

# Working for you in RBS



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## FINANCE TRANSFORMATION PROGRAMME WAVE ONE COMMENCES

RBS announced today (21st June) the commencement of Wave One of the Finance Transformation (FTP) Programme with initial impacts being experienced within Retail Finance, with further announcements to come. As part of the wider FTP, a number of Enhanced Redundancy Mitigation Measures (ERMMs) have been agreed, including a comprehensive and proactive Enhanced Redeployment Process (ERP). The overall headcount impacts within Retail Finance are 66 surplus roles; however 51 new roles are being created within the new structure.

### Background to FTP

As part of the strategic review, the Finance Function undertook an extensive review of its operations and engaged the services of KPMG and McKinseys, who identified a number of strengths and weaknesses within the current Finance Function. The Finance Function in RBS was deemed to be fundamentally sound and of high quality, but was viewed to be carrying excess costs and as being 30% less efficient than relative functions operated by the bank's competitors. Other weaknesses identified included a history of under-investment in technology and inconsistency in processes, with each division operating in silos, undertaking work differently from division to division and sometimes undertaking duplicate work.

The FTP aims to reduce the overall global cost base of the Finance Function by between 20-30%, when combined with the cost reductions achieved through divestments, the running down of Non-Core businesses and other initiatives already underway, which currently expect to deliver a significant proportion of this cost saving. To achieve this, the Group are enacting six different workstreams across Finance, which includes significant capital investment in new technology, Lean and expanding service centre coverage globally. The programme is anticipated to take 3 years, with residual impacts flowing into 2014/15.

### Retail Finance

RBS have announced a structural change within Retail Finance which aims to improve customer service through focused relationship management and the development of a business partner model. The bank argue the new structure will deliver more clarity, better and clearer career paths, as well as overall being better for customer, shareholders and staff employed in Finance. A key element of the Retail Finance restructure is the concept of Lean, eradicating unnecessary meetings, standardising processes and looking at cost management, such as reducing report production.

### Headcount Impacts

The overall headcount reduction of the Retail Finance restructure is 66 roles and 51 new roles being created. The greatest impact will be felt by staff at IC3 and IC4 level with 36 and 24 surplus roles respectively with 11 (IC3) and 26 (IC4) new roles being created. Roles in the new structure are classed as either Suitable Alternative or Alternative Roles, with staff being pooled for Suitable Alternative roles, where appropriate. Where individuals are unsuccessful in the selection for a Suitable Alternative role, they will have the option to apply for an Alternative role.

### Next Steps and Approach to Avoiding Redundancies

Members impacted by the FTP will have a one to one with their Line Manager to discuss the implications of the announcement upon them and their job role. Members will have the opportunity to state a preference for Voluntary Redundancy, where appropriate to be pooled for selection or where there are no pooling opportunities to opt for redeployment within the Finance function or in the wider Group. Whilst the Group reserve the right to decline an application for Voluntary Redundancy, either due to the desire to retain key skills or because of oversubscription, UNITE does not support a position where members are declined V.R/VER when members in the same pool are being made Compulsorily Redundant.

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As part of the consultation process, a set of Enhanced Redundancy Mitigation Measures (ERMMs) have been agreed, in addition to the standard Group Redundancy Mitigation Measures. Full details of both sets of measures will be made available to staff; however the critical development in respect of these measures lies with the establishment of an Enhanced Redeployment Process (ERP). The process involves a cross function approach to redeployment, identifying job opportunities cross divisionally within Finance, including new roles, vacated roles due to turnover, secondment opportunities and roles currently undertaken by contractors, which could be otherwise filled by permanent staff, thus avoiding redundancies. Again full details of this process will be made available to impacted staff; however this process is a welcome development and represents on paper a more robust approach to avoiding redundancies. Additional benefits of the ERP include guaranteed interviews for roles within Finance, as well as priority in the appointment process for those members at risk over those applying who are not at risk, providing minimum benchmarking for a role is achieved. The only exception to this approach would be where there are an exceptionally large volume of applicants where a desktop de-selection exercise will take place prior to the closest matched staff being interviewed.

## **UNITE Comment**

The Group have a stated position, from the most senior level in the organisation, to do everything possible to avoid Compulsory Redundancies (CRs) and this will include the aforementioned ERMMs and ERP. UNITE have been and continue to be critical that the Group fall short of this commitment and throughout the consultation process, the union has been clear that the success or otherwise of FTP from a staff and headcount perspective lies with how committed the Finance function are to avoiding CRs, the resource provided to this task and how creative the function is willing to be when seeking alternatives.

UNITE are encouraged at the current position in respect of the ERP; however as stated this is a process that appears robust with its effective application being crucial to avoiding CRs. Given the size of the Finance function and the nature of a number of the roles, UNITE believes that the FTP has a real opportunity to achieve the overall headcount cost savings of the programme through voluntary means and UNITE will challenge RBS all the way to ensure that the Group is doing everything to ensure that those members who wish to remain with the organisation are given every opportunity to do so. UNITE maintains a complete opposition to CRs and any members who are at risk and believe that the Group are making insufficient efforts to support them in attaining a role in the new structure, should in the first instance escalate this in line with the ERP. If this proves unsuccessful members in Finance should contact either [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org) or the UNITE RBS Helpline 0870 241 4425.

## **UNITE Representatives**

UNITE has also recently concluded negotiations with the bank on a new and improved UNITE Representatives Agreement. We are 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](mailto: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](mailto:rbsinfo@unitetheunion.org)

## **Not a Member?**

Join UNITE's one and a half 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 21 hours a week. Membership forms can be obtained by phoning 0845 850 4242 or emailing [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org) plus you can join on line at [www.unitetheunion.org](http://www.unitetheunion.org).

**Stuart Davies & Alison Maclean – Joint Lead Officers**  
**Unite RBS Helpline – 0870 241 4425**

**[www.unitetheunion.org](http://www.unitetheunion.org)**