

**This and the following 101 pages comprise Schedule 20 referred to in the foregoing
Contract between the Scottish Ministers and Serco Ltd.**

SCHEDULE 20 – HUMAN RESOURCES, TRAINING & KEY PERSONNEL DELIVERY PLAN

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Glossary of Terms

Term	Definition
AB	Able Seafarer
AES	Auto Enrolment Scheme
CEng	Chartered Engineer
CEO	Chief Executive Officer
CFINE	Community Food Initiative North East in Aberdeen
CILT	Chartered Institute of Transport Logistics
CIPD	Chartered Institute of Marketing
CMAL	Caledonian Maritime Assets Ltd
CMR	Clyde Marine Recruitment
CoC	Certificate of Competence
CQI	Chartered Quality Institute
CRM	Crew Resource Management
CSG	Contract Solutions Grampian
DC	Defined Contribution
DDPA	Deputy Designated Person Ashore
DofE	Duke of Edinburgh Award
DPA	Designated Person Ashore
DYW	Developing the Young Workforce
EAP	Employee Assistance Programme
ECDIS	Electronic Chart Display and Information Systems
EDI	Equality Diversity and Inclusion
EOOW	Engineer Officer of the Watch
ETO	Electro-Technical Officers
GAD	Government Actuary Department
GDPR	General Data Protection Regulation
iiHW	Investors in Health and Wellbeing
iiP	Investors in People
iiV	Investors in Volunteering
iiYP	Investors in Young People
ILO	International Labour Organisation
IOSH	Institute of Occupational Safety and Health
ISM	International Safety Management
L & G	Legal and General
LGBT+	Lesbian, Gay, Bisexual and Transgender plus, an 'inclusive' way to represent all the different identities
MCA	Maritime and Coastguard Agency
MLC	Maritime Labour Convention
MNOPF	Merchant Navy Officers Pension Fund
MNRGPP	Merchant Navy Ratings Group Pension Plan
MOD	Ministry of Defence

Term	Definition
MPS	Marine Protection Solutions
MWTD	Maritime Working Time Directive
My HR	Serco's HR self-service portal with access to learning, vacancies and HR information. Additional HR advice is also available by telephone.
NAFC	NAFC Marine Centre
NEST	National Employment Savings Trust
ODS	Operational Development Scheme
OOW	Officer of the Watch
PDR	Personal Development Review
PSO	Passenger Service Officer
Rate up	Ability to step people up with the correct qualifications
RGU	Robert Gordon University
RPI	Retail Price Index
RPI Plus	Pay awards above RPI
SAMH	Scottish Association for Mental Health
SIW	Serco Inspiring Women Network
SMART	Save More and Reduce Tax
SME	Small and Medium Enterprises
SMS	Safety Management System
SPLAS	Serco Pension Life Assurance Scheme
STCW	Standards in Training Competency and Watchkeeping for Seafarers
STUC	Scottish Trades Union Congress
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
VMS	Vessel Management System
YPB	Young Persons Board

B1 Human Resources, Training and Key Personnel Delivery Plan

1. Executive Summary

1.1. Serco's Approach to the delivery of the Human Resources, Training and Key Personnel Delivery Plan

The purpose of this Human Resources, Training and Key Personnel Delivery Plan (HR Delivery Plan) is to demonstrate our understanding of the objectives that Serco and Scottish Ministers have set for the operation of the Northern Isles Ferry Service, with respect to Human Resources, Training and Key Personnel.

Our proposed HR Delivery Plan provides a comprehensive and robust approach, ensuring an efficient, reliable ferry service, and sets out a clear strategy for the contract period. Mindful of the Scottish Government's approach to workforce policies, we have demonstrated our continued commitment to being a best practice employer in the delivery of the Contract. Changes to current practices have been provided in a statement setting out how changes will be brought about, and satisfactory evidence provided, to show that changes will not adversely affect safety and performance. Our HR Delivery Plan describes required negotiations with Trade Unions that represent the existing workforce and includes proposals for staffing, remuneration and employee relations, training, development and key personnel. We have provided a comprehensive and robust approach and details of our systems and procedures. We have outlined our steps for satisfying all statutory requirements and explain how we monitor compliance with this plan.

Our HR Delivery Plan is mindful of Scottish Government's (SG) high level objectives for ferry services, to be:

- Safe, sustainable and efficient
- Responsive to local needs and appropriate to the requirements of those using them
- Contribute to sustainable economic growth on our islands and in our remote rural communities
- Be affordable at point of service and offer value for money for the Scottish Ministers
- Be resilient to social and commercial stresses

This Plan has been structured around the ITT Vol 2 – B1, with a section explaining about the challenges with regard to Human Resources, Training and Key Personnel as a whole, relating to technical, logistical and management challenges. We have then covered:

- The nine sub-plans individually, which each contain our Approach and methodology, utilising the best practice we have developed over the last six and a half years on which our Proposals have been based
- Our Proposals for the new contract term

We have set out the proposals which will form part of the agreement between SG and Serco and show where there are areas of continuous improvement which will be targeted throughout the term of the contract.

Serco has an in-depth knowledge of the risks that could affect NorthLink's ferry services, and we have identified the high-level risks and the actions required to mitigate them, or to bring them to as low a level as reasonably practicable.

We have not included any costs associated with the delivery of the objectives, but they can be found in the financial model. However, where there is a requirement for additional investment or resource, we have indicated this.

We have provided suitable evidence to support the delivery of the requirements throughout the plan, however, where this evidence is part of a larger document this has been referenced or provided in full in the supporting annex.

Serco will continue to recruit a local workforce and work with local providers including SMEs and supported businesses, enabling businesses and people to benefit directly from NorthLink.

We have a suite of initiatives enabling the development, wellbeing and safety of our people, expanding opportunities for Scottish people to succeed from nurture to lifelong learning, ensuring higher and more widely shared achievements. Including the introduction of our Health and Wellbeing and Young Persons strategy and the introduction of our Health and Wellbeing and Young Persons' Group. Serco has a commitment to Modern Apprenticeships, Cadetships and Apprentices.

We have clear safety standards and processes to ensure that our people have the levels of training and certification which are mandated.

1.2. Key Improvements

Serco is in a very good position to deliver the requirements of the Fair Work framework services, given what we have already achieved since 2012 in managing the NorthLink business.

NorthLink Ferries is committed to being recognised as an employer of choice and exemplars in Fair Work, building on our Investors in People (IIP) Gold, Investors in Young People (IiYP) Silver and Investors in Health and Wellbeing (IiHW) accreditation. To achieve our objective, we have structured our HR, Training and Key Personnel Delivery Plan to support the overarching principles of the Fair Work Framework of Respect, Security, Opportunity, Fulfilment and Effective Voice, enabling us to continue to deliver high levels of employee engagement and customer satisfaction.

To achieve this we will:

- Structure our organisation to ensure that we are supporting the whole customer journey
- Build on our IIP Gold achievement and IiYP Gold accreditation and maintain the existing level or moving to the higher level of accreditation at the time of reassessment and maintain Investors in People Health and Wellbeing accreditation. We will maintain all three through the life of the contract and undertake a health check against the standards every 12 months prior to reaccreditation. Our aim is to achieve the highest level possible. This will deliver the requirements of the Fair Work Framework where Fair Work drives success, wellbeing and prosperity, ensuring the highest standard of quality in workforce-related matters.
- Achieve the Healthy Working Lives Award
- Introduce our 'NorthLink to the community scheme' supporting, measuring and enabling our people to volunteer in the local community
- Continue investment in developing our people over the life of the contract, enabling them to develop their skills, career and to deliver a consistently high level of customer service
- Commit to a no compulsory redundancy guarantee for all non-managerial grades - we are a Living Wage Accredited Employer and will offer a no compulsory redundancy guarantee for all non-managerial grades. External economic factors can influence the economic viability of the organisation, so in such instances we will discuss and seek approval from TS to review this arrangement.
- Promote equality of opportunity and develop a workforce which reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability
- Introduce a new organisation structure – Evolving the existing structure and introducing a single leadership role responsible for the end to end customer journey experience.

Developing the Marketing team to focus on strategic and tactical marketing to drive revenue, as well as promoting NorthLink as a lifeline service provider as part of Serco's Transport Marketing Centre of Excellence in Scotland.

- Build on our existing strong relationship with our trades unions and high levels of employee engagement within the business. Our annual employee survey will continue to measure engagement and we will introduce a suite of initiatives designed to further support employee voice.
- Promote equality and avoid discrimination: Through the introduction of our annual equalities plan, a calendar of activities to raise awareness, working jointly with our trades unions and introducing Equality, Diversity and Inclusion trades unions reps and achieving Investors in diversity accreditation.
- Increase employment opportunities: Extending the reach of our work with local organisations to provide employment opportunities, introducing a young person group and Young Persons Board to enable us to understand how we can continue to make NorthLink attractive to local people.
- Focus on training and development: Our World Host programme will reinforce our commitment to and raise awareness of the importance of the end to end customer journey experience. Build on our continuous improvement training ensuring everyone has white belt, all managers have yellow belt training and introducing eight green and one black belt. Extending our Apprentice and Cadetship scheme to our new customer facing staff.

Serco is ideally placed to address the requirements and challenges of the new contract. The transformation of the current contract has been achieved through the skills and expertise of Serco NorthLink's Leadership team.

2. Introduction - Human Resources, Training and Key Personnel Delivery Plan

Our people are key to the success of the Northern Isles Ferry Service Contract and our objective is to be recognised as an employer of choice and an exemplar in Fair Work. Our HR, Training and Key Personnel Delivery Plan has been developed to deliver the requirements of the Fair Work Framework – building on our success to date in being the first ferry operator in Scotland to achieve Investors in People Gold accreditation, together with achieving Investors in Young People Silver and Investors in Health and Wellbeing.

Socially aware practices and improving the economic, social and environmental wellbeing of the lifeline ferry service are integral to our HR Plan. In keeping with Scottish Government's requirements under the Procurement Reform (Scotland) Act 2014, regarding Community Benefits, we will continue to work with organisations to provide local employment and apprentice opportunities.

Our objectives for the Human Resources, Training and Key Personnel Delivery Plan are:

- Achieve liP Platinum, liYP Gold status and Healthy Working Lives award and continue our commitment to the Scottish Business Pledge
- Continue to recruit a local workforce and develop our positive relationships with local providers, including SMEs and supported businesses, to contribute to sustainable economic growth on our islands and in our remote rural communities
- Implement a suite of initiatives enabling the development, wellbeing and safety of our people and to expand opportunities for Scottish people

- Implement our Health and Wellbeing and Young Persons strategy, and introduce our Health and Wellbeing and Young Persons Group, to enable the local communities we serve to become safer places to live, offering improved opportunities and a better quality of life
- Continue to maintain our safety standards and processes to ensure that our people have the levels of training and certification that are mandated
- Continue our commitment to Cadetships and Apprentices.
- Enable our people to volunteer in the local community as part of our NorthLink to the Community Scheme to enable sustained levels of employee engagement

2.1. Improvements since 2012

The following Table 1 summarises the key improvement since 2012.

Table 1: Summary of key improvements since 2012

Area	Key improvements since the start of the 2012 contract
HR 1: Organisation structure	<ul style="list-style-type: none"> • Our locally based management team • Local community engagement activity and socially aware practices • Visible leadership - encouraging open and honest communication • Bringing Freight under the management of NorthLink. • High levels of customer satisfaction at 98%
HR2: Crewing	<ul style="list-style-type: none"> • Introduction of flexible rostering and a new rostering system • Our vessels are crewed to sail at any point • Removal of zero-hour contracts • Freight vessels coming under the management of NorthLink • Efficient level of resources – Review of the onboard staffing and a reduction of ^{Redac} seafaring roles
HR 3: Fair Work:	<ul style="list-style-type: none"> • Roll out of our Serco Values Achieved liP Gold, liYP Silver and Investors in Health and Wellbeing. Signing of the Scottish Business Pledge
HR4: Trades Unions and engagement:	<ul style="list-style-type: none"> • Levels of engagement have increased from ^{Redac} in 2014 to ^{Redac} in 2018, as measured through our Redacted survey and currently exceed the UK benchmark • Zero days lost to strike action in the last five years
HR 5: Promoting equality and eliminating discrimination	<ul style="list-style-type: none"> • Staff adhere to the Serco Code of Conduct and ‘Speak Up’ initiative • The introduction of diversity and inclusive networks including Inspiring Women, LGBT+ and recognition as an inclusive employer
HR 6: Employment Opportunities	<ul style="list-style-type: none"> • Increasing the number of locally employed people by 12% and providing a 26% uplift to the local economy as a direct result of our local recruitment practices • New Apprenticeship programme in 2017 in partnership with NAFC Marine Centre in Shetland • Developing strong relationships with local schools and colleges North East Scotland College (NESCol) and the University of Highlands and Islands • In 2018 we encouraged hospitality students at NE Scotland College to apply to work for us • Working with Developing Young Workforce Orkney – providing an interface between schools and employers • Health and wellbeing group • 13 Trainee Officers have completed Cadetships

Area	Key improvements since the start of the 2012 contract
HR 7: Training and Development	<ul style="list-style-type: none"> • Serco Our World – My HR online system enabling staff to take ownership of their own learning and development, and access a portfolio of training • In 2017 NorthLink achieved Investors in People Silver, and then in 2018 Investors in People Gold, Investors in Young People and Investors in Health and Wellbeing • Introduction of Ankaa Marine database • Working with our trades unions on lifelong learning and working together to introduce iPads to support learning • Cadetships and Apprenticeships • Demonstrating continuous improvement through our Operational Excellence programme.
HR 8: Key Personnel	<ul style="list-style-type: none"> • NorthLink Ferries has, under the existing leadership team, continued to focus on safety and operational efficiency, resulting in an 8% increase in the number of passengers carried since the start of the contract. 98% of passengers surveyed have rated their overall experience as positive.
HR 9: Pensions:	<ul style="list-style-type: none"> • Introduction of affordable pension and life assurance benefits.

2.1.1. Assessment of the Challenges

To successfully deliver our HR, Training and Key Personnel Delivery Plan, it is important to continue to understand the associated key technical, management and logistical challenges and identify how the challenges will be mitigated. These are outlined in Table 2. This approach maintains continuity from mobilisation and into the new contract.

