

4th September 2017

All Members Newsletter

Project 2020

Lloyds Banking Group (LBG) is planning to merge the management structures of its two main brands – Halifax and Lloyds Bank - as part of its next three-year strategic review. Management spans of control will increase and the newly appointed Local Directors will be expected to manage branches across both brands. This restructuring was due to be announced a few weeks ago but was pulled at the last minute. The management teams and support staff that manage the two brands currently will go through a desk top selection exercise, which many of them have been through on countless occasions before. This reorganisation of the two branch networks will result in at least hundreds redundancies from management and support staff.

This will follow the closure of up to 250 more branches across the Lloyds, Halifax and Bank of Scotland branch networks, which will also be announced next year. Over time those staff remaining in both the Lloyds and Halifax branches, starting off with advisers, will become fully flexible resources between the branches of the two brands as and when required. It's been a long time coming because at the last strategic review, in response to a question from one of the analysts, Antonio Horta-Osorio, Group Chief Executive said "So in my opinion....through a multi-brand strategy to segment with differentiated offerings according to different customer needs and at the same time having all that the client does not see integrated and therefore lowering the unit cost, is the best way to maximise the cost to income in terms of revenue costs".

Alison Brittain's (the former Group Director, Retail)

prediction that "Within four years (she said this at the announcement of the last strategic review) we are estimating that branch transaction should be half their currently yearly totals" is proving to be right but that will be in part because of the Bank's strategy of 'nudging' customers to become digital users only by closing branches, reducing staff numbers to a bare minimum in those branches that are still open and offering more competitive products online. But at what cost to the future long-term profitability of the business? We will return to this issue again in a forthcoming Newsletter.

It's Like Working In North Korea

We've had an unprecedented response from members about the article in our last Newsletter entitled: 'Life as an Advisor'. The feeling of despair expressed by the advisor about the level of micro-management that now exists in his branch has been echoed by advisors and staff across the network. It seems that the Bank's Senior Management team has forgotten the lessons of the past and is slowly trying to resurrect some of the management practices that caused the trouble in the first place. We have reproduced below some of the comments we have received from members:

"I'm sure the FCA might be interested in some of the behaviours that are being encouraged especially the predetermination of interviews by completion of picture pads before the customer has even arrived in the branch! It seems we learned nothing from the sins of the past in this company.

All of which makes me so glad that I will definitely leaving the bank on XXXXX. To tell you the truth,

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I'm delighted to be leaving. The direction that this company is heading in will only result in disaster, as a result of inept and incompetent leadership, so out of tune with how things are in the real world, as opposed to the ivory towers in which they reside. I'm also glad to be jumping ship before they get the chance to reduce the redundancy package! I'm happy to be leaving the insanity behind. Andrew Davis, on Robin's latest leadership teleconference said he wanted all branches to fully embed BB4C, sooner rather than later. They have learned nothing from the Stalinist claptrap that was One Best Way. They seem to want to breed a new generation of management robots, where individual talent and management skills are stifled by the Orwellian diktats of the BB4C Framework. I certainly want no part of that. I really have no idea what I'm going to do job wise. I just know I've made the right decision to leave.

One last bit of information you may or may not find useful. The colleague engagement survey is looming in September. I happen to know that LDs are already briefing managers to try and positively influence scores. A colleague of mine in another branch was told by their line manager that they would happily "sit with them while they complete the survey". Indeed I would bet that this is going on anyway, judging by the most recent survey results, which described a company with record levels of staff satisfaction. A company totally different to the one I recognise!! I talk to staff up and down the country and I don't know anyone who is happy! One of my staff, when informed of the last survey results, said "Well that's been fixed then!"

"What I find unbelievable is that advisers discuss their appts in the morning with the BM/ABM and then discuss the results at the end of the day. Strikes me, that whilst no figures are being recorded or given out in written/printed MI, surely this level of micromanagement will mean that the BM will know intuitively what business is being done and will know who is (selling) the most loans, cards etc.

I know this to be the case because I overheard my BM discuss this exact subject with her LD with reference to the low numbers of loans from 1 adviser. It is all back door MI and in honesty nothing has really changed. Other than the Bank can claim to the regulators that there are no targets, league tables etc. Ha, ha!!!!

"Firstly I'd like to echo the comments made in this newsletter. The focus seems to be taking away from actually doing the job we are paid for to filling in forms and the quality of the forms. We are being told all forms are compulsory and the management seem more concerned if the form is filled out than if I helped a customer. I have been told that they want to know what I am doing every hour of the day and what I have done to be productive and this micromanagement is putting more and more pressure on staff. Levels of stress and anxiety are rising and staff can't seem to focus on what they need to do. Again the amount of time we spend completing these forms is distracting from helping customers.

