

Bank Announces Quay House Closure

The Bank has announced it is going to close Quay House, with all staff expected to either transfer to Pendeford (an HBOS site near Wolverhampton) or be made redundant.

The closure will take place over two phases: the first involving the exit of Telephone Banking staff by the end of this September, followed by Wholesale Operations staff moving out before the end of March 2013.

It is part of a wider redundancy and site closure programme being announced today, in which the jobs of 840 staff (FTE) are being made redundant.

Uncertainty & Disruption

During the last site closure involving Telephone Banking and Group Operations (Bridgend), where most staff were transferred to another site, LTU encountered many problems that needed addressing. These included staff who were wrongly told that they would have to transfer beyond Mobility Guidelines and problems concerning the amount of compensation for travel costs.

LTU has told the Bank that there must not be a repetition of these problems and we will be closely monitoring developments and supporting staff throughout the closure programme.

Redundancies Inevitable

Whilst most staff will transfer to Pendeford, some redundancies will be inevitable.

Most obviously, a number of staff will find the new location unsuitable to transfer to and may in fact insist upon receiving their Severance Terms entitlement rather than having to transfer.

Meanwhile, for others - and especially staff in management, supervisory and back office roles - there will be more staff than roles available, with some staff competing for remaining positions with staff from Pendeford.

LTU will be closely scrutinising developments and insisting that wherever possible any redundancies are on a purely voluntary basis only.

KEY ISSUES FOR QUAY HOUSE STAFF

- **Bank intending to transfer as many staff as possible to Pendeford, which is 11 miles from Quay House (just outside of Wolverhampton City Centre).**
- **Staff will only be able to refuse to transfer if their total journey to work extends beyond 25 miles, or 1 hour 15 minutes travel time by public transport; or if they have personal or domestic circumstances that would make it difficult to transfer. See Page 3 inside for a full explanation of Staff Mobility Rights.**
- **Only staff with journeys that would increase by 10 or more miles would qualify to receive additional travel expenses; and then for just 12 months. Group Operations and Retail have both recently earned a bad reputation for their approach to compensating staff for increased travel costs.**
- **Staff who have grounds for refusing to transfer to Pendeford will almost certainly have a legal and contractual right to Redundancy Pay.**

The Bank's Plans For Quay House Staff Explained

In this section we summarise the Bank's closure plans for Quay House and explain how the Bank intends to manage those staff affected.

Telephone Banking Exit

The Telephone Banking operation - employing 59 Permanent and a further 53 Temporary staff - will be the first to exit Quay House. This will take place on a phased basis up until the end of this September.

- For **SM's** and **TM's**, this alters the impact of the previous announcement of staff reductions made in January. Staff will now be competing with those from Pendeford for a smaller number of remaining roles.
- The Bank believes that roles for **Advisers** will be created by staff at Pendeford leaving the Bank and thereby creating vacancies for Quay House Advisers to transfer into. Advisers will therefore be redeployed into HBOS Adviser roles at Pendeford on a piecemeal basis as vacancies arise. In most - but not all - cases this will be on existing work patterns (see page 4).
- Meanwhile, the 11 **Support Staff** at Quay House are also expected to be offered suitable alternative roles in Pendeford as they arise, though these may well be in different types of roles than they are in now.

The Bank has said that it has carried out an analysis of where staff live and believes that over 90% appear to live within reasonable travel distance of Pendeford, though some of these staff may have specific personal or domestic circumstances (such as childcare) that might also rule them out of having to transfer.

Where transferring to Pendeford would require journeys outside of the Bank's Mobility Policy, staff are likely to be presented with a choice: either agree to the extra journey or else exercise their legal and contractual right to Voluntary Severance instead.

Wholesale Operations Exit

Whilst the transfer of Telephony Staff to Pendeford will be mainly achieved by back-filling vacancies as they arise when HBOS Advisers leave for other jobs, Wholesale Operations will continue to operate

on much the same basis as it does now once it transfers.

The Quay House announcement is part of a wider announcement by Group Operations where Credit Operations, RM&PB and Wholesale Operations will reduce the number of sites from which they operate from 27 to 15.

For Wholesale Operations, the reduction is from 11 sites to just 5 so-called *Centres of Excellence*. These remaining sites will be based in Glasgow, Edinburgh, Manchester, Halifax and Pendeford; with 39 of the 576 staff affected across Wholesale Operations being put at risk of redundancy.

As a consequence of these changes, a number of Wholesale Operations staff in Colmore Row will be joining those from Dudley in the expanded operation in Pendeford.