Table 2: Assessment of the Challenges – Human Resources, Training and Key Personnel

Staffing Levels & Structure	
Technical	Redacted
Logistical	
Management	
Crewing	
Technical	Redacted
Logistical	
Management	
Fair Work Practices	
Technical	Redacted
Logistical	

Table 2: Assessment of the Challenges – Human Resources, Training and Key Personnel

Management	Redacted
Trades Unions and engagement	
Technical	Redacted
Logistical	
Management	
Discrimination & Equality	
Technical	Redacted
Logistical	
Management	
Employment Opportunities	
Technical	Redacted
Logistical	
Management	
Training	
Technical	Redacted
Logistical	
Management	
Key Personnel	
Technical	Redacted
Logistical	
Management	
Pensions	
Technical	Redacted
Logistical	
Management	

3. Staffing levels and structure – HR1

3.1. Approach to staffing levels and structure

The following information explains our analysis of staffing at NorthLink. We have taken the opportunity, which the new contract provides, to undertake an independent external analysis of the existing organisation structure to determine how best to meet the new Contract requirements. We have considered the three main groups of staff, shore-based who operate in the ports, seagoing colleagues on the vessels, and support services who provide the functional support to the business.

3.1.1. Our existing organisation structure has delivered key improvements

Employee engagement, as measured by our annual Redacted survey, has increased from Redacted to Redacted above the UK benchmark level of 72, low levels of absenteeism and turnover have been maintained, we have achieved Investors in People Gold, Investors in Young People Silver and Investors in People Health and Wellbeing Award, and increased the percentage of local workforce from 53% to 65%.

This has been achieved by:

Redacted

- Shipboard Human Element Assessment Tool (HEAT) undertaken annually to assess the effectiveness of our vessels' onboard safety management system and safety culture.

3.1.2. Critique on the existing organisation structure

The existing organisation structure has supported the transformation of the current contract and enabled the success that NorthLink has achieved to date. The business needs to be structured to deliver the contract requirements and be sufficiently agile to deal with future demands. We have taken the opportunity of the new contract to critique the existing structure against the contract requirements and develop an organisation structure fit for the future. We have made the following observations through this process:

- **Customer Service Delivery:** While levels of customer satisfaction are high at 98%, there is an opportunity to structure the organisation to focus on the end to end journey experience Redacted Redacted
- **Flat organisation structure:** The flat organisation coupled with the local and visible management team, based in Aberdeen and Stromness, has contributed towards increasing levels of people engagement within the existing contract.
- **Marketing:** The current approach has worked well, Redacted
There is an opportunity to draw on the insight and expertise of the Serco Transport Marketing Team to provide additional support to the team and to create a marketing virtual centre of excellence.
- **Customer Contact Centre:** The current customer contact centre that deals primarily with telephone enquiries and technology, including the chat facility, is under-utilised. There is an opportunity to drive customers towards online contact over the life of the contract through the use of social media and the website.

- **Onboard hotel structure:** The hotel structure on the MV Hrossey / Hjaltland is different from the MV Hamnavoe and reflects the distinct difference between the two services.
- **Accountability and responsibility:** Responsibility for corporate activity is split across many functions, for example stakeholder and local engagement. While this has added benefits for the enrichment of peoples roles, responsibility for the activity does not sit with one leader.

3.1.3. Wider support and expertise available within Serco Group

Redacted

As well as the ability to access services, training programmes and Serco core processes, Serco also provides NorthLink with additional support and challenge. Redacted

Redacted

as shown in Figure 1 below.

Redacted

Figure 1: Wider support and expertise available within Serco Group

3.2. Proposals for staffing levels and structure

The existing organisation structure of NorthLink has been critical to enabling the success of the 2012 contract. Our proposed organisation structure and staffing levels for the new contract evolves from and builds on the current operation. We have taken the opportunity to review the requirements of the new contract and ensure that the structure supports Scottish Ministers' objectives, including the end to end journey experience and our internal assessment on a more strategic marketing approach, and drawing also on the supporting capability and expertise within Serco Group.

Our new senior leadership team structure will be introduced within Redacted of Contract Commencement.

3.2.1. Our proposed organisation structure

Serco recognises the importance of having a highly skilled leadership team to manage the NorthLink contract. Serco's approach is to have locally based teams, and this will continue in the new contract. For NorthLink this means offices in Aberdeen, Stromness, Kirkwall, Scrabster and Lerwick, to continue to build on the high levels of staff engagement that we have seen in the current contract. If we are to deliver a step change in performance and delivery, then this team will be critical to the long-term success of the contract. Our approach is to ensure that each member of the team will own the obligations that flow from the conceptual proposals in this tender response and the delivery of the initiatives we have outlined in our proposals. The annual business planning process will support this, where each staff member will be set personal objectives for their business area, aligned to the plan and the contractual obligations.

Our organisation structure has been designed to evolve and build on the successes of the current structure. Our new customer service function will focus on enhancing the customer journey experience. Our marketing team will include the existing roles of Database Manager and Commercial Analyst to enable customer insight-led marketing activity. Our operational delivery team will be responsible for safe operational delivery of passenger vessels and includes a dedicated Freight Manager for our freight services.

Redacted

Figure 2: Our proposed organisation structure

Further detail relating to the names and duties of our key personnel together with a biography on each individual can be found in 10.2.2.

3.2.2. Our local functional delivery structure

Our shoreside management team will consist of the following functions:

3.2.2.1. Operational Delivery

Redacted

3.2.2.2. Customer Service Function

In creating a new and different Customer Services Director role and Redacted

With our extensive experience of designing customer-led service delivery – and having been successful in delivering it during the Northern Isles contract since 2012 and similar on Caledonian Sleeper – the importance of accessibility and inclusion for both Scottish Minsters and our customers is already deeply embedded. We have, therefore, developed our thinking and the proposed organisation structure to ensure that accountability is held at a senior level. Redacted

Redacted

Redacted

Figure 3: Customer Services organisation structures – Shore-based

Redacted

Figure 4: Customer Services organisation structures – Onboard

Redacted

3.2.2.3. Marketing Function

Redacted

Redacted

3.2.2.4. Finance Function

Redacted

3.2.2.5. HR Function

Redacted

3.2.3. How we will meet the ITT requirements

Our structure meets the requirements of the ITT as outlined in the following Table 3:

Table 3: How we will meet the ITT requirements

ITT Requirement	Responsibility
8.3 – Appoint an individual, who will operate at a senior level, with responsibility for establishing, maintaining and reporting on community engagement.	Redacted
8.4 – Appoint an individual, who will operate at a senior level, with responsibility for establishing, maintaining and reporting on opportunities for purchasing supplies or services from Supported Businesses and SMEs.	
10.2 – Appoint a Transport Integration Manager, an individual with defined authority for Transport Integration, who will operate at a senior level in the business. In addition to integrated transport, the role will also be responsible for green travel and accessibility.	
13.4 – Appoint a named individual who shall have defined authority for establishing, maintaining and reporting on the Quality Management System.	

ITT Requirement	Responsibility
15.3 – Nominated individual who shall have defined authority for establishing, maintaining and reporting to Transport Scotland on health and safety. The Operator must also ensure there is a Board Level individual with overall responsibility for health and safety performance.	Redacted
16.2 Nominate a dedicated individual who shall be responsible for environmental management. The nominated individual shall have defined authority for establishing, maintaining and reporting to Transport Scotland on environmental management.	

3.2.4. Security Arrangements

NorthLink are responsible for security arrangements and have appointed a subcontractor to provide specialist security services. With the exception of the port of Aberdeen where the guarding arrangements are ‘Security’ roles, the service is largely a customer focused activity in allowing passengers and freight to access NorthLink’s vessels. Redacted

The 30 staff involved will transfer to NorthLink from Redacted

3.2.5. Vessel cleaning services

Vessel cleaning of hotel cabins, public areas and provision of laundry assistants and kitchen porters on vessels, and cleaning at Aberdeen and Lerwick terminals and offices are currently outsourced. As with the Security arrangements, consideration has been given to the risks and benefits of bringing the service in-house. There is an opportunity for cleaning supervision to come under the Onboard Services Manager role, who will ensure consistency in cleaning standards across the operation. Redacted

The proposed transfer of the service in-house will be effective from Redacted

3.2.6. The number and levels of staff required to provide the Ferry Services

The following Table 4 summarises the staff numbers required to deliver the service. The in-house cleaning and security arrangements are shown in the following numbers and are effective from Redacted

Table 4: Summary of the staff numbers required to deliver the service

Shoreside	Staff numbers
Senior Managers	Redacted
Support Manager, Supervisors, Assistants, Security, Cleaning Note: Includes insourcing of security and cleaning staff	
Sub total	
Offshore	
Ships Staff	
Total	

There will be people who are contracted to our key suppliers, Redacted
Such providers are working to a service level agreement and will make a commercial decision as to the number of people required to deliver the service.

3.2.7. Ensuring our organisation structure remains cost effective during the contract

To ensure that we are able to attract a high calibre of people working with NorthLink as well as ensuring that we are cost effective, we will introduce a process of external benchmarking of roles. Redacted

We will utilise the Serco benchmarking process to support this activity and will review the benchmarking analysis on an annual basis and provide details of our benchmarking to TS.

3.2.8. Transition to the new organisation structure

We will continue to evolve the existing organisation structure throughout the life of the contract. Our Serco Senior HR Business Partner will be responsible for the implementation of our shoreside management structure Redacted Upon

notification of successful bidder, our Managing Director will have formal meetings with each direct report building on the informal conversations already held. Redacted

Table 5: Proposals for Huma Resources, Training and Key Personnel

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
Introduce our new senior leadership team structure	Redacted				
Introduce our new onboard organisations structure					
Introduce the new role of Customer Service and Transport Integration Manager					
Introduction of external benchmarking of roles					
Bring contract cleaning in-house					
Bring security in-house					

Proposals

Timing and duration

Responsibility

Stakeholders involved

Assumptions/
dependencies

Method for measuring
results

Re-organisation of the
central finance team.

Redacted

Introduce new rosters for
our shore-based
customer service staff

Reorganisation of
crewing on the
Hamnavoe, Hjaltland and
Hrossey.

.....

Proposals

Timing and duration

Responsibility

Stakeholders involved

Assumptions/
dependencies

Method for measuring
results

HR 3

Redacted

No compulsory redundancy guarantee. We are a Living Wage Accredited Employer and ^{Redacted} offer a no compulsory redundancy guarantee for all non-managerial grades. External economic factors can influence the economic viability of the organisation, so in such instances we ^{Redacted} discuss and seek approval from TS to review this arrangement.

Review of salaries in line with the living wage

Review our reward packages

EAP scheme

Proposals

Timing and duration

Responsibility

Stakeholders involved

Assumptions/
dependencies

Method for measuring
results

Consultation meeting on
the new contract

Redacted

Including:

- New staff travel
- Communication activity
- Proposals for the contract
- TU principles of operation

.....
Insourcing of cleaning
contract and with CSG
and Security (MPS) from
Redacted

.....
Introduce two Equality,
Diversity and Inclusion
(EDI) Representatives
and establish a quarterly
EDI Group meeting from
Redacted and for

the life of the contract

.....
Mandatory Serco
Essentials Training

.....
Introduce two Equality,
Diversity and Inclusion
(EDI) Representatives
and establish a quarterly
EDI Group meeting
.....

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
Develop our Annual Equalities Plan, providing the report to TS and report monthly on our diversity profile	Redacted				
Establish a Young Persons Board					
Achieve Investors in Diversity Accreditation by Redacted					
Promote equality networks which are available					
Introduce a mentoring scheme for women within NorthLink					
Establish a Young Persons' Board					
Recruit health and wellbeing and young person's champions and establish a quarterly HWYP Group					

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
<p>Socially aware practices working with local organisations to recruit young, unemployed and mature workers.</p> <p>Introduce 2 Internships each year</p> <p>Apprentices and Cadetships in line with our tonnage tax regime</p> <p>Achieve Investors in Volunteering Accreditation</p> <p>Annual training report</p> <p>Monthly reporting on the amount of training conducted each period</p> <p>Mental health awareness training 0.5 day</p> <p>Contract Welcome programme 1.5 hours</p>	Redacted				

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
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Disability awareness programme and ongoing refresher training programme	Redacted				
---	----------	--	--	--	--

World Host Customer service training for new and existing employees					
---	--	--	--	--	--

Review the existing Personal Development Review process					
---	--	--	--	--	--

Network of digital champions and coaching training					
--	--	--	--	--	--

Operational Excellence Programme					
----------------------------------	--	--	--	--	--

Provide study leave for 2 individuals each year					
---	--	--	--	--	--

Provide details of our Key Personnel to Transport Scotland					
--	--	--	--	--	--

Appointment of key personnel					
------------------------------	--	--	--	--	--

3.3. Monitoring and review

We have identified the following KPIs which will be used to monitor the progress and success of our HR Plan.

- Lost time due to accidents and injury in the workplace
- Achieve the highest levels of Investors in people, Investors in Young People, Investors in Health and Wellbeing accreditation; achieve Healthy Lives Award
- Continue to be recognised as a living wage employer as recognised by the Living Wage Foundation
- Number of training days completed
- Local employment profile of our workforce and supporting the local economy
- Percentage level of turnover of our people due to resignation each year compared to CIPD average
- Levels of employee engagement as measured by the annual Redacted survey and compared to UK and global benchmark
- Levels of employee absenteeism

- Maintain constructive relationships with our recognised trades unions maintaining zero strike days and action short of strike action
- Reducing the gender pay gap as measured by the annual gender pay report
- Time donated to the local community measured by numbers of days per year
- Increasing the proportion of women at senior level in the business
- Number of Apprentices, Apprenticeships and Cadetships
- Promoting equality of opportunity and developing a workforce which reflects characteristics such as age, gender, religion or belief, race, sexual orientation and disability
- Targeting the number of People Tours by the leadership team to support senior leadership visibility
- Introduce the following new roles: Customer Service and Transport Integration Manager, Mobilisation and Commercial Director, Sustainable Purchasing Co-ordinator, Insight Manager and Digital Marketing Manager

The above will be reported on a monthly basis internally with NorthLink as well as monthly reporting to Serco. We will also report on action taken in line with the fair work framework and will include a summary in our monthly reports. These reports will also be provided transparently to TS on a monthly basis and we will make available information and reports upon the request of TS.

