

CHAPTER 7

Non-manual and administrative staff

7.1. In the previous chapters we have examined the activities which absorb over 90 per cent of the manual workforce in the four undertakings, namely traffic operations and vehicle maintenance. In our discussion of traffic operations we examined the role of the inspectorate and in the last chapter we referred to the activities of the engineering foremen, both groups forming part of the non-manual staff in the undertakings. We now examine the activities of non-manual and administrative staff in more detail.

7.2. The broad category of non-manual and administrative staff is used in this context to cover a wide variety of staff ranging from the most junior clerical and typing staff to the most senior management. It includes foremen and other supervisors, professional staff such as engineers and accountants, management services and market research staff and so on.

7.3. Each of the four undertakings has three main functional activities—traffic, engineering and finance—all of which require considerable input from non-manual staff. The extent to which other functions or activities are provided by in-house staff varies between the undertakings with WMPTE being the most self-sufficient. Depending on the size of the undertaking, the extent to which functions or activities are covered by separate sections or departments, or merely form part of an individual's wider duties also varies.

7.4. In the rest of this chapter we examine movements in non-manual staff levels over the last few years in each of the undertakings and discuss the steps taken to control staff levels. Later we compare relative staff levels in the undertakings by broad functional grouping and by grading and salary distribution.

WMPTE

7.5. Administrative and other non-manual staff in WMPTE are deployed in the five headquarters directorates, three central workshops and related stores, and in the three operating divisions including the 24 garages. The five directorates are each under the direct control of one of the executive directors. The directorates and the functions covered are shown in Table 7.1. Including inspectors, non-manual staff represented 17.8 per cent of the total workforce in December 1981.

7.6. Apart from the Operations Directorate all the staff included in Table 7.1 are based at or directly controlled from headquarters and are part of the headquarters structure. The three central workshops and stores, although located one in each of the three divisions, are all controlled directly by the Chief Engineer.

TABLE 7.1 WMPTE: Non-manual staff

<i>Director</i>	<i>Functions</i>	<i>Staff</i> (as at 3.7.81)
Director General	Company Secretary and Legal	103
	Press and Publicity	
	Claims	
	Commercial and Market Development	
	Market Research and Management Services	
Labour Relations	Labour Relations	79
	Personnel and Training	
Finance	Internal Audit	141
	Financial Accounts	
	Pay Control	
Planning and Engineering	Financial Planning	224
	Central Engineering	
	Planning	
Operations	Supplies	450
	Building & Services	
	Traffic	
	Fleet Maintenance	
	Divisional Staff	
Total Staff (excluding inspectors) at 3.7.81		997

Source: MCC study.

7.7. Most of the Operations staff are located in the three divisions with only the Director and his immediate support at headquarters. The following table shows the percentage of employees and buses in each of the three divisions in October 1981.

TABLE 7.2 WMPTE: analysis of employees and buses by division—October 1981

	<i>North</i>		<i>South</i>		<i>East</i>		<i>Total</i>	
	No.	%	No.	%	No.	%	No.	%
Managerial, administrative, etc	198	43.1	184.5	40.3	76	16.6	458.5	100
Inspectors	166	36.7	244	53.3	46	10.0	456	100
Platform staff	1,558	37.2	2,078	49.7	549	13.1	4,185	100
Fleet maintenance	480	34.7	762	55.0	142	10.3	1,384	100
Buses	723	32.5	1,259	56.7	241	10.8	2,223	100

Source: MMC study.

7.8. As can be seen North Division has more managerial and administrative staff than the South Division even though the latter is a third or more larger in other respects. East Division also has a disproportionate number of managerial and administrative staff. This reflects the background of East Division and its physical separation from the major part of the PTE. Table 7.3 shows categories of employees as a percentage of the total in each division.

TABLE 7.3 WMPTE: analysis of employees in each division—October 1981

	<i>North</i>		<i>South</i>		<i>East</i>	
	No.	%	No.	%	No.	%
Managerial, administrative etc	198	8.2	184.5	5.6	76	9.3
Inspectors	166	7.0	244	7.5	46	5.7
Platform staff	1,558	64.8	2,078	63.6	549	67.5
Fleet maintenance	480	20.0	762	23.3	142	17.5
Total	2,402	100	3,268.5	100	813	100

Source: MMC study.

