Safety, Sustainability and Human Resource Panel

Date: **16 November 2022**

Item: **Plan for managing our Safety, Health and Environment (SHE) Enterprise Risks**

This paper will be considered in public.

1 Summary

1.1 In June 2022 we provided our annual update on the Safety, Health and Environment (SHE) Enterprise Risk 1 (ER1). This was assessed as 'above tolerance' and 'requires improvement'. We outlined how we would:

(a) use the opportunity presented by the new TfL operating model to effectively focus efforts on topics presenting the greatest risk to ER1 and meeting SHE outcomes;

(b) ensure our priority SHE risks were more clearly defined and communicated in the Level 1, Level 2 and wider risk cascade through the business; and

(c) encourage development and ongoing review of business SHE improvement plans and activities in line with this approach to proactively manage SHE risk.

1.2 Our approach was noted, and we agreed to bring the Panel a more detailed plan for working towards bringing our SHE Enterprise Risks 'within tolerance'.

1.3 This paper outlines progress in developing our SHE Enterprise Risks and our Strategy and Plan for effective management, including:

(a) ensuring our Enterprise Risks focus on each of the SHE outcomes, with appropriate governance in place for each risk;

(b) our Strategy for improving our maturity in managing SHE risk, through building confidence we are focussing on controls and activities to prevent SHE harm before it happens; and

(c) detailing the actions we are taking to work collaboratively in managing SHE risk across our business areas in line with roles, accountabilities and influence.

2 Recommendation

2.1 The Panel is asked to note the paper.

3 Vision for our SHE Enterprise Risk Management Plan

3.1 Our required SHE outcomes and Vision and Values are clear; maintain legal and standards compliance, prevent SHE incidents and achieve our Vision Zero and Vision and Value aspirations.

3.2 When it comes to risk ‘appetite’ and ‘tolerance’ with regards to SHE we are ‘risk averse’. Our tolerance is ‘low’ because we do not want to accept even minor SHE incidents or injuries affecting our tolerance rating.

3.3 Our Strategy is to mature our risk management approach. We are shifting to leading indicators, measuring strength and building confidence in our risk controls and activity to prevent SHE harm, reduce incidents and likelihood of missing our Vision Zero targets.

3.4 This is being supported by a programme of supporting identification and management of issues through effectively diagnosing risks and use of leading indicators, simplifying our controls, such as through the delivery of a new, more accessible SHE Management System (SHEMS), and promoting a stronger SHE Culture at all levels of the organisation.

3.5 Our Plan for delivering our Strategy can be summarised as

(a) ensuring adequate focus on each of our SHE risks and establishing effective governance to deliver the SHE Enterprise Risk Management Plan;

(b) increasing visibility of leading indicators focussed on flagging areas of concern, such as confidence in our controls early and before incidents or harm occurs;

(c) assessing confidence, we are controlling SHE risks, diagnosing what action is required and where to effectively target improvements;

(d) detailing specific actions to be delivered by each business area in line with their roles, accountability and influence and our wider operating model; and

(e) ensuring our actions and risk management activities are represented in our risk cascades at all levels, and we hold ourselves to account through our governance.

4 SHE Enterprise Risks and Governance

4.1 Since our last update in June 2022, the TfL Executive Committee has approved a set of 10 new Enterprise risks. The first three outlined in Table 1 below relate to SHE.

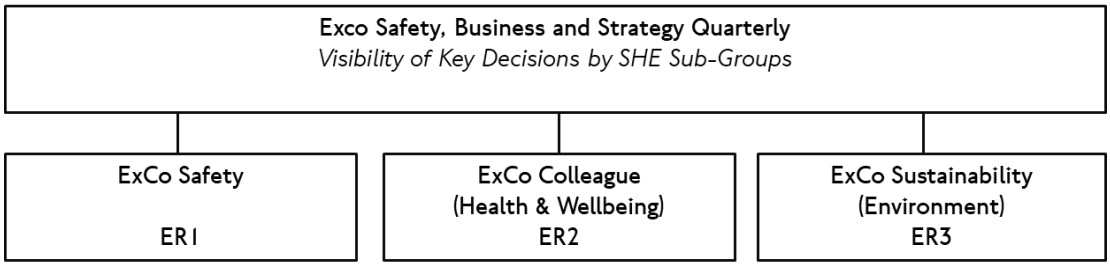
4.2 Each of the SHE three components used to be included within a single Enterprise Risk, ER1, but are now split into out into separate risk areas. This enables more targeted focus on action to control these risks.