3.4. Risks and mitigations

Our approach to risk management incorporates the best practice in risk management from our Serco Group. Each risk identified within the HR Plan has been listed together with the mitigation measures. Our risk register will be reviewed every six months.

Table 6: Risks and mitigations

Risk	RAG	Mitigation	RAG
Redacted		Redacted	

Risk

RAG Mitigation

RAG

Redacted

.....

Redacted

4. Crewing for Passenger and Freight Vessels – HR2

4.1. Approach to Crewing

Serco's fundamental approach to crewing ensures efficient numbers of resources to support the crewing requirements of the timetable. As rostering errors and short-notice staff absences can result in the cancellation of a ferry service, we ensure that our crewing levels are flexible and that we are compliant with the Maritime and Coastguard Agency 1877 (M).

Serco and the trades unions have worked collaboratively to agree the correct manning levels for each of the vessels.

Manning levels are dependent on:

- Type of ship
- Number of passengers carried
- Seasonal limitations
- Muster list requirements
- Minimum manning levels

Redacted

ensures our vessels are able to sail at any time. We review the manning levels, ensuring that the vessels are safely manned and customer satisfaction levels are maintained.

Redacted

This is best practice across the marine industry and supported by the government. We are satisfied that the arrangement is acceptable to the UK and Scottish Government's non-domicile rules and thus to continue with this model in the new contract.

The employing entities are outlined below:

Redacted

Management of crewing under these arrangements is to be continued in the new contract.

Redacted

4.1.1. Approach to flexible rostering

The introduction of flexible rostering in the existing NorthLink contract, as opposed to fixed manning levels, ensures vessels are crewed to sail at any time. We follow the widespread practices for vessel staffing levels, adhered to by commercially focused and efficient ferry operations.

Staffing levels are determined by four factors:

- The **minimum manning level** – minimum staff to sail the ship
- The **muster list** – the additional number of staff needed to manage the number of passengers (especially in event of evacuation)
- Any **additional staff**, depending on the level of hotel and catering services
- Use of **seasonal manning modes**, where different Passenger Certificates can be compared with expected demand so that manning can be reduced

4.1.2. Approach to our new rostering system

Rosters are reviewed every October and November for the year ahead. Redacted

As part of our recruitment processes focusing on the employment of people from the areas in which we serve, we are to recruit and roster local people, reducing travelling costs over the period CY1 – CY6 by 47% against CY1.

4.1.3. Approach to new employment arrangements for our Freight Vessels

In 2017, the freight vessels transferred to NorthLink Management when CMAL entered into a bareboat charter with the owners. Our freight vessels came under the management of NorthLink and crew changed employment from Sea Truck to Marine Manning Guernsey. Clyde Marine Recruitment (CMR) has a reputation across the industry for delivering a high standard of service. They are respected for filling vacancies with quality personnel and working in partnership with clients and seafarers to develop new ideas and improve efficiencies, as well as to provide career opportunities for marine candidates across the world.

This arrangement has also provided greater control over the vessels. To meet substantial growth in the transport of commercial goods and vehicles, Redacted

and continuously develops the number of services offered. The close proximity of the vessels to the management team in Aberdeen enables parts and spares to be ordered efficiently and relationships between shoreside staff and crew to be developed to support engagement

Redacted

4.1.4. Proposals for Crewing

Serco will continue with the current arrangement for the employment of NorthLink sea-based staff Redacted This is best practice across the marine

industry and supported by the government. We are satisfied that the arrangement is acceptable

to the UK and Scottish Government's non-domicile rules and will continue with the model currently in place.

Redacted

Our crewing levels will be reviewed on an annual basis to maintain safe manning levels and customer satisfaction.

4.1.5. Crew configurations and numbers per sailing

In 2012, NorthLink removed ^{Redact} seafaring people and ^{Redact} posts to enable optimal crewing levels and the ability to crew up or down dependant on operational requirements. We have reviewed our crewing as part of the tendering process and propose the following Redacted on the Hamnavoe, Hjaltland and Hrossey within the onboard services team.

Redacted

Redacted

Night watch roles are currently delivered by a third-party contractor. This role will now be delivered in-house by Able Seafarers (ABs) through a change to hours of work and rest on the Hamnavoe, and to enable the skilled and qualified personnel to be retained for the six-crossing muster level requirements.

We will commence consultation with our trades unions during mobilisation to enable the structure to be in place within 12 months of Contract Commencement.

The changes will be introduced without affecting safety and performance. The crewing levels fulfil the passenger crewing requirements, and the current flexibility to crew our vessels up and down dependant on demand will be retained and performance will not be affected.

Table 8 below shows the crew configurations and numbers per sailing.

Redacted

Redacted

4.1.6. Crew/passenger ratios and passenger certificate numbers throughout the year

Table 9 below shows the crew/passenger ratios and passenger certificate numbers throughout the year.

Table 9: Crew / passenger ratios and passenger certificate numbers

Vessel	Mode	Passengers number	Crew
MV Hjaltland / MV Hrossey	Safe Manning Document (SMD) Manning	0	Min 18
	Mode 2	Up to 300	Min 29
	Mode 1	301–600	Min 33
MV Hamnavoe	SMD Manning	0	Min 16
	Mode 2	Up to 220	Min 26

Vessel	Mode	Passengers number	Crew
	Mode 1	221–600	Min 30
Hildasay / Helliar	SMD	0	13
	Operational	Up to 12 passengers	18

4.1.7. Shift patterns to be adopted

Serco will adopt the following shift patterns at NorthLink for:

Seagoing staff – We have analysed the current shift patterns and annual leave arrangements and will maintain the current arrangement of two weeks on and two weeks off for our passenger vessels, and six on, six off for freight. This shift pattern has proven to be the most effective to meet the requirements of the service and the Maritime Labour Convention's (MLC) minimum working and living rights for seafarers. Our staff will also work across all three passenger vessels.

Shore-based customer service staff – Opportunity Redacted to address turnover issues and provide greater work life balance. Our people will be clear on their roster pattern, to enable them to plan their working lives.

4.1.8. Crewing arrangements for the freight vessels

On 26 March 2019, the two freight ferries that serve the Northern Isles network were purchased by the Scottish Government. Previously chartered from Fortress, they will now join the Caledonian Maritime Assets Ltd (CMAL) fleet. Redacted

4.1.9. Compliance with the Maritime Working Time Directive

Serco will accurately record training, sickness and detailed management information using our rostering tool introduced in 2014. The rostering tool also ensures that our Masters will manage the hours of rest for their crews effectively. Sickness and relief cover will be maintained by additional trained crew, who are able to cover if required, and to avoid the use of crewing agencies. Hours of rest are recorded on the vessel by the Redacted using Redacted software, which complies with all current regulations, including ILO 180 and STCW 2010.

Table 10: Summary of Proposals

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/ dependencies	Method for measuring results
Introduce new rosters for our shore-based customer service staff	Redacted				
Reorganisation of crewing on the Hjaltland and Hrossey. Opportunity to create a pool across all three passenger vessels HM/HR/HJ					

5. Fair Work Practices – HR3

5.1. Approach to fair work practices

At Serco we support Transport Scotland’s objective that by 2025 people in Scotland will have a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. We support TS in delivering this objective on fair working practices and ensuring the highest standard of quality in workforce-related matters. Serco demonstrates this through the external accreditations achieved since 2012, in line with the fair work framework:


Investors in People	NorthLink achieved Investors in People Gold accreditation in November 2018
Investors in Young People	NorthLink achieved Investors in Young People accreditation in November 2018
Investors in Health and Wellbeing	NorthLink Achieved accreditation in November 2018
Living Wage Foundation	NorthLink have been an accredited employer since 2017
Healthy Working Lives Award	Kilmarnock Prison have achieved Gold accreditation for nine years
Scottish Business Pledge	NorthLink signed the Scottish Business Pledge in April 2019

Our HR Plan has been designed to support **the delivery of fair working practices** as measured by achieving these external accreditations, using feedback from the assessment processes to continue to identify ways in which we can improve our fair working practices and implement best practice in this area.

5.1.1. Serco’s approach to meeting the Fair Work Framework

Table 11 demonstrates how our approach relates to each element of the fair work framework.

Table 11: Our approach to meeting the Fair Work Framework

Fair Work Framework	Serco Approach
Fulfilment	Redacted
 <p><i>Enabling people to be empowered, use their skills to influence work and to have access to training and development.</i></p>	

Fair Work Framework

Serco Approach

Opportunity

Redacted



Enabling people to access and progress in work and employment.

Security

Redacted



Ensuring security of employment, work and income.

We are a Living Wage Accredited Employer and will offer a no compulsory redundancy guarantee for all non-managerial grades. External economic factors can influence the economic viability of the organisation, so in such instances we will discuss and seek approval from TS to review this arrangement.

Respect

Redacted



Ensuring people are respected and treated respectfully, whatever their role and status.

Effective Voice

Redacted



Ensuring a safe environment where dialogue and challenge are dealt with constructively and where employee views are sought out, listened to and can make a difference.

5.1.2. Our values encourage the right behaviours to support fair working practices at Serco

Since 2012, we have rolled out our Serco Values (see Figure 3) that guide us in our dealings with colleagues, customers, suppliers, partners, shareholders and the communities we serve. Our induction programme ensures that everyone understands our values and brings our values to life. We have written a Code of Conduct, which describes the standards and behaviours we expect of people who work for Serco. Everyone within Serco and at NorthLink receives training to raise awareness of our Code.



Figure 5: Our Serco Values

- **Trust:** We work hard to earn trust and respect, delivering on our promises; are open, straightforward and honest; do the right thing; and take personal responsibility for getting things done.
- **Care:** We invite, listen to and respect the views of others inside and outside of Serco.
- **Pride:** Our approach cultivates a workforce that has pride in what they do, who they work for and where they work. We encourage our people to ‘Speak Up’ if they feel that our code of conduct has been breached.
- **Innovation:** We aspire to be better than anyone else at what we do. We continuously improve our ways of working, and try new ideas, big and small. We share our knowledge and experience and embrace change, knowing that if we don’t provide innovation and value for money to our customers, our competitors will.

Our Serco values align with Scottish Ministers’ Fair Work practices.

5.1.3. Delivering the Fair Work Framework within NorthLink

We support Transport Scotland’s objective to ensure that **fair working practices are embedded** in the current contract. NorthLink has been recognised for the support it gives its apprentices with a silver accreditation in Investors in Young People. We are the first and only ferry operator in Scotland to receive a gold standard by Investors in People and a Health and Wellbeing Award. These accreditations demonstrate our commitment to ensuring the best working practices within our contractor and sub-contractor organisations. We are also recognised as a Living Wage Employer by the Living Wage Foundation. Our fair working practices also applies to employment agencies or ‘umbrella’ companies we use. Contract reviews are used to assess working practices and how they can be improved

5.1.4. An Effective Employee Voice

Our employees are encouraged to have an employee voice both directly and indirectly as shown in Table 12 and Table 13 below.

Table 12: Direct employee voice

Method	Purpose
Redacted	

Method	Purpose
Redacted	

Table 13: Indirect employee voice

Method	Purpose
Redacted	

Serco Speak Up	Our people can report issues anonymously through Serco 'Speak Up', by telephone and email. Redacted
----------------	---

5.1.5. Ensuring our people are treated respectfully, regardless of role and status

Serco's HR Standards are set out within our Serco Management System (SMS). Redacted

Our Code of Conduct reinforces the importance of others' feelings, using appropriate language that respects others and treating others as they would want to be treated. Redacted

Redacted

5.1.6. Security of employment, work and income

To support our commitment to sustainable and productive jobs, we removed the use of zero-hour contracts for new staff in 2012. At NorthLink we use fixed-term or temporary contracts for those employed on a short-term basis to provide stability and security for our people. Our commitment to our Flexible Working policy is detailed in our operating procedures. Since 2012, we have supported flexible working in the business and granted part-time working to support individual requirements, enabling work life balance for our people. Roles within our Customer Contact Centre, Shoreside Operations and Shore-Side Support services are particularly suited to flexible working. We have introduced part-time roles for students and interns at weekends during busy summer periods. This enables working opportunities for young people and provides NorthLink with flexibility and additional resources to cover busy periods.

In 2017, NorthLink became an accredited Living Wage Employer certified by the Living Wage Foundation.

5.1.7. Enabling our people to access and progress at NorthLink

Responsibility to nurture talent and help individuals fulfil their potential lies with individual Managers and the Personal Development Review (PDR) process. The PDR is a formal process that supports career development and identifies training requirements.

The following Case Study shows how NorthLink have enabled our people to progress their careers:

Case Study	Developing our locally based talent, demonstrating our commitment to enable career development for our people.
Contract Compliance Redacted	
Ship-based Staff Redacted	

Redacted

Our CMI Management development programme, Serco Lead and Grow, and Oxford Programmes support development of those who have potential to develop to senior positions. Redacted

5.1.8. Management training and empowering our people

Redacted of our Managers have attended our CIM management development programme, providing our managers with management skills and greater responsibilities in decision making. Our MD has introduced a task-based approach, enabling people from different areas of the

business to work together on a specific task or project. Serco promotes formalised personnel development programmes targeting all levels, providing equal opportunities to enable individuals to pursue defined career pathways.

Staff empowerment to drive customer satisfaction – Our people at NorthLink are engaged to deliver the best for themselves and our customers. We encourage our people to be empowered and involved in decision making. For example, our new onboard menus were decided by our people to drive healthier options on board. This was highlighted in our recent liP assessment as an example of good practice and was well received by our people. ‘Taking personal responsibility’ is something that is encouraged within NorthLink and endorsed by our Managing Director. Continuing this approach in the new Contract empowers our people and involves them in decision making.

Redacted Provides access to a wide range of online training, including **Serco Essentials**, Redacted Further details regarding our approach to training and development can be found in HR7.

