

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: OPERATIONS STRATEGIC PLAN

DATE: 5 MAY 2011

1 INTRODUCTION

- 1.1 The purpose of this paper is to inform the Panel on the implementation of the initial phase of the Operations Strategic Plan (OSP).
- 1.2 The OSP was launched on 11 March 2010 with the aim of:
 - (a) Aligning ticket office and ticket hall service with customer demand;
 - (b) Reducing and standardising the number of station groups;
 - (c) Introducing a new trains operational management structure; and
 - (d) Making overall headcount savings of 800 and financial savings of £40m per annum.
- 1.3 A commitment was given that all headcount reductions would be made without the need for compulsory redundancies.
- 1.4 The new management organisation was introduced on 14 November 2010 and the changes to station service levels and new rosters were introduced from 6 February 2011.
- 1.5 The Panel is asked to note this paper.

2 STATION SERVICE CHANGES

- 2.1 The previous changes to ticket office service levels took place in 2006. Since that time, ticket office utilisation has dropped by 28 per cent. The methodology for calculating both ticket office and ticket hall levels was refined to take account more precisely of both customer volume and need. The outcome was to redeploy resource to provide additional assistance for customers using the ticket machines and to boost the proportion of staff on duty at weekends.

3 STAKEHOLDER AND CUSTOMER CONSULTATION

- 3.1 Stakeholders were informed throughout the process and views were invited on the detailed ticket office change proposals. At each stage of the

consultation process, TfL issued press notices to explain the rationale for the changes.

- 3.2 The full details of the ticket office change proposals were published on the TfL website with a mechanism for feeding back comments. This also involved London TravelWatch inviting comments through their own website. Information was also published in the Metro newspaper to highlight the changes and the reasons behind them.
- 3.3 A number of meetings were also held with interested stakeholder groups, including accessibility groups, to discuss particular aspects of the proposals. Immediately prior to implementation, the confirmed changes were advertised at stations to ensure customers had notice of the new ticket office opening times.
- 3.4 The Office of the Rail Regulator (ORR) expressed a number of concerns that were alleviated by a comprehensive presentation of the rationale behind the change.

4 CUSTOMER IMPACT

- 4.1 Ticket office opening hours were reduced by 35 per cent. However, robust modelling of the proposals allowed very accurate targeting to ensure ticket office opening times matched demand. The modelling has been proved to be robust since implementation with there only having been a small drop in the number of customers using ticket offices (since the changes in February the proportion of on-system sales from ticket offices has dropped from 30 per cent to 28 per cent.) Further details are contained in Appendices 1 to 3.
- 4.2 Enhancements have been made to the Advanced Fare ticket machines to allow ticket hall staff to assist with transactions previously only possible at the ticket office.

5 STAFF IMPACT

- 5.1 Staffing establishment levels fell by a total of 650 (260 customer service assistants and 390 ticket sellers).
- 5.2 New staff rosters were produced in June 2010 and a programme of extensive local roster consultation took place over the summer of 2010.
- 5.3 In anticipation of the changes, vacancy management was introduced in September 2009. This resulted in over 350 station vacancies by the time of the roster change. Approximately 50 multi functional station staff left the company on a voluntary severance package. Approximately 250 staff were displaced to be surplus on their group reserve. These staff will be reabsorbed into rostered positions over the next 18 months. A range of approaches are being pursued to minimise imbalances between groups, which may involve some limited displacement.

6 SAFETY AND SECURITY

- 6.1 The OSP proposals were rigorously assessed to ensure that they did not introduce any additional staff or customer risk by ensuring that sufficient staff have been provided to meet operational and safety requirements. Customer security has been maintained by ensuring that existing policies relating to minimum staffing levels and all day staffing of stations have been maintained. Any changes to operational practice such as lone working were carefully assessed to ensure risk levels did not increase. The ORR has been kept informed of the development and implementation of the changes. The Safety Review (see paragraph 7) has not identified any safety issues. There have been no adverse safety trends as a result of the OSP changes since implementation.

7 INDUSTRIAL RELATIONS

- 7.1 The change proposals have been subject to extensive consultation that commenced on 18 March 2010 and is still ongoing. Initially the Trade Unions declined to participate actively in this process. Four one day strikes took place in the autumn of 2010. A series of discussions at ACAS eventually produced an agreement for a joint review of the proposals under the following headings:
- (a) Supplementary Safety Review;
 - (b) Ticket Selling Service Levels;
 - (c) Impact on staff; and
 - (d) Equality Impact.
- 7.2 These reviews will conclude in May 2011 with any consequent roster changes taking place in July 2011.

8 MANAGEMENT CHANGES

- 8.1 The Operational management changes were introduced in November 2010. These were:
- (a) A reduction in the number of station groups by seven;
 - (b) Co-managing of a small number of adjacent train crew depots;
 - (c) Standardisation of the number of duty station managers per group;
 - (d) A new trains management structure;
 - (e) Reduction of the number of administrators; and
 - (f) Introduction of a performance based grading system for duty managers.

- 8.2 The impact was to reduce headcount by 150 full time equivalent posts with 150 managers leaving on voluntary severance resulting in all individuals in scope securing a role with no formal redeployment. Care was taken to design a selection process that would allocate the best individuals in the new roles without destabilising operational performance.

9 IMPLEMENTATION

- 9.1 The OSP was announced on 11 March 2010 with implementation of the management changes and the station service changes in November 2010 and February 2011 respectively. In developing the programme, it was determined that the new management organisation should be introduced prior to the new station rosters. Approximately 800 managers were assessed and allocated new positions and trained. At the same time new station rosters affecting approximately 3,500 operational staff were prepared and consulted upon prior to a significant number of staff moving location prior to the changes being implemented.

10 FINANCIAL IMPACT

- 10.1 The OSP delivered a full year savings run rate of approximately £40m per annum with an overall plan period saving of £255m.

11 RECOMMENDATION

- 11.1 The Panel is asked to NOTE this paper.

12 CONTACT

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