



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

FINANCE TRANSFORMATION PROGRAMME

RBS announced today (8 March) broad, headline details of the Finance Transformation Programme (FTP), initial details of which were communicated to staff in 2010. The FTP will have a cross divisional impact, given the nature of the Finance Function in RBS being embedded across all divisions of the Group. The impacts of the FTP will be felt globally; however this newsletter concentrates on developments and potential outcomes in the U.K over the 3 year period of the programme.

BACKGROUND TO THE ANNOUNCEMENTS

As part of the strategic review, the Finance Function undertook an extensive review of their 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.

FINANCE TRANSFORMATION PROGRAMME

The FTP aims to reduce the overall global cost base of the Finance Function by between 20-30% and to achieve this the Group are enacting six different workstreams across Finance. Full details of these have been communicated today to members and will include significant capital investment in new technology, Lean and expanding service centre coverage globally. It is the latter two areas that will undoubtedly receive the most attention and focus of UNITE over the course of the 3 year programme.

LEAN PROCESSES

Lean is a concept that has its roots in the Japanese Car Industry and one which seeks to eliminate unnecessary processes and procedures or to streamline existing ones and develop more time efficient processes. Lean has been enthusiastically introduced to a number of divisions of RBS, most notably Retail and Business Services.

As part of the FTP the Group want to remove wasteful activities and create capacity for value added services, with a view to reducing the cost base of Finance, directly attributable to Lean, by no less than 15%. During initial discussions with RBS the question was raised as to the potential headcount impact of Lean within Finance; however the business have stated that until Lean is rolled out across the function, the extent of headcount reductions, if any, directly related to Lean will not be known.

As stated UNITE have seen Lean roll out across the Group, but significantly so within Retail and Business Services, with significant headcount reductions being made within the Retail Branch Network as a direct result of Lean; however to date these have been managed solely through volunteers or attrition. Lean in Business Services continues to develop and an article appears in the latest edition of Catalyst on Lean within this division and Catalyst will be sent to all RBS UNITE Members at their home addresses during March or can be accessed at

www.unitetheunion.org.

UNITE holds major concerns as to the potential headcount impact of Lean given previous experience elsewhere in the Group and also the ambitious cost base reductions of no less than 15%; however what, if any impact will not be known until further meetings take place with the Group and as the Lean initiatives are rolled out.

GLOBAL SERVICE CENTRES

The FTP announcement references "having a robust global footprint that includes the UK, Singapore, Poland and India" before detailing plans to expand operations in India and Poland, whilst "retaining a significant, but smaller operation in the UK".

These plans are clear proposals to offshore work from the U.K. to other jurisdictions that RBS operate from; however again the scale and impact of such moves in the U.K. are currently unknown. UNITE's full position in respect of Offshoring is detailed in an extensive article in the aforementioned Catalyst; however UNITE do not and will not support the loss of U.K. jobs to lower waged economies as part of a cost saving drive, particularly in light of the massive U.K. taxpayer support that RBS has received. UNITE will robustly oppose any Compulsory Redundancies resulting from a reduction in U.K operations and will challenge the proposals of the Group as these develop via the consultation process.

UNITE COMMENT

UNITE welcomes the early and regular communication around the detail of the FTP; however the flip side to these broad, headline communications is that they often pose more questions than answers. It would be irresponsible for UNITE to speculate as to the impacts of the FTP; however the union harbours clear concerns pertaining to the potential headcount and operational impacts of the programme.

UNITE will be fully involved in the consultation process with RBS throughout the lifetime of the FTP and will be ensuring that every measure is taken to ensuring that

members who wish to remain with the organisation post FTP are given every opportunity to do so and will robustly challenge the business rationale behind any headcount reductions.

UNITE will communicate with members within Finance throughout the process via newsletter and if you wish to receive electronic updates, please follow the guidance below.

UNITE also want to hear from members in Finance regarding the FTP and you can direct feedback to 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

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

Unite
March For The Alternative
Unite the Union says no to unfair and unnecessary spending cuts which are damaging services and communities across the country.
Saturday 26th March • 11am
Assemble - Victoria Embankment
London Regional transport is available for Unite members and their families
Join the march with thousands of others to send a message to the Coalition Government that there is an alternative to the spending cuts.

There is an alternative
Don't Break Britain
Saturday 26th March 11am
Unite

DON'T BREAK BRITAIN
CUTS KILL COMMUNITIES

unite
the UNION

For more information on the march and transport from your region please visit:
www.unitetheunion.org/marchforalternative