

Date: 7 October 2021

Item: Enterprise Risk Update – Disparity Leading to Unequal or Unfair Outcomes (ER11)

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of the Level 0 risk “ER11 – Disparity Leading to Unequal or Unfair Outcomes. This risk was reviewed by the TfL Executive Committee in September 2021.
- 1.2 The causes, consequences and mitigating actions associated with this risk are set in this paper and the accompanying risk template has been set up to mitigate ER11. The risk status remains as ‘requires improvement’.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental information pertaining to the strategic risk deep dive. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business and financial affairs of TfL that is commercially sensitive and likely to prejudice TfL’s commercial position. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Panel is asked to note the paper and exempt supplemental information on Part 2 of the agenda.**

3 Background

- 3.1 The coronavirus pandemic and the national lockdown have affected every customer and every member of TfL staff. Many of the decisions that we are making as part of recovery planning will have long-term impacts on the shape and structure of TfL as an organisation and the influence we have over London.
- 3.2 As a public body and transport authority, we are uniquely placed to reduce inequality for Londoners. We can help to connect people to jobs, helping to reduce poverty, as well as delivering services that allow key workers to care for the most unwell and disadvantaged in our communities. It is critical we fully understand the anxieties and travel needs of Londoners from diverse communities and different needs, to deliver a recovery for all, ensuring those most disadvantaged – particularly as a result of the pandemic – aren’t left behind.

- 3.3 We know that many people still face barriers that make it more difficult to use public transport, walk, cycle and easily move around our streets. In addition to individual barriers, such as physical accessibility, crowding and the cost of transport, there are also broader barriers resulting from excess traffic that further widen existing inequalities, specifically road danger, air and noise pollution and community severance.
- 3.4 Our customers from groups with protected characteristics may be deterred from using public transport, walking or cycling if they experience barriers to travelling spontaneously, poor customer service, a lack of information or help when things go wrong or antisocial behaviour and incidents that worry them. Cultural and language issues act as a barrier to travel for some people, especially people who were not born in the UK, and can reduce confidence and access to information, thereby limiting the extent to which people make unfamiliar journeys and their ability to travel independently.
- 3.5 As part of the conditions for securing our most recent funding agreement with Government on 1 June 2021, we have committed to deliver savings and/or new income of at least £300m in 2021/22. Government also made it clear to us that we must be financially sustainable – so no longer dependent on them for any revenue support – by April 2023. This means we have a significant financial challenge to drive as many operating and capital efficiencies out of the business as possible, where possible accelerate existing savings plans, and explore new revenue options.
- 3.6 Our new Vision and Values were launched on 15 September 2021. Our Vision and Values have been created from what our people said our future should look like and how they said we should work together to achieve it. Our renewed purpose, to move London forward safely, inclusively and sustainably, will be brought to life through the actions we take in our approach to diversity and inclusion. Making customers feel safe and ensuring our workforce better reflects the diversity of the city we serve are important objectives. We can help make TfL a great place to work for everyone by fostering an inclusive environment where everyone feels engaged and supported to be their authentic self.

4 Consequences of Inaction

- 4.1 Given the macro nature of the drivers of inequality, TfL's ability to influence some aspects of these outcomes is limited. However, our size and profile do give us an unusual amount of control and influence in comparison to most organisations. We provide a service that enables people to access the whole of London and connects the poorest areas of London to the most affluent; we decide where well over £1bn of capital enhancements per year are spent, and, have a major input and influence into land planning.
- 4.2 Additionally, through the Public Sector Equality Duty and our commitment to the Mayor's Equality, Diversity and Inclusion Strategy, we are obliged to take actions to reduce inequalities. The implications of failing to do so include:
- (a) reputational damage for failing to fully support London's recovery from the Coronavirus pandemic and continued growth;

- (b) loss of trust from customers and key stakeholders;
- (c) operational failure through being unable to provide fully accessible and affordable travel across London;
- (d) safety risks through potential increases in hate crime on the network, and not addressing higher rates of KSI for certain groups;
- (e) failure to generate forecast levels of passenger income if specific groups feel unable or less confident to use our services;
- (f) heightened risk of a car led recovery if specific groups feel unable or less confident to use our services; and
- (g) legal challenge, including judicial review, resulting in costly proceedings, and the potential for delayed or cancelled programmes.

5 Preventative Controls

5.1 The following controls and processes have been identified as actions that will contribute to effective mitigation of the causes of risk outlined in section 4. The controls have been categorised using a RAG status to denote the current level of implementation in the business. There is further detail on these controls and associated actions in the accompanying risk template.

Green Controls – These are currently in place and working effectively

5.2 TfL will:

- (a) provide Diversity and Inclusion training products and engagement across the business to help better and more inclusive decisions to be taken;
- (b) build consideration of inclusion into business plan, sustainability plan, organisational cost saving and revenue generation measures;
- (c) enhance our approach to stakeholder engagement including further development of our Independent Disability Advisory Group and Valuing People Network; and
- (d) ensure our marketing campaigns are inclusive and well-informed. Deliver customer messages using multiple methods of communication including video, to communicate policy changes and information for travel on a variety of channels, with plain English.

5.3 We are publishing a refreshed set of organisational equality objectives, setting out the actions we will take over the next four years to continue to meet our Public Sector Equality Duty. These have been agreed and will be published during Autumn 2021.

Amber Controls – These actions are either current controls to be enhanced or are in development.

- 5.4 A robust Equality Impact Assessment (EqIA) process will help ensure future decisions safeguard against inequality. EqIAs are an important business tool to ensure future and current plans are consistent with our strategic priorities, legal obligations and the aspirations contained within our Vision and Values.
- 5.5 Building on the preliminary assessment of potential equality impact included in the Financial Sustainability Plan, detailed EqIAs will be undertaken for individual projects before decisions are taken.
- 5.6 Develop a strategic framework to identify quantified equality and inclusion outcomes and be able to aggregate cumulative equality impacts associated with decision-making around funding / revenue streams, operating changes, capital investment and other policies.

Red Controls – These are actions that are planned, but not yet started.

- 5.7 The Action on Inclusion Programme is being designed to set out a comprehensive set of actions that will improve diversity and inclusion for TfL staff and customers. Resourcing for a Project Management Office to deliver the Programme will be necessary to make this Programme effective. The scheduled publication date for the strategy is January 2022, with a programme of actions to commence following publication.
- 5.8 Partnership with colleagues to ensure that emerging work to develop a future reward strategy contains a diversity and inclusion focus, particular in relation to gender and ethnicity pay inequity.

List of appendices to this report:

A paper containing exempt supplemental information is included on Part 2 of the agenda.

List of Background Papers:

None

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