



JOB LOSS ANNOUNCEMENT: TECHNOLOGY SERVICES – GLOBAL INFRASTRUCTURE SERVICES & TS RISK AND SECURITY

Following the announcement by the Group on 2 September of the loss of a further 3500 roles within the Business Services Division, today the bank have communicated the specific impact of an overall reduction of around 580 permanent UK Technology Services Global Infrastructure Services (TS GIS) and a minimum of 60 UK Contractor roles. In addition the bank has also announced the reduction of a small number of roles in TS Risk & Security.

Part of today's announcement are plans to transfer a number of Desktop Transformation and Network Services Roles to Fujitsu Siemens and Accenture respectively.

Background to Announcement

Since the start of the bank's ongoing Strategic Review a staggering 21,500 UK job losses have been announced across the Group. At the time of the announcement in September it was anticipated that a reduction of a further 1000 TS UK roles would take place between now and 2012 impacting both the Global Infrastructure Services (GIS) and Global Development Services (GDS) areas within TS. However this number has dropped to around 850 roles overall and today's announcement confirms the final substantive impacts of job losses within TS arising as a direct result of the Group's ongoing strategic review.

Whilst the bank asserts that their recovery plan is on track, they have stated that it will take up to 5 years to get back to health and to reach a state of stability. Within TS members have already seen a significant impact losing 600 roles in the first tranche of the Strategic Review and more recently the Targeted Voluntary Severance exercise resulted in a further reduction of 200 roles. The bank's proposals to cut a further 850 TS jobs (including the recent GDS announcement) centre around their desire to create a new global operating model which will see around 700 jobs offshored to operations in India, Singapore and the US and a continuation of an increase in operational efficiency in the UK.

Impact of Changes and Rationale

The job losses will result in around 870 permanent UK GIS TS staff being placed at risk of redundancy from a population of around 1860 and will be realised by changes to the target operating model and by transition of work to offshore locations.

Workload transition to overseas locations will result in a reduction of 516 permanent roles, with operating model efficiencies resulting in a further 70 job losses. It would be impossible to go into the detail of each and every role that is impacted however most of the roles which fall within GIS Data Centre Services, End User Computing, Global Services Delivery Management, Strategy, Architecture & Engineering as well as a small number of PA/Secretarial roles will be put at risk of redundancy.

During consultations the bank advised Unite that they wish to develop and create a global operating model for GIS management and associated support roles. By adopting "follow the sun" principles the bank believes this will allow them to operate more effectively across global time zones whilst at the same time realising cost reductions and being close to their customers and vendors. The bank asserts that whilst some strategic Infrastructure roles will remain in the UK, it is more efficient and cost effective to locate

many of the current UK based Infrastructure roles alongside existing Application Development roles in India. A further impact of moving roles offshore will be the reduction of out of hours and associated on call payments. At present the specific impact is unknown however the bank has committed to sharing further detail with Unite in due course.

Work will transition to offshore locations in phases starting Q2 2011 through until Q4 2012 with the bank advising that detailed planning of work transition will be significantly advanced by February 2011 at which time they will be in a position to provide greater clarity to members which transitional phase they will be part of. Roles that are being streamlined or stopped as a result of operating model efficiencies will be phased from Q2 2011 to Q4 2011.

Transfer of Work to Fujitsu Siemens & Accenture

As part of the bank's operational efficiencies they have also announced the transfer of 33 Desktop Transformation roles to Fujitsu Siemens (FS), the transfer is expected to take place in April 2012. The staff in scope will be included in the wider GIS VR register. Consultations on the transfer terms and conditions have not yet commenced and Unite will communicate further to members within scope of the transfer in due course.

Further to the previous transfer of Network Management roles earlier in 2010, the bank has also confirmed that greater efficiencies can be realised by outsourcing a further 10 permanent roles to Accenture. At present the proposed transfer date is still under discussion and once again consultations on transfer terms have not yet commenced. However it is anticipated that the previous transfer terms will be replicated for those who now find themselves in scope of transfer.

TS Risk & Security

A review of the operating model within TS Risk & Security has also been undertaken with the bank focusing on the restructure of their Global IT Security Team as well as rebalancing the resources in their Central UK Reporting, Planning & Initiatives Team. As a result of operational efficiencies and workload transition 11 permanent roles will be lost in 2011 with 6 alternative UK roles being created. A number of Contractor roles will also be lost.

