

18TH MAY 2005

ALL MEMBERS IN C&G

# 100 More C&G Job Losses Linked To Offshoring

**O**n Tuesday, C&G Senior Management announced plans to make redundant the jobs of 100 staff at its Investment Processing Unit at Segensworth, Fareham.

The work of 100 Mortgage Telephony staff is to be transferred to C&G's Barnwood and Scunthorpe sites.

**But what senior management has sought to conceal is the fact that these job losses are directly linked to its strategy of offshoring work to India.**

An announcement was made last November that 100 jobs were to transfer to India from each of C&G's operations in Scunthorpe and Gloucester, as part of Lloyds TSB / C&G's overall Offshoring Strategy. **The work from C&G's Fareham operation will fill the spare capacity created by this offshoring. In other words, staff in Segensworth will be the victims of 'offshoring by proxy'.**

This announcement came just a week after Lloyds TSB announced that operations were to close at five sites; in Swansea, Plymouth, Cardiff, Taunton and Stockton. These job losses are also connected directly to offshoring work to India.

## What Prospect Redeployment?

LTU is concerned that whilst senior management has attempted to throw up a smokescreen over the connection between these job losses

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and offshoring, it has also been unrealistically talking up the prospects of transferring staff into suitable alternative jobs.

The fact is that - by losing a third of all jobs - there is little evidence that there will be sufficient existing work at Fareham to absorb these surplus staff.

At the same time, suggestions that other parts of the Lloyds TSB Group might provide redeployment opportunities are misplaced. The Branch Network currently has a recruitment freeze and the only other significant operation - at a nearby service centre in Whiteley - is also at risk of closure as a consequence of offshoring.

**LTU believes there can be no excuse whatsoever for staff at Fareham facing the real prospect of redundancy merely because UK staff can be replaced by workers based in India who are paid a mere fraction of their salary.**

# Meaningless 'Offshoring Agreement' Exposed (Again)

At this stage it is unclear precisely what Job Security arrangements that operate across the rest of Lloyds TSB will now apply to C&G staff.

But what is clear is that this latest phase of the Bank's 'Jobs To India' strategy exposes yet again just how meaningless the 'Offshoring Agreement' reached last year between Unifi and Lloyds TSB really is.

This arrangement - that was agreed to Lloyds TSB's delight with Unifi - has provided senior management with the 'green light' to transfer even more jobs to India.

Its main feature is a so-called commitment to offer all staff directly affected by offshoring an alternative job in Lloyds TSB.

But this was already effectively meaningless since the job need neither be suitable or even

in the same part of the country. Many staff who were made redundant when Lloyds TSB closed its Newcastle Call Centre operation have said that they were not provided with any suitable alternative to redundancy.

**But this latest announcement shows that the Bank is seeking to conceal the direct link between the 100 job losses in Fareham and offshoring. It has done so by insisting that the specific work will remain in the UK, even if it is being transferred to staff whose own work is being reallocated to India.**

So senior management is able to sidestep this so-called protection for staff by adopting a process of making UK jobs redundant through 'offshoring by proxy'.

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## Job Losses Unethical

LTU has always accepted that there are circumstances where - either through operating more efficiently or because of a reduction in customer demand - there is a case for closing an operation or site, or reducing the number of staff the Lloyds TSB requires.

**But LTU will not accept circumstances where staff are made redundant merely because they can be replaced by workers paid a fraction of their salary on the other side of the world. Quite simply, such an approach is unethical.**

The fact that Lloyds TSB has sought to conceal the direct link between these job losses and its transfer of jobs to India serves only to make matters worse.

LTU believes that, rather than making 100 jobs redundant in Fareham - under the premise of consolidating activities for economies of scale - Lloyds TSB should reallocate work destined for India to these staff instead.

**LTU will be working with the Media, Members of Parliament and Councils in an effort to prevent more C&G jobs being made redundant because of the offshoring of work to India.**

# Suitable Alternative Employment

A number of LTU's members affected by the closure of the Mortgage Telephony operation in Fareham have reported being told that if they do not accept alternative jobs offered to them, they will lose out on Redundancy Pay.

