

# 600 JOB LOSSES ANNOUNCED

## MAJOR IMPACTS IN NOTTINGHAM & PETERBOROUGH

***Following the announcement in May by the Group of the intention to reduce headcount across RBS Insurance by 2,000 within 12 months, the Group have today (27 July) announced their proposals to account for in excess of 600 of the reductions. The proposals will have an impact across Nottingham, Peterborough, London (Crown House), Bromley and Liverpool. In addition the Group have announced the withdrawal from and closure of Avalon Court in Nottingham.***

### Background to the Announcement

In May the bank pointed to an increasingly tough economic environment and competitive market place that impacted the profitability of the Insurance Division, as a driver for the announced headcount savings.

The latest announcements centre on two elements, one being RBSI discontinuing the provision of Insurance products to Tesco Bank, which follows Tesco taking full control of Tesco Personal Finance in 2008. The second relates to RBSI withdrawing from NIG Personal Lines, which means that NIG will cease writing Private Car, Motorcycle, Home, Pet and Travel Insurance through brokers.

### Tesco Bank

Following the acquisition by Tesco of 100% of the Joint Venture, Tesco Personal Finance in 2008, RBS have continued via numerous agreements to provide products and operational support to the newly branded Tesco Bank from across the Group. Tesco Bank has served the appropriate notice to RBSI to cease the partnership that has seen RBSI continue to provide Insurance products.

RBSI currently support the Tesco Bank partnership from a number of sites, but the bank propose to undertake some work migration, transferring non-Tesco work out of Avalon Court in Nottingham to other sites, whilst transferring Tesco work into Nottingham from other RBSI sites in advance of the closure.

The bank proposes at the cessation of the partnership with Tesco Bank to cease writing new business and then close the Nottingham site with an impact upon circa 300fte roles. Avalon Court is due to close no earlier than 16 October 2010; although there is a possibility that this date will change. The bank's rationale for the closure of Avalon Court is the opportunity to reduce headcount in line with their announcement in May 2010, as well reducing technology costs and also the Group's property portfolio by disposing of the Nottingham site. Depending upon the closure date and the length of service of impacted members, some individuals may receive Payment in Lieu of Notice (PILON) in the event that their notice period would otherwise extend past the closing date for the site.

There is also an impact within Peterborough, removing Sales activity within this site and migrating the work to

other sites. The bank claims that this move will mitigate redundancies at other sites, as well as make significant savings in respect of technology. Those staff at sites in Bristol, Doncaster, Ipswich, Leeds and Pudsey who are currently engaged on Tesco work will be re-assigned to alternative work of a Suitable Alternative nature.

### TUPE Transfer?

The bank have been questioned as to whether TUPE would apply in respect of those members losing their jobs as a result of the end of the Tesco Bank contract and whether members should indeed be transferring under TUPE to Tesco Bank. RBS have indicated that neither they nor Tesco envisage the need for RBS staff to transfer to Tesco Bank. In addition, Tesco Bank's main operations are within Edinburgh and Redhill, therefore it is unlikely that Tesco would seek to maintain a presence within Nottingham in the event of any staff transferring. UNITE have not currently pressed this point with the Group, on the assumption that members would rather be made redundant or seek re-deployment with RBS, rather than do likewise with Tesco. The bank has been advised however that the union may revert to them on this point.

## NIG Personal Lines

The bank have pointed to the fact that NIG Personal Lines, which operates solely in the broker channel, has been loss making for the last 3 years, with a shrinking book and increasing capital requirements as the drivers for the restructure announced, as well as being a business that is operating within a poor performing sector of the Insurance industry.

The decision by RBSI to withdraw from NIG Personal Lines will impact circa 250fte roles, with the main impact being felt within Peterborough, although sites in Liverpool, London (Crown House) and Bromley will be affected, along with some peripatetic roles.

There will be some limited pooling for roles in Peterborough and London; however this will only marginally reduce the number of overall potential redundancies. A small number of roles in Bromley and London have also been mapped to Suitable Alternative Employment vacancies, modestly reducing the number of redundancies.

## Next Steps

RBS are not formally consulting with UNITE on these changes; due to the fact that UNITE is not recognised across the majority of the Insurance Division for the purposes of Collective Bargaining. Whilst the Group are conducting consultations with the Employee Representative Bodies, UNITE maintains dialogue with the Group regarding these changes, as well as making proposals to mitigate the number of redundancies.

Those staff placed at risk as a result of this announcement will have a one to one to discuss the options available to them. As the announcement involves the closure of a site and significant headcount reductions, there will be limited re-deployment opportunities and a real threat of significant Compulsory Redundancies (CRs). Individuals will have the opportunity to volunteer for redundancy or seek re-deployment. UNITE have challenged the Group in respect of exploring the potential for Voluntary Job Matching (VJM) opportunities within Insurance and across other divisions of the bank, this is something that the bank have

undertaken to explore.

VJM is where a member at risk is able to match across to a job role of an individual not at risk, enabling them to leave on Voluntary Redundancy and the at risk individual undertaking their role. Such moves however are subject to an appropriate match in respect of location, skills, grade etc.

UNITE has agreed a number of Group wide redundancy mitigation measures with the bank to further reduce the potential for CRs, full detail of these measures will be provided to all at risk employees in their Employee Communication pack and should be discussed in detail with line management in the first instance. The bank has indicated that relocation assistance maybe available for members seeking re-deployment opportunities which would require a significant change of location. During discussions, RBSI have also confirmed that travel assistance would be available for re-deployment opportunities that are not within a reasonable travelling distance. For those who do leave the bank's employment, full outplacement support will be provided.

## Unite comment

Despite members within RBSI bracing themselves following the announcement of the 2,000 job losses, this latest announcement represents a bitter blow to hard working staff within the Insurance Division. The impacts of the announcement will be felt hardest within Nottingham which is closing and Peterborough which is experiencing a significant headcount impact.

RBS will no doubt argue that these announcements are not linked to the financial crisis that has afflicted the Group for the last 18-24 months, as it relates specifically to a competitive market and tough trading conditions. However UNITE believe that the circumstances that have given rise to these announcements i.e. the original disposal of Tesco Personal Finance and the need to reduce costs and increase profitability in advance of any disposal of RBSI have their roots firmly planted in the crisis that has gripped the Group. As a result, yet again members of staff who in the Group's own words bear no responsibility for the financial difficulties experienced, face the prospect of paying the price with their job.

UNITE maintains a position of complete opposition to CRs and will hold the bank to account to avoid such redundancies and if any members wishing to remain with the Group feel that they are receiving insufficient support in acquiring a new role, they should contact the union via the UNITE RBS Helpline. UNITE will doing everything possible to ensure that members wishing to remain with the Group are given every opportunity to achieve this. Equally if any members impacted by the announcement have any concerns or issues, i.e. the alternative duties or role offered is not considered Suitable Alternative Employment, then you should also contact the UNITE RBS Helpline.

## UNITE Representatives

UNITE is always seeking members to take on one of the four UNITE Representative Roles i.e. Workplace, Union Learning, Safety and Equality. It is particularly important within those areas earmarked for divestment and it is vital that union organisation is improved in advance of any change of ownership.

Any UNITE members interested in finding out more about becoming a UNITE Representative, please contact the UNITE RBS Helpline or e-mail [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org).

## UNITE Updates

If you would like to receive regular updates electronically from the union, please e-mail from your preferred e-mail address to [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org)

## Not a Member?

Join Unite's two 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 20 hours a week. Membership forms can be obtained by phoning **0845 850 4242** or e-mailing [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org), plus you can join on-line at [www.unitetheunion.org](http://www.unitetheunion.org).