7.9. These differences in balance between the divisions are due in part at least to variations in organisation and approach. The intention of WMPTE in its current re-organisation is to work towards greater decentralisation, particularly in relation to day-to-day operations (see Chapter 12). However, historical background and location also explain some of the differences. South Division, for example, shares premises with the Executive's headquarters and as a result is able to make use of some common staff, particularly on finance activities such as cashiers and waybills. This would account for 61 out of 198 staff in North Division and 20 out of 76 in East Division.

7.10. Making due allowance for these staff the first lines of Tables 7.2 and 7.3 would read as follows:

	<i>North</i>	<i>South</i>	<i>East</i>
Table 7.2	36.3	48.9	14.8
Table 7.3	5.9	5.6	7.1

It should be noted, however, that since absorption by WMPTE in 1974, managerial and administrative staffing in what is now East Division has been reduced by nearly 44 per cent.

7.11. Over the period 1969 to 1974 when WMPTE reached its present operating responsibilities, a total of 11,018 employees were transferred from the former bus undertakings (see Appendix 1.3, Table 1). By July 1974 the total number employed had been reduced to 9,478 including 1,045 non-manual staff, diminishing further to 8,154 with 992 non-manual staff by 31 December 1981. Over this period the number of platform staff fell dramatically due to the introduction of OMO while the number of engineering employees increased by about 10 per cent.

7.12. Movements in the number of non-manual staff have proved very difficult to establish due to changes in definition, regarding and other factors. However, it is clear that for those staff defined as managerial, administrative, technical, clerical and planning, there was a steady rate of increase up until mid-1980 when steps were taken to review and reduce the number of non-manual staff. Between March 1976 and March 1980 the increase in such staff amounted to 19.7 per cent.

7.13. In 1980 an absolute ban was placed on non-manual staff recruitment, including the filling of any vacancies arising from resignation or retirement. Because of the distorting effect on staff structures arising from such a crude embargo this was soon replaced by a form of severe restraint requiring strong justification to be given for any recruitment and subject to control and monitoring by the Labour Relations Directorate.

7.14. At the same time WMPTE developed a programme to secure reductions in non-manual staffing known as management work value analysis (MWVA). The first draft of a staff reduction programme under MWVA was produced on 22 May 1980 with the aim of securing a reduction of 15 per cent in the non-manual establishment.

7.15. Senior managers were asked to review staffing levels within their departments and to identify those posts which could be deleted without seriously affecting the level of activity. After protracted discussions within the Executive, during which most difficulty was experienced with engineering managers, target reductions in staff levels were agreed in October 1980. The May 1980 proposals and October 1980 agreed targets are summarised in Table 7.4 below.

TABLE 7.4 WMPTE: Proposed and agreed staff reduction targets 1980

		<i>Number of staff Actual</i>	<i>MWVA target</i>
May 1980	1,168	1,034	992
October 1980	1,184	1,048	988

Source: MMC study.

7.16. As can be seen both the staff establishment and the number actually in post had increased during the five month period. However, the agreed target to be achieved by March 1982 was lower than that originally proposed. It was agreed with the trade unions that the reductions would be achieved without any compulsory redundancies.

7.17. Following some redefinition of staff activities the March 1982 target was subsequently increased to 1,004 against a revised establishment level of 1,202. The finally agreed target represented a reduction of 16.5 per cent on the amended October 1980 establishment level, and less than 6 per cent on the staff actually in post at that time. Progress towards the March 1982 target was satisfactorily maintained and by 31 December 1981 the number of staff in post was 12 below the final target.

7.18. While clearly effective in so far as it went, the reduction of under 6 per cent in actual staffing levels achieved by the MWVA programme must be related to the growth of nearly 20 per cent in earlier years. The major result of the MWVA programme was in practice the elimination of a large number of staff vacancies which the Executive might otherwise have come under pressure to fill.

