

GEC messaging

Welcome to Flexibility Works

Today, we're announcing the details of our new approach to flexible working that's designed to set us up to succeed in an increasingly challenging world. Charlie [link to video on interchange] has set out clearly why we need to change and how we will support people as they do. I'm writing to explain what this means for you. In developing our approach, we have listened carefully to your feedback in focus groups, the compressed hours pilots and the flexibility survey and strongly believe that what we are proposing balances the needs of our customers, the business and each other. We have also learnt some important lessons from our last communication on this topic and have taken steps to better ensure our line manager population have all the briefing they need to answer your questions in full.

Why we need to change

You told us that you want to have a better understanding of **why** we need to make these changes.

First of all, we're in a challenging, competitive environment and have to change the way we operate. Together, we're embarking on one of the largest transformation programmes ever undertaken in UK financial services. Over the next couple of years, we'll be delivering complex, multi-billion-pound programmes to overhaul our technology, systems and processes, so that we can offer faster, better services for our customers and clients around the clock. We can only do this at pace if we are able to work together effectively as a team and not if a significant number of us are unavailable to collaborate on certain days of the week, or are only available at times when the majority of our colleagues are not.

Secondly, we know that by aiming to be a leader in flexible working practices, we'll continue to attract and retain the best and most diverse talent and enhance productivity. However, we also know that our current approach to some aspects of compressed working is inconsistent.

Flexibility Works is designed to help us become a more inclusive and sustainable business, focused on supporting those who may need compressed most, including parents, disabled colleagues or those with carer responsibilities for disabled dependants and for short-term life events.

We appreciate that flexible working means different things for different people across the organisation. That's why we want everyone to have access to a broad range of flexible working options that balance your needs, alongside those of your team and our business. Our new hybrid working approach enables flexibility by combining the best of remote working three days a week, with the value of in-person experiences in the office two days a week.

What does Flexibility Works mean for you?

Flexibility involves give and take – based on compromise and mutual trust, with shared responsibility for agreeing, and regularly reviewing, a workable solution between you and your line manager that balances the needs of the team overall. **Flexibility Works**, therefore, offers a mix of current offerings and new options, designed to meet your changing needs, along with a clearer approach to compressed working.

We've designed everyday flexibility options which are broadly available to everyone, alongside thinking carefully about how to meet the needs of families and carers. We're also offering options for health and wellbeing, as well as making sure that those of you who are active in the community or committed to further learning, are able to manage your commitments.

Compressed Working

As you'll be aware, we've recently been running two pilots in P&P and Consumer Lending as part of a full review into our approach to compressed working. What we learned was that, through good line manager conversations, people were able to come up with reasonable solutions that worked for them, their teams and the business and many of those in the pilot were willing to transition to new ways of working over a reasonable time period. We understand from these conversations that compressed working needs to be available consistently and fairly, so that we can support colleagues at the times they need it most. While many of us have benefited from this way of working, we recognise that our current approach has not worked for everyone and can place additional pressure on teams, with a third of you telling us, in the recent flexibility survey, that compressed working isn't fairly applied across the business.

Given the way that our colleagues in P&P and Consumer Lending responded in the pilot, we want to apply the same approach whereby we work with our colleagues across the business to reach reasonable solutions. What this means is that all colleagues continue to have the legal right to request compressed working and these will be considered on an individual basis, where appropriate, against the needs of the business. For guidance, the types of compressed working that will be available would be for:

1. All new parents returning from family leave up until your child's second birthday.
2. Moments that matter for colleagues, such as a new caring responsibility for a partner or close family member, dealing with a personal health need, bereavement, or divorce, for a period of up to six months.
3. Disabled colleagues, or those caring for a disabled family member with complex medical needs, on a long-term basis.

Line managers will work with you, over the coming weeks, to discuss what this means for you. For some colleagues, you'll retain the same arrangement and it will be reviewed regularly. For other colleagues, you'll be asked to explore different flexible working options that work for you, your team and our business. The important point to note is that, where changes are agreed, you'll have up to 12 months to make those changes.

Everyday Flexibility

We understand that most colleagues access flexibility to support their wellbeing and work-life balance, so we will continue to put **everyday flexibility** at the heart of our approach. We want to ensure that it's fair and consistent for all. This means that we'll help you adapt your daily routine, so you are able to manage whatever's going on in your life. Line managers will be encouraged to use their judgement and discretion to get to the right, balanced outcome for everyone when it's needed, taking into account customer and operational needs. We're also making this flexibility clearer, with a focus on supporting wellbeing and work-life balance and giving you peace of mind from knowing that we'll support you. Whether it's those **ad hoc** moments when you need to adjust your working day to manage life needs for an hour or two when they arise, such as taking your car for its MOT, or those more **enduring and repeatable** moments or activities, such as leaving work early to attend an evening class, or those **unplanned emergencies** that you might need to rush home for, such as the house alarm going off – these are just some of the everyday flexible moments that we will continue to support you with.