Unite Comment

At the time of the announcement in early September Unite described this as a "horror story" but one that our members and all staff across the Group are sadly all too familiar with. Members and all staff in TS have endured a long period of change and uncertainty which has ultimately resulted in a large reduction of the UK TS footprint and now the first direct offshoring activity. Unite are strongly opposed to the bank's plans and through consultation have raised challenges and serious concerns about the bank's proposed global operating model. The offshoring of UK roles, particularly where there is potential for compulsory redundancies (CRs) in an organisation that was rescued and is largely funded by the UK taxpayer is quite simply appalling.

For a number of years Unite have urged RBS to sign an Offshoring Agreement with a guarantee of no CRs. Notwithstanding the improved redundancy mitigation and job matching measures that have been agreed with the trade union, the bank cannot give a commitment to no CRs. Based on the outcomes of initial preference data across TS the potential for CRs is high and once the final outcome of the VR pooling and selection exercises are known we will consult further with members on next steps.

Whilst Unite's concerns are with our members who now face the prospect of losing their jobs, we are equally concerned for those members who are left behind to drive the bank's recovery and face the challenges of the new global operating model.

Unite has stressed to the bank that they now need to seriously think about their future operating model and how it impacts on all staff when they turn up to work every day. The bank has committed to ongoing dialogue with the trade union and the TS Workplace Representatives at local level and have stressed that they are actively engaging with all staff through town halls and other local initiatives. It is therefore vitally important that you make your views known both to the bank and to Unite, your views will help inform next steps and future dialogue with the bank.

Managing Reductions & Voluntary Job Matching (VJM)

All those at risk will have the opportunity to opt for VR/VER or redeployment, however the bank reserve the right to decline VR/VER, e.g. if they are oversubscribed by volunteers or if there is a requirement to retain skilled staff. Unite however do not support a position where VR is declined when other members of staff may be at risk of CR. In general terms, if the number of jobs specific to the role that you undertake are being reduced and you do not wish to opt for VR/VER, you will be placed into a selection pool, with matrix selection for the role being undertaken. Queries and concerns on pooling should be addressed via line management in the first instance. Many roles will be displaced outright, i.e. the role ceases to exist in the new structure, if you do not wish to apply for VR/VER, then Unite will support you through the redeployment process. The bank will advise further of the specific impact on your role during one to one meetings.

Through consultation and based on the outcomes of the TS preference survey that was recently undertaken, the bank has confirmed that the option of VR/VER will also be opened up to all "non at risk" staff within the GIS Tower in an effort to maximise redeployment opportunities and minimise the impact of CR. The VR/VER window for all staff will be open for an extended period until 6th January 2011 to take into account the Festive holiday period following which the bank will engage further with Unite on the outcomes, including opportunities for VJM within the GIS Tower.

VJM will only be considered post analysis of initial preference and pooling selection outcomes and in circumstances where an at risk individual in GIS is at risk of CR. Whilst there is no guarantee that those not at risk within GIS will ultimately be allowed to exit the organisation via VR/VER, Unite welcome the extended principles agreed around VJM. Your trade union are also in ongoing constructive dialogue with the bank on the possibility of extending VJM opportunities across TS the detail of which will shortly be shared with all members and staff across TS.

UNITE has also agreed a number of additional redundancy mitigation measures to further reduce the potential for CRs, full detail of these measures were provided recently to members in a separate Unite newsletter, can be viewed at www.unitetheunion.org and are also available on the bank's Strategic Review website. These improved measures will also 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 will also be undertaking additional employee support

group sessions where they will outline these measures in further detail. For those who do leave the bank's employment, full outplacement support will be provided.

Next Steps

Alison Maclean, Joint Lead Officer for the Unite RBS Section will be in attendance at both the TS Edinburgh Dundas/Fettes and Aldgate Branch Meetings on 10 and 13 December respectively. All members are encouraged to come along to these meetings.

If members have any questions or concerns regarding these latest announcements they should be directed in the first instance to your Line Manager; however in the event that this proves unsatisfactory or the query remains unresolved please contact your TS Workplace Reps, the Unite RBS Helpline on 0870 241 4425 or email rbsinfo@unitetheunion.org

Unite TS Workplace Reps:

ALDGATE: Harriet Culkin (Senior Rep), Albert Hall, Dave Saunders, Cheryl Aldridge, Paul Hobday, Greg Oakes, Jennie Spill and Suk Bryan

FETTES/DUNDAS STREET: Sharon Orr, Kevin Benassi and Stephen Jenkinson

Unite Representatives

Unite has recently signed a new and improved Unite Representative Agreement with the bank and is 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

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 20 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