Within Pendeford - whose RM&PB operation is also expanding by 40 FTE - space will be created for the new Wholesale Operations Centre of Excellence by the loss of Credit Operations roles (176.82 FTE) to other sites.

Short-Term Compensation For Increased Travel Costs

The Bank is insisting that it will only compensate staff for any increases in their travel costs for 12 months following their transfer to Pendeford.

Furthermore, the Bank is insisting that it will only compensate staff for transferring to Pendeford if this involves an additional journey of 10 miles each way over and above their current travel distance to and from work.

LTU has recently encountered many problems over the misapplication of this policy, so it will be important that members liaise closely with LTU's Advice Team so that they are treated correctly and fairly.

Mobility Policy & Staff Rights

The Bank is aiming to transfer the maximum possible staff from Quay House to Pendeford.

LTU welcomes this in relation to those staff who do want to remain working for the Bank, although we believe that staff should be better compensated over the longer-term for extra travel costs.

Mobility Policy Explained

The Bank's Mobility Policy sets strict guidelines concerning the amount of travel distance and travel time that the Bank can require staff to accept when being switched between work locations.

This policy guarantees that staff cannot be forced to transfer between work locations where doing so would involve a journey from home of:

- **more than 25 miles by car.** In some circumstances, a longer journey could be considered where this is along fast moving routes, but equally a shorter maximum journey may be appropriate on congested routes (such as in urban areas like the Black Country). The latter is more likely to apply to the transfer to Pendeford.
- **more than 1 hour 15 minutes travel time by public transport, based upon the time spent between when staff leave home and when they will be required to start work.** This total travel time should include time spent walking between transport links, parking, waiting for public transport, etc.

For those staff who work less than a 'full' 7 hour day, these maximum travel requirements should typically be reduced on a pro-rata (proportionate) basis.

Furthermore, just because staff may currently travel to or from Quay House by car doesn't mean that they will be required to do so in future. It may well be that staff have shared journeys with friends or family until now, but will no longer be able to after leaving Quay House.

Personal & Domestic Circumstances

The travel time and distance are not the only circumstances that need to be taken into account.

Staff may also refuse to transfer because they have personal or domestic circumstances. These could include:

- **Health or medical conditions (incl. Disabilities)**
- **Responsibility for dependants**
- **Partners / Spouses employment and/or commitments**
- **Schooling and childcare arrangements**
- **Personal commitments to external bodies, groups and/or charities**
- **Training or Educational Courses / Study**

Flexibility

The Bank's HR and Managerial Team will be speaking to all staff on a one-to-one basis to discuss their options.

It may also be necessary for the Bank to offer some flexibility over the hours or working patterns that staff are required to work to help persuade them to switch locations.

However, staff should not overlook the fact that the Bank is not ruling out changing working patterns in future.

It is therefore important that any arrangements staff agree to are guaranteed and so it is essential that staff always first discuss their rights and options with LTU's Advice Team on 01234 262868 before agreeing or committing themselves to anything.

A Right To Redundancy Pay

Our experience when the Bank introduced *Lifestyles Working Patterns* in Telephone Banking was that the Bank won't hesitate to pressurise or mislead staff concerning their legal or contractual rights when it suits it to do so.

But the fact is that if staff can show that they fall outside of the Mobility Policy guidelines or because of Personal or Domestic Circumstances - and if the Bank cannot find them any other suitable alternative roles - then it is legally obliged to offer Redundancy Pay to staff.

Job Security Rights & Suitable Alternative Employment

The Bank has said that it hopes to redeploy to Pendeford as many Quay House staff as possible, whilst accepting that this may not always be possible and that some staff are at risk of redundancy.

It is therefore important that all affected staff understand the limits of the Bank's discretion when determining the roles into which it can and cannot redeploy them.

In the simplest terms, if roles meet the legal definition of 'suitable alternative employment', staff have no choice but to either accept them or resign without compensation.

However, if the Bank fails to offer genuine 'suitable alternative employment', staff can refuse to accept these roles and insist upon being offered other roles or Severance Payments instead.

What Is Suitable Alternative Employment?

Quay House staff affected by this reorganisation will have a legal right to be offered 'suitable alternative employment' if it is available. If such positions cannot be found, staff will be entitled to be offered the Bank's Voluntary Severance Terms as an alternative to redeployment.

'Suitable Alternative Employment' would be:

- **A position at the same Band or level of seniority (see 'Transfer To A Lower Grade')**
- **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 the same working patterns**
- **Within recognised mobility parameters.**

Staff are often 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.