Maternity Leave

We want to be one of the best employers for **working parents** and we know how expensive the early years can be, so we're increasing our occupational **maternity and adoption pay from 20 to 26 weeks' full pay**. We know that this will go some way towards helping working parents manage childcare, and cost of living, and we expect around 1,500 colleagues will benefit from this each year. This positive change will come into effect **from 1 September 2023** and this new policy will be applied retrospectively to babies born and children placed as part of the adoption process, **on or after 1 January 2023**.

Job Sharing

We all have different working needs and we know, from your feedback, that many of you are seeking a greater level of flexibility, general wellbeing and a better work-life balance in your jobs, while still progressing your career in the organisation. Working reduced hours as part of a job-share might appeal to you if you are transitioning towards retirement, or maybe you are looking for variety in managing your career portfolio, or a job share option might enable you to balance your caring responsibilities alongside your role. This has always been an option that we've championed and to support this further, we'll be offering more opportunities for those working reduced hours. **From 1 January 2024**, job sharing will be offered on all internal job adverts, as a default. We're also looking forward to introducing an innovative new partner-matching platform so it's much easier for you to find your perfect match. Dialling up our ambitions in this area will require leadership support to make it happen, so we'll be making sure line managers have all that they need as we transition to this new way of working.

Flexible Summer

As you're aware, we've asked colleagues to work from the office for two days a week, no later than 1 September. However, we know that the summer period can be busy, especially for working parents and it's also a time when we may all benefit from some additional flexibility.

We're therefore, introducing **Flexible Summer** with immediate effect, which means that between mid-July to the end of August, you can work from wherever you want in the UK in order to manage family and personal commitments.

Flexible Bank Holidays

We understand that it doesn't always suit everyone to take time off on bank holidays, so we're introducing the option to exchange up to five UK public holidays for additional annual leave. This means that you can take these days at a time that's more meaningful or useful to you, such as birthdays or cultural celebrations, or take more days to spend with family and friends. There are some exceptions – you won't be able to work on Christmas Day, Boxing Day and New Year's Day, for example – but this will give you extra flexibility should you wish to use it and if it aligns with the rest of your team's needs.

Flexibility for late-stage careers

We know that everyone needs different types of flexibility and support, at different stages of our careers. We have developed a suite of tools to support colleagues who are starting to think about life after Lloyds Banking Group or want greater flexibility. You'll be able to access a new mid-life MOT tool that encourages you to actively plan the next stage of your career, focusing on your finances, wellbeing, flexibility, career goals and life-coaching. For some that will be a transition plan or phased retirement, for others it could be reskilling, or you might want to reduce your hours at work or your responsibilities. We want to provide the right support to you so you can take control of your career.

Let's not forget the other flexible offerings that we have which haven't changed, but still form part of how we manage flexibility at Lloyds Banking Group, providing you with choices in how you manage your working life, including part-time, parental leave and foster care flexibility, among others.

More information

Today is just the start of our new flexible approach and we want everyone in the business to benefit from what we're offering to make your working lives more balanced, and to provide you with the support you need to help us deliver on our ambitious strategy and focus on helping Britain prosper.

Please take time to review the wealth of information on the dedicated **Flexibility Works** SharePoint pages [link], covering all of our flexible options, including lots of advice and guides to help make our working lives easier to manage.

We want to do as much as we can to support you in working through what this means for you and we'd encourage you to share any thoughts or questions in the following ways:

- In response to your feedback in the Flex survey, we briefed line managers in advance of this message, and they'll arrange a **team discussion and 121** with you by (*update time period*).

- In the next (*update time period*) I'll invite you to join me and the senior leadership team at a **town hall/community call** where you'll have another opportunity to ask questions.
- We've replicated this message on Interchange/Yammer [link] so you can **share your thoughts in the comments** which will help us understand the key themes for our business area/function and answer any questions with business area/function-specific information.

Finally, our new approach to flexibility will provide us with a more consistent and transparent way of working, making flexibility fairer and more accessible to more people across the organisation. Together, let's make flexibility work for our business, our teams and each other so we can do more to help Britain prosper.