

Business Services – Strategic Review Further Major Job Loss Announcements

On Thursday 2nd September, the Royal Bank of Scotland Group announced the next phase of its Strategic Review in Business Services which will result in a further reduction of 3500 UK job roles across Business Services Operations and the Technology Services Division.

Background to Announcement & Rationale

Members will be only too familiar with the previous announcement of 9000 global job losses in Business Services back in April 2009. Since that time the bank has been restructuring, not only in Business Services, but across every Division. These latest announcements brings the total of UK jobs lost since the start of the Strategic Review to a staggering 21,500.

Whilst the bank asserts that their recovery plan is on track, they have stated that it will take up to 5 years to get back to health and to reach a state of stability. These reductions are driven by a number of factors, i.e. Process redesign via the “Lean” programme, customer automation/self service, common technology platforms and review of work locations. In addition one third of the losses are directly attributable to the European Commission’s ruling to dispose of the RBS Branch Network in England & Wales and Nat West Scotland. The bank state that they can no longer support or invest in what they believe to be a broad, fragmented network of centres which are already running under capacity in some cases, nor can they invest in these centres.

Within Technology Services (TS) members have already taken a significant impact losing 600 roles in the first tranche of the Strategic Review and more recently the Targeted Voluntary Severance exercise resulted in a further reduction of 200 roles. The bank’s proposals to cut a further 1000 TS jobs centre around their desire to create a new global operating model which will see upwards of 500 jobs off-shored to operations in India, Singapore and the US and a continuation of an increase in operational efficiency in the UK. Around 150 TS roles will also be created in the UK.

This latest blow has only renewed the concerns and fears of Unite members and staff in Business Services and across the wider Group.

Impact of Changes

The bank will close or withdraw their Business Services Operations from 12 of their UK sites, a further 3 are under review and 10 will be retained. This will result in 2500 job losses, the closure and site consolidation programme will take place from Q2 2011 through to the end of 2012 with the following sites in scope:

Business Services Exits:

Enfield Baird Road	Q2 2011
Borehamwood Shenley Road	2012
Plymouth St Andrews Cross	2012
Bradford Filey Street	2012
Harrogate Retail Ops Central House	Q2 2011
Harrogate GTS Ops Central House	Q3 2011

Full Property Exits:

Bolton Ashton House*	Q3 2011
Leeds Victoria Place	Q2 2011
Milton Keynes Silbury Boulevard	2012
Telford Kendal Court	2012
Bristol Aztec West	2012
Liverpool Wavertree	2012
Norwich Pinetrees Road	2012

**Staff will move to Bolton Parklands*

In addition sites under review are Leicester, Nottingham & Southampton. There are a number of factors influencing the future of these sites including work being undertaken linked to the UK Retail Bank and the amount of resource that will be required to support the bank's debt management operations.

Retained sites are Birmingham Brindley Place, Bolton (Parklands), Chatham, Edinburgh Drummond House, Greenock, London (Aldgate & Premier Place), Manchester Hardman Boulevard, Rotherham, Southend & Menai. The proposal for these sites is that they will in many cases become specialist centres of excellence with proposals to grow existing operations. Whilst London will be a retained location, it is also anticipated that some roles will be lost from Aldgate & Premier Place as well as the bank's Cash & Coin operations.

The broader detail around impacted TS roles is largely unknown at this time however the main populations sit within Edinburgh and London and Unite has pressed the bank for further clarification on what roles within TS are at risk and have urged them to communicate further to all staff in TS as a matter of urgency. In addition Unite has urged the bank to allow wherever possible those staff who were declined as part of the recent Targeted Voluntary Service (TVS) exercise to exit the bank in advance of putting roles at risk unnecessarily.

Unite Comment

Unite view this latest announcement as a “horror story” but one that our members and all staff across the Group are sadly all too familiar with. Whilst at long last we welcome the bank providing clarity and job security to members in retained sites and to advising the overall plan for the Strategic Review activity across Business Services, Unite are shocked at the scale of the losses. Just last month the bank reported half year profits of £1.1Bn which undoubtedly went some way in boosting confidence, however within weeks it appears yet again that those very staff who the bank acknowledge bear no responsibility for the Group’s near collapse are paying the price once again with their jobs.

Unite retain a position of opposition to all Compulsory Redundancies (CRs), especially those that are driven by offshoring roles outwith the UK, the bank has however given a commitment that no customer facing roles will be offshored as part of their plans.

Our job now is to ensure that we do everything possible to minimise the impact of CRs and to challenge the bank every step of the way. Early dialogue has already taken place on both improving the existing redundancy mitigation measures and to introducing new measures that will make it more attractive for those members at risk to consider staying with the Group. The bank has stressed that they are committed to redeploying as many impacted staff as possible and clearly it is in their interest to retain key skilled staff who have remained loyal and committed and provided excellent customer service during the bank’s ongoing difficulties. Regional redeployment forums will be established with key input from Unite, we will also seek to use our influence through our network of sponsored MPs to minimise the impact on local communities who will undoubtedly also be affected by these announcements.

As mentioned, one third of the losses are attributed to the divestment of 318 branches. Whilst Santander is an established operation with its own infrastructure in place, Unite has serious concerns and will be raising searching questions as to why Santander do not appear to require the majority of RBS’ existing business services staff who provide support to around 1.8 million UK customers.

Whilst our immediate concerns are with those members whose future job security is now in jeopardy, Unite are also deeply concerned about those members who are left behind to drive the bank’s recovery. Unite has stressed to the bank that they now need to seriously think about their future operating model and how it impacts on all staff when they turn up to work every day. The bank has committed to making RBS a great place to work again but acknowledge there is much hard work to be done in getting there.

What Next?

The bank is undertaking detailed planning, following which a series of consultation meetings will take place with Unite to discuss the specific site by site impact. Unite is acutely aware that members will want clarity on their own personal situation as soon as possible and we will be pressing the bank to ensure staff communication and support is robust during this period of continued uncertainty.

Your trade union has requested further clarity on the site by site plans and impact on headcount reduction, including an overview and analysis of potential redeployment opportunities between sites and to other parts of the Group.

It is anticipated that the first phase of consultations on the Q2 2011 closures/exits as well as some of the TS impacts will take place next month at which time Unite will communicate with all members in these areas. Unite will also be undertaking a series of site visits to all impacted sites, details of which will be forthcoming in due course.

If members have any questions or concerns regarding these latest announcements they should be directed in the first instance to your Line Manager; however in the event that this proves unsatisfactory or the query remains unresolved please contact the Unite RBS Helpline on 0870 241 4425 or email rbsinfo@unitetheunion.org

Unite Representatives

Unite is always seeking members to take on one of the four Unite Representative roles, i.e. Workplace, Union Learning, Safety and Equality

Any Unite members interested in finding out more about becoming a Unite Representative please contact the Unite RBS Helpline or email rbsinfo@unitetheunion.org

Unite Updates

If you would like to receive regular updates electronically from the union please email from your preferred email 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

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