

31st January 2018

ALL MEMBERS NEWSLETTER

JOB LOSSES IN LBG

It seems that Gareth Oakley, SME Managing Director, couldn't wait until the announcement of Group Strategic Review 3. Today he announced that following a review of the SME business model he's concluded the business can do better with 162 fewer staff effective from 11th June 2018. The Group has announced plans to reduce staff numbers by 930 across six businesses. We will cover those changes in a separate newsletter.

The SME business currently has 90,000 client groups of which 30,000 have very simple needs according to the Bank. SME is changing the segmentation criteria so that those 30,000 businesses are moved into Business Banking. On the back of that change, the business is also looking to reduce the number of Regions from 12 to 10 and the number of Area Director Groups from 107 to 74. The number of Segment Relationship Directors and Segment Relationship Managers will also be reduced to make way for the new operating model. The Real Estate, Healthcare and Agriculture Industry specialisms will be embedded into the core local banking operations. The remaining industry specialisms will be managed in local banking portfolios.

The Bank is also looking to reduce the number of CRT sites by 9, with the loss of 135 FTE.

The staff reductions announced today across LBG will be part of the total number of job losses that Antonio Horta-Osorio will report to the City when he announces his 3rd strategic update. Unfortunately for staff, it will be more of the same if his recent interview on Radio 4 is to be believed.

There comes a point, and we are fast approaching that Rubicon, when there is no more fat to cut and further cost savings

begin to put the future of the business in jeopardy.

It's usually only when the senior management team have gone, probably when Brexit begins to bite, that everyone realises it created desolation and called it progress.

The Options

The options available to members are as follows

- **To opt for voluntary redundancy.**
- **To be considered for alternative roles but that might not be in their current locations.**

For those members looking for alternative roles SME is using a simplified model which does not involve completing long, complicated preference forms. Members who would like to discuss their options should contact the Union's Bedford Office.

Redundancy Terms

The first stage of calculating entitlement involves working out an individual's weekly earnings upon which Redundancy Payments would be based. The total pay figure is then divided by 52 to arrive at a weekly figure.

The formula for calculating Severance Pay is 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 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

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on each individual's length of service in the Bank, up to the date of termination and are 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 next whole year - 13 years.

What Next?

Members with any questions on the latest round of job losses should contact the Union's Advice Team on 01234 262868 (Option 1) or they can email us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary

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