

May 2010



RETAIL HEAD OFFICE REVIEW - 600 JOB LOSSES

RBS have today (10th May) announced the headline details of the Retail Head Office (RHO) Review with the key impact being a reduction of around 600 roles representing over 25% of the staff across RHO.

BACKGROUND TO ANNOUNCEMENT

In addition to the on-going financial challenges facing the Group, RBS argue that when compared to competitors the RHO functions are heavily staffed, impacting upon its operational efficiency. The RHO Review was announced in November and the bank have confirmed that the key themes running through the review are to increase spans of control, reduce the number of layers within the business, the creation of Centres of Excellence, ensuring all roles in the Centre are supporting the frontline and the removal of duplication.

RETAIL HEAD OFFICE RESTRUCTURE 2009

Members within the RHO Functions will be forgiven for thinking that they have been here before in terms of a major restructure of the business area. Included within the 2,300 job losses announced in February 2009 was a major overhaul of a number of areas that sit within RHO, with a number of job losses across the various functions. Barely 6 months after that announcement the bank confirmed a further review of RHO and less than 12 months after the actual job reductions the bank today announce over a 25% reduction in staffing.

The bank have been challenged on their rationale for a further change programme and have also been questioned as to whether members can have faith and confidence in the latest restructure, when in UNITE's opinion, the last overhaul of RHO was clearly deemed to be insufficient and not fit for purpose. The bank have acknowledged the uncertainty and anxiety that a further restructure causes for members; however maintain that the latest set of announcements are vital to ensure the future viability of RHO and its role in supporting the strategy for UK Retail.

NEXT STEPS

The decision was taken by the bank, and one that is supported by UNITE, to make a one off announcement to staff within RHO advising of the broad headlines of this restructure, rather than drip-feeding numbers and heightening anxiety for staff at an already uncertain time. UNITE have been consulted throughout the review process and consultations have commenced on individual business cases impacting on specific areas of RHO. Outcomes of these consultations will be announced throughout May/June.

MANAGING REDUCTIONS

The bank has confirmed that staff impacted will have the opportunity to volunteer for redundancy before any selection processes take place. In addition the bank is committed through ongoing engagement with UNITE, to avoid wherever possible Compulsory Redundancies (CRs) by seeking redeployment

opportunities for any member of staff who wishes to remain with the Group. In addition to the job losses announced, a number of vacancies and new roles have been created which will mitigate some of the impact of these announcements; details of these will be communicated locally.

Unite has agreed a number of redundancy mitigation measures 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. For those who do leave the bank's employment, full outplacement support will be provided.

UNITE COMMENT

UNITE remains disappointed that members within RHO have to endure a further restructure so close to the previous round of job losses. Whilst the bank have confirmed their commitment to avoiding Compulsory Redundancies (CRs) wherever possible, there exists a significant concern in terms of this announcement given that many of the staff looking to exit on Voluntary Redundancy may have done so last year.

UNITE remains completely opposed to all CRs and will seek to do everything possible to ensure that members who wish to remain with the Group post re-organisation are given every opportunity and support to do so. Despite the reassurances from the bank that processes are being scaled back or removed and duplication is being eradicated, with the resultant efficiency saving, UNITE retains concerns about the ability of the RHO function and its staff to operate effectively when removing over 25% of the headcount. These concerns will be revisited during the individual business cases.

If members have any concerns or queries regarding the announcements, these should be directed in the first instance to your line manager; however in the event that this proves unsatisfactory or the query remains unresolved, you can contact the union either by phone on 0870 241 4425 or e-mail rbsinfo@unitetheunion.org.

NOT A MEMBER?

Join Unite's two million members and have a voice in the workplace, as well as receiving support, advice and representation, for £10.96 per 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 you can join on line at www.unitetheunion.org.

**STUART DAVIES & ALISON MACLEAN – JOINT LEAD OFFICERS
HELPLINE – 0870 241 4425**