5.2. Proposals for Fair Work Practices

5.2.1. Participants to provide details of how they will commit to fair work practices for workers (including agency or sub-contractor workers) engaged in the delivery of the contract

Serco is committed to ensuring the highest standards of quality in our HR practices and a positive approach to fair working practices. We will build on our existing credentials of being the first and only ferry operator in Scotland to receive a gold standard by Investors in People and achieving Investors in Health and Wellbeing and Investors in Young People Silver. We will retain the existing accreditation level or advance to the next level at the time of reaccreditation every three years. Using the feedback from the accreditation assessment, we will continuously improve our fair working practices and through the Serco Governance Process share ideas and ensure best practice. Our Serco Transport Director will lead the quarterly transport meetings with the functional heads and MDs, and our quarterly meeting within UK HR teams will enable the sharing of best practice in fair work practices with our people and suppliers.

Fair working practices extends beyond our staff to umbrella organisations, including Serco Guernsey Crewing Limited and Clyde Marine Recruitment, and contracted services such as cleaning and security. Our current HR team, employed by Serco Ferries HR Limited as the employer’s representative ashore, enables consistent fair working practices to be applied across all of NorthLink, and will continue in the new Contract. We will ensure that contract review meetings are held on a quarterly basis to ensure fair working practices are audited and best practice from NorthLink shared.

5.2.1.1. Developing a safe environment where dialogue and challenge are dealt with constructively and where employee views make a difference

Serco will continue to use our existing suite of communication mechanisms to encourage views to be sought out and listened to. We will enhance this by introducing an Employee Communication Forum (ECF) to enable more people to have a say in the business. Redacted

Anonymous reporting will continue to be promoted. Our Serco Speak up process ensures matters are reported anonymously, and can also be reported directly to our Redacted

Redacted

Redacted

We will also enable our people to make a difference by ensuring that everyone has had Six Sigma white belt training and ensuring that our Managers or those with management responsibility pass Yellow Belt training before being promoted. We will also extend white and yellow belt to include green and black belt training for selected individuals.

5.2.1.2. Working with and reporting transparently to Transport Scotland

We will work openly and transparently with TS. Our 'employee voice' also applies to TS, to ensure that they have a say in the way in which we work and that any matters are escalated promptly. Our Monthly HR Infographic KPI report will be used to report back to TS on a monthly basis on the progress of our Fair Working practices at NorthLink. We will ensure that any information is made available to TS upon request, providing that General Data Protection Regulations (GDPR) is adhered to.

Redacted

We will continue to promote the availability of training Redacted

Figure 6: Our Monthly HR Infographic KPI Report utilising skills through training and development

We will also continue to provide study leave to two individuals each year.

Involving our people in decision making at NorthLink

Our Managers will provide our people with greater responsibilities and the opportunity to make decisions. We will continue to identify ways for our people to be involved in decision making, such as the onboard menus developed in 2018. Table 14 shows how our people will be involved in decision making throughout the organisation.

Table 14: Involvement of staff decision making by business area

Business Area	Involvement in decision making
Customer Service	Redacted continuous improvement of the customer journey experience.
Marketing	This business area will feedback on the success of marketing campaigns and initiatives.
HR	Our people will be involved in: <ul style="list-style-type: none"> • Introducing the potential new staff travel scheme • Deciding which RNLI location on our route should benefit from money raised from our Viewpoint survey • Creating Health and Wellbeing initiatives, including through our Health and Wellbeing Champions. • Attracting a younger and diverse workforce

Business Area	Involvement in decision making
Environment	This business area will continue to reduce the environmental impact of our operation.
Safety	This business area will provide feedback on safety-related matters outside of their responsibility.

5.2.1.3. Ensuring people are respected regardless of role and status

Our Serco Code of Conduct provides clear guidelines on the behaviour we expect our people to adhere to, and treating people respectfully is a fundamental aspect of our Code. Refresher training will continue to be undertaken each year to enable our people to speak up and ensure that our Code is adhered to. Our Serco values will continue to be visible and reinforced to new entrants through our induction programme.

In the new contract we will also ensure that we are respecting and supporting the health and wellbeing of our people. We will develop an annual Health and Wellbeing plan, and work with our Health, Wellbeing and Young Persons Group and Health and Wellbeing Champions on ways in which health and wellbeing is respected.

Our proposals are as follow:

- Continue to maintain Investors in Health and Wellbeing
- Continue to provide Flu Jobs
- Continue to be health and wellbeing champions
- Introduce a Health, Wellbeing and Young Persons Group – meet quarterly.
- Continue to promote health and wellbeing in the workplace through iBoard and a campaign linked to national health awareness days
- Achieve the Healthy Working Lives Award
- Introduce an EAP scheme for off-shore staff
- Continue our Shoreside Health and Safety Committee
- Continue our annual health assessments for all staff
- Promote the NHS online GP service – to enable our people to access medical advice
- Continue to use Absence Manager for shore-based staff – our HR System for reporting absence, management reporting, taking action
- Continue to use local Occupational Health Partners – local health providers for occupational health referrals

5.2.1.4. Progression of our people

Serco will continue to be committed to ensuring equality of opportunity and developing a workforce that is reflective of the population of Scotland in terms of gender, age, religion or belief, race, sexual orientation and disability. Our proposals on how we will achieve this are detailed in HR5, section 7.2. Our Managers will continue to have managerial responsibility to nurture talent and help individuals fulfil their potential, including for example, supporting Modern Apprenticeships and the development of Scotland's young workforce.

Redacted

Redacted

All of this supports Serco as an employer of choice, for career opportunities and development, and the benefits of being part of a large organisation.

5.2.1.5. Security of employment, work and income

Security of employment, work and income will be provided through:

- **Sustainable and productive jobs** – We will ensure that our staff have contractually secure roles, without zero-hour contracts. Where there may be occasions when such contracts are beneficial to our staff, for example, seasonal student work or recently retired staff, we will seek approval from TS. Our Freight staff are currently employed through Clyde Marine Recruitment (Marine Manning Guernsey) on temporary contracts and we will work with them to provide permanent contracts of employment.
- **No compulsory redundancy guarantee** – We are a Living Wage Accredited Employer and will offer a no compulsory redundancy guarantee for all non-managerial grades. External economic factors can influence the economic viability of the organisation, so in such instances we will discuss and seek approval from TS to review this arrangement.
- **Work life Balance** – We will support flexible working (including practices such as flexi-time and career breaks) and family friendly working and wider work life balance.
- **Fair and equitable reward packages** – As part of our approach to ensure fair and equitable reward packages, we will maintain our Living Wage accreditation by the Living Wage Foundation throughout the new Contract. We will also review salaries in line with the living wage each year, both within NorthLink and our supply chain. We will audit our reward packages each year, so they remain fair and equitable for all of our people and encourage our supply chain to do the same.

Table 15: Proposals for Fair Work Practices

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
HR 3					
No compulsory redundancy guarantee We are a Living Wage Accredited Employer and will offer a no compulsory redundancy guarantee for all non-managerial grades. External economic factors can influence the economic viability of the organisation, so in such instances we will discuss and seek approval from TS to review this arrangement.	Redacted				
Review of salaries in line with the living wage					
Review our reward packages					
Succession Planning					
EAP scheme					

6. Trades Unions – HR4

6.1. Approach to Trades Unions

6.1.1. Serco's commitment to foster constructive relationships with trade unions and engaging with and understanding the attitudes of our employees

The Scottish Government attaches much importance to effective consultation and involvement of trades unions and staff to encourage a partnership approach. At Serco this is our preferred method of operation. In the existing contract, we ensure that our people receive regular updates about our HR Strategy and progress made towards its delivery.

We also ensure our 'employee voice' is represented through our supportive relationship with our recognised trades unions and through our:

Redacted

We engage with and listen to our people at the earliest opportunity during times of change. Our local management team is based at the ports of Aberdeen, Stromness and Kirkwall, which means we are approachable to our staff and recognised trades unions, and are proactive in ensuring that any feedback received is acted upon, explaining to our people how we address it and incorporating it into our plans. Serco supports our people, either through the recognised trades unions or directly, during times of personal crisis, such as bereavement.

6.1.1.1. Serco's approach to working collaboratively with our Trades Unions

We are committed to continuing to work supportively in partnership with our trades unions. Our Managing Director and HR Manager within NorthLink have responsibility for fostering constructive relationships with our two recognised trades unions RMT and Nautilus, discussions relating to pensions management and for applying the collective bargaining procedure. Interaction with our trades unions sits at senior level in the business to ensure that this positive relationship is maintained.

At Serco we work with our people and recognised trades unions using a partnership approach, to achieve results (e.g. in pay, rostering and new ways of working) and to minimise disruption. Local, National and Scottish Trades Union Congress (STUC) engagement is fostered within each contract, and relationships at national and TUC level are supported by Serco Group. Senior Directors within Serco engage regularly at national level and with the TUC, including our Group HR Director and Employee Relations Director Serco Group. Our Employee Relations Director at Serco Group also provides support for our trades union engagement plans.

6.1.1.2. Our commitment to developing constructive relationships with our Trades Unions within NorthLink

Since 2012, Serco has fostered constructive relationships with our trades unions and responsibility within the contract is at a regional and local level. We are committed to working collaboratively and supportively with our TUs, as shown in the following case study.

Redacted

Relevance to the NorthLink Contract: The supportive relationship fostered in the existing contract, will continue from mobilisation and thereafter. Our mobilisation plans include continued engagement with our trades unions colleagues, engaging in pay negotiations, rostering and the introduction of new initiatives.

6.1.1.3. Principles of the trades union relationship

Serco supports early employee consultation and creating frameworks that involve our trades unions in a range of areas, including the resolution of business issues that impact employees, learning and diversity. Our approach balances the local needs and accessibility requirements of the senior members of our team, while also being aware of the trades unions national agenda.

Our positive trades unions relationship enables awareness of items arising at a national level that may affect the business. To reassure our staff of a straightforward transition from one contract to another, we have developed the following principles to form the basis of our TU approach for the new contract and for formal discussion during mobilisation.

Our main principles:

Redacted

- Discussing matters in an open, honest and transparent manner
- Building and maintaining trust and respect in the workplace
- Ensuring time off to enable our TU Representatives to participate in trades unions activity

6.1.1.4. Engaging with and understanding the attitudes of our people

Our partnership approach forms the basis of good employee relations with our trades unions and ensures we engage with and understand the attitudes of our people. Our approach to ensuring an effective employee voice includes two-way communications, project teams and joint consultation, attitude surveys and working in 'partnership'. Redacted

Redacted

The results shown in Table 16 show how levels of engagement have increased at NorthLink from 2014–18, Redacted This

achievement demonstrates that we have listened, taken action and fed back to our people. The positive outcome is that our people see that their feedback has resulted in action being taken.

Table 16: Increases in levels of engagement from 2014–2018

Redacted

Case Study	Sustaining high levels of engagement
Redacted	

6.1.1.5. Our approach to engaging with our people on a regular and informal basis

Employee engagement is fundamental to the continued success of our business at NorthLink. Serco's definition of engagement is integral to our current and future contract:

Engagement in Serco is about creating meaning and purpose for our people through a culture where people are connected to the company vision; employees are supported by their manager; there is organisational integrity where the values on the wall are reflected in day to day behaviours; and there is employee voice throughout the organisations ensuring employees are heard and seen as central to solutions.

Research by the Chartered Institute for Personnel and Development (CIPD) shows engaged employees are generally more motivated and likely to deliver improved business performance, as well as being happier, healthier and more fulfilled. Positive relationships are evidenced with customer satisfaction, productivity, innovation, staff retention, efficiency, health and safety performance profit and revenue growth. At Serco we apply these proven principles, and through effective staff engagement ensure high quality services for our customers, and enable our staff to be more productive and want to stay within the business.

An example of engagement with our people at NorthLink is our Community Engagement Book, which is given to all our people, and is personally signed by the Managing Director and includes messages of thanks to individuals.

6.2. Proposals for Trades Unions

6.2.1. Participants to set out and demonstrate a commitment to foster constructive relationships with trade unions, listing proposals on how they will engage with, and understand the attitudes of their employees

6.2.1.1. **Fostering** constructive relationships with our trades unions

Serco will continue to foster constructive relationships with our trades unions at NorthLink to form a solid foundation for the new contract. The new contract is an opportunity to review the current ways of working, so as part of our collaborative approach we will work together to affirm a set of principles that both parties will commit to, as detailed in section 6.1.1.3 - Principles of the trades union relationship. Redacted

6.2.1.2. Transfer of the ownership of the Freight vessels to CMAL

On 26 March 2019, the two freight ferries that serve the Northern Isles network were purchased by the Scottish Government. Previously chartered from Fortress, they will now join the Caledonian Maritime Assets Ltd (CMAL) fleet. Thus, there is a potential risk of a request for a collective bargaining agreement with our recognised trades unions and direct employment of the crews. To ensure efficiency of the lifeline ferry service, we will maintain the existing arrangement of the crews being employed by Redacted . NorthLink has previously managed the successful transfer of staff Redacted without any disruption

to service and will maintain this relationship into the new Contract.

6.2.1.3. Our clear escalation process within NorthLink

Our recognised trades unions are key stakeholders in our business, and we will continue to foster constructive relationships at a senior level within NorthLink. A contributory factor to our track record in avoiding strike action has been dedicating a smaller number of our people to **engage** with our trades unions. At NorthLink, we will follow best practice and endeavour, through meetings with our trades unions, to agree on an escalation process in the event of a failure. The introduction of our new organisation structure enables this to be reviewed. Responsibility for trades union activity will lie with the management team and HR Manager. Our partnership relationship with our trades unions will ensure that matters are dealt with at a local level, and the arrangement will allow a clear escalation process to be established as outlined in Collective Bargaining Procedure Memorandum of Agreement with the RMT. Figure 7 demonstrates the formal escalation process within the new NorthLink contract. Redacted

Redacted

Figure 7: Formal escalation process for local matters raised by our trades unions representatives

6.2.1.4. Engaging with our trades unions and people during mobilisation

While the TUPE process is irrelevant as the incumbent operator, through the consultation process mandated as part of the regulations, we will engage collectively with our trades unions and people about our plans for the new contract. We will hold a full TU consultation meeting with our trades unions on the new contract and continue dialogue on an ongoing basis. We have developed a communication plan leading up to Commencement Date to demonstrate how we will engage with our people from notification of award through to transition.