CCT

7.19. The management structure of the CCT reflects the centralised approach to the control and management of its resources and the relatively small size of the undertaking. It is organised into three functional divisions—traffic, engineering and administration.

7.20. The number of non-manual staff employed has remained fairly stable, at least since 1977, falling from 95 to 93 in 1981. By January 1982 the number had fallen to 87 allocated as follows:

General Manager and Deputy	2
Traffic	12
Engineering	21
Administration	49
Recruitment Training	3
	<hr/>
	87

7.21. In January 1982 there were also 37 inspectors in the Traffic Division. Including the inspectors, non-manual staff in CCT represented 16.5 per cent of the total workforce. In addition to the non-manual staff employed in the Transport Department, CCT receives considerable professional and administrative support from other city council departments, for which a charge is made. We have been unable to identify the effect of this support in terms of staff numbers.

7.22. The introduction of computers into the more routine aspects of the department's administration may in the long term serve to reduce staff numbers, indeed the systems already introduced have resulted in the deletion of six posts.

BOC

7.23. As indicated elsewhere, BOC has undergone a period of quite radical change and reduction, both in services and staffing, over the last few years. More recently these changes have been the result of MAP exercises, but even before that there was a steady reduction in staff employed. Between 1977 and 1981 the total workforce fell from 4,098 to 3,074 (25.0 per cent) of which just over two-thirds was due to the reduction in the number of platform staff including the effect of conversion to OMO. Over this same period the number of non-manual staff fell from 638 to 498 (21.9 per cent). At the end of 1981 non-manual staff including inspectors represented 16.2 per cent of the total workforce. Non-manual staff are organised into three main functional divisions—traffic, engineering and administration.

7.24. Implementation of the last stage of the MAP exercises was completed at the end of January 1982. Allowing for the time lag in securing all staff reductions associated with the service reductions and other organisational changes, it is expected that by mid-1982 the total workforce of BOC will have fallen to about 3,000. In the engineering area in particular, the reduction in non-manual staff will have been greater in percentage terms than for the manual employees (27 per cent and 24 per cent respectively).

TMT

7.25. The management structure of TMT has also been subjected to major changes since January 1981, resulting from the findings of an internal exercise conducted earlier, which sought to reduce the manning levels of administrative and supervisory staff. Between 1977 and 1981 the total workforce declined from 1,954 to 1,407 (28.0 per cent) including a 36.8 per cent reduction in the number of platform staff employed. Over the same period non-manual staff declined from 314 to 278 (11.5 per cent) and, including inspectors, represented 19.8 per cent of the total workforce at the end of 1981.

7.26. TMT is also organised into three main functional divisions—traffic, engineering and administration. As a result of streamlining procedures and amalgamating the traffic and administrative functions at the smaller garages, some staff reductions have been achieved. The 1981 complement for non-manual staff included an increase of eight to deal with Midland Red (East) administrative matters, responsibility for which was assumed in the late summer of that year. A further 19 TMT staff also participated in the administrative work of Midland Red, while another eight staff are engaged on computer work on behalf of four NBC companies, including TMT.

7.27. The 1982–85 corporate plan for TMT includes provision for a further reduction of 8 per cent in non-manual staff levels.

Comparisons

7.28. Differences in size, structure and even job titles and descriptions make comparisons of non-manual staff on any group of undertakings difficult. In an attempt to overcome the difficulties we conducted detailed enquiries in each of the undertakings, including interviews with a large number of managerial and supervisory staff. The main objective of the interviews was to identify accurately the activities of staff so that we could relate staff numbers to the main functional activities on a fully comparable basis. For this purpose we have used four functional groupings—finance, engineering, traffic and other.

7.29. In Table 7.5 below we set out the planned manning levels in each of the undertakings by broad functional category, showing for each function both the number of staff and the percentage of non-manual staff excluding inspectors employed therein. The table also sets out the percentage of the total workforce represented by non-manual staff.

7.30. In this last respect the two NBC companies have the highest and lowest percentages. As indicated in paragraph 7.26 some TMT staff are engaged in work on behalf of other NBC companies including eight on behalf of Midland Red (East) and eight on a joint four company computer service. By deletion of the eight Midland Red staff and, say, four of the computer staff from TMT non-manual staff and total workforce figures, the percentage represented by non-manual staff falls to 16.2 per cent, exactly the same as BOC.