**Presumably management believes it can bully individuals into accepting whatever jobs it can come up with before making remaining staff redundant.**

**This heavy-handed arm-twisting is neither justified nor, in fact, legal.**

**Instead, whenever an employer expects to redeploy a member of staff who is displaced during a reorganisation - such as this - it must ensure the alternative jobs being offered qualify as being 'Suitable Alternative Employment'. This would be:**

- **at the same grade or level of seniority**
- **within the skills, competencies and experience of an individual, subject to adequate training**
- **'proper jobs' rather than ones of only a short-term nature**
- **with the same working patterns**
- **within recognised travel to work and mobility parameters**
- **on the same contract of employment, so C&G staff could not be forced to accept roles in other parts of the Lloyds TSB Group.**

Where C&G management cannot find staff 'suitable alternative employment', it has no option - contrary to whatever claims it may have made - but to make Redundancy Payments to the staff affected.

## Different Types of Role

Just because a role is at the same grade and at the same level as an individual's personal grade, it does not mean that the role is necessarily suitable.

For example, it is quite possible that an individual performing a predominantly telephony-based role could refuse to accept a predominantly clerical-based role, and vice versa.

**Where staff are concerned that an alternative role might not be suitable, they should telephone LTU's Advice Team on 01234 262868.**

## Avoiding Compulsory Redundancies

Whenever there is a reorganisation like this, LTU has two overriding priorities:

- **To ensure staff are not forced to accept alternative jobs that they do not consider suitable. In these circumstances staff should be entitled to opt for a Redundancy Payment.** These rights are explained above.
- **To ensure no staff are made Compulsorily Redundant.**

**LTU believes that C&G senior management should commit itself to the same rigorous measures for avoiding compulsory redundancy as LTU has successfully negotiated and policed within the rest of Lloyds TSB.**

These arrangements have so far helped keep to a bare minimum the number of compulsory redundancies elsewhere within the Lloyds TSB Group. **The Union believes there can be no excuse for the job security of C&G staff being treated less favourably than colleagues working elsewhere in Lloyds TSB.**

# Offshoring Exposes C&G Staff Association's Weakness

The offshoring of work from C&G to India serves to expose the ineffectiveness of the Staff Association when it comes to protecting the interests of C&G staff.

This is most obvious because:

- **The policy of Offshoring work to India is being driven centrally by Lloyds TSB, rather than as a separate C&G initiative. The C&GSA has no effective influence at this level of policy-making.**
- **LTU alone has the membership, resources and access to 'the bigger picture' to ensure staff are properly protected.**  
Across the whole of Lloyds TSB, LTU has over 45,000 members; compared to just 3,000 staff represented by Unifi Amicus.
- **LTU is the only trade union actively campaigning against the transfer of Lloyds TSB jobs to India.**

- **Only LTU is funded entirely by income from members. That means it is not under the undue influence of senior management 'holding the purse strings'.**
- **The C&G Staff Association has so far failed completely to harmonise important Job security, pay and other arrangements with those operating in most other parts of the Lloyds TSB Group.**

**This puts C&G staff at a particular disadvantage in circumstances like these when many jobs are at risk.**

Perhaps this is why, each month, more and more C&G staff are choosing to join LTU for professional, completely independent representation.

In fact, in parts of C&G - such as Information Technology - LTU already represents the overwhelming majority of staff.

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## Campaign To Save UK Jobs

LTU is the only trade union within the Lloyds TSB Group with the resources and commitment to campaign effectively against Lloyds TSB's plans to export many thousands of jobs to India.

The Union has been running an extremely effective campaign to put pressure upon senior management to drop plans to ditch its UK staff and replace them with workers paid a mere fraction of the salary abroad. Our campaign has involved:

- **Engaging customers in supporting our campaign through petitioning customers outside Lloyds TSB branches.**
- **Involving politicians in supporting our campaign; winning widespread support from MP's opposed to the Bank's plans.**
- **Attracting considerable media coverage; especially on local television, radio and in the newspapers.**

**STEVE TATLOW**  
Assistant General Secretary