Table 17: Our initial mobilisation communication plan

Activity upon notification of successful bidder

Redacted

Activity – Franchise Announcement Date

Redacted

Activity – Mobilisation

Redacted

We will work with our trades unions to develop a question and answer document for our people. This document will provide information to our people, enabling them to raise questions and for

these to be responded to. During the first week our senior team will be visible and available to answer questions regarding the new contract. As part of our mobilisations plans, we will launch our Employee Value Proposition to outline our people commitments linked to our Serco values.

6.2.1.5. Managing pay negotiations

Redacted

We will also seek approval from TS for the Redacted pay award.

Redacted

6.2.1.6. Our Trades Union consultation plan for NorthLink

We have reviewed the consultation requirements for initiatives in our submission and have devised the following consultation plan, shown in Table 18. Our plan ensures consultation commences early to ensure constructive discussions, support of our people during periods of change and to minimise the impact of uncertainty. The existing relationship that has been fostered will enable consultation to commence during mobilisation, through transition and maintained during business as usual operation.

Table 18: Our consultation plan from mobilisation to business as usual

Mobilisation	Transition	Business as usual
Redacted		

Redacted

6.2.1.7. How we will engage with, and understand the attitudes of, our people

Redacted

Our

specified targets are outlined in Table 19:

Redacted

Redacted

6.2.1.8. Engaging with our people on a regular basis

Communication forms the basis of our principle of engaging with our people. We will ensure that our communication mechanisms provide our people with an effective voice and involve our people in developing solutions, as outlined Table 20:

Table 20: Communication activities to ensure our people have a say

Activity	Comms channel	Audience	Frequency
Redacted			

6.2.1.9. Use of technology to improve productivity, encourage ideas and collaboration

Serco utilises technology to engage with and understand the attitudes of our people. Our Serco intranet site 'Our World' and My HR provides a one-stop shop for relevant employment information, including important Serco information updates for our shore-based staff. The site also contains all careers vacancies in our Job Shop to support the career development of our people. Redacted

6.2.1.10. Involving our people in the business through the introduction of an Employee Communication forum

We will introduce an Employee Communication Forum (ECF) to enable employee feedback and participation on issues that directly affect them. The ECF will enable communication champions from across the business to discuss collaboratively ideas that are relevant to our people, including devising action plans from our annual Viewpoint survey results. The forum will also ensure involvement of our people in the business and encourage participation to drive employee engagement. We will promote the initiative and engage volunteers during mobilisation, with the first meeting in Redacted to enable the results of the Viewpoint survey to be discussed and

action plans devised. We will ensure that any actions and areas discussed are shared with our trades unions without compromising confidentiality. Updates from the quarterly meetings will also be provided to our people through our internal intranet site iBoard and regular meetings.

6.2.1.11. Creating a fulfilling place of work

We will maintain and improve on our fulfilling workplace established at NorthLink since 2012, to ensure that our people will continue to enjoy coming to work and feel valued, recognised and involved. This rewarding work environment enables our people to feel engaged and have an effective employee voice, and thus ensures delivery of the highest levels of service to our customers. Through our proposals to engage with and understand the attitudes of our people, we will implement a suite of activities, described in the following sub-sections, to support employee engagement at NorthLink.

Employee Benefits

Redacted

Reward and recognition schemes

Our suite of Serco employee recognition schemes have been developed in collaboration with leaders across the business, and in accordance with best practise approaches, to enable us to build a culture of recognition. Our recognition scheme will continue to enable us to engage with our people at NorthLink and recognise teams and individuals who go above and beyond in demonstrating our values.

We will continue to ensure that our people at NorthLink participate in our Serco Values and Pulse Awards schemes:

- **Serco Values Awards** – A local scheme for our people who have demonstrated that they have gone above and beyond in demonstrating Serco Values. Our people can nominate colleagues who will receive a voucher and signed certificate. Winners will go through to the divisional Pulse Awards.
- **Pulse Awards** – Through the Serco Pulse Awards we will award individuals and teams who have shown passion and made a positive impact. Such behaviours are at the heart of our culture at Serco and make us better at what we do as an organisation. Employees can nominate colleagues for an award; those shortlisted will attend an annual function, with the opportunity to win a trophy. Winners at a divisional level go through to the Global Pulse awards.

Case Study	Serco Pulse Award Recognition for our People
Redacted	

Involvement in the community

Serco will continue to enable our people at NorthLink to volunteer in the local community as part of our Community Engagement Plan. We will continue to enable one paid day per year for volunteering activity as part of Serco policy. We will also measure the amount of time donated to charitable activity and report to Transport Scotland on a monthly and annual basis, with a view to achieving Investors in Volunteering accreditation by Redacted

7. Discrimination and Equality – HR5

7.1. Approach to Discrimination and Equality

7.1.1. Participants to demonstrate proactive steps to eliminate discrimination and to promote equality amongst their organisation

Serco supports the Scottish Government's commitment to promote equality of opportunity and develop a workforce that reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability – as well as supporting Scottish Ministers' commitment to the social, economic and environmental consideration as part of the Community Benefits specified in ITT Volume 2 Paragraph 8.6.

Our strategy is to support our equalities agenda and achieve the following objectives at NorthLink by the end of 2021:

- Be recognised as one of the most inclusive employers in Scotland
- Better reflect local working populations in the areas in which we serve
- Attract, recognise and nurture diverse talent
- Maintain and improve our staff networks to be among the best in the transport sector
- Enable everyone in our organisation to understand the importance of diversity and inclusion and how we all play a part in making it happen

Outcome: to enable us to achieve Investors in Diversity by the end of 2021 and Leaders in Diversity by the end of the contract (see section 7.1.1).

7.1.1.1. Serco's approach to eliminating discrimination and promoting equality

At Serco, we are dedicated to ensuring equality, diversity and inclusion in the workforce. We take proactive steps to eliminate discrimination and promote equality through our Equality Impact Assessments. These are a standard part of our Standard Operating Procedure for Equality, Diversity and Inclusion (EDI) and are undertaken on human resource policies and procedures to ensure we respect diversity in the workforce. Through our Code of Conduct, we outline the behaviour that our people must adhere to, whether they are employed directly, through an umbrella organisation or as a contractor. Our people are required to carefully read the Code of Conduct and abide by it. The Code is endorsed by Serco's Group Chief Executive who reinforces Serco's commitment that everyone must abide by the Code of Conduct:

'You will have all my support if you do, and none if you do not.'

Our Code of Conduct provides a clear ethical code upon which our people can challenge behaviour that is not in line with our code, particularly behaviour which is contrary to our EDI policy. One of our strategic priorities is to create a place where people are proud to work. Creating an inclusive workplace to attract and retain the most talented people from all backgrounds and culture plays an important part in delivering this. Continuous improvement is ensured by drawing on talent from all sections of the population to be innovative, creative and effective in delivering our reliable and efficient lifeline service. For Serco, inclusion is about

making people feel valued, respected, listened to and able to speak out. We value the difference each individual brings to the workplace and that everyone in our working environments has equal access to opportunities and resources and can contribute to our success.

7.1.1.2. Collaborative working and implementing inclusive working practises

Redacted



We are also members of Inclusive Employers, an organisation that supports employers to build inclusive workplaces, and have published a Guide to Using Inclusive Language to support inclusion in the workplace.

Discrimination is not tolerated, and we are committed in creating a diverse workforce within all the contracts we operate including NorthLink.
Redacted



7.1.1.3. Gender pay gap reporting within Serco

Gender pay gap reporting is compiled for Serco group as a whole, demonstrating Serco's dedication to taking proactive steps to eliminate gender discrimination and to promote gender equality. The UK's median gender pay gap for 2018 reported by the Office for National Statistics was 17.98%. At Serco our current median gender pay gap is 11.9% and we have undertaken extensive analysis so that we can identify opportunities to reduce this. While we have more work to do, our 2018 median gender pay gap of 11.9% represents a reduction from the 12.9% that we reported for 2017.

Serco also reviews the diversity balance of our training programmes to ensure equality of access to development opportunities. An example is our Lead and Grow management development programme, which had a male female split in applicants of 89% male and 11% female when launched in 2015. To address this, we reviewed the language used in the application to ensure inclusivity, and thus by 2016 the applications were split 50/50 male to female, and this has continued year on year.

Serco's view on gender balance is to recruit the best person for the role regardless of gender, but we also support TS's objective of a 50/50 balance at Senior level and address gender balance across the organisation.

7.1.1.4. Eliminating discrimination and promoting equality at NorthLink

Since 2012, our people at NorthLink have undergone Serco essentials training, an induction programme to Serco's vision, values and guiding ethics. The programme demonstrates our proactive steps to eliminate discrimination and promote equality and reinforces our commitment to ensuring that discrimination is not tolerated, either during the recruitment process, or for any other employment practices. This ensures our workplaces are fair and equitable, and that victimisation or discrimination is treated seriously. This mandated training has been repeated annually to ensure the message that discrimination is not tolerated or re-enforced. At the start of the 2012 contract, we introduced Serco's Speak Up initiative, enabling our people to anonymously report discrimination in the workplace if an individual feels unable to speak directly to their line manager. As a result of reinforcing our commitment early in the contract we have had zero grievances raised in relation to equality or discrimination in the workplace.

The proportion of women at NorthLink since 2012 has increased from 24% to 28% currently, and the proportion of female shore-based staff has increased from 55% to 75%. Redacted

We have also introduced part-time working hours within our shoreside support functions as part of our overarching approach to support flexible working in the workplace.

Serco's equality strategy

At NorthLink, our strategy is to support our equalities agenda. Our HR Manager has responsibility for our equalities agenda, with actions also owned across the leadership team. We promote messages that discrimination is not tolerated, either during the recruitment process, or for any other employment practices. New entrants undertake Serco Essentials training, to ensure our workplaces are fair and equitable, and that victimisation or discrimination is treated seriously. This training is repeated annually across Serco and is undertaken by every level of employee and contract staff, right up to CEO level. We take the same approach at NorthLink and our method of delivery of training is dependent on job role. Our people have access to HR Specialists through My HR, Serco's online self-service HR system, and telephone access for HR professionals. They provide support and information about specific HR policies, for example a previous case relating to a transgender employee. Our Serco Employee Assistance Programme (EAP) enables our people to access information, support, guidance and counselling on any equality and discrimination-related matters.

Serco's inclusive recruitment strategy

Our inclusive recruitment strategy promotes vacancies to our people regardless of their age, gender, religion or belief, race, sexual orientation or disability. Vacancies are advertised internally on both the NorthLink iBoard intranet site and Serco's Our World intranet, enabling access to vacancies across the Serco network. Serco recruits the best candidate for the role, rather than endorsing a quota approach; however, we do align to the Scottish Government's objective to have 50/50 male to female boards by 2020.

Table 21 shows how NorthLink compares currently to the profile of Scotland in terms of age, gender and ethnicity. The NorthLink data, however, is reflective of the demographic of the communities we operate within. To improve on this, and build on the success we've had in developing our young people, the recruitment of mature, female and non-white ethnic groups is to be our strategic priority by working with local organisations who promote employment opportunities.

Table 21: Profiles in Scotland and at NorthLink

Age*	Profile in Scotland	% NorthLink
Over 65	19%	Redacted
16–64	64%	
15 and under	17%	
Gender*		
Female	51%	
Male	49%	
Ethnicity**		
African	0.60%	
Asian	2.70%	
Caribbean or black	0.10%	
Mixed / multiple ethnic groups	0.40%	
Other	0.30%	
White	96%	
<i>All minority Ethnic Populations</i>	4%	

* Estimates based on 2017 Equality Evidence Finder

** Based on 2011 Scottish Census

7.2. Proposals for Discrimination and Equality

7.2.1. HR5 Participants to demonstrate proactive steps to eliminate discrimination and to promote equality amongst their organisation

The following proposals demonstrate Serco's proactive steps to eliminate discrimination and promote equality at NorthLink. Our objective will be to develop a workforce that reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability during the life of the contract.

7.2.1.1. Serco's equality strategy

At NorthLink, we will continue with our strategy to support our equalities agenda. Our equalities agenda will be the responsibility of our HR Manager, with actions also owned across the leadership team. We will continue to focus on prevention of discrimination and to ensure we have a non-discriminatory culture. We will promote messages that discrimination will not be

tolerated, either during the recruitment process, or for any other employment practices. New entrants will undertake Serco Essentials training, to ensure our workplaces are fair and equitable, and that victimisation or discrimination will be treated seriously. This training is repeated annually across Serco and is undertaken by every level of employee and contract staff, right up to CEO level. We will continue to take the same approach at NorthLink. The method of delivery of the training will be dependent on job role, but our important equality messages and intolerance of discrimination will be included in our training sessions. Our people will continue to have access to HR Specialists through My HR and provide support and information about specific HR policies. Our Employee Assistance Programme (EAP) will also enable all our people to access information, support, guidance and counselling on any equality and discrimination related matters.

7.2.1.2. Continuous Improvement of our inclusive recruitment strategy

Serco will prioritise the recruitment of a working population that is reflective of Scotland as a whole, through working with local organisations who promote employment opportunities. Further details of our approach are outlined in section 7.2.1 of this Plan.

Our HR Manager will be required to review appointments reporting to the MD, including full sight of the recruitment process used. We will participate in any gender pay audits, correcting any identified issues that arise within the life of the contract. Line Managers who are involved in recruitment will undergo our Serco unconscious bias training to ensure appointments are made fairly.

7.2.1.3. The Public Sector Equality Duty

The public sector equality duty (or general duty) in the Equality Act 2010 came into force in 2011. Scottish public authorities must have 'due regard' to the following:

- Eliminating unlawful discrimination
- Advancing equality of opportunity
- Fostering good relations

The Scottish Specific Duties are summarised below:

- 1) Duty to report progress on mainstreaming the equality duty
- 2) Duty to publish equality outcomes and report progress
- 3) Duty to assess and review policies and practices
- 4) Duty to gather and use employee information
- 5) Duty to publish gender pay gap information
- 6) Duty to publish statements on equal pay, etc
- 7) Duty to consider award criteria and conditions in relation to public procurement
- 8) Duty to publish in a manner that is accessible
- 9) Duty to consider other matters
- 10) Duty of the Scottish Ministers to publish proposals to enable better performance

While NorthLink is not a public authority, we will act in the same way and be aligned to TS on this matter.

