

Bank In Breach Of Job Security Policy

Members will recall that as part of 'Wave' 3 of the integration of Lloyds TSB and HBOS, 785 Senior Managers were in the selection pool for over 400 roles in the new Group. Successful candidates in Wave 3 have been appointed and 209 Senior Managers who were unsuccessful in securing a role in Wave 3 of the integration will be able to apply for roles in Wave 4.

However, a significant number of Bands 1-3 (or equivalent) from both LTSB and HBOS have been told that there are no 'suitable alternative jobs' for them in Wave 4 and their names will not go forward to the next stage. This is in spite of the fact that we are aware that some of those Senior Executives/Managers would like to carry on working for the Bank and would welcome the opportunity to be considered for jobs at the next level. In our discussions on the integration, the Bank has repeatedly told us that the organisational design work for each Division has yet to be completed and it is impossible to know what roles might be available in other parts of the Group for those staff displaced in Wave 3. **Nevertheless, it seems that someone, somewhere has decided that some of the Wave 3 displaced staff, and it appears to be those with long service, are not required for the new organisation and will not be given the chance to find alternative employment in the Group. That is unacceptable.**

It should be for the displaced members of staff to determine whether or not they wish to apply for

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suitable alternative roles in other parts of the Group but the Bank seems intent on denying them that right and is seeking to hasten their departure and avoid its legal obligations.

One of the objectives of the Bank's Job Security Policy is to "minimise the need for redundancy through redeployment." The policy goes on to say "Every effort will be made to ensure redeployment of displaced employees." However, the reality is that no effort is being made on behalf of these staff, many of whom have spent their whole careers working for Lloyds TSB and HBOS, and the Bank is treating them appallingly. It is in breach of its own Job Security Policy and legal obligations.

If the Bank can treat the careers and livelihoods of these Senior Executives/Managers in such a cavalier fashion then what hope is there for everyone else?

Members with any questions or comments on Wave 3 can speak to the Union's Advice Team on 01234 262868.

Use Your Right To Appeal

Under the agreed Job Security Policy staff in Bands 2-8 are entitled to appeal against any aspect of their selection for redundancy. The fact that the Bank has deliberately chosen not to use every effort to avoid redundancies and find suitable alternative employment for staff displaced following the Wave 3 reorganisation means that staff stand a very good chance of winning any appeals. Members must appeal within 14 days of the issue of the 28-day notification of notice letter.

We would urge all members to use the agreed Appeals Process. An LTU Individual Advice and Representation Consultant will represent members at the Appeal Hearings. An Appeals Committee which is made up of equal numbers of Senior Officials nominated from the Bank and LTU will hear the appeals. The purpose of an appeal is to find a solution that is acceptable to all parties and is

the final stage of the internal disputes process.

One of the remedies which the Appeals Committee can impose is that the Bank finds the member of staff an alternative role. That sanction has never been used before by the Appeals Committee but then again we have never come across such a fundamental and flagrant breach of the agreed Job Security Policy.

Similar arrangements to ones described above are in place for Band 1's and again LTU will represent members at any Appeal Hearings.

Members who would like to discuss the appeals process in more detail or have any comments on the Wave 3 selection process can contact me on 01234 262868 or email me at Mark.Brown@ltu.co.uk.

Wave 4 & Beyond

The Bank has said that there will no generic Wave 4 reorganisation across the whole of the new Group similar to the Wave 3 exercise. Instead individual Divisions, who are currently designing their organisations' structures, will carry out their own reorganisations at different speeds over the next few months. One thing that is certain is that unlike the Lloyds and TSB takeover, and the Halifax and Bank Of Scotland takeovers, the Lloyds Banking Group is moving quickly to get the new structures in place in order to extract synergy savings as soon as possible.

The new Group has said that the cost synergies and operational efficiencies will enable it to make annual cost savings of more than £1.5 billion per annum or 15.7% of the combined cost base by the end of 2011. A large part of those cost savings will come as a result of reducing staff numbers and the jobs that will be lost as a result of Wave 3 are just the start: we expect that thousands of jobs

will be lost post-Wave 4. The Bank has still not said how many jobs in total it expects to lose following the takeover but the likelihood is that it is going to run into tens of thousands. In fact, the worry being expressed by many staff is that the Bank will cut costs even more than it originally planned, and that will mean significantly more job losses across both Lloyds TSB and HBOS, so Lloyds can extricate itself from Government ownership as quickly as possible.

Voluntary Severance Terms

Members will recall that in our previous discussions with the Bank we said the key priority should be to ensure that any job reductions were achieved by voluntary means and not through compulsory redundancies. To achieve that objective we proposed the continuation of the 1997 severance terms which the Bank refused to do that.

Following the decision of the various Divisions to ignore their responsibilities under the agreed Job

Security Policy we are concerned that the Bank will seek to change the existing voluntary severance and voluntary early retirement terms for both Lloyds TSB and HBOS staff and try to impose an inferior set of integrated terms. We will be writing to the Bank asking it for a written guarantee that the current terms existing in both organisations will not be changed.

Terms and Conditions

The Bank has already implied that there will be one set of terms and conditions for staff working in the new Group and staff appointed into roles for the Wave 3 exercise have been told that they will carry on with their existing terms and conditions until the new ones have been agreed. We expect to begin negotiations on the new terms and conditions, which will cover issues such as pay, bonuses, mobility, balanced scorecards and the grievance and disciplinary policies, within the next month. However, our expectation is that staff appointed into roles as a result of Wave 4 and beyond will

move across on their current packages at least for a short time and that any new terms and condition will be introduced, subject of course to agreement with LTU, by the middle of the year. However, if the Bank seeks to use the reorganisations as an opportunity to try and impose inferior terms and conditions, the process will take much longer.

LTU's position is clear: we will be seeking to ensure that the remuneration and benefits package for those staff remaining in the new Group is not diluted in order to reduce costs. Staff rights and entitlements must be protected.

LTU Bonus Campaign: New Web Pages

Later this week LTU will be launching an addition to our website which will give members an even greater role in our campaign to get all bonuses across the Group reinstated.

On the new website we have scanned in all the letters we have received from MP's so far. Members will be able to see which MP's support, and more importantly those who don't support, our campaign for ordinary, innocent members of staff to be treated fairly.

We have also produced a series of standard letters which members will be able to download, with their MP's constituency address details

automatically loaded, and members will also be able to create follow up letters responding to points raised by their MP's.

We'll be emailing members directly once this link is set up.

Mark V Brown
Assistant General Secretary