Travel & Mobility

On the previous page we explain the Travel and Mobility Rights of staff.

In simple terms, staff can only be expected to transfer 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.**

In fact, these limits will be lower for staff where the distance is through heavily congested areas or where staff work less than a 'full' seven-hour day.

Furthermore, the Bank 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.

If no other suitable alternative roles are available within acceptable travel distance and time, staff must be offered Voluntary Severance.

Job Size & Duties

Any members considering accepting alternative jobs should:

- **Ask for the Hay Job Units score for the new job. Members must remember that the fact that two jobs are in the same Grade doesn't mean that the salaries attached to them will be managed around the same Market Indicator. This can and will affect the salaries actually paid. Members must check the job sizes of alternative jobs to establish whether the same Market Indicators apply.**
- **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.**

Different Work Patterns

Whether Quay House staff can be required to transfer into roles with different working patterns will depend on whether or not (i) they were

employed originally on Flexible Contracts and (ii) still remain on Flexible Contracts.

The latter condition is particularly important because even if staff were recruited originally on Flexible Contracts, these may have evolved into Fixed Hours Contracts - through a legal process known as affirmation - if they have not been required to vary their working patterns for at least six months and they have received no written reminder from the Bank for over six months that they remain on Flexible Contracts.

If either of these conditions apply, staff are now effectively employed on Fixed Hours Contracts and can insist upon remaining employed on their current fixed working hours.

Transfer To A Lower Grade

Under certain circumstances, staff may be asked to accept lower graded jobs. It is important to note, however, that:

- **These must be no more than one Grade lower than their current jobs.**
- **Their current salaries will be protected and managed using the Grade and Pay Zones applicable to their new jobs.**
- **If they are above the Midpoint of the market zone for their new jobs, they will have their pay managed at their current level (adjusted for general market movement) for a period of three years, subject to satisfactory performance.**

- **Anyone downgraded from (i) Grade F to Grade E, (ii) Grade E to Grade D or (iii) Grade D to Grade C, must be offered Voluntary Severance as an alternative to accepting the downgrading.**

This extra protection against downgrading may benefit a number of staff affected by this reorganisation.

This all means that, subject to satisfactory performance, downgraded staff will receive the percentage pay increase for their current grade each April for each of the next three years.

However, after three years their pay will be frozen and they will be unlikely to receive much - if any - pay increase for perhaps some years until the Market Rates for their new, lower grades have caught up with their salaries.

Trial Periods

Members accepting new jobs, or agreeing to consider positions that are not deemed 'Suitable Alternatives' by the Bank, should be offered trial periods of between four and twelve weeks duration before they confirm final acceptance of any new positions.

It is essential that members establish their right to trial periods in advance of taking up new positions and get it clearly understood in writing that if they deem jobs to be unsuitable and no further jobs are offered, they can take Severance. This challenge can be made at any time during the Trial Period.

Job Security Appeals

Quay House staff who believe they have been treated unfairly can pursue Job Security Appeals with full representation from LTU's team of experienced Officials.

This could include concerns about the distance staff are being told they must transfer, the suitability of alternative roles being offered, or in order to challenge unfair selection for redundancy.

The procedure entitles staff to have their cases presented by professional Union Representatives in front of Panels consisting of an equal number of senior Union and Bank Officials.

- **Where staff are resisting redundancy, the Panel can decide that the period of job**

search be extended and/or that other measures be taken to provide 'bumping' opportunities for surplus staff to move into.

- **Where it believes a role doesn't match up to the definition of 'suitable alternative employment', the Appeals Panel can insist that a member of staff be offered either a different role or given an opportunity to take the Severance Terms instead.**

Members concerned about their own job security should speak telephone LTU's 24 Hour Advice Line Service on 01234 262868.

To join call 01234 262868... today!

Calculating Your Severance Terms Entitlement

Whereas many staff will redeploy to Pendeford, it is inevitable that for some this will not be possible.

During this closure programme, the biggest single reason why staff are likely to be entitled to Redundancy Pay will be either because transferring to Pendeford would be outside of the Mobility Policy Guidelines, or because staff have Personal or Domestic Circumstances that impede them from being able to transfer.

Full details of what this means in practice have been provided on Page 3.

Your Relevant Earnings

The Severance / Redundancy Terms that staff will be entitled to are exactly the same irrespective of whether staff leave by Voluntary Severance or Compulsory Redundancy.