7.2.1.4. Raising awareness through our Events Calendar

NorthLink will continue to promote national diversity days to raise awareness among our people. Redacted to develop a draft timetable of

events, shown in Table 22, for Contract Year One. Each event will raise awareness and be communicated to our people using Redacted

Redacted

A calendar of events will be compiled for each contract year in December for the following year.

Table 22: Events calendar to raise awareness among our people

Month	Event
-------	-------

Redacted

7.2.1.5. Implementing our Annual Equalities Plan

Within Serco we will continue to undertake Equality Impact Assessments on our human resource policies and procedures to ensure we respect diversity in the workforce. These are reviewed in line with the frequency specified in our Standard Operating Procedures or if there is a change in

legislation. Our NorthLink HR Manager will be responsible for developing our Annual Equalities Plan Redacted

The plan, progress and evidence will be shared with Transport Scotland in our monthly reports.

7.2.1.6. Joint working with our trades unions to eliminate discrimination and promote equality

Building on our supportive relationship with our trades unions, we will work jointly on our approach to eliminating discrimination and promoting equality within NorthLink. To support this, we will introduce two trades union Equality, Diversity and Inclusion (EDI) Representatives (one from each recognised trades union) who will attend the trades unions official training and our quarterly EDI Group meeting. Our NorthLink EDI representatives will support our Calendar of Events and work collaboratively with us on identifying ways to continue to eliminate discrimination and promote equality in the workplace. Redacted

7.2.1.7. Achieving Investors in Diversity accreditation

We will promote our networks that support equality in the workplace for our people to participate in, Redacted

7.2.1.8. Creation of our Youth Board to engage with young people

Through our targeted apprenticeship scheme, we will focus on the recruitment and development of young people, to increase numbers of people under the age of 30 across the business. (See our recruitment practices to support the local communities that we serve, section 8.1.3. This includes our commitment to the recruitment of apprentices and cadetships). The current young generation are highly IT literate and will be the future of the organisation. We will work to engage and excite young people to join NorthLink by setting up a Youth Board. Redacted

7.2.1.9. Formal processes to eliminate discrimination and promote equality

Our individual grievance procedure will be promoted to enable our people to raise matters formally with their line manager if informal action has been unsuccessful. Serco's 'Speak Up' campaign will continue to be used to proactively encourage our people to speak up and report any instances of discrimination in the business, if they are unable to do so directly to their line manager. We will ensure that formal action is taken against any individuals whose conduct is inappropriate and against our Code of Conduct.

7.2.1.10. Implementing our mentoring programme for female staff

To address the underrepresentation of women, we will introduce more part-time, term-time and job-sharing opportunities at NorthLink. In support of career development among female employees, we will put in place an internal mentoring programme, where senior women will be paired with younger females in more junior roles. The mentors will be given full training to undertake their role.

7.2.1.11. Providing employment opportunities for the disabled

We support Disability Agenda Scotland's aim to increase the employment rate for disabled people. In 2019, there is a 42% employment rate for disabled people, compared to 78% for the whole population. In 2017, Serco signed up to the Government's Disability Confident scheme.
Redacted

Table 23: Proposals Table

Summary of Proposals	Timing and duration	Responsibility	Stakeholders Involved	Assumptions Dependencies	Methods for measuring results
Mandatory Serco Essentials Training	Redacted				
<p>.....</p> <p>Introduce two Equality, Diversity and Inclusion (EDI) Representatives and establish a quarterly EDI Group meeting</p> <p>.....</p>					
<p>.....</p> <p>Develop our Annual Equalities Plan, providing the report to TS and report monthly on our diversity profile</p> <p>.....</p>					
<p>.....</p> <p>Establish a Young Persons Board</p> <p>.....</p>					
<p>.....</p> <p>Achieve Investors in Diversity Accreditation by Redacted</p> <p>.....</p>					
<p>.....</p> <p>Promote equality networks which are available</p> <p>.....</p>					

Summary of Proposals	Timing and duration	Responsibility	Stakeholders Involved	Assumptions Dependencies	Methods for measuring results
Introduce a mentoring scheme for women within NorthLink	Redacted				

8. Recruitment, Training and Development – HR6

8.1. Approach to Recruitment, Training and Development

Serco recognises the need to ensure that a pipeline of talent is available within NorthLink as well as supporting the wider maritime industry. Our talent, succession and workforce planning processes support this. Serco will continue to embrace this opportunity to attract the right people and develop their skills and careers with us. We are also dedicated to attracting a diverse and balanced workforce as part of our inclusive recruitment strategy, including young, mature and long-term unemployed. Redacted

Within NorthLink, we have developed a suite of socially aware practices, in conjunction with local organisations, to successfully promote and provide employment opportunities to the local community, increasing the percentage of locally employed people Redacted since contract year one. Serco has sought to recruit locally based staff in its shore and seagoing positions, using apprenticeships and cadetships, creating a real career path for our people. Redacted

We have received positive feedback from communities across the islands who use our service, complimenting us on being an employer that embraces support of the local economic community. Our IIP Assessor stated that Serco NorthLink is 'the biggest employer of Young People in the Islands'.

Monitoring the local profile of the business and transparent monthly reporting to TS on our activity in this area is to be continued in the new contract. Our activity enables achievement of the highest levels of Investors in People and Investors in Young People accreditation in NorthLink, building on the Gold and Silver accreditation we have achieved respectively.

8.1.1. Assessment of resourcing requirements for the NorthLink contract

Redacted

Grade	Number of People
Shoreside	Redacted
Customer service	
Admin and Management Team	
Seafaring grades	
Deck Officers	
Engine	
Deck Ratings	
Onboard Customer Service	

Based on the age profile of NorthLink, we have identified the following number of Seafaring staff who are currently aged 56–60 and therefore could retire during the term of the new contract.

With sea time requirements to become a Master of four years and three years to become a Chief Officer, this provides an internal promotional opportunity to fill vacancies, and enables existing NorthLink staff who wish to progress to a new role to do so. This enables us to back fill roles with local talent and suitably qualified individuals.

Grade	Number of potential retirements
Master	Redacted
Chief Officers	
Chief Engineers	
2nd Engineers	

Robust workforce planning is required to ensure that we have sufficient numbers of people. However, this represents an opportunity, as part of our inclusive workforce strategy, to ensure that we have a balanced workforce.

8.1.2. Serco's approach to working with organisations to promote employment opportunities

The breadth and depth of our Serco contracts enables us to apply this substantial experience to promoting employment opportunities at NorthLink.

Disability – The government's Disability Confident scheme provides employers with the confidence, skills and tools to help recruit and retain disabled people. This scheme supports Serco to make the most of the talents and insights that people with a disability can bring to our workforce and to enable us to challenge misconceptions towards disability and increase our understanding and awareness of disabilities. Serco signed up to the scheme in May 2017 and as a Level 1 Disability Confident Employer we have pledged to:



- Ensure our recruitment processes are inclusive and accessible
- Promote vacancies
- Offer interviews to disabled people
- Provide reasonable adjustments
- Support staff with disabilities in the work place
- Offer work experience and work placement for people with disabilities

New entrants must meet the required medical standards for the specified role.

Armed Forces – Serco has been awarded Gold by the UK Ministry of Defence (MoD) for its outstanding support and commitment to the Armed Forces in 2015. At the heart of the Armed Forces Corporate Covenant is a statement of commitment to its principles and in addition Serco has also made two further commitments:

- Active recruitment of veterans and to provide greater flexibility to Serco employees who are reservists, by further supporting their training and development
- Pledge to support service dependants and local cadet organisations at the many military bases Serco operates

8.1.3. Increasing the local profile of our people

Serco's commitment to the employment and balancing of our operations and support within Aberdeen, Caithness, Shetland and Orkney has led to a ^{Redacted} increase in the local employment profile since 2012. Prioritising local employment provides stability and employment opportunities in an area where good employment opportunities has been a challenge. As part of our

recruitment processes focusing on the employment of people from the areas in which we serve, we have recruited and rostered local people, reducing travelling costs over the period CY1 – CY6 by ^{Redacted} against CY1. The following table provides an overview of how the local employment profile has changed and provided £11.5 million to the local economy as a direct result of our local recruitment practices.

Grade Group	Location	2012	2018	Variance
Seafarers	Orkney	Redacted		
	Shetland			
	Caithness			
Shoreside	Orkney			
	Shetland			
	Caithness			
	Aberdeenshire			
Temps	Orkney			
	Shetland			
	Caithness			
	Aberdeenshire			
All Staff	Orkney			
	Shetland			
	Caithness			
	Aberdeenshire			

The increase in local employment has been a result of a number of factors:

- **New Apprenticeship programme in 2017** – This provided an opportunity for five apprentices on fixed term contracts (three Engine and two Deck Apprentices), with a further intake of six in 2019. Redacted

Redacted

- Redacted
- Redacted

recruitment has brought in individuals who challenge the established team, ask questions and contributed towards the IIP accreditation.

Redacted

- 13 Cadetships (seven Engine and six Deck) currently. The cadets, employed by Clyde Marine Training and sponsored by Serco NorthLink, attend training at either Glasgow Nautical College or NAFC Marine Centre. Standard in Training, Competency and Watchkeeping (STCW) training is delivered by Clyde Marine Training. Since commencing the scheme three have been recruited on permanent contracts and a further three on fixed-term contract roles.
- Introduction of six Customer Apprentice roles at Lerwick, Stromness and at the Customer Contact Centre, Redacted

8.1.4. Working with organisations to promote employment opportunities within NorthLink

In 2018, NorthLink was assessed against the Investors in People standard and achieved Gold accreditation. The feedback report received as part of the assessment, recognised that there is a real understanding among our people that we provide a lifeline service to the communities in which we serve. The report stated:

“Serco NorthLink’s reach and impact however goes much further than this and is one of the reasons that people continue to be proud to work for NorthLink. Your reach extends to:

Redacted

Redacted

Redacted

8.1.5. Working with organisations so that young people may benefit from employment opportunities

Since 2012 we have continued to build relationships with schools, colleges, universities, community groups, sports and social clubs. Our recent IIP report commented that:

Redacted

Noting the main areas of employment in North East Scotland are seagoing, North Sea support, ferries, farming and tourism, NorthLink represents a major employer in the region. The following case study outlines how we have worked with DYW Orkney to support local skills and employment.

Case Study	Working with Developing the Young Workforce Orkney to support local skills and employment
Overview: A recently established initiative is focused on supporting young people to develop the skills and qualifications they need to become motivated, work-ready employees of the future. The Developing the Young Workforce (DYW) Orkney Regional Group Board was set up in 2017 as part of a Scotland-wide network. The Board includes representatives from key local employment sectors who work together to identify and deliver the priorities of DYW Orkney, keeping a particular focus on developing the right skills for Orkney's employment market. NorthLink's HR Manager Paul Gellately is a member of DYW's Regional Board to support the group in achieving its three objectives of getting more businesses into schools, having high quality work experience for pupils and creating Foundation Apprenticeships across all subject areas.	
Why this case study is relevant to NorthLink: DYW is just one example of the activity we have undertaken to support the employment of local people within the area of our operating ports as well as supporting the development of skills for individuals in Orkney. The employment of local people will remain a key priority for the new contract and we will continue to work with DYW Orkney and extend this to DYW Shetland, North East and North Highland.	

We have successfully progressed people to Cadetship completion, with an ongoing pipeline of talent progressing through this route. Our new apprenticeship programme in partnership with the Redacted, improves the support for the trainee Deck and Engine Apprentices.

Serco NorthLink has been commended by the Minister for Energy, Connectivity and the Islands, Paul Wheelhouse, for developing young people from Shetland and Orkney and becoming the first and only ferry operator in Scotland to receive the highest Investors in People accreditation.

As part of National Apprenticeship Week 2019, apprentices within NorthLink met the Minister at NorthLink's Stromness office where they discussed the benefits of modern apprenticeships and the opportunities being presented.

Redacted

NorthLink has developed strong relationships with local schools and colleges (NE Scotland College) and the University of Highlands and Islands, Redacted

We also support career events at schools across the network to promote career opportunities, provide mock job interviews and CV development. Members of the off-shore team, cadets and apprentices also attend career events, enabling students to discuss career opportunities and to ask questions.

Serco supports the employment of mature and long-term unemployed. Serco have worked with COPE Ltd as part of our socially aware practices at NorthLink and demonstrates our commitment to working with local organisations, so that mature people and long-term unemployed may benefit from employment opportunities.

COPE Ltd is a well-established and successful social enterprise and charity that provides employment and skill development for adults with learning disabilities or autism spectrum disorders. We currently use their products in our cabins onboard our vessels. COPE is committed to giving people with disabilities the opportunity to participate in a supportive and inclusive work environment, free from stigma and discrimination. Everyone is valued for their abilities and are appropriately supported and encouraged to participate in all aspects of running our busy enterprises. Each enterprise supports a range of volunteer skill development placements and supported employee positions. Serco also supports the recruitment of army reservists from within our many businesses and provides time off for training.

As an organisation committed to the employment of local young people it is important that we ensure that our recruitment methods attract a younger workforce and that we can also ensure that our working practices are aligned, so that we can continue to retain and develop them. In 2019 we introduced health and wellbeing and our young person's group to enable us to understand the needs of a younger workforce and how we can continue to attract apprentices.

8.2. Proposals for Recruitment, Training and Development

Community Benefits are integral to the social, economic and environmental considerations of delivery plans. In keeping with the community benefits requirements, this delivery plan supports local employment opportunities, working with local organisations, continuing our commitment to the recruitment of a local workforce, using SMEs and supporting the local economy.

8.2.1. Creating new employment opportunities

Redacted

By working with local organisations engaged in running active labour market programmes and higher education establishments, we can provide employment opportunities for young, mature and long-term unemployed people to benefit from employment opportunities at NorthLink. Our recruitment strategy will provide opportunities in a range of roles including:

- Onboard hospitality
- Customer Services Assistants
- Customer Contact Centre
- Marketing, HR, Finance roles
- Marine management
- Deck Officers
- Engine
- Deck Ratings

This will provide opportunities for greater local employment in the four main geographical areas in which we serve in the highlands and islands. We will continue to offer Cadetship and Apprenticeship opportunities in line with our tonnage tax regime and provide two internship opportunities each year in conjunction with Redacted . We will also continue to create

Customer Service Apprentice positions for young people, as part of our ongoing strategy, as well as working with other DYW organisations building on the work with DYW Orkney and working with the Princes Trust to promote recruitment and volunteering opportunities.

