

ADDITIONAL DISCLOSED MATERIAL

Schedule 9g

THE CONTRACT PLAN

APPENDIX 8 (NSL HR STRATEGY)

Human Resources Strategy

Overview

A significant part of HR activity is by its nature, reactive, particularly in the generalist personnel and recruitment areas. Learning and development is however very much more proactive. The intention is for HR strategy to become progressively more proactive and to provide the necessary skills, knowledge and support which enables managers to take more direct responsibility for managing their teams and raising performance.

The Company committed to formal adoption of the IiP principles and gained successful accreditation as an Investor in People at the new standard in November 2005 and was reaccredited in 2008 and achieved Investor in People Champion status. Continuous improvement in people policies and practices must be ongoing to maintain accreditation. NSL will be reassessed again in April 2011.

Trading conditions in 2011 are expected to be far more challenging than 2010 because of the recently announced government cut backs. These are likely to impact on NSL as a Company and our employees. Despite the challenges which lie ahead, we would continue to manage in accordance with the Strategy as far as is reasonably practical and work with our colleagues in a fair and responsible way.

HR Strategy

To underpin the Company's business plan, we developed an HR strategy, which is the conduit or 'glue that binds' the people processes and the intended growth in line with the business plan.

The strategy statement:

'We need to Attract, Lead, Develop, Manage and Retain highly motivated, high performing people who work proactively towards and delivery of the NSL Vision and Goals'.

We aspire to be the best in the following areas:

Leadership and Management

To enhance the quality of leadership and management across the Company, so that all colleagues in management roles are fully equipped to carry out their duties effectively. Among other things, this will help the HR Strategy to be properly embedded and owned within the Company

- ❖ Develop the leadership ability of people at all levels of management and supervision
 - BTEC 7 Advanced Professional Award in Management Studies
 - Ican Grow Front Line Supervisory Development programme
- ❖ Provide specific leadership development for identified key business leaders
 - Individual Development Plans

Improving Performance Management

To establish effective performance management measures, so that:

- ❖ Colleagues are clear about their roles and how they support the Company's objectives
- ❖ There are proper structures in place to give effective colleagues positive feedback on their performance, and to give colleagues the opportunity to discuss their development needs in a supportive environment
- ❖ There are effective arrangements for fostering, rewarding and incentivising good performers; and supportive procedures for dealing with poor performers; and
- ❖ There is an appropriate link between performance and pay
- ❖ Refresher training is provided on a continual basis
- ❖ Use liP as a business tool to improve the Company's and peoples performance
 - The instilling of **SERVICE** values into the Company culture
- ❖ Promote a performance focused led approach to managing and developing individuals and teams
 - Performance management system
 - Identify and develop Success Factors which support the business strategy
 - Introduction of return to work interviews
 - Monitor absence and attendance
 - Application of the 'Bradford Factor' as a means to managing absence effectively
- ❖ Address the learning and development needs of the organisation as identified
 - Training needs analysis process
 - Annual L and D plan linked to realistic budgetary restraints
 - People development and business focused training programme and calendar
 - Internal training consultancy service and learning library
- ❖ Create a customer focused service led approach within NSL
 - Customer Focus development and implementation programme
 - Self Assessments are in place and PSU reporting demonstrates continuous improvement

Modernising Reward Systems

To develop simplified and flexible pay, grading and reward arrangements, which both support the Company's strategic priorities and ensure that all colleagues receive equal pay for work of equal value, based on measurable criteria

- ❖ Paying people accurately and on time
- ❖ Review current methods and develop action for further systems development
 - Conduct market rate assessments and recommend changes as required
 - Reduced dependence on NMW where possible (CEO positions)
 - Sell the concept of competitive rates of pay to LAs - two tier working
 - Use of the recognition scheme supporting the SERVICE values (Argos)
 - Develop appropriate bonus schemes developed for each grade which motivate and deliver enhanced performance
 - Examination of flexible benefits package and salary sacrifice schemes
 - Examination of long service recognition

Equity, Fairness and Legal Compliance

To develop and embed an ethos within the Company which values diversity. This will be achieved by positively embracing current and future legislative changes which place an emphasis on the active promotion of diversity in addition to ensuring the avoidance of discrimination

