



in the Financial Services Sector

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Chancellor of the Exchequer pledges action on offshoring

Gordon Brown has urged businesses to do more to meet the growing threat to the UK labour market. He vowed to do more to bolster British companies as they fight to retain their grip on key global markets.

Addressing world finance ministers at the annual meeting of the International Monetary Fund in Washington, Mr Brown said that Britain could not compete on cost with this new economic challenge by cutting wages and instead must do far more to improve productivity by boosting the skills of the nation's workforce. He said he would use his Pre-Budget Report, to aid companies in this. The report would "set out the next stage of our long-term policies for equipping the British people with the skills they need to compete in the 21st century", Mr Brown said.

Amicus welcomes the Chancellors statement on offshoring

Amicus has welcomed the Chancellors commitment to raising skills to compete against low cost economies. The union is calling on the Chancellor to join the union in encouraging employers to make greater investments in skills and training for the long term.

The UK is the most prone to service sector overseas competition due to weak labour laws and the widespread use of English in countries like India. Yet the UK currently has the 2nd lowest level of investment in training per head in Europe. Unless there is urgent action to reverse years of under investment in skills the UK service sector faces a bleak future.

If the UK is to benefit from globalisation and free markets then there needs to be a significant change in attitude to skills development from employers. Companies who offshore work to low cost economies often claim that money saved will be reinvested to create higher skilled jobs in the UK. To date not a single company has been able to demonstrate this claim.

Amicus has been at the forefront of raising the unprecedented challenge of overseas competition and the short termist cavalier attitude that employers are taking using

offshoring as a quick fix for the shareholder rather than part of a long term strategic growth plan.

Amicus National Secretary, David Fleming said: “Employers are not making the necessary investments in training and development that is required to meet the challenge posed by India and China. We welcome the Chancellors commitment to focus on raising skills but employers need to be forced to do more and trade unions need to be full stakeholders in this process”.

Amicus launches Offshoring campaign at Friends Provident

Amicus has this week launched an offshoring campaign at the Friends Provident annual delegates conference to challenge the export of UK jobs.

Amicus will set out that they will not accept any offshoring decisions that have been taken purely for short-term financial gains. Friends Provident must prove the business benefits of such decisions and illustrate that there will be overall benefits for all stakeholders including consumers and employees.

Friends Provident, which is one of the leading financial groups in the UK, has been increasing market share in the last year and has recently published excellent Interim results. Amicus are challenging Friends Provident to explain how they can justify offshoring, given the huge uncertainty and insecurity it means for staff as well as the increasing concern for consumers.

Barry Jones, Amicus Regional Officer has said: “Friends Provident has actively positioned itself as an ethical, responsible and community-focused employer and offshoring seems to go against everything they should stand for. By apparently turning their back on loyal staff some of who have worked for FP for many years they are damaging their own reputation”.

More jobs are axed in London Life

Insurance company London Life has announced plans to close the site in Bristol leaving 100 workers jobless. The site, which was one of two remaining in the UK, dealt with life and pensions.

Arthur Taylor, Amicus Regional Secretary for the South West said, “Although this may have been on the cards for some time it is still devastating news for our members at London Life. The loss of even more insurance jobs in Bristol on the heels of Norwich Union cut backs is a huge concern to the local economy.”

CBI survey finds less confidence

The financial services sector has suffered lower volumes, decreasing profits and falling confidence in the latest quarter for the first time in 18 months, the CBI has said. Both

profitability and confidence fell over the last quarter, as firms saw fees fall and unexpectedly cut jobs. Commission income fell at the fastest rate since March 1995. More jobs are expected to be shed over the rest of the year.

Five rises in the base rate since November has slowed the housing market and cut demand for consumer credit. Business volumes in the financial services sector have fallen as a result.

Rise in UK call centre jobs

An IDS survey has found that the number of people working in call centres in Britain has increased. In its annual survey of call centres that companies also expect to add more jobs in Britain in the coming year. It says 58% of organisations reported an increase in call centre employment in the UK in the past year, up from 51% in its 2003 survey. A similar percentage expect to expand their call centre workforce over the coming year while only 5% of companies said they planned to cut the numbers they employed. About 800,000 people work in call centres in Britain out of a workforce of about 28m.

The survey also showed that about one in four call centre staff left their jobs last year, and employees usually stay for about two years.

The typical call centre employs 135 people on an average salary of £15,000 a year, well below the country's average of £24,000 although it was up 3.5% on the previous year. Starting salaries in call centres rose 4.7% as companies tried to attract new workers.
www.incomesdata.co.uk

Training still seen as an extra

Research by Prosell has found that less than 30% of training course participants have discussed their training requirements and expectations with their manager before attending.

The research found that 65 per cent of course delegates understood why they need additional training for their job. However, just 44 per cent understood what they were there to learn or had clear objectives in mind for their training.

Prosell found that most managers were sending their staff on training courses without ensuring that the member of staff understood why they were required to attend and what it was they were supposed to learn. Three-quarters of delegates had not been briefed in terms of their learning aims, expectations or requirements from the course.

Pay rise for low paid workers

Up to two million workers stand to gain from a pay rise from Friday 1st October as new rates for the National Minimum wage come into force. The rule changes mean added protection for people who work from home and a new rate for young people over 16. More than 100,000 homeworkers will be better off by thousands of pounds per year under new rules linking their pay rates to the National Minimum Wage. And for the first

time 16 and 17 year olds who are no longer of compulsory school age will be paid at least 3.00 per hour.

The other increases include:

- the adult rate rise from 4.50 to 4.85 - an eight per cent increase;
- the 18 to 21 year olds rate increase from 3.80 to 4.10 - also an eight per cent increase.

www.dti.gov.uk/

Amicus guidance on new Disciplinary and Grievance Procedures

Amicus has produced new guidelines for reps on the new Disciplinary and Grievance Procedures. This information will be sent directly to reps. Additional information is available from the ACAS website:

http://www.acas.co.uk/about_acas/news.html

Prudential rewards healthy lifestyle

The insurance group Prudential is launching its new PruHealth private medical scheme with a promise that if policyholders eat healthily and keep fit the price of the cover will fall dramatically.

Barclays Commercial Services is to close its office in Reigate next month, with the loss of up to 60 jobs.

Cox Insurance is to quit the premium finance and broker guaranteeing markets and sell its Brokersure division, in order to focus on underwriting and insurance broking.

Tesco is to introduce foreign exchange bureaux into its larger stores, and is also considering plans to move into the mortgage lending market in partnership with Royal Bank of Scotland.

ING Direct is planning to set up a banking call centre in Cardiff, with the creation of 300 jobs.

Smart & Cook has acquired Lindo & Tindale, the Stockton-based insurance broker, and the combined business is expected to be merged into larger premises in 2005.

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