Serco's succession planning processes that are in place will continue to support the promotion of internal staff, and we will continue to advertise positions internally to enable our workforce to access career development opportunities and share vacancies transparently with TS.

8.2.2. Continuing to provide opportunities for young people and introducing our Young Persons Board

As part of our approach to the employment of young people across our business we will introduce a Health and Wellbeing and Young Persons' Group. Redacted

We will extend this in the new contract and introduce a Young Persons Board that will consist of young people from the local community groups. Redacted

Redacted

We will continue to promote NorthLink and the Maritime industry as a career of choice within the local community, including working with local schools and Higher Education establishments. Our proposals will support NorthLink in achieving Investing in Young People Award Gold.

8.2.3. Socially aware practices to support the employment of mature or long term unemployed

The percentage of mature workers (over the age 65) within NorthLink stands at ^{Redacted}, compared to the population of Scotland of 19%, based on Equality Evidence Finder 2017 data, highlighting that this needs to be an area of focus for the business. To support this we will review the language used in adverts to attract mature workers, place adverts where mature workers will see them and promote NorthLink as an age positive employer. We will work with organisations including Redacted to attract a mature working population. We

have identified a suite of socially aware practices to support the employment of the unemployed and mature workers, and supporting the local economic community in the area in which we serve:

Redacted

9. Training – HR7

9.1. Approach to Training

Our Training Plan ensures that there are sufficient numbers of appropriately trained staff to deliver safe, reliable and efficient Ferry Services. We also ensure that our people are highly trained to comply with all on-shore and off-shore statutory obligations in relation to the delivery of the ferry service. The Marine Coastguard Agency (MCA) requirements define the training needs for every role in the business and at NorthLink we are proud that our people go above and beyond the mandated level of training. While the training requirements for our shore-based staff are not as externally regulated, training requirements are mandated as part of our Serco Essentials training and ensure that our people have the required training to perform their role.

To support the delivery of the service to the timetable, we ensure that our seafaring staff are working towards the next level of qualification. This continuation of training supports the development of our workforce, ensuring staff availability and that we are able to rate up staff if required. This process is already in operation within NorthLink and works well. In recognition of our robust approach to learning and development of our people, we achieved Investors in People Gold accreditation in November 2018. Serco is the first ferry operator in Scotland to achieve this accolade. We have already committed to gaining the highest level of Investors in People (IiP), Investors in Young People and Investors in Health and Wellbeing accreditation, and to building on these throughout the life of the new contract. To address the challenges of auditing, monitoring and recruiting suitably qualified and experienced seafaring personnel, Redacted Redacted

9.1.1. Overarching objectives of our training

Our training plan addresses the distinct nature of the NorthLink contract and is constructed to address the specific requirement for seafarers, shoreside staff and Serco.

Regardless of role, the overarching objectives of our training are:

- Providing job-related knowledge to our people
- Imparting skills among our people systematically so they learn quickly
- Bringing about change in the attitudes of our people
- Improving the productivity of our people and NorthLink

9.1.2. Serco's commitment to the training and continued development of our people

Learning and development is highly prioritised within Serco and there is a central dedicated training team who provide face to face training. Personal development and training is proactively promoted through our intranet, line managers and incentivisation schemes. Through Serco's 'My HR', for shore staff, our people can access computer-based and face to face training, track progress and receive notifications when training is due. Since 2012, our people take advantage of the vast portfolio of Serco training.

The routes we offer are as follows:

Redacted

- **Mandated Training** – including STCW (Standards of Training, Certification and Watchkeeping) mandated training for anyone wishing to work on commercial vessels, ECDIS (Electronic Chart Display and Information Systems) training. Details of the Crew Certification requirements for Deck Officers, Deck Ratings and Engineering are outlined in Appendix B1-1 at the end of HR7.

Redacted

Redacted

NorthLink's IIP report noted that:

Redacted

9.1.3. Processes in NorthLink ensuring sufficient numbers of appropriately trained staff

Our processes ensure appropriate numbers of staff are trained to meet the MCA requirements and certification. Redacted

Our safety standards and process ensures that our people have the mandated levels of training and certification. Table 29 in Appendix B1-1 at the end of HR7 shows the training needs for each grade within the business.

Processes to ensure our people are highly trained:

Redacted



The following case study shows NorthLink's processes to ensure highly trained and supported staff, resulting in high levels of staff satisfaction and low levels of turnover and absenteeism.

Case Study	Low levels of turnover and absenteeism with NorthLink
Redacted	
Why this case study is relevant for NIFS: At Serco we are committed to developing the skills of our people and to continuing to do so in the new contract, building on our achievement of liP gold standard. Our approach to our organisational design and operating model continues to ensure roles based across the network and to encourage greater interest locally in working for NorthLink.	

9.1.4. Roll out of high-quality training

The roll out of high-quality training has contributed to our achievement of liP Gold Accreditation.

In 2018 we delivered the following:

Redacted

Redacted

Our liP Assessor stated:

Redacted

Our officers have reiterated this, saying the course has had a positive impact on their working relationships.

9.1.5. Serco NorthLink is the only Ferry Operator in Scotland to achieve liP Gold

Investors in People (liP) status is viewed as an essential enabler of business success (The Impact and Value of Investors in People', Glasgow University, Training and Employment Research Unit, March 2015).

At NorthLink we are proud to have achieved:

Best Practice Accreditation	Next level
Investors in People – Gold accreditation until 2021	Platinum
Investors in People – Health and Wellbeing Award	Maintain
Investors in Young People – Good practice award Silver	Gold

9.1.6. UK Officer Cadetships and Ratings Apprenticeships

Benefits of our apprenticeships programme include:

- Creating a more flexible workforce with increased confidence levels, demonstrated by our Investing in Young People Silver Award
- Improving productivity levels, with absenteeism ^{Redacted}
- Ensuring low levels of voluntary staff turnover ^{Redacted}

In the existing contract we are currently supporting:

- ^{Redacted} Deck Officer Cadets
- ^{Redacted} Engine Officer Cadets
- ^{Redacted} Engine Rating Apprentices
- ^{Redacted} Rating Apprentices

^{Redacted}

Since commencing the cadet programme, we have recruited three cadets in to full-time permanent roles and three others on fixed-term contracts.

9.1.7. Standards of Training, Competence and Watchkeeping

We provide progression training over and above what is required of junior and senior officers, granting study and distance learning opportunities.

Since 2012, we have supported the following crew to achieve higher Certificates of Competence (CoC) at college:

^{Redacted}

Table 24 shows the timescales to achieve the grade and the necessary training programmes:

Table 24: Timescales and training programmes for officer training

Grade	Timescale
Watchkeeper Officer of the Watch (OOW)	36 months including college training
Chief Officer Second Engineer	12 months sea time, after completion of Officer of the Watch (OOW); (cadetship is 3 years to attain OOW)
Master Chief Engineer	36 months sea time after completion of OOW in line with MSN 1856 (M&F) UK requirements for master and deck officers. 36 months sea time after completion of EOWW in line with MSN 1857 (M+F)
Deck Ratings	In line with MSN 1862(M) UK requirements for deck ratings
Engine Ratings	In line with MSN 1863 (M&F) UK requirements for engine room ratings

9.1.8. Serco’s approach to Modern Apprenticeships

Redacted

9.1.9. Our programme of mental health training

The Mindful Employer charter demonstrates Serco’s commitment to the mental wellbeing of our employees and a willingness to work towards better practice. Mindful Employer also provides access to information and support for staff who experience stress, anxiety, depression or other mental health conditions.



In 2018–19 Aberdeen Medical Services delivered a one-day awareness course for all staff in Mental Health Awareness Redacted Redacted

We have a programme of ‘Mental Health’ and ‘Dementia Awareness’ training, delivered by Alzheimer’s Scotland. By raising the awareness and skills of our staff, we provide the best possible positive experience for our passengers with mental health issues.

9.1.10. Support for trades unions learning activity

Redacted

9.2. Proposals for Training

Our proposals developed and outlined in this section are designed to continue to support our Investors In People accreditation, best practice people processes and to continue to maintain and build on these in the new contract. Importantly, we will ensure our people are trained to

reflect the highest standards of passenger safety and customer service for the full end-to-end customer journey experience.

9.2.1. Enhancing our processes for ensuring sufficient numbers of appropriately trained staff to deliver the Ferry Services

Serco will continue to have Captains and Officers at NorthLink that are certified ready to take command at short notice. They will hold the relevant Pilot Exemption Certificate (PEC) and have completed the master's Training Portfolio. Redacted

Redacted

We commit to producing an annual report on our training and development activity and plans for the following year. This will be provided to TS by the end of February for each contract year.

Redacted

Our crew training requirements are clearly outlined for each role and vessel, an example of which is outlined on Appendix B1-1. The document specifies the Certificate of Competency (CoC), Standards of Training, Competency and Watching Keeping (STCW) and company requirements which are mandated. Redacted

will ensure that the mandated training and refresher training is achieved. This role will continue to monitor and produce our monthly reports on the amount of training delivered and will be provided to TS on a monthly basis.

9.2.1.1. Additional training and qualifications for all our people

Appendix B1-1 outlines the training requirements for our Officer and Ratings staff for our passenger operations. These training requirements are used as the basis of training needs analysis and succession planning, and will continue in the new contract.

Our Redacted programme will provide all of our people with the skills and knowledge necessary to deliver excellent customer service.

Redacted

Our people will be required to attend the programme, which will be completed by Redacted

The introduction of Smart Ticketing in 2021 represents a digital challenge and a potential area for development for some of our people. Redacted

Redacted

9.2.1.2. Management Development Training

Redacted

Our Six Sigma Operational Excellence Training includes a set of techniques and tools for process improvement. Our people will continue to undergo white belt training as part of our induction and we will enable our managers to achieve yellow belt level, building on the managers who have received training in the current contract. We will progress in the new contract through green belt training and the highest level of black belt training.

9.2.1.3. Induction programme

Redacted

9.2.1.4. Rolling refresher programme of training in customers' diverse needs

Redacted

9.2.1.5. Additional training for our onboard services team

Our onboard services team will participate in our World Host Training programme, mental health awareness and training in customers' diverse needs.

Redacted

Our success is described in the following testimonials:

Testimonials	from the Deputy Chief Executive (Operations) of Community Food Initiatives North East (CFINE) and the SG's Minister for Energy
<i>'Modern Apprenticeships are an excellent way for all employers to invest in their workforce and provide the essential skills the economy needs now and in the future... We want to see more employers making more opportunities available whilst helping drive up the quality of those apprenticeships, so NorthLink Ferries as one of the key employers in the Northern Isles should be applauded for their unique first.'</i> Deputy Chief Executive (Operations) of CFINE	
<i>'As a Government it's heartening to see young people from local communities gaining invaluable work experience, work placements and qualifications in their local industry today, giving them every chance of being the workers who will lead Scotland's seafaring industry tomorrow.'</i> Minister for Energy, Connectivity and the Islands.	

9.2.1.6. Our commitment to using local training providers and venues

Redacted

9.2.2. Our commitment to achieving the highest levels of Investors in People Accreditation

We are committed to achieving the highest level of Investors in People (IIP) accreditation. We already hold:

- Investors in People – Platinum
- Investors in Young People – Silver
- Investors in health and wellbeing

At each assessment we will maintain the existing level or progress to the next level of accreditation, and will continue throughout the life of the contract. We will also undertake a review 18 months prior to each IIP re-assessment to check the progress made and to check that our plans are on course to achieve the highest level of accreditation.

9.2.3. Provision of UK officer cadets and ratings apprenticeship and trainee schemes

Our Apprenticeship programme lasts two and a half years for 'deck' and two years for 'engine' including two college phases and sea time. We will offer cadet and ratings apprenticeships to both internal and external candidates through the following methods:

- **External** – Apprenticeships will be advertised on the National Apprenticeship Service Vacancies system. We will also visit colleges, schools and recruitment fairs to attract talent, assessing potential candidates for vacancy requirements and encouraging existing employees to apply for apprenticeships.

- **Internal** – Once appointed, apprentices will be encouraged to excel through site and college-based learning and practical skills.

9.2.4. A programme of mental health training for seafarer and shore-based staff including similar arrangements for subcontractors

We will work with local Scottish mental health awareness training provider ^{Redacted} to provide mental health awareness training for our staff and subcontractors. Our people will be required to attend a half-day mental awareness training programme, and managers will attend a one-day programme. We will also train our Health and Wellbeing Champions to be Mental Health first aiders.

Our activities will be supported by a calendar of activities on Mental Health throughout the year linked to national mental health events.

9.2.5. Support for trade union learning activity

NorthLink currently has a Learning Agreement with our trades unions. We will continue to work collaboratively on trades union learning activity and build on the introduction of iPads to support learning for our people on board our vessels. We will seek feedback from our trades unions on future learning activity and involve them in the development of our new training programmes, including our World Host and Mental Health Awareness training. We will continue to identify opportunities for training and review our learning agreement on an annual basis.

Table 25: Summary of Proposals for Human Resources, Training and Key Personnel

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/ dependencies	Method for measuring results
Annual training report	Redacted				
Monthly reporting on the amount of training conducted each period					
Cadetships and apprenticeships					
TU Learning					
Mental health awareness training 0.5 day					
Contract Welcome programme 1.5 hours					
Disability awareness programme and ongoing refresher training programme					
World Host Customer service training for new and existing employees					
Review the existing appraisal process					

Proposals

Timing and duration

Responsibility

Stakeholders involved

Assumptions/
dependencies

Method for
measuring results

Network of digital champions
and coaching training

Redacted

Operational Excellence
Training

Provide study leave for 2
individuals each year

10. Key Personnel – HR8

10.1. Approach to Key Personnel

This section outlines the key personnel who will be responsible for running the ferry service, in line with Schedule 20 of the Contract Agreement and Schedule 1 relating to Northern Isles Ferry Service Provision of Public Services. Building on our existing success in performance and delivery at NorthLink, our current highly efficient leadership team and expert new additions to key personnel will be critical to ensure we continue to improve in the future contract.