- ❖ Continuously review current and develop people management processes to align with business values/cultural environment and to meet IIP and legal standards
 - Create and publicise NSL employment package
 - Assess current people policies – update / develop new policies
 - Review and update employment handbook
- ❖ Review quality and value for money of external advisers
- ❖ Keep up to date with legislative changes
 - Ensure relevant professional studies and CPD are supported, journals and magazines are available funded by the Company as appropriate
 - Use coaching for less experienced members of the team in employee relations
- ❖ Diversity
- ❖ Communicate the Equality and Diversity policy and raise people awareness on the subject
- ❖ Establish and update business aligned PSU, Recruitment, HR and L and D processes and management information
 - Develop legally compliant, business focused monitoring, recording, people management systems
 - Personnel, Recruitment, L and D and PSU management systems

Enhancing flexibility to improve quality of working life and the effectiveness of performance

To develop policies and practices on good working environment and flexible working, which help existing and future employees to achieve an effective work/life balance; and which support the Company's strategic priorities

- ❖ Promote the adoption of the Managers' Charter
- ❖ Review current working practices, environment, out of office working to meet changing needs
 - Working environment –ensure it meets diverse needs and changing roles and ways of working
 - Family friendly policies, childcare vouchers etc
 - EAP scheme adopted and take up is encouraged

Reporting

To provide managers with relevant and timely information to enable them to take appropriate action to minimise expenditure and improve the productivity of their teams

- ❖ Monthly dissemination on turnover, litigation, absence and sickness etc

Recruitment and Retention Strategy

NSL aims to maintain a competent, flexible and quality-conscious workforce. To this end, the Company intends to select the best available person for every vacancy, regardless of sex, race, colour, religion, ethnic origin, age, disability or sexual orientation.

At the same time, the Company aims to provide all employees with the opportunity to develop long-term careers appropriate to their abilities and ambitions.

To develop the capacity to identify and respond to specific recruitment and retention difficulties in the Company, using the success factors and based on accurate colleagues turnover data and labour market trends, while preserving the principle of equal treatment. To identify the positive reasons why colleagues choose to work for the Company and seek to strengthen these. To develop a package of measures including a succession plan which help the Company to build a reputation as an employer of choice.

- ❖ Create a recruitment process aligned with business values and goals to attract, assess and appoint candidates fairly and legally at all levels
- ❖ Trial on-line application forms
 - On-line (and paper-based) assessments
 - Extended use of psychometric testing
 - Check the continuing validity of PAPQ
 - Recruitment process using generic Success Factors
 - Immigration process and relationships with the Home Office
 - Ensuring compliance with right to work in the UK requirements
 - To shift the emphasis to in-house resources and reduce dependency on external agencies
- ❖ Review effectiveness of current roles to meet business needs
 - Role profile exercise
- ❖ Monitor employee turnover
 - Report and communicate on trends
 - Exit interviews and survey of ex employees
- ❖ Induction of all new employees throughout the organisation
 - HO and managers Induction
 - Frontline colleagues Induction and job skills programme
 - Review and update Enforcement Solutions, BPO, Task Enforcement, Patient First, Passenger Transport and Consultancy programmes
- ❖ Investigate the introduction of a talent management system to provide individual career development and appropriate skills for future business requirements
 - Develop a Management Development Programme and Career Development Pathway which lays down basic requirements at every level of role

Developing Communications and Enhancing Colleagues Relations

To establish an effective dialogue between the Company and its colleagues, both informally and through more formal consultation structures, so that there is effective two-way communication about the progress of the HR Strategy and all issues of major importance

- ❖ Promote and encourage regular performance and personal development reviews
- ❖ Evaluate current state of workforce morale and determine action plan to increase motivational levels
 - Assess Company communication and develop processes
 - Review Colleagues survey and others methods – create and communicate improvement action plan (MAPs)
 - Promote monthly/regular meetings with direct reports to cascade through the organisation
- ❖ Communicate NSL Vision, Values and Goals and ensure that they remain alive
 - Vision and Values refreshment
 - Keeping It Alive Actions
 - Employee Consultation Committees, regional and larger contract level
- ❖ Company Charity/Values in action link

Employee relations and Trade Unions

Trade unions are becoming increasingly interested in the Parking Industry and see it as an opportunity to replenish membership and are typically prevalent at procedural interviews and are actively seeking recognition. Whilst not fazed by this attention, it is recognised that trade union presence has five major impacts:

- ❖ additional HR resources are required to balance experienced and well trained union presence
- ❖ change is much slower in being implemented
- ❖ management time is absorbed
- ❖ flexibility is usually reduced
- ❖ costs increase.

