

# Business Banking: More Job Security & Grading Concerns

Since our last Business Banking newsletter, further important concerns have materialised over both grading and job security.

Our newsletter "*Business Banking Accused (Again) of Grading Con Trick*" explained that senior management had surreptitiously withdrawn the Grade Driver arrangements that had operated for managers. This meant many were working under the false impression that by working harder, and displaying the right competencies and skills, they could obtain an upgrade in their current role. The Bank has been unable to provide details of any upgrades through Grade Drivers over the last 18 months.

**LTU has now discovered that Business Banking Area Directors have been told that the £20 million restructuring budget for the 'New Operating Model' is now needed to plug the gap in income shortfall. To save money, the Union understands that management intends to 'fix' the grades of Relationship Management positions.**

**LTU has asked for a comprehensive review of all SBM / BM roles.** These would be evaluated by a joint Bank-Union Panel.

**LTU is concerned that this is a short-term measure to placate Senior Business Managers and to side-step the Bank's job security responsibilities. Any SBM's who are offered a lower-grade role as a consequence**

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**INSIDE**  
**SBM Grading & Job Security**  
**Dangers of Grade Manipulation**  
**No Consultation**  
**Excessive Hours**

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**of restructuring would have had an automatic right to apply for Voluntary Severance or Voluntary Early Retirement.**

**But if staff are moved into a role at a grade that was 'fixed' at their current level, they could severely lose out. This is because not only would staff be performing 'smaller' roles (and their careers artificially suppressed), but if the grade was reviewed again - and subsequently downgraded - these managers may be entitled to significantly lower Severance Payments. The Severance Terms will be reduced by the Bank at the end of 2006.**

These would be very similar circumstances to those we described in the last newsletter when, after initially being given grading guarantees when 'New World' was first introduced, several managers were downgraded.

# SBM Grading & Job Security

To understand just how serious Business Banking's plans for SBM's are, the Bank's Job Security Policy needs to be explained.

Whenever a role is declared surplus as a consequence of reorganisation, the position technically becomes redundant. The employer is then legally obliged to take all reasonable steps to find the employee 'suitable alternative employment'. Only once it has exhausted these efforts can compulsory redundancy be considered.

In the pilot operating in the South West, the indication is that the new model requires 3-4 fewer SBM's than previously. Extrapolated across the UK, LTU believes this would potentially result in 48-64 SBM's losing their current roles.

## Avoiding Compulsory Redundancies

It goes without saying that LTU's first priority is to ensure every possible step is taken to avoid the prospect of compulsory redundancies.

With genuine commitment to this goal from the Bank, it should be possible to avoid redundancies as a result of the implementation of the New Operating Model. But it will require a number of measures to achieve this, including:

- **Identifying and being committed to offer VS/VER Terms to other staff elsewhere in the business unit or Bank.**  
By doing so, it is possible for these volunteers to swap places - known as 'bumping' - with those staff who might otherwise find themselves compulsorily redundant.
- **Working as 'One Bank', so that all business units participate in helping surplus staff look for redeployment in**

**order to find opportunities at their current grade.**

- **Only seeking to redeploy those staff who would like to remain working for the Bank and providing VS/VER Terms to those who would not.**
- **A fair and transparent Selection Process, ensuring all BM's (F2F and DBC) have equal opportunity.** LTU will be monitoring the distribution of any displaced SBM's / BM's very closely.

## Real Guarantees

Of course, the Union would be happy for staff to perform what would otherwise be lower-graded jobs at their current grade. But this can only be possible if staff are happy to accept these 'smaller' jobs and, subject to legally-binding guarantees that the grades (and relative pay levels) will be protected indefinitely.

A so-called 'guarantee' that only lasts a few years until the Bank changes its mind - as happened previously within Business Banking - would obviously not be acceptable.

## Suitable Alternative Employment

The Bank can, in fact, insist that surplus staff accept new roles so long as these positions meet the definition of 'suitable alternative employment'.

To meet these requirements, the new role must 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 travel and mobility parameters.

It is possible, however, that if no jobs are available that meet the above criteria, staff may be forced to accept a lower grade.

