

Strathclyde Partnership for Transport

Minute of Personnel Committee meeting

9 March 2012

held at: Consort House, Glasgow

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Minute of the meeting of the Strathclyde Partnership for Transport's Personnel Committee held in Consort House, Glasgow, on 9 March 2012

Present Councillors Denis McKenna (Chair), Harry Curran, Archie Graham, Bobby McDill, John McLaughlin, Bill Perrie and appointed member Ronnie Mellis.

Attending Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Valerie Bowen, Senior Clerk; Gordon MacLennan, Chief Executive and Eric Stewart, Assistant Chief Executive (Operations).

1. Apologies

Apologies were submitted from Councillors David Fagan, Jonathan Findlay, Kaye Harmon, Alan Moir, Jim McNally, David Wilson and appointed member Alan Malcolm.

2. Declaration of interest

The Committee noted that there were no declarations of interest.

3. Minute of previous meeting

The minute of the meeting of 14 October 2011 (issued) was submitted and approved as a correct record.

4. Bus Operations directorate – Outcome of restructure

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With reference to the minute of 14 October 2011 (page 4, paragraph 6) when the committee had approved, inter alia, proposals to restructure the Bus Operations directorate, there was submitted and noted a report (issued) of 17 February 2012 by the Assistant Chief Executive (Operations)

- (1) outlining the results of the consultation;
- (2) appending the final structures for each of the sections within the Bus Operations directorate;
- (3) informing members
 - (a) that the effect of the changes was a total reduction in the proposed FTE establishment from 170 to 160.2;
 - (b) that, taking into account the changes made during the process and the final outcomes of the restructure, annual savings would be in the region of £660,000; and

9 March 2012

- (c) that SPT would continue to be able to fulfil its statutory and operational duties in an effective and efficient manner.

5. **Proposals to restructure Subway**

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With reference to the minute of 14 October 2011 (page 3, paragraph 5) when the committee had approved, inter alia,

- (1) revised proposed structures for the Subway Operations directorate, subject to the staff and union consultation process; and
- (2) plans to consult with staff and the recognised Trade Unions on changes to current working practices,

there was submitted a report (issued) of 29 February 2012 by the Assistant Chief Executive (Operations)

- (a) intimating
 - (i) that, since that meeting, further work had been undertaken to develop detailed staff consultation documents and further consideration had been given to resource requirements for Subway Modernisation and the implications for the management and engineering structure in Subway Operations;
 - (ii) that due to the fairly substantial undertaking of establishing new inspection and maintenance routines in conjunction with daily service delivery and regulatory compliance, an interim solution had been devised which would require to be re-evaluated once the processes had been agreed and aligned to an implementation plan; and
 - (iii) that this would require a parallel work stream of Office of Rail Regulation appraisal and compliance;
- (b) informing members
 - (i) that implementing the proposals in relation to the management and engineering positions would achieve a reduction from 13 posts to 10, allow SPT time to shift resources to address the engineering challenges of Subway modernisation and produce a saving of around £102,000; and
 - (ii) that the two Engineer posts reporting to the Head of Engineering Development (Subway Modernisation) would become fully capitalised;
- (c) appending the current and proposed structures for Subway senior management and engineering, together with individual consultation documents in relation to restructuring proposals for Engineering Management, Operations, Maintenance and Permanent Way; and

9 March 2012

- (d) recommending that the committee
 - (i) consider and approve the revised proposed structures which were currently subject to the staff and union consultation process;
 - (ii) note annual savings of around £102,000 in Subway Operations and the capitalisation of a further 2 posts dedicated to Subway Modernisation; and
 - (iii) note the progress on staff consultation.

After consideration and having heard Mr Stewart in further explanation and in answer to members' questions, the committee

- (A) endorsed SPT's approach to the restructuring exercise; and
- (B) approved the recommendations at (d) above.

6. Review of Internal Audit Team resources

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There was submitted and approved a report (issued) of 23 February 2012 by the Assistant Chief Executive (Business Support)

- (1) informing members
 - (a) that, although the internal Audit team consisted of 4 FTE employees, in the last few years it had been operating with 3.6 FTEs in post;
 - (b) that the scale of activities included the normal internal audit functions together with 1 post specifically charged with maintaining an overview of risk management and SPT's approach to corporate governance;
 - (c) that External Audit had continued to place reliance on the work of internal audit, however, in planning for the future it was recognised that a review of the skill base and qualifications was required, particularly as it had proved difficult to replace 1 qualified member of staff, and a second qualified member of staff was due to retire;
- (2) outlining proposed changes which reflected the need to ensure that the importance and skill base of internal audit was maintained within the organisation and to ensure external audit reliance was preserved;
- (3) explaining that the difference of approach was also consistent with current professional practice, including the introduction of using the external audit assurance model; and
- (4) recommending
 - (a) that the Audit and Assurance Team comprise 3 FTEs – 2 at qualified accountant stage plus one 1 FTE qualified or studying towards IIA credit level; and

9 March 2012

- (b) that a fixed term post to support the Business Improvement Manager be introduced to assist on preparation for business continuity, demonstration of best value as well as supporting the business improvement work.

7. Review of Early Retirement/Severance Policy and SPT's General Conditions of Service

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There was submitted and approved a report (issued) of 22 February 2012 by the Assistant Chief Executive (Business Support)

- (1) reminding members that a rolling programme of review of HR policies and procedures had been instigated as a number of policies and procedures had been written some time ago and had become outdated, making it difficult to ensure a consistent and modern approach to employee relations;
- (2) explaining that changes required to be made to both SPT's Early Retirement/Severance Policy and General Conditions of Service;
- (3) informing members
 - (a) that the main change to the Review of Early Retirement/Severance Policy was that the redundancy payment calculation had been updated to reflect the transitional arrangements in the Pension Fund to those in the age group 50 to 55, up until April 2014; and
 - (b) that the main changes to SPT's General Conditions of Service were
 - (i) to the eligibility for staff to retain a Subway Travel Pass on leaving the service on grounds of voluntary redundancy, efficiency of the service or on medical; and
 - (ii) that the general document had been updated to reflect changes in the pension fund, the approved expenses policy and to provide clearer guidance for staff; and
- (4) recommending that the committee approve the revised Early Retirement/Severance Policy and updated General Conditions of Service, subject to consultation with the recognised Trade Unions.

8. Staffing report to 4 February 2012 (period 11)

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There was submitted and noted a report (issued) of 22 February 2012 by the Assistant Chief Executive (Business Support)

- (1) appending staffing statistics for the period from 1 April 2011 to 4 February 2012 which included headcount, sickness absence and equalities data;
- (2) explaining that the key movements to date were

Strathclyde Partnership for Transport
Personnel Committee

9 March 2012

- (a) a year to date reduction in total headcount of 53 to 581; and
 - (b) a sickness absence level to date of 3.5%, down from the final absence rate in 2010/2011 of 4.5%; and
- (3) intimidating
- (a) that a managed reduction in SPT's total headcount had been a key element of the budget strategy agreed by the Partnership in the past two years and again on 10 February 2012; and
 - (b) that management of sickness absence was a key element in reducing overall employee costs with significant management time being invested in this area, together with the utilisation of external occupational health providers to support the process.