

PROJECT BLUE - MAJOR RESTRUCTURE OF LTSB ASSET FINANCE DIVISION & HBOS ASSET SOLUTIONS

Today (23rd April) Lloyds Banking Group has announced the integration of parts of the LTSB Asset Finance and HBOS Asset Solutions businesses, representing the first major Lloyds Banking Group integration. This restructure will result in significant job losses, with the headline details being:

- A reduction in the Dealer Sales population across both LTSB and HBOS of 219 from a total of 600
- A reduction in the Non-Dealer Sales population within HBOS of 58, mainly impacting Chester, Bishopsgate and Gatwick
- A major impact in Operations within HBOS with a reduction of 198 roles in Speke in 2009 and, whilst no final decision has been made by LBG there are a further 188 roles at risk in Chester, with a modest (43) increase in roles at AF Cardiff
- Potential centralisation of Collections activities into AF Edinburgh. Again whilst no final decision has been made by LBG this could result in the closure of HBOS Collections in Chester (149 roles) and plans have been drawn up for the closure of the four AF Regional Collections Centres (Sutton Coldfield, Leeds, Maidstone and Bolton impacting circa 89 roles), with the Llansihen RCC to be disestablished and absorbed into St William House. The Edinburgh RCC in Orchard Brae is unaffected.
- The adoption of the Blackhorse brand and operational platform for the affected LBG Asset Finance businesses

COMPANY RATIONALE

Members in HBOS Dealer Finance will be aware that this business area has been under review for some considerable time and LTSB AF members will be recall the significant headcount savings already made

through Project Birch. LBG have detailed increasingly difficult trading conditions within the Asset Finance environment as the main driver behind this restructure and why the Asset Finance businesses have kicked off the integration activities within LBG. LBG have however stated that despite the major restructure LBG remains committed to a significant and successful Asset Finance business which will play a vital role within the future LBG.

MANAGING REDUNDANCIES

In consultation with the company, Unite have agreed a number of measures to help realise LBG's commitment to avoiding compulsory redundancies wherever possible. These include:

- The opportunity to apply for voluntary severance for impacted members
- Re-deployment opportunities to be fully explored for members wishing to remain with the company
- LBG to explore the possibility of suitable bumping opportunities or knock-on redundancies, where skills and geography broadly match up

Unite is opposed to compulsory redundancies and will work with LBG to take every available measure to avoid any such redundancies, ensuring that members at risk of redundancy who wish to remain in the employment of the group are given every opportunity to do so.

Working for you in Lloyds Banking Group
STUART DAVIES & WENDY DUNSMORE - LEAD OFFICERS

SELECTION PROCESS

The selection processes and methods for the Asset Finance integration have been discussed with Unite and continue to be discussed at Group level. A large number of the roles will be subjected to a desktop selection process; where as more senior roles will be selected via interview. The selection processes being used have been challenged and debated extensively, with Unite strongly emphasising that any desktop exercise where two different organisations and thus two different Human Resources approaches are being brought together need to be managed objectively, fairly, robustly and with transparency to avoid unfair selection outcomes. Members who believe that they have been unfairly selected for redundancy should contact the union as detailed within this newsletter.

LBG have also ring-fenced a number of roles within the Dealer Sales population, mainly from LTSB Asset Finance, which will mean that those members will not be subjected to a selection process, but will be able to express an interest in voluntary redundancy. LBG have taken this action to ensure that the newly integrated Asset Finance business retains core skills in key roles. Unite has raised and will continue to raise concerns regarding this approach as it reduces the number of Dealer Sales roles available for the non ring-fenced population, as well as the majority of the ring-fenced roles being from LTSB Asset Finance.

UNITE REACTION

Whilst headcount reductions were inevitable following the creation of the LBG, any job losses are met with disappointment and concern. Given that this represents the first integration activity in terms of job losses, it is crucial that LBG can demonstrate that this activity can be managed effectively, whilst realising their commitment to avoid compulsory redundancies wherever possible. It will also send out a clear message to all members as to how LBG are going to manage change programmes going forward.

Through continued consultation Unite will be seeking to reduce the number of redundancies and ensuring that the company explores and utilises every avenue to avoid compulsory redundancies. Unite will fully support any members impacted by this announcement and will continue to oppose any compulsory redundancies.

NEXT STEPS

Members will be advised of the impact of the announcement upon them and where appropriate one to one meetings will be undertaken to discuss preferences. LBG will continue to consult with Unite throughout this integration exercise and members with any concerns or queries should raise this in the first instance with their line manager, however if this does not resolve the issue, members should contact the union. Unite will also undertake visits to the impacted sites or be in attendance at the announcements

NOT A MEMBER?

Join Unite's two million members either on on-line at www.unitetheunion.com or contact the union on 0845 850 4242 for a membership form.

UNITE CONTACTS

LTSB Helpline - 08081 449595

Greig Brown (LTSB AF Workplace Rep) - 0131 311 2775

Moy Roberts (LTSB AF Workplace Rep) - 07768 724 131

Colin Percy (HBOS Senior Workplace Rep - Scotland) - 0141 308 7844

Amanda Whele (HBOS Senior Workplace Rep - England & Wales) - 01244 694 649