TABLE 7.5 Non-manual staff in the four undertakings—October 1981 planned levels

	WMPTE		CCT		BOC		TMT	
	No	% of total	No	% of total	No	% of total	No	% of total
Finance	275.5	26.9	42	47.7	164.5	44.9	86	36.1
Engineering	379.0	37.0	19	21.6	96.0	26.2	62	26.1
Traffic	133.0	13.0	9	10.2	65.0	17.8	57	23.9
Other	236.5	23.1	18	20.5	40.5	11.1	33	13.9
Total*	1,024.0	100.0	88	100.0	366.0	100.0	238	100.0
Non-manual† as percentage of total workforce		17.8		16.5		16.2		19.8

Source: MMC study.

* Excluding inspectors.
 † Including inspectors.

7.31. The relatively low level of 16.5 per cent in CCT for non-manual staff must be considered against the administrative support provided by other City Council Departments. While we have not been able precisely to evaluate this support in terms of staff numbers, there is no doubt that had we been able to do so, the percentage in CCT would have been higher. However, the numbers involved are small and to a large extent the relatively small size of the undertaking, when related to the administrative and financial control requirements of local government, would lead us to expect a higher proportion of non-manual staff in CCT.

7.32. Conversely we would have expected a lower proportion of non-manual staff in WMPTE as by far the largest of the four undertakings. At 17.8 per cent, however, when account is taken of our adjusted figure for TMT and subject to our comment on CCT, WMPTE appears to have the highest proportion of non-manual staff. It is also the only one of the four undertakings to have experienced an increase in non-manual staff levels over the past six years prior to the recent, comparatively modest, reductions. There was no increase in business during this period, indeed passenger journeys declined by over 14 per cent and the peak vehicle requirement by nearly 5 per cent.

7.33. Against this background we considered it necessary to consider the deployment of non-manual staff in more detail across the undertakings in order to establish the reasons for variations in manning levels and the relative importance apparently attached to the broad functional categories as demonstrated in Table 7.5.

7.34. Under the broad heading of finance, there are quite wide variations between the undertakings in the proportion of non-manual staff employed. CCT and BOC both have a considerably higher proportion than the other two undertakings in this area which is largely accounted for by staff engaged in revenue, travel and off-bus sales activities. Both CCT and BOC use their own staff to man travel centres and kiosks and to sell tickets of various types off the bus, while BOC staff also undertake sales on a rechargeable agency basis on behalf of National Express and other operators. In contrast WMPTE,

with a much higher proportion of off-bus sales (see Chapter 8), makes extensive use of agencies on a commission basis for this purpose. The executive is convinced that it achieves a wider coverage, at lower cost than would be possible using in-house staff.

7.35. With regard to budgetary control both NBC companies regard this activity as part of normal line management duties and consequently have very little staff time dedicated to it. WMPTE has 21 staff (some 2 per cent) dedicated to budgetary control which, in part, reflects the different techniques and approach used. However, it also reflects the need to provide specialist support and assistance to line management during the first year or so following the introduction of the new budgetary control system (see Chapter 2) and the reorganisation in the divisions (see Chapter 12).

7.36. Both WMPTE and CCT have a relatively high proportion of staff engaged in the calculation and payment of wages and salaries, although in CCT the actual number involved is only 5.5 staff. In WMPTE with 70 staff engaged on this activity in October 1981, a number of steps have been taken over the last six years to reduce the staff level. Because of its background, WMPTE inherited a number of different payroll systems which it has taken time to get on to a common basis. For example, it was not until 1981 that the total payroll was processed on the same computer. Since 1976 the number of staff has been reduced from 76 to the present 70 and is expected to fall to 64 by later in 1982. The Executive is actively seeking trade union agreement to the payment of wages and salaries by cheque or other non-cash means. It is already a condition of employment for all new non-manual staff joining WMPTE that payment is made by such means and the matter is being explored with unions representing manual employees. If agreement should be reached substantial staff savings would be possible.