To calculate their relevant earnings, staff must first work out the weekly earnings upon which Redundancy Payments would be based. Weekly Pay would include:

- **Basic Salary**
- **Car Allowance Limit**
- **Shift Allowance**
- **Contractual Overtime (regular, rostered, predetermined)**

The total pay figure is then divided by 52 to arrive at a weekly figure.

The Redundancy Terms

The formula for calculating Severance Pay is shown above.

Only the last 20 years service is used in the calculation and payment is capped at a maximum of 104 weeks' pay.

The first £30,000 of any Redundancy Payment is paid tax-free.

Severance payments apply to all staff aged between 16 and 65.

Payment is based on each individual's length of service in the Bank, up to the date of termination and is rounded up to whole years based on age at last birthday. For example, service of 12 years 1 month at date of leaving would be rounded up to the next whole year - 13 years.

LTSB REDUNDANCY 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

Members can use the table overleaf to calculate their Severance Terms entitlement.

Pensions

Under these terms, there is no augmentation of pension for early retirement – either in the form of payment of a non-actuarially reduced pension for staff in the Defined Benefit Schemes or extra pension payments for staff in the Defined Contribution Schemes.

If you retire early and choose to take your pension immediately, it will be reduced by 6% per annum for each year you retire your normal retirement date (known as an 'actuarial reduction') for deferred pensioners and by 4.75% per annum reduction for those retiring from active service.

Lloyds-heritage staff aged 55 or over - and TSB-heritage staff over 50 - taking severance therefore have the choice of:

- taking their full severance payment and leaving their pension to be drawn at age 60;
- drawing immediate pensions and sacrificing some or all of their severance payment to mitigate the actuarial reduction (if part or all of a severance payment is waived in this way there is no tax liability)
- taking their full severance payment and drawing an immediate actuarially reduced pension.

Female staff who joined Lloyds Bank before July 1974 retain their rights to retire at age 55 with non-actuarially reduced pension.

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Support & Advice From LTU

Quay House Staff are likely to fall into one of the following three categories:

- **Staff who the Bank can require to redeploy to Pendeford because they fall within the Bank's Mobility Policy Guidelines.**
- **Staff who are unable (or choose not) to transfer to Pendeford either because they live outside of the Bank's Mobility Policy requirements or because they have personal or domestic circumstances that must be taken into account.**
- **Staff for whom there will not necessarily be sufficient alternative roles available at Pendeford and who will have to proceed through a Preference and Selection exercise before determining whether they either have future roles in the Bank or face the prospect of redundancy.**

Whichever is the case, it is important that staff are aware of their rights and get in touch with LTU straightaway if they need support.

Staff Seeking Redeployment

LTU welcomes the fact that most staff who would like to remain working for the Bank will be able to do so, despite the fact that this will involve a change of work location.

However, it is important that these staff do not miss out on their legal or contractual entitlements and that any commitments they receive are binding upon the Bank.

All too often staff receive 'promises' - such as that they will not have to change their working hours in future - only for the Bank to ditch these when it no longer suits it.

Equally, LTU will be pressing for long-term commitments on recompensing staff for the full additional costs of transferring to Pendeford and that those staff who intend to remain on their LTSB Contracts of Employment must be treated fairly.

Staff Opposing Redeployment

LTU will also be providing its full support to those members who do not want to transfer to Pendeford or any of the Bank's other locations and who would rather receive the Bank's full Redundancy Pay instead.

Just because the Bank is intending to relocate most staff to Pendeford does not mean that staff do not have a right to refuse and that with LTU's support they will not receive their full Redundancy Pay entitlement.

It will be essential that these members take full advantage of the excellent support and advice that LTU provides to ensure that they are treated fairly and in accordance with their legal and contractual rights and entitlements.

LTU In Quay House

LTU is alone in providing Quay House Staff with the high quality, professional support they need. Our comprehensive support will include:

- **Regular visits and face-to-face support from our Local Area Officer, Cathy Moran.**
- **The support of LTU's experienced Senior Representative at Quay House, John Halford. John currently works at Quay House and will be transferring to Pendeford.**
- **Regular indepth Newsletters providing detailed advice and guidance on members' rights and entitlements.**
- **LTU's 24 Hour Advice Line Service on 01234 262868, which members can call at any time of the day, night or weekend to speak direct to an experienced LTU Official.**
- **LTU's free Curriculum Vitae Preparation Service, assisting members in finding alternative jobs both inside or outside of the Bank.**

Any staff who are not already LTU members must join immediately if they want to be able to count on our professional support, advice and representation.

STEVE TATLOW
Assistant General Secretary

To join call 01234 262868... today!