

# Working for you in Royal Bank of Scotland Finance

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## FINANCE TRANSFORMATION PROGRAMME WAVE ONE CONTINUES

**RBS announced today (28th July) further detail of Wave One Consultation of the Finance Transformation (FTP) Programme impacting specific areas within Global Finance Services UK (GFS, UK) (formerly known as Shared Services Finance) and Corporate Banking Division (CBD) Finance functions. 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 impact within GFS, UK are 67 surplus roles and 14 surplus in CBD Finance respectively.**

### 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%. The cost reductions achieved through divestments, the running down of Non-Core businesses and other initiatives already underway, 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.

### Global Financial Services (GFS)

The headcount reductions in GFS are being achieved by making changes to the global finance operating model and will see the bank make use of global service centres. A total of 67 roles will be offshored to India from the Systems and Strategy (SaS) teams currently based in Edinburgh and London with the biggest impact on Senior Analyst (ICM2) and Analyst (ICM1) roles. The bank assert that creating global centres of excellence in the Finance function will help to achieve the operating model efficiencies outlined above and will improve risk management, cus-

tomers focus and create a diverse and multi cultural Finance business globally.

### Corporate Banking Division (CBD) Finance

Again the headcount reductions and cost savings in CBD Finance are being achieved by offshoring 11 permanent and 3 temporary roles from the London based Regulatory Production Team and GTS MI Team to India.

### Headcount Impacts

There are 118 roles impacted within GFS, UK, with the majority of employees being placed at risk of redundancy. The overall role reduction in GFS, UK is 67, with 51 roles remaining in the UK which can be undertaken in either Edinburgh or London with pooling selection undertaken for remaining roles. The exit dates will be in 2 phases: at the end of December 2011 and June 2012. All employees impacted will be offered voluntary redundancy as well as being considered for roles in the new structure.

In CBD Finance all 14 roles are displaced outright and will not exist in the new operating model, all staff will therefore be placed at risk of redundancy with exit dates of late 2011. It is also anticipated that future phases of the FTP will impact further on CBD Finance and GFS, UK at which time the bank will consult further with UNITE.

### Next Steps and 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 VR/VER when members in the same pool are being made Compulsorily Redundant.

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 and 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.

UNITE retain a position of complete opposition to the offshoring of UK based roles and any CRs that may result. For many years UNITE has attempted to persuade RBS to enter into an Offshoring Agreement with at its heart a commitment to avoiding CRs, however to date the Group has been unable to provide such a com-

mitment. Given that we are seeing offshoring activity ramp up across the Group we have once again asked the bank to enter into dialogue about an Offshoring Agreement and discussions are at an early stage.

Whilst UNITE recognise the Group's ongoing difficulties as it continues with its Strategic Review, it is quite simply unacceptable for an organisation that was rescued by the UK taxpayer to now be offshoring roles to cheaper wage economies and placing our members in the UK at risk of redundancy. It is therefore imperative given the nature of this restructure that the bank pull out all the stops to redeploy those individuals who wish to remain with the Group. UNITE will also support our members through the redeployment process and we will continually engage with the bank to ensure they maximise redeployment opportunities every step of the way. 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 the UNITE RBS Helpline **0870 241 4425** or **rbsinfo@unitetheunion.org**.

## Unite Representatives

UNITE last year 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**

## 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**

It is also important that members ensure that your membership details are up to date and accurate, i.e. home address, workplace address, whether you are full time or part time etc. If you believe that your membership details are out of date, please also e-mail **rbsinfo@unitetheunion.org** with your updated details, alternatively you can contact your local District Office by phoning **0845 850 4242** or logging onto 'My Unite' at the website **www.unitetheunion.org** where you can update your own details.

## 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** plus you can join on line at **www.unitetheunion.org**

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