

21st June 2017

All Members Newsletter

# More Job Losses In LBG

It seems that even the Widow is not immune from the Bank's rush to achieve its cost:income ratio of 45% (currently 48.7%) by the end of 2019. At the weekend there was speculation that the Bank had started discussions with Standard Life Aberdeen about a merger with Scottish Widows. The job losses that would result from the coming together of those two former mutuals would be catastrophic. We will come back to this issue in a separate Newsletter.

Today, the Bank has announced that a further 720 job losses across its Connect, Wealth, Retail Business Banking and Group Operations business units, although it is creating 380 new roles. However, for many staff the locations of the new roles are going to make it impossible for them to take the alternative roles. The 250 staff in the Dundee Contact Centre have been told that the building is closing at the end of 2017 but there are jobs at the Connect site in Dunfermline, a round trip of some 80 miles. For the majority of staff, many of which are in the lowest grades, such moves are going to be impossible to take up, and the Bank knows that.

In an announcement today the Bank has said:

- **The Dundee Contact Centre at West Marketgait will close with the loss of 250 jobs. The Bank has said that staff can go to the Connect site in Dunfermline.**
- **Its aim of reducing its property portfolio will mean that 710 staff will be moved to different locations in the Edinburgh and Fife Regions. Again, some of those staff**

**will not be able to make those moves because of personal and domestic circumstances and those staff, if no alternative roles can be found, will be made redundant.**

- **The management structure in Group Reconciliations, Resources & Reference Data Services has been streamlined according to the Bank and 14 roles will be removed from the business.**
- **In Branch Business Banking, the number of Local Business Managers will be reduced whilst at the same time the number of Local Business Development Managers will be increased. The Business Banking Customer Support Team based in Taunton will be closed down and the work moved to alternative sites in Edinburgh and Birmingham.**

Members with any questions on the latest announcements can email us at 24hours@ltu.co.uk.

## It's Inflation Stupid.

**In one of our previous Newsletters we said that the Bank's annual pay increase, which was agreed by Accord, would mean the vast majority of staff would receive salary increases less than the rate of inflation.**

Since the pay increases were implemented in April, the Retail Price Index (RPI), the inflation calculation that takes into account the cost of housing

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and therefore the most relevant for LBG staff, has increased from 3.5% in April to 3.7% in May. That means that 95% of staff in LBG will have got a salary increase less than the rate of inflation. All staff are seeing a squeeze on real pay growth and on the basis of the latest inflation figure pay will have fallen by 1.5% for most LBG staff. And it gets worse because the likelihood is that inflation will rise further during the course of this year and the value of this year's pay increases will fall even further.

**Accord described its pay deal with the Bank as "positive". If a fall in real incomes compared to inflation of up to 3% for staff is "positive", I do hope staff never have to suffer one of Accord's negative pay deals!**

Mark V Brown  
**General Secretary**

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