7.37. WMPTE has the highest percentage of non-manual staff in the engineering function, some 11 percentage points higher than the two NBC companies and 16 points higher than CCT. Engineering non-manual staff is also the largest category in WMPTE whereas finance staff form the largest category in the other three undertakings. In Table 7.6 below we show the number of engineering non-manual staff in each undertaking related to the number of vehicles operated and the number of engineering manual employees.

TABLE 7.6 Engineering non-manual staff comparisons—October 1981

	<i>Non-manual staff</i>	<i>Manual employees</i>	<i>Vehicles</i>	<i>Non-manual staff per manual employee</i>	<i>Non-manual staff per vehicle</i>
WMPTE	379	2,036	2,223	0.19	0.17
CCT	19	172	202	0.11	0.09
BOC	96	619	768	0.15	0.12
TMT	57	305	368	0.19	0.15
Total/Average	551	3,132	3,561	0.18	0.15

Source: MMC study.

7.38. The proportion of engineering staff engaged in managing the garages and workshops is generally similar in all four undertakings. However, WMPTE has a marginally higher proportion of staff in building services, but is generally the most self-sufficient in this respect. CCT with no staff in this activity relies on the services of the city council staff, while BOC and TMT receive some assistance from NBC group staff. Again WMPTE has the highest proportion of staff in technical services for much the same reasons as in building services. However, WMPTE also undertakes detailed pre-delivery inspections on new vehicles (including inspections at various stages of construction). None of the other three do this and, although some six staff are engaged on this work, substantial time savings are achieved on defect rectification work for newly delivered vehicles. In WMPTE new buses can be available for service in two or three days compared with up to two weeks in the others.

7.39. Inventory control staff are generally comparable between the four undertakings in relation to fleet size and invite no further comment.

7.40. WMPTE is unique in having 40 staff described as works standards staff. Of these, 36 are engaged in administering the EPPS described in detail in Chapter 6. Given the generally unsatisfactory nature and results of the EPPS, the value of these staff must at best be regarded as questionable against an annual salary cost approaching £0.25 million.

7.41. Turning to traffic operations, CCT has the lowest proportion of staff in this area (10.2 per cent—9 staff) which reflects the concentrated nature of the undertaking and the extensive use of inspectors (37 in all). CCT traffic operations are primarily controlled from the chief office which is adjacent to the city centre bus station. There is only the one operating garage with minimal staff involvement.

7.42. TMT has the highest proportion of staff in traffic operations at 26 per cent (63 staff). This reflects both the dispersed nature of TMT's operations with 15 widely separated garages and the fact that these staff undertake some duties (such as allocating staff to duty rosters) dealt with by inspectors in the other undertakings (see Chapter 5). TMT does in fact have the lowest ratio of inspectors to platform staff of the four undertakings. Staff requirements are continually under review and, as we indicated earlier, the TMT corporate plan for 1982-85 provides for further reductions.

7.43. The percentage of staff allocated to each function does not, in itself, give any real indication of the relative efficiency of each undertaking. We have, therefore, compared the traffic staff in each undertaking against the peak vehicle requirement. Since there is some variation between the undertakings in the division of work between traffic staff and inspectors, we have also included inspectors in the comparisons.

7.44. From this analysis it is apparent that there is little difference between the undertakings in staff levels per peak vehicle required, although TMT is still above average.

TABLE 7.7 Traffic staff and inspectors per PVR—October 1981

	<i>Traffic staff</i>	<i>Inspectors</i>	<i>Total</i>	<i>PVR</i>	<i>Total staff per PVR</i>
WMPTE	133	457	590	1,894	0.31
CCT	9	37	46	163	0.28
BOC	65	140	205	630	0.32
TMT	63	42	105	282	0.37
Total/Average	270	676	946	2,969	0.32

Source: MMC study

7.45. Of the remaining staff grouped as 'other' in Table 7.5, WMPTE has the highest percentage. However, we find less cause for concern in these categories since, partly due to its size and partly to the nature of the undertaking, WMPTE carries out a number of activities either not regarded as specialist, or not done at all by the other three. Support in various respects from the parent bodies also affects the number of staff in CCT and the NBC companies. Computers, personnel and labour relations are examples of activities where non-specialisation and parental support are particularly relevant. As discussed in Chapter 8 WMPTE is also far more active in the area of market research and demand monitoring.

