their new job.
- If they are above the Salary Midpoint for their new job, they can expect to be managed at their current level (adjusted for general market movement) for a period of three years, subject to satisfactory performance.
- Anyone who is facing being downgraded across a status level - for example from Group Manager to Branch Manager, Branch Manager to Mortgage Advisor, or from Mortgage Advisor to Customer Service Assistant - must be offered Redundancy as an alternative to Redeployment.

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

Transfer To A Lloyds TSB Branch

Whilst transferring to work in a Lloyds TSB Branch may be an option for those C&G Staff seeking to avoid redundancy, staff cannot be forced to transfer to work for Lloyds TSB.

This is because, legally, C&G and Lloyds TSB are treated as entirely separate employers.

Staff can only be forced to transfer their employment contracts through a process known as a 'TUPE transfer' and under the current set of circumstances this does not apply.

Where members are contemplating transferring on to a Lloyds TSB contract of employment, it is essential that they safeguard all of their existing employment rights and entitlements. For example, if care isn't taken, staff could find themselves having even less control over their working hours and patterns or missing out financially.

Later we provide an overview of the alternative roles that may be available in the Lloyds TSB branch network.

It is therefore important that members speak first to LTU's Advice Team on 01234 262868 before making such an important decision.

Trial Periods

Staff can only be expected to take on a role on a trial basis if it is reasonable to believe that the new role might meet the criteria of being 'suitable alternative employment'.

However, if there are strong grounds for believing this is not the case, staff can refuse to accept such roles on a trial basis.

Where a role is significantly different from the one staff were performing before their current job became redundant, staff can opt for a trial period of between 4 and 8 weeks duration.

Before accepting a role on a trial basis, it is always important that staff establish in writing in advance the circumstances in which they can insist the role is unsuitable and be guaranteed of receiving a Redundancy Payment instead.

LTU recommends that before members commit to a trial period, they should speak to the Union's Advice Team to ensure their interests and options are properly protected.

Professional Support & Advice

All members affected by this reorganisation are strongly encouraged to maintain regular contact with LTU's Advice Team, to ensure they are fully aware of their rights and entitlements.

Each official on our Advice Team is specially trained and experienced in advising members with job security concerns. Of course, they are all employed directly by the Union rather than being seconded from the Company!

And because we know it isn't always easy to speak confidentially from work, our Advice Line is available around the clock: 24 hours a day, 7 days a week.

The telephone number is 01234 262868.

Free Curriculum Vitae Service

A particularly useful service LTU provides free to members is our free CV Preparation and Design Service.

This is invaluable in assisting members to apply for jobs both inside and outside of the Company.

For details, telephone 01234 262868.

Your Severance Entitlement

Inevitably, many C&G Staff will be leaving the Company over the coming months and years; both as a consequence of this first staff reorganisation and future waves of job losses.

Following an agreement reached between LTU and Top Management - which covers all Lloyds TSB Group staff (including C&G) - staff have the option of choosing which Severance Terms they would prefer until the 31st December 2008

The biggest impact of this deal concerns staff who will be 50 years of age or older when they leave the Company. For this group of staff the amount of pension staff will lose for taking their pension early - known as the actuarial reduction - will be reduced.

A Choice Of Severance Terms

As a result of our negotiations, the following arrangements have been agreed for staff leaving the Company for reasons of either Compulsory or Voluntary Redundancy:

- Up to 31st December 2008, staff leaving C&G through redundancy will have the choice of either taking the 'old' C&G 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. Staff covered by the previous transition terms will not be able to change their decision or choose different terms.
- Members of the money purchase scheme who choose the 'old' terms will also have their pension pot increased.
- 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%.

Calculating Severance Terms

When working out the amount of Severance Terms to which C&G Staff are entitled, it is first necessary to calculate weekly earnings.

Weekly earnings will include:

- Basic Salary
- Contractual Overtime (including Saturday working)
- Shift Allowance, Acting Allowance, Standby Allowance and CeMap Allowance
- Company Car COO limit.

Severance Tables

Until 31st December 2008, anyone leaving C&G as a result of redundancy (whether Compulsory or Voluntary) will have a choice of the following Severance Terms:

'NEW' 2006 SEVERANCE TERMS

2 weeks' pay for every year of service under age 22
4 weeks' pay for every year of service aged 22 to 40
6 weeks' pay for every year of service aged 41 and over

Only the last 20 years' service applies.
Capped at maximum of 104 weeks.

'OLD' C&G SEVERANCE TERMS

| | |
|-----------|--|
| Age 17/35 | 2 weeks' pay for every year of service |
| Age 36/45 | 3 weeks' pay for every year of service |
| Age 46/55 | 5 weeks' pay for every year of service |
| Age 56/60 | 6 weeks' pay for every year of service |

Capped at maximum of 104 weeks.

Redundancy Insurance

A number of members have contacted LTU's Advice Team, querying what happens to their Redundancy Insurance if they choose to leave C&G through Voluntary Severance rather than Compulsory Redundancy.

The position is that there should be no difference at all. The Company will provide any Insurer requesting information with a standard letter that will ensure your policy still applies.

LTU Advice

For more guidance on calculating your Severance Terms or Pension Entitlement, call LTU's 24 Hour Advice Line on 01234 262868.