NSL has forged strong links with trades unions' representatives at local and national level. Excellent employee relations have been fostered during the implementation of considerable cultural and operational changes as the requirements of commercial versus public sector attitudes prevailed.

The Company meets with local union officials and line managers in order to ensure open lines of communication and to formulate mutually agreeable methods of dealing with issues.

Communication and transparency have been key to forming a bond of trust that have enabled us to work together to successfully resolve a variety of work related issues. This has resulted in an effective and settled employee relations climate. We have held constructive and productive meetings with national officers and formulated a good working relationship with them. We have discussed ways in which we may work together and have also formulated mechanisms for dealing informally at a local level with a variety of matters.

Our past experience has led us to believe that communication and transparency are the key elements to building good working relationships with trades unions. We have always found it good practice to involve them at the very beginning of an initiative and seek their views and to work together to resolve any issues.

People Development Strategy for Performance

Recognising the value of our workforce as key to business and competitive success and focuses on our goal of a high performances customer facing organisation NSL has a People Development Strategy using liP benchmarks that seek to:

- ❖ Provide a quality introduction to NSL and our client business and develop core competences, knowledge, skills and behaviours
- ❖ Reinforce NSL values of *Supporting Teamwork Ethical Respectful Valuing Diversity Integrity Continuously Improving Expertise (SERVICE)*
- ❖ Develop positive leadership in our Supervisory and Management teams to promote a motivated and high performing workforce
- ❖ Provide our people with the full range of technical, legislative and business training and development for their current and future roles
- ❖ Provide career development and achievement opportunities for recognition and progression.

Progression and personal development

We have created a 'road map' to learning and high performance underpinned by the NSL Success Factors. These are the key behavioural competences for quality and performance. We have introduced a Performance Management process which enables discussions and identifies individual development needs at regular intervals.

This approach sets out to provide all colleagues with the certified training and development provision on joining the Company, at different levels of experience and in order to progress to team leading and management roles. This innovative and engaging approach provides not only formal training courses but additionally self study activities; e-learning training modules, coaching support and manager led training activities to enable colleagues to continue developing whether they wish to progress up the career ladder or remain contented in their existing roles.

Learning and Development Plans and Activities

Following liP best practice guidelines, we operate a *plan-do-review* approach where the strategy is translated into an annual Learning and Development Plan communicating the full training provision for the year ahead, a proactive approach is taken to implement and support the training activity and feedback is gained from improvement results, Learning and Development Reviews, staff surveys etc in order to progress people development initiatives and develop further plans. The Learning and Development Plan provides details of the comprehensive Company-wide range of training courses, people development support initiatives and provides for the introduction of a Career Development Pathway.

Career Development Pathway

Stages	Groups	Formal Route	Further On Going Support
Road to Success	Front Line Staff	Stage 1 <ul style="list-style-type: none"> Induction and Job Skills Customer Focus CEO Certification C+G Conflict Job Role Qualifications 	Job Role Technical Qualifications Structured On Job Training Basic Skills Refresher Training Performance Reviews Personal Development Action & Coaching
Moving Forward		Stage 2 <ul style="list-style-type: none"> Guided Development Programme – job role skills, teamwork, client care NVQs – level 2 	
Driving Excellence		Stage 3 <ul style="list-style-type: none"> Multi-skills Learning Programme BTEC Level 2 Customer or Contact Centre Programme 	
The Next Level	Team Leaders	Stage 4 <ul style="list-style-type: none"> Intro to Team Leading BTEC in Team Leading Ican Grow programme 	Learning Library E Learning Programmes Business Skills Further Education Development
Management	Managers	Stage 5 <ul style="list-style-type: none"> Managers' Induction Driving Leadership Performance Management Recruiting and Managing Staff Accredited Programmes Professional Development BTEC Level 7 Advanced Professional Award in Management Studies 	

The future

Industry leadership

- ❖ To influence the Parking Industry Associations and bodies to adopt a flexible and appropriate approach to accredited learning
- ❖ To raise the perception of quality of training provided to employees in the Industry
- ❖ To be recognised as the Industry's leader in the quality of its training.

Winning and supporting new business

The effective management of Human Resources has provided a competitive edge which is exploited to the full in the tender process. The inclusion of HR expertise at tender presentations gives NSL the opportunity to confirm its ability to manage successfully all aspects of HR, be it TUPE transfers, trades union recognition, new working practices, retention, pensions or people development processes. The quality of our human resources and risk management expertise and L and D materials is very convincing and demonstrates NSL's commitment to its investment in its key asset – its people.