**However, LTU has an agreement with the Bank - underpinned by employment law - that if the lower grade involves a drop in status / benefit break, the individual has an automatic right to leave the Bank through Voluntary Severance or Voluntary Early Retirement, rather than accept a downgrading.** Whether or not a budget has been allocated for this purpose - or has been redirected elsewhere to plug shortfalls in income - is immaterial.

**Any drop in grade from Band 3 to Band 4 (or for that matter, from Band 4 to 5, or 5 to 6) is accepted by the Bank as constituting a drop in status.**

## **Dangers of Grade Manipulation**

By artificially 'fixing' upwards the grade of Band 4 roles - to Band 3 - that Senior Business Managers could otherwise decline as unsuitable, the Bank might attempt to force staff into accepting these jobs as 'suitable alternative employment'.

**It was only last year that the Bank argued that it could not set the grade of Relationship Managers at Band 3. This resulted in SBM's being downgraded at that time.**

Obviously this would help the business unit avoid Severance Payments that it would otherwise have to make.

**It would be completely unacceptable for managers to be forced to accept such roles**

**on this basis.**

**The danger is that, having successfully persuaded SBM's to accept alternative roles on this basis, the Bank could decide to re-evaluate the roles at a later date.**

**If this was to happen after December 2006, SBM/ BM's would be entitled to significantly lower Severance Payments.** That is because the Bank is replacing the separate Lloyds-heritage and TSB-heritage Severance terms with effect from 1st January 2007.

In the meantime, managers would have found their careers unfairly put on hold.

## **Once Bitten, Twice Shy!**

LTU has strong grounds for suspicion over Business Banking's plans; particularly since management ignored the usual protocol of consulting LTU.

**A number of Business Banking Managers - including SBM's - were given guarantees that their grades would be protected after their roles were downgraded following the introduction of 'New World'.**

**But senior management subsequently changed its mind - arguing that no-one should be managed at a higher grade than they actually work - and scrapped these 'guarantees'.**

Even though some of these managers were able to provide written evidence that they had been provided with such guarantees at subsequent Grievance hearings, these were dismissed by the Bank.

It is hardly surprising, therefore, that managers and staff will be extremely suspicious of similar ruses being planned once again by Business Banking.

# No Consultation With LTU On These Latest Intentions

It is normal practice for Business Banking senior management to discuss all plans affecting staff at its monthly meetings with LTU. On issues such as Job Security and Grading, these should be discussed with the Union before any communication or roll-out.

And to be fair, until recently Business Banking has consulted LTU extensively on its Transformation Programme.

In the latest exercise, Senior management did not however do this; they communicated their intentions to Area Directors before they were due to meet with LTU. Members will have to draw their own conclusions why this might have been the case.

As if things couldn't get worse, we had intended to raise our concerns over the job security and grading of senior managers affected by the 'New Operating Model' when we were due to meet

senior management. But senior management were apparently not pleased that LTU had told staff of the Bank's manipulation of Grade Drivers in our last Business Banking newsletter and cancelled the meeting at less than 24 hours notice.

Senior management could not raise any factual inaccuracies in our newsletter; other than a minor point about our statement that "*Business Banking could follow the lead of WBO, through establishing a special team dedicated to identifying redeployment opportunities.*". For the record, LTU is pleased that management say such a team has been set up and look forward to seeing evidence of its effectiveness.

**LTU hopes that senior management will now accept it has acted wrongly in its treatment of managerial grading and now job security.**

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## Excessive Working Hours

In our last newsletter, LTU expressed concern over the excessive working of both paid and unpaid hours.

Since then LTU has received feedback from SBM's and BM's who have reported working in excess of the Working Time Regulations' limit of 48 hours a week. This is unacceptable.

In fact, no-one should be expected to work anywhere near this number of hours ... especially if they are not paid for doing so.

LTU would welcome further feedback from members who are under pressure to work excessive hours in order to meet their Balanced Scorecard targets. Members can email comments with complete confidentiality to [inconfidence@ltu.co.uk](mailto:inconfidence@ltu.co.uk)

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