

6th June 2017

All Members Newsletter

500 IT Jobs Going To India

The Bank has announced today that it will outsource large parts of its IT estate to IBM in a deal worth over £1.3bn over 10-years. Up to 1,900 jobs IT jobs will be outsourced to IBM, of which 500 will be permanent LBG roles. Permanent staff will be forced to move to IBM on 1st September 2017. The bulk of the work being outsourced to IBM will then be offshored to India over a four-year period. LBG staff will be retained whilst the work is being offshored, and will then be made redundant.

We understand that Accord and Unite have agreed the terms of the offshoring deal with LBG and IBM. The main details of the IBM outsourcing/offshoring deal are as follows:

- **The Windows, Unix, Linux and IBM I-Series platforms will form the bulk of the estate being outsourced to IBM. That will include 1,300 of the 3,200 applications currently used by LBG.**
- **The 10-year deal will be worth over £1.3bn with savings of £759 million for LBG. The Bank has said that the deal will also produce additional savings from cost avoidance synergies in Data Centres, property and technology programmes.**
- **The move to IBM is to be financed within the deal structure and will not require any investment from LBG.**
- **Up to 1,900 IT staff will be transferred to IBM under TUPE arrangements. The bulk of**

the staff being transferred to IBM will be based in Copley and Edinburgh.

- **IBM has only guaranteed to keep the LBG jobs for a minimum period of time and plans for most of the work to be carried out by staff based offshore. Lloyds staff who are forced to move to IBM will be made redundant but on what severance terms remains to be seen.**
- **The transformation of LBG's application and infrastructure estate is expected to take 3 years.**
- **As we said in a previous Newsletter, the Bank has sought to limit the disruption to the deal by shortening the gap between the signing of the deal, the announcement of the deal, discussions with staff on the TUPE terms and the transfer of staff to IBM. The Bank wants to transfer staff in just 3 months.**

The Next Steps

The Bank admits the migration of the accounting details of 20 million customers onto a private cloud could "weaken existing security controls and adversely affect the confidentiality and integrity of Bank data".

Given that the Bank says it wants to be the 'Best Bank for Customers', it's only right that customers have their say on this important security issue. How

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we engage with customers on this important issue is being discussed internally by the Union.

We will be keep members informed of developments through regular Newsletters but in the

meantime members with any questions can email us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary

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