Levels of responsibility and grading

7.46. We also sought to analyse staff by responsibility levels in each undertaking regardless of differences in job title, grading or salary level. For example, both WMPTE and CCT have senior, middle and junior management levels, but because WMPTE is ten times the size of CCT, managerial salaries in WMPTE are much higher for the equivalent level of management. For our analysis we divided non-manual staff (excluding inspectors) into three broad categories of management and one of administrative and clerical support. Each broad category was further subdivided into two or three bands giving a total of 11 bands as shown in Table 7.8.

TABLE 7.8 Management responsibility levels

<i>Broad category</i>	<i>Bands</i>	<i>Classification identification</i>
1. Executive management	A	Head of undertaking.
	B	Directorship by specialism Executive Committee membership
2. Senior management	A	Management Committee membership. Budget holders.
	B	Heads of functional responsibilities
	C	Controllers of specific resources.
3. Middle management	A	Superintending duties.
	B	Technical specialists.
	C	First line supervision.
4. Administrative and clerical support	A	First line administration.
	B	Assistants.
	C	Clerks.

Source: MMC study.

7.47. The distribution of staff across the bands in each undertaking is illustrated in Figure 7.1. This shows a very high peaking at the lower middle management level in WMPTE compared with the other undertakings. In Table 7.9 below we show how this is reflected in salary cost distribution for groups 2 to 4 only.

TABLE 7.9 Staff and salary cost distribution by responsibility level—October 1981

	WMPTE		CCT		BOC		TMT	
	% staff	% cost	% staff	% cost	% staff	% cost	% staff	% cost
<i>Group 2—senior management</i>								
Level A	0.8	2.1	1.1	2.2	—	—	—	—
B	1.9	4.0	4.6	8.6	1.1	2.7	1.3	2.7
C	3.4	5.9	3.4	5.7	0.8	1.6	0.8	1.5
Sub-total	6.1	12.0	9.1	16.5	1.9	4.3	2.1	4.2
<i>Group 3—middle management</i>								
A	4.2	6.3	3.4	5.1	3.6	6.1	0.4	0.7
B	14.4	19.4	11.5	15.1	11.0	16.7	12.2	17.4
C	23.4	25.9	14.9	16.1	11.5	15.6	17.3	21.8
Sub-total	42.0	51.6	29.8	36.3	26.1	38.4	29.9	39.9
<i>Group 4—administration support</i>								
A	12.2	11.2	11.5	10.6	9.3	10.4	18.6	19.2
B	15.9	11.9	35.6	27.2	9.3	8.8	18.1	15.9
C	23.7	13.3	13.8	9.4	53.4	38.1	31.2	20.8
Sub-total	51.8	36.4	60.9	47.2	72.0	57.3	67.9	55.9

Source: MMC study.

7.48. As can be seen the highest proportion of salary cost in WMPTE is in group 3 whereas in the others the highest proportion is in group 4. WMPTE also has a higher proportion of staff in group 3. We explained earlier that our grouping is based on responsibility level and not salary level which will vary with the size of undertaking. Taken with our earlier discussion of staff numbers it appears that, not only does WMPTE have higher manning levels in several areas, it also grades them at a higher level.

