

Retail Branch Network Buyer Announced – Santander

Further Divestment Allocations Confirmed

RBS have announced today (4th August) that Santander have successfully bid for the RBS Retail Branch Network in England and Wales, plus the Natwest Retail Branch Network in Scotland, along with the associated businesses which make up RBS England and Wales and Natwest Scotland. In addition to this announcement, the Group have confirmed some additional allocation decisions confirming those members of staff in-scope of the transfer to Santander, as well as some job losses related to the divestment process.

Background to the Announcement

As a result of the re-capitalisation of RBS in October 2008, further injections of cash since that date and the Group's participation of the Government's Asset Protection Scheme, the European Commission viewed the size; reach and market share of RBS to be anti-competitive and as such ordered the disposal of key assets. The decision to require the divestment of key Group assets is driven by i) a view that a majority state owned and funded operation cannot maintain such an anti-competitive market share and ii) a requirement to re-introduce competition and choice into the financial services sector. Among the key assets that were identified for divestment, were the 318 branches and associated businesses that make up RBS England & Wales and Natwest Scotland. Following months of speculation in the press Santander have been announced as the successful bidder for the business.

Santander

The successful bidder is Santander a Retail and Commercial bank founded in 1857 based in Spain, with operations in more than 40 countries. Santander already has a significant presence on the U.K high street with over 1,300 branches and 25 million customers. In 2004 Santander acquired Abbey in the U.K and subsequently in 2008 Bradford & Bingley's savings and branch network, then the Alliance & Leicester.

Next Steps

UNITE have been meeting RBS extensively over the last six months to discuss the divestment process and the potential implications of the transfer of staff to new organisations. UNITE will now be meeting urgently with both RBS and Santander to begin discussions around the divestment of the business. It is understood that this deal involves the sale of assets owned by RBS to Santander and therefore the protections under TUPE legislation will apply, therefore UNITE will also be seeking to commence negotiations around the TUPE transfer

What is TUPE?

TUPE or the "Transfer of Undertaking (Protection of Employment)" regulations is UK legislation designed to protect the terms and conditions of staff, where the ownership of their company, department or function transfers to a new company. Terms and conditions such as pay, holidays and continuity of service are protected on transfer; however in the event that Santander are unable to match any existing terms and conditions, then solutions and alternatives will be negotiated through tri-partite discussions involving Santander, RBS and UNITE. Pensions are partially protected; although not to the extent currently enjoyed within RBS with the new entity legally obligated to provide a defined contribution scheme with a maximum employer contribution of 6% where an occupational pension already exists. Discussions around pensions will form part of the tri-partite negotiations; however in the cases of TUPE transfers within RBS in the last 18 months; UNITE have been able to secure pension provisions that far outstrip the legal position and closely align to that currently received in RBS. UNITE will keep members updated through regular newsletters. It is anticipated that the eventual Change of Control to Santander could still be 12-18 months away.

Divestment Allocation

Following the decision of the E.C Commission to order RBS to divest key business assets, including the 318 branches and associated businesses, the Group have been undertaking the complex exercise of establishing which staff are allocated and will be in-scope of the transfer.

Whether a member's role is in-scope of the transfer is subject to a number of allocation principles including whether the individual is wholly or mainly assigned to in-scope work, geographical location, the amount of time spent on in-scope work or the member(s) of staff that you support in your role being in-scope of the transfer. In some cases members of staff undertake a mixture of both in-scope and out of scope work, the result being that it is difficult to establish whether these roles fall within scope or not. Where this is the case RBS will be seeking, in some instances, volunteers to transfer and in the event of insufficient volunteers, RBS will return to consultations with UNITE regarding the appropriate allocation principles.

A number of allocation decisions have already been made and communicated across a number of business areas and now the bank are announcing a number of additional allocation decisions.

If you are advised that you are allocated and in-scope of transfer to Santander, the allocation principles applied will be discussed and explained to you fully. If you disagree with your allocation, then you can challenge this via the Allocation Appeals Process that has been agreed between UNITE and RBS expressly to deal with such disputes. Details of the appeals process will be shared with staff and any allocation issues should be discussed with your line manager in the first instance; however if these prove unsuccessful, you should contact the UNITE helpline on 0870 241 4425 or e-mail rbsinfo@unitetheunion.org

Where possible UNITE will seek to agree the allocations principles being utilised to ensure a fair and consistent process; however agreement is not always possible. In the event that you are informed that you are allocated and therefore in-scope of the transfer, you are not restricted by job roles that you can apply for in the Group and can continue to apply for any job roles in line with the Group's standard recruitment policy.

It would be impossible in this newsletter to go into the details of each allocation announcement; however the broad details are covered here. There will also be additional allocation announcements across the following months, as functions and departments are identified as being in-scope of the sale.

Corporate Banking

Circa 1,550 roles are in-scope across Corporate Banking including Business & Commercial, Credit Risk and Corporate & Institutional Banking. The majority of roles have been allocated on the basis of geographic alignment and alignment to customers, work or roles in the divesting business. As a result of the allocation decisions, nothing will change immediately, however some members will have a change in their reporting line, the customers they support and/or location at a later point. Divestment locations have not been confirmed as yet and staff will be advised as soon as possible regarding any changes that may be required. Any alternative workplace will be within a reasonable travelling distance. In addition 29 Business FPMs and 1 Area Manager from Private Banking & Advice, part of Retail have been allocated to the divesting business.