10.1.1. Identifying our Key Personnel

In HR 1 we provided details of our shoreside management organisation structure to ensure we continue to operate a high-quality ferry service and to deliver our contract commitments (see Table 5). Our key personnel will form the senior leadership team in the business and report directly to the Redacted . These individuals will be responsible for the strategic direction

and safe running of the contract. The Redacted Manager will be our Designated Person Ashore (DPA) and is included in our key personnel list.

Redacted

10.2. Proposals for Key Personnel

We have identified the following roles as key personnel for the contract:

Redacted

Our key personnel list will be provided to TS within seven days of Contract Commencement. Our Redacted Manager will be responsible for ensuring that details of our key personnel are kept up to date, provided to TS and reviewed every six months.

10.2.1. Roles, duties and qualifications of our key personnel

The following roles, duties and qualifications have been identified for each of our key personnel. In recognition of the highest standards in the contract we expect our Key Personnel to achieve membership of associated professional bodies and achieving the academic study requirements to achieve chartered membership status. We apply our commitment to continuous improvement equally to professional development and expect our key personnel to maintain the relevant Continuous Professional Development (CPD) requirements of the professional body.

Role

Duties

Qualifications

Redacted

Role

Duties

Qualifications

Redacted

Role

Duties

Qualifications

Redacted

10.2.2. Named key personnel list

The Leadership Team of the existing NorthLink contract have been responsible for major transformation of the contract since its commencement on 5 July 2012 as outlined in the following case study. We have identified the need for continuity into the new contract and business as usual activity and have identified the following named key personnel.

Case Study	Transformation of NorthLink under the existing Leadership Team
Transformation of NorthLink under the existing Leadership Team NorthLink Ferries has, under the existing leadership team, delivered a high quality and reliable passenger and freight lifeline service, while at the same time substantially reducing the tax payer subsidy. They have invested significantly to improve our passengers' experience, introducing a range of improvements and innovations to the vessels and the service, which has resulted in an 8% increase in the number of passengers carried since the start of the contract. Of passengers surveyed, 98% rated their overall experience as positive. As well as a focus on quality and reliability for passengers, our management of the contract has resulted in a reduction of 36% in the tax-payer subsidy in the first four years, according to Audit Scotland, reducing from £51.5m to £33.2m. This represents a decrease from 67% to 51% of operating costs.	

Table 26: Our named Key Personnel and Biography on each person

Named Key Personnel	Biography
Redacted	

Named Key Personnel

Biography

Redacted

Named Key Personnel Biography

Redacted

10.2.3. Identifying a successor for each role to ensure resilience in our
management structure

Redacted

Redacted

11. Pensions – HR9

11.1. Approach to Pensions

We value the importance of our people, having pension provisions in place that are affordable for both the employee and the employer. As the incumbent employer, Serco already has the required pension provision in place. There is no TUPE transfer, so we will continue with the existing arrangements. These meet the obligations of the Contract for transferred and assigned employees as per Volume 3, Clause 25 and Schedule 20, Pensions, and of the Instructions to Tender. Redacted

11.1.1. Provision of retirement and life assurance benefits under the existing schemes

The ITT requires us to provide retirement and life assurance benefits in accordance with the pension arrangements stipulated in the Contract, **Volume 3 Clause 25, Pensions**. Table 27 provides a summary of the pension arrangements in place within NorthLink as at February 2019.

Table 27: Summary of pension arrangements in place within NorthLink

Scheme	Brief description	Number of employees covered
--------	-------------------	-----------------------------

Redacted

Scheme	Brief description	Number of employees covered
--------	-------------------	-----------------------------

Redacted

The number of individuals not taking part in the industry / SMART schemes is recorded each month as part of our monthly KPI reporting mechanisms, so that we can track the take up on pensions within the business. Based on February 2019 data we are aware that ^{Redacted} staff are not availing of industry or SMART pensions schemes.

11.1.2. Life Assurance

Within the last 12 months NorthLink has unfortunately experienced three deaths in service. Our life assurance benefits mean that the family members can receive funds at a most difficult time. Table 28 outlines the life assurance benefits currently in operation at NorthLink.

Table 28: Life assurance benefits currently in operation at NorthLink

Category	Description
----------	-------------

Redacted

11.2. Proposals

The provision of the existing pension benefits arrangements, namely benefits under ^{Redacted}

^{Redacted} will continue in the new contract. As such the schemes provide comparable benefits and are aligned to the principles set out in the HM Treasury Fair Deal for Pensions, Staff Transfers from Central Government.

We have identified two of our existing pension schemes that will be subject to change at the start of the new contract.

Redacted

Redacted

11.2.1. Principles of the HM Treasury Fair Deal for Pensions, Staff Transfers from Central Government and the statement of practice by the Government Actuary of broad comparability of pension rights.

HM Treasury 2013 Fair Deal for Pensions, Staff Transfers from Central Government sets out guidance to ensure that staff compulsorily transferred out of the public sector will continue to have access to good quality pensions. The new guidance applies directly to central government departments, agencies, the NHS, maintained schools (except where they are covered for other arrangements for local government) and any other parts of the public sector under the control of government ministers where staff are eligible to be members of a public service pension scheme. As the incumbent operator there is no transfer under TUPE and the existing pension and life assurance arrangements will continue into the new contract. While the 'Fair Deal' and the statement of practice by the Government Actuary are not directly applicable to Serco's delivery of the Services, we believe that the existing scheme (proposed to continue) strongly aligns with the principles and employee protections underpinning these.

11.2.2. Process for Auto Re-enrolment

The extract from the pension regulator website, shown in Figure 9, highlights the next re-enrolment dates for NorthLink. On our re-enrolment date we will assess those not enrolled in a scheme and re-enrol those who meet the age and earnings criteria.

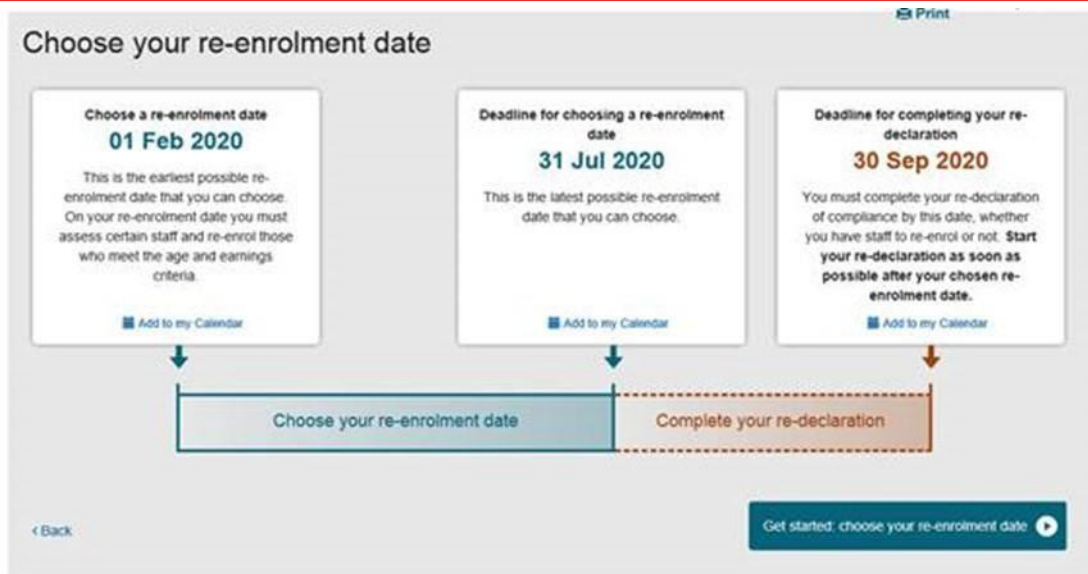


Figure 9: Extract from regulator for re-enrolment dates

11.2.3. Promoting the benefits of being a member of a pension scheme

As of February 2019, there are ^{Redact} people not in a Pension Scheme with enhanced benefit of life cover. While applicable staff are re-enrolled, staff can opt out of the scheme. During the life of the contract we will continue to promote the pension scheme and benefits of the scheme online, and in conjunction with our Trades Unions, to encourage membership and retirement planning.

Appendix B1-1: Crew Certification Requirements

Table 29: Passenger Vessel Crew Certification Requirements (Deck Officers)

Title	Refresher/ Revalidation (Years)	Master	Mate/Master	Ch. Officer	2nd Officer	3rd Officer	Deck Cadet	MPO Security
CERTIFICATE OF COMPETENCY								
Certificate of Competency/Certificate of Equivalent Competency	5	*	*	*	*	*		
GMDSS	5	*	*	*	*	*		
STCW TRAINING								
ENG1 Medical	variable	*	*	*	*	*	*	*
Ship Induction/Familiarisation	-	*	*	*	*	*	*	*
Personal Survival Techniques	5	*	*	*	*	*	*	*
Fire Prevention & Fire Fighting	5	*	*	*	*	*	*	D
Elementary First Aid	-	*	*	*	*	*	*	D
Personal Safety and Social Responsibility	-	*	*	*	*	*	*	D
Security Awareness	-				*	*	*	
Security Duties	-				*	*		*
Shipboard Security Officer	-	*	*	*				
Proficiency in Survival Craft and Rescue Boats	5	*	*	*	*	*		
Proficiency in Fast Rescue Boats	5	*	*	*	*1	*1		
Advanced Fire Fighting	5	*	*	*	*	*		
Medical First Aid	-				*	*		
Medical Care	5	*	*	*				
Human Element, Leadership & Management (M)	-	*	*	*				

Title	Refresher/ Revalidation (Years)	Master	Mate/Master	Ch. Officer	2nd Officer	3rd Officer	Deck Cadet	MPO Security
Human Element, Leadership & Management (O)	-				*	*		
ECDIS Generic	-	*	*	*	*	*		
ECDIS Type Specific	-	*	*	D	D	D		
NAEST/NARAST (M)	-	*	*	*				
NAEST/NARAST (O)	-				*	*		
Shipboard Safety Officer	-	*	*	*				
Crowd Management	5	*	*	*	*	*	*	*
Hull Integrity	5	*	*	*	*1	*1		F
Crisis Management and Human Behaviour	5	*	*	*	*1	*1		
COMPANY REQUIREMENTS								
PASMA Mobile Scaffold Training	-			D				
Pilotage	Annual	*	*	D				
Crew Resource Management	-	D	D	D	D	D		
Dangerous Goods CBT	Annual	*	*	*	*	*		
COSHH	-	*	*	*	*	*	*	
Stockman	-	D	*	*				
Manual Handling (Training DVD)	-	*	*	*	*	*	*	*
NAPA stability	-	D	D	D	D	D		
Marinark Basic Descent	2	*	*	*	*	*	*	*

Table 30: Passenger Vessel Crew Certification Requirements (Deck Ratings)

Title	Refresher/ Revalidation (Years)	Bosun	AB (SG1A)	EDH (SG1B)	DK Trainee
CERTIFICATE OF COMPETENCY					
AB Certificate	-	*	*		
Watch Rating Certificate	-	*	*	*	
E.D.H Certificate	-	*	*	*	
STCW TRAINING					
ENG1 Medical	variable	*	*	*	*
Ship Induction/Familiarisation	-	*	*	*	*
Personal Survival Techniques	5	*	*	*	*
Fire Prevention & Fire Fighting	5	*	*	*	*
Elementary First Aid	-	*	*	*	*
Personal Safety and Social Responsibility	-	*	*	*	*
Security Awareness	-	*	*	*	*
Security Duties	-				
Proficiency in Survival Craft and Rescue Boats	5	*	*	D	
Proficiency in Fast Rescue Boats	5	*	*1	D	
Advanced Fire Fighting	5	D	D	D	
Crowd Management	5	*	*	*	*
Hull Integrity	5	*	F	F	
Crisis Management and Human Behaviour	5	D			

Title	Refresher/ Revalidation (Years)	Bosun	AB (SG1A)	EDH (SG1B)	DK Trainee
COMPANY REQUIREMENTS					
PASMA Mobile Scaffold Training	-	D			
MEWP (Cherry Picker)	-	*	D		
Forklift Driver	-	*	D		
Stockman	-	*	D		
COSHH	-	*	D	*	*
Manual Handling (Training DVD)	-	*	D	*	*
Marinark Basic Descent	2	*	D	*	*

Table 31: Passenger Vessel Crew Certification Requirements (Engine ring)

Title	Refresher/ Revalidation Years	Ch Engineer	2nd Engineer	3rd Engineer	4th Engineer	Electrician	ENG Cadet	Motorman	E/R Apprentice
CERTIFICATE OF COMPETENCY									
Certificate of Competency/Certificate of Equivalent Competency	5	*	*	*	*				
Watch Rating Certificate	-							*	
STCW TRAINING									
ENG 1 Medical	variable	*	*	*	*	*	*	*	*
Ship Induction/Familiarisation	-	*	*	*	*	*	*	*	*
Personal Survival Techniques	5	*	*	*	*	*	*	*	*
Fire Prevention & Fire Fighting	5	*	*	*	*	*	*	*	*
Elementary First Aid	-	*	*	*	*	*	*	*	*

Title	Refresher/ Revalidation Years	Ch Engineer	2nd Engineer	3rd Engineer	4th Engineer	Electrician	ENG Cadet	Motorman	E/R Apprentice
Personal Safety and Social Responsibility	-	*	*	*	*	*	*	*	*
Security Awareness	-	*	*	*	*	*	*	*	*
Security Duties	-	D	D						
Proficiency in Survival Craft and Rescue Boats	5	*	*	*	*			*	
Proficiency in Fast Rescue Boats	5			*	*				
Advanced Fire Fighting	5	*	*	*	*			D	
Medical First Aid	-	*	*	*	*				
Human Element, Leadership and Management (M)	-	*	*						
Human Element, Leadership and Management (O)	-			*	*				
Crowd Management	5	*	*	*	*	*	*	*	*
Hull Integrity	5	*	*	*	*				
Crisis Management and Human Behaviour	5	*	*	*	*				
COMPANY REQUIREMENTS									
Crew Resource Management	-	D	D	D	D	D			
COSHH	-	*	*	*	*	*	*	*	*
Manual Handling (Training DVD)	-	*	*	*	*	*	*	*	*
Marinark Basic Descent	2	*	*	*	*	*	*	*	*

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