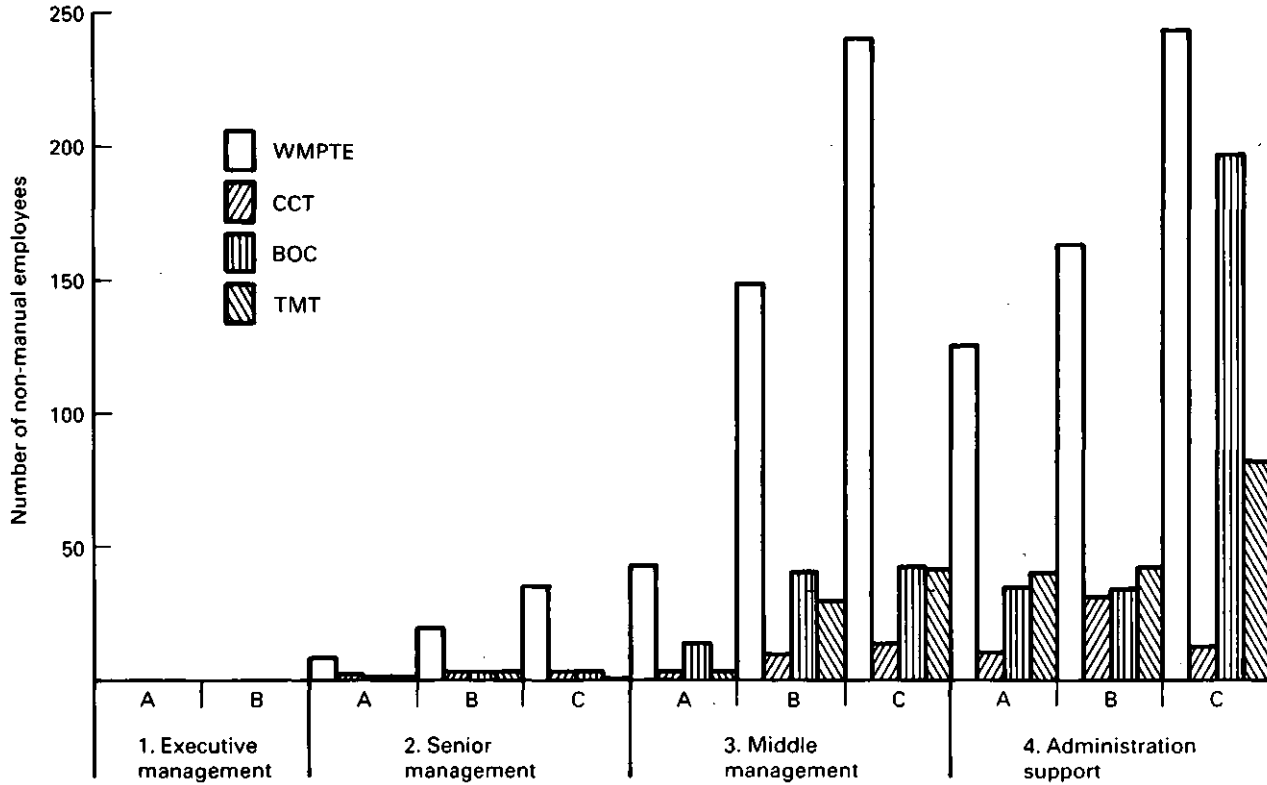
Conclusions

7.49. Between 1976 and 1980 WMPTE had an increase of nearly 20 per cent in the major categories of non-manual staff. This increase took place when business was declining. Since late 1980 there has been an overall reduction in non-manual staff of nearly 6 per cent.

7.50. Since 1976 the other three undertakings have all reduced non-manual staff numbers year by year, apart from a temporary increase in one year in TMT. The decreases range from about 9 per cent in CCT to 22 per cent in BOC.

7.51. Non-manual staff levels expressed as a percentage of the total workforce are very similar in CCT and the NBC companies, when account is taken of TMT staff engaged on work for other companies. However, the 16.5 per cent in CCT does not include administrative support received from other departments of the city council.

FIGURE 7.1 A breakdown of the management structure of the four reference undertakings within major categories



Source: MMC study.

7.52. WMPTE has a higher level of non-manual staff at 17·8 per cent of the total workforce. While WMPTE is more self-sufficient in a number of respects, advantage has not been taken of the potential for economies of scale. In particular non-manual staff levels in the engineering function are high compared with CCT and the NBC companies. We recommend that WMPTE undertakes a further more stringent review of non-manual staff requirements with particular emphasis on the engineering function.

7.53. Compared with the other undertakings, WMPTE has a larger proportion of its non-manual staff in the higher grades and salary levels. We recommend that WMPTE should carefully review the application of its staff grading structure.

7.54. Staff manning levels and the grading structure in CCT and the NBC companies are generally reasonable.