I know this is only repeating the information but I just wanted to express the frustration in our jobs. The other bug bare is with management telling you what you're not doing rather than what you are doing. This again doesn't help morale. I hope there are plans for us to tackle the bank because it's not good for the wellbeing of staff."

"Could not agree more!

There are some real truths in this fantastically honest piece of writing. I feel the author slightly underestimated how much time we spend non-customer facing to get unnecessary duties fulfilled and how much extra free time we put in and still they want more!

This Advisor is also lucky to not sound too ambitious as the progression potential in the bank is quickly rolling DOWN hill.

Still things can't get much worse for our population, can they? Well today we were told that our Regional Director has issued a decree that ALL advisers will be now be expected to work EVERY Saturday. Our line managers are required to get us to agree in writing to this A.S.A.P. Another unhappy day in the Branch network."

[LTU will respond to this issue in a separate Newsletter. Suffice it to say staff have contractual rights and those can't be overridden by an out of control Regional Director, unless of course he or she wants to be subject to legal action supported by LTU.]

I must write regarding the above article as I agree wholeheartedly with every word in it as I am an advisor too and it's exactly the same at my branch I feel like I am in the North Korean army and made to feel like a naughty four-year-old I'm sick of filling out planners for two hours a day when I could be helping a customer with their finances. I have worked for Lloyds bank for many years and have been an advisor for a least 10 of them and have always been very successful and I thought well thought of By both my colleagues and customers but now with all the micromanagement I've lost all my confidence, feel I can't do the job any more, I'm suffering from stress and anxiety and receiving counselling and I don't want to come to work anymore. Staff morale at the branch is rock bottom and every single person who works here has been in tears on more than one occasion over

the last few weeks when our management team also changed. On top of that we now have queues 18 deep at the till made up of angry and abusive customers who are complaining about not being served in a timely manner as we are only allowed one till open at a time however we are told to be proud that our iPad usage has gone up!!!! ...but sadly at the detriment of customer service and staff morale. Surely common sense should prevail but it feels like we are being managed by robots.

From a stressed and exasperated adviser"

Members with any questions, comments on this Newsletter can contact the Union's Bedford Office on 01234 262868 or email us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary

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**STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS
(CONSOLIDATION) ACT 1992 AS AMENDED BY THE EMPLOYMENT RELATIONS ACT 1999**

REPORT OF AUDITORS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AFFINITY

We have audited the financial statements of Affinity for the year ended 31 December 2016, which comprise the income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the union's members, as a body. Our audit work has been undertaken so that we might state to the union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the officers and auditors

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require the union's officers to keep proper accounting records which give a true and fair view of the state of affairs of the union and explain its transactions, to establish and maintain a satisfactory system of control of the accounting records, cash holding and all the receipts and remittance and to prepare an annual return for the Certification Office giving a true and fair view of the revenue account and balance sheet and provide members of the union with a statement of income and expenditure for the year.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the officers and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Return to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the union's affairs as at 31 December 2016 and its transactions for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the section 36 of the Trade Union and Labour Relations (consolidation Act 1992).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require us to report to you if, in our opinion:

- proper books of account have not been kept by the union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the union in accordance with the requirements of the legislation;
- the revenue account to which our report relates, and the balance sheet are not in agreement with the books of account of the union;
- we have not obtained all the information and explanations necessary for the purposes of our audit.

CROUCHER NEEDHAM (ESSEX) LLP CHARTERED CERTIFIED ACCOUNTANTS REGISTERED AUDITOR

Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ

Set out below is the report of the Auditors as contained in the accounts of the Union for the year ended 31st December 2016.

FINANCE

In accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999 we set out the following statement:

1. Contributions and subscriptions for 2016 £2,775,842
2. Other income £2,806
3. Total income £2,778,648
4. Total expenditure £2,744,699
5. Salaries and benefits paid to Officers. The salary and benefits paid to the Union's General Secretary were as follows: Salary £84,000, Employers NI contributions £15,889, Car benefit £18,000, Pension Contributions £11,250. The salary and benefits paid to the Union's Chairman were as follows: Salary £20,000, Employers NI contributions £1,641, Pension Contributions £22,500. The salary and benefits paid to the Union's Vice Chairman were as follows: Salary £24,721, Employee NI contributions £2,899, Pension Contributions £1,150, Car Benefit £3,000.

STATUTORY STATEMENT

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999 to include the following statement in this circular to all members. The wording is as prescribed by the Act.

"A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the Union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the Union, the trustees of the property of the Union, the auditor or auditors of the Union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the Union have been or are being conducted in breach of the law or in breach of Rules of the Union and contemplates bringing civil proceedings against the Union or responsible officials or trustees, he should consider obtaining independent legal advice".