Business Services

London Corporate Service Centre – there are currently 4 CSCs in the U.K and the Group have designated the London CSC as the in-scope site. The rationale for this decision is that London will be one of the business hubs for the newly divested business, as well as taking into account the geographic location of a number of the divesting Corporate and Commercial customers. Circa 80 roles will be required in the new in-scope London CSC, the eventual location of which is still to be confirmed. A number of these roles are being directly mapped across to in-scope roles, due to the nature of the role and the geographic location within London. Around 26 in-scope roles will be drawn from an existing population of circa 100 and as per above volunteers will be sought in the first instance for these roles.

Credit Documentation Centres – the Group currently has two CDCs in Sheffield and Manchester, with a requirement to divest part of the CDC operation to support the new organisation. The Group have identified on the basis of the number of customers transferring to Santander, the Sheffield site as the in-scope site and therefore members employed within Sheffield are in-scope by nature of their geographic location. The numbers currently employed within Sheffield however exceed the requirements to support the new business and RBS have confirmed that there will be job losses. There will also be a migration of work to and from Manchester, with an increase in complex work and decrease in standard work from Sheffield and vice versa for Manchester. This will result in a small number of roles being created in Sheffield at Appointed B and Appointed A.

The Sheffield site will however experience a headcount reduction of around 23 to size the site appropriately to support the new business. Volunteers will be sought in the first instance and if the numbers either exceed or fall short of the required numbers, a matrix selection exercise will be undertaken. UNITE have argued that in the event of insufficient volunteers, the bank should first look at the possibility of Voluntary Job Matching (VJM) opportunities. VJM is where a member at risk is able to match across to a job role of an individual not at risk, enabling them to leave on Voluntary Redundancy and the at risk individual undertaking their role. Such moves however are subject to an appropriate match in respect of location, skills, grade etc. The bank have agreed to further consult with UNITE in the event that insufficient volunteers are received. A number of new roles will be created in Manchester and there will be no redundancies in Manchester as a result of the work migration.

Global Restructuring Group

The Group have identified 49 job roles from the existing GRG population that will be in scope of the transfer to Santander, which will be drawn from a headcount of circa 220 across the Manchester, Leeds, Birmingham and London offices. The newly divested business will have GRG offices within Manchester, Birmingham and London. Work related to the divested business that is currently managed out of the Leeds Office will be conducted out of the Manchester Office and conversations are on-going with the Group in respect of the reasonableness of a transfer from Leeds to Manchester. RBS have stated that they have been able to identify the roles that will be in-scope and this will be communicated to impacted employees between the 4th and 6th of August.

Unite Comment

The announcement of the successful bidder for the 318 Retail Branches and associated businesses will be a relief for members following months of speculation; however it will produce fresh concerns amongst members in terms of what their transfer terms will look like and what plans Santander have for the business. Members will take some comfort that Santander is an existing and major player within UK financial services, plus an established global organisation. Another positive is that Santander already recognise across its existing UK operations, a sister trade union called Advance and as such UNITE would look forward to a constructive relationship with Santander moving forwards. What must be called into question though is the decision of the European Commission to force the disposal of these key assets in the name of boosting competition. UNITE are not supportive of the divestment programme and the union struggles to understand how the divestment of the 318 branches to an organisation with already 1,300 branches in the U.K boosts competition or provides greater diversity on the high street.

That being said this is a criticism of the European Commission and it is wholly understandable why Santander would look to acquire such a well-established and successful branch network. As stated above UNITE looks forward to meeting and engaging with Santander to understand their plans for the business; however UNITE will be placing the protection of terms and conditions, as well as job security at the top of the agenda.

The job losses within Sheffield are the first that have been experienced as a direct result of the divestment process and another unwanted consequence of the European Commission's decision to order the disposal of key assets. It is also disappointing that RBS rejected UNITE's request that the new roles within Sheffield, which would represent a promotion for many of the staff within that site, be advertised on a closed basis and only be available to impacted members in Sheffield in the first instance.

In terms of the divestment allocations, it is fair to acknowledge that the decision to put up for sale key business assets was out of the hands of the bank and one reluctantly accepted by RBS; however the bank are responsible for the conditions that gave rise to the E.C decision, i.e. massive state funding. Clearly staff will have to transfer under the agreement reached with the E.C to ensure that the new organisation is viable and competitive; however it is important to ensure that any such allocation is undertaken fairly, equitably and transparently. Any members who believe that they have been unfairly allocated should in the first instance have a discussion with their line manager and contact the union if these discussions are unable to resolve the issue.

Are you in Scope?

If members have been identified as being allocated and therefore in-scope, it is important that leading up to the transfer that we begin to identify which members will be transferring to the new employer. This enables the union to communicate directly with its members within a given institution and will ensure that post-transfer you do not continue to receive UNITE RBS communications. If you are in-scope, please e-mail your name, membership number (if known) and home address to rbsinfo@unitetheunion.org

UNITE Representatives

UNITE are always seeking members to take on one of the four UNITE Representative Roles i.e. Workplace, Union Learning, Safety and Equality. It is particularly important within those areas earmarked for divestment and it is vital that union organisation is improved in advance of any change of ownership. Any UNITE members interested in finding out more about becoming a UNITE Representative, please contact the UNITE RBS Helpline or e-mail rbsinfo@unitetheunion.org

UNITE Updates

If you would like to receive regular updates electronically from the union, please e-mail, along with your membership number (if known) and home address, from your preferred e-mail address to rbsinfo@unitetheunion.org

Not a Member?

Join Unite's two million members and have a voice on this and other issues, as well as receiving support, advice and representation, for £10.96 a month for full time staff and £4.98 per month for part time staff working less than 20 hours a week. Membership forms can be obtained by phoning 0845 850 4242 or e-mailing rbsinfo@unitetheunion.org, plus you can join on-line at www.unitetheunion.org

Stuart Davies & Alison MacClean – Joint Lead Officers

Helpline – 0870 241 4425

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