

**Job Security Policy**  
**2021**  
**Procedure and Process Alignment**  
**Collective Agreement**  
**Phase One**  
**Between Lloyds Banking Group (LBG),**  
**Accord and Unite**

**Introduction**

In July 2020, Lloyds Banking Group (LBG) wrote to Accord and Unite to formally outline proposals to extend the LBG Job Security Payment Terms in the Job Security Policy and Procedures (the “Policy”) until 31 December 2023.

In making this commitment the Group signalled a desire to open discussions on the Job Security Payment Terms which will apply from 1 January 2024 in addition to the Policy and approach in the near future.

Joint discussions on the future job security proposition will be held on a phased basis. Extensive consultation and negotiation on Phase One has taken place over 11 months resulting in the agreed terms set out below.

Appendix 1 contains additional non-negotiable terms which are separate to this Collective Agreement but have been agreed by the parties.

**Phase One Agreed Terms**

Following conclusion of Phase One discussions the following negotiable financial terms have been agreed:

1. From 1 July 2021 Protection Arrangements in place for all Lloyds Banking Group colleagues who have moved to a lower graded role resulting from either restructuring or role re-evaluations as part of business change (primarily redundancy) will apply as follows:

**a) Agreement on Pay Protection:**

From 1 January 2024 colleagues will no longer be eligible for market movement pay awards guaranteed for a 3 year period. Instead, colleagues will have their existing salary maintained at its current level and will be eligible for future pay reviews, in line with the annually negotiated pay deal and at the pay range for the new role.

Any colleagues who are subject to guaranteed market movement pay awards by 31 December 2023 will continue to benefit from these awards until their respective 3 years have elapsed.

Colleagues who have previously benefited from the arrangement are colleagues employed by Lloyds Bank (including former Lloyds TSB) and Cheltenham & Gloucester. It does not apply to colleagues employed by any other employing entity.

**b) Agreement on discretionary elements of Protection:**

i) Non-contractual Variable Pay (Group Performance Share (GPS)):

Colleagues' opportunity will be at the higher GPS range for 12 months following their appointment to the new role, when applying discretion at Grade D+. Colleagues moving from Grade C to B will move to the Group's profit share scheme with immediate effect.

ii) Holidays:

Existing holiday entitlement will be retained for the current calendar year and a further two years, before reverting to the LBG holiday entitlement for the new role.

iii) Cars (for colleagues who were eligible prior to company car scheme changes):

For colleagues who consolidated their car allowance into salary there will be no change and salary will remain protected.

For colleagues who did not consolidate their car allowance into salary, they will have the option to consolidate this into salary at the point they are appointed to the new role. If this is declined,

then the allowance will be protected for two years and then reduced to the rate for the lower role (or removed if moved down to a role that does not have an entitlement).

For colleagues who retained their car with consolidation of car allowance and who are receiving relevant deductions from salary, their car can be retained until the lease end date and then returned and the deduction from salary stopped.

For colleagues who retained their car, but did not consolidate the car allowance into salary, they will have the option to consolidate this into salary, with a deduction from salary based on the consolidation terms whilst the car is retained. If this is declined, then the allowance will be reduced to the rate for the lower graded role (or removed if moved down to role that does not have an entitlement) at the end of the lease period or protected for two years, whichever is the longer period.

iv) Essential/Business Need Cars

As entitlement is role and not grade dependent, colleagues will be given the option to retain their car for a three month period, following appointment to the new role, to allow transition to a personal car purchase if required.

v) Shift Allowance Standby/ Callout:

As entitlement to these payments is not grade dependent, any transition or wind-down of these allowances will be managed in line with the agreed process for the business area specific scheme.

vi) Notice Periods:

Colleague and Employer Contractual notice requirements will move to the lower grade entitlement with immediate effect.

**Section 1 above will be known as the "Protection Arrangements".**

2. In recognition of these changes to Protection Arrangements from 1<sup>st</sup> July 2021, LBG will increase the redundancy terms offered to those colleagues that have previously been subject to a transfer into LBG before 30 June 2021 under the Transfer of Undertaking Protection of Employment Regulations (TUPE), who remain on statutory or less beneficial redundancy terms than those currently offered to Lloyds Banking Group colleagues employed after 2012. The terms offered will be aligned to the Policy arrangements in place for all LBG colleagues employed after 2012. The changes to terms will apply from 1 July 2021.
  
3. This collective agreement shall apply to all LBG colleagues at Grades A to G based in the UK, the Channel Islands and Isle of Man. Where relevant, separate arrangements will apply to LBG colleagues based in the Group's international jurisdictions. This agreement does not apply to agency workers, suppliers or self-employed contractors.

**Summary**

All parties are committed to meaningful discussions over the future redundancy terms that apply to all LBG Colleagues at grades A to G from 2024.

This agreement may be executed in any number of counterparts and all counterparts together shall constitute one and the same agreement. It is signed on behalf of LBG, Accord and Unite as follows:

**Signed on behalf of Lloyds Banking Group:**



..... Date: 22<sup>nd</sup> June 2021

**Michelle Blayney**

Culture & Colleague Proposition Director  
People & Property  
Lloyds Banking Group

**Signed on behalf of Accord:**

 ..... Date 24<sup>TH</sup> JUNE 2021.

**Ged Nichols**  
General Secretary, Accord

**Signed on behalf of Unite:**



.....Date 24<sup>th</sup> June 2021

**Caren Evans**  
Interim National Officer, Unite the Union

## APPENDIX 1

### Non-negotiable Terms

Whilst the financial terms of the Job Security Policy (the “Policy”) are a negotiable item, the parties have also consulted on and discussed a range of additional matters contained in the Policy and Procedures and have reached an agreement on the following:

- A simplified Policy document which focuses on redeployment and the joint commitment to long term employment, while still outlining the agreed redundancy principles published on Life@LBG.
- Additional procedural guidance on the selection process to ensure greater transparency.
- Reframing the references to voluntary and compulsory redundancy, with a focus on the Group’s commitment to redeploy colleagues into suitable alternative roles. The procedures now provide greater clarity on how voluntary redundancy will be used in scenarios such as ‘bumping’ and voluntary registers.
- Clarity on what is included and excluded in redundancy pay calculations – removing historical references to territorial allowances and contractual overtime and clearly stating the existing variable elements of pay that are excluded, such as standby, callout and unsocial hours payments.
- Simplified guidance materials to focus on the key stages within the restructure journey and to support colleagues to access the right guidance, at the right time published on Life@LBG.
- That a set of guiding principles will be developed to support the treatment of TUPE-In colleagues for future insourcing programmes. This will include the development of a playbook (Ways of Working), based on the scale of the transfer and considering (retained) benefits and redundancy terms.