Table 1: Our SHE Enterprise Risks

No	Level 0 Enterprise Risk Title	Owner
1	Ability to Deliver **Safety** Objectives & Obligations	Chief SHE Officer
2	Attraction, Retention, **Health & Wellbeing** of our Employees	Chief People Officer
3	**Environment,** including Climate Adaptation	Chief SHE Officer

4.3 A key part of our plan is to ensure our Executive governance structure is optimised to best manage these risks. This is detailed in Figure 1 below, with there being an Executive Committee thematic sub-group overseeing each of the SHE risks. In October 2022, the Executive Committee endorsed that all ERs should go to the relevant sub-group before going to the Executive Committee, panels and committees.

Figure 1: Executive Committee SHE Sub-Group Structure



4.4 While each risk has an Executive Committee level owner, the reality is every part of the business is responsible for managing and able to influence SHE.

4.5 We have a lot of SHE activity in place already and our new operating and governance structure presents an opportunity to join it up and work more collaboratively across the business.

4.6 The thematic sub-groups have representation from across the TfL Value Chain and business areas. This enables us to manage risk through the whole lifecycle of our work from planning to maintaining. We are also pooling our expertise and influence, enabling a joined-up view and coordination of SHE risks, actions and direction of resources.

4.7 Work is in progress to develop Level 1 risks assigned to the new SHE Enterprise Risks.

5 Improving our Indicators

5.1 Effective governance and meaningful review require appropriate performance information. We are widening the types of leading indicators we use to assess our risks and increasing visibility and use of indicators at each level.

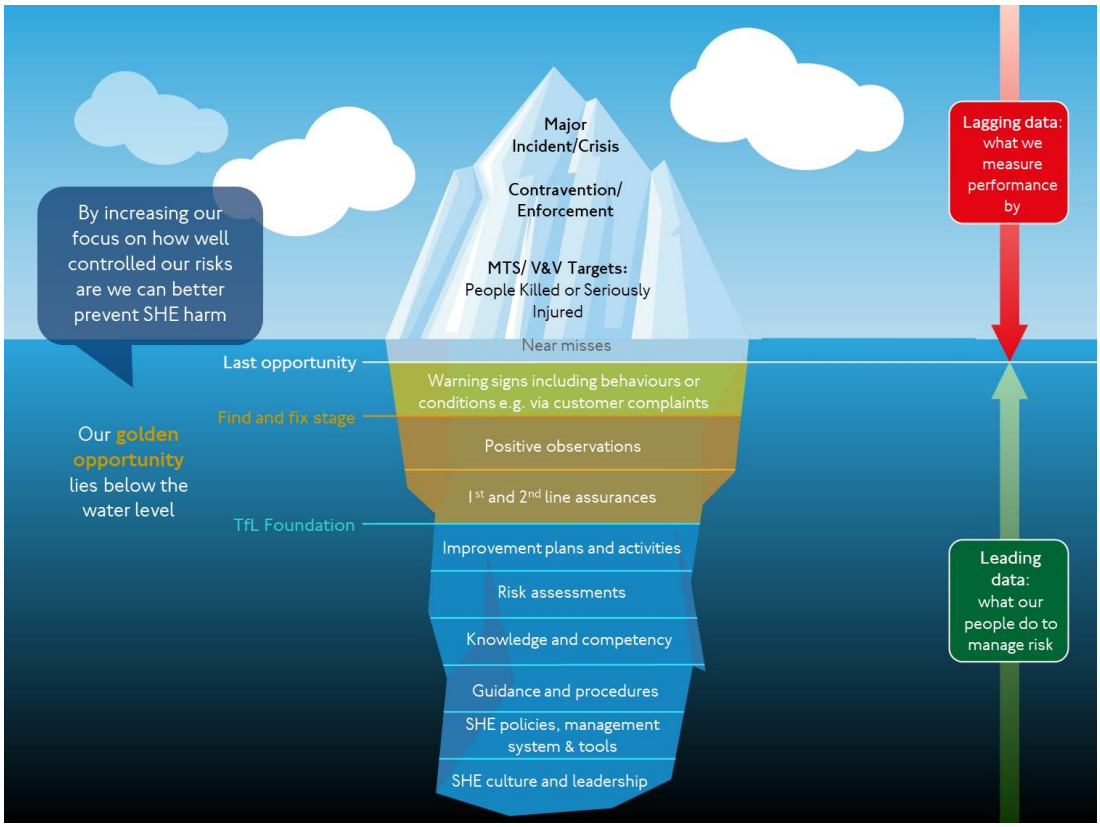
5.2 Alongside ‘lagging’ indicators (things that have already happened, such as injuries or incidents) we are working towards using and giving greater visibility to more ‘leading’ indicators (things that indicate something may happen or needs attention such as near misses or controls not being in place).

5.3 Leading indicators tell us more about the confidence we have in our controls and activity to prevent harm so as to work in a more proactive and preventative way. This is illustrated in our SHE Insights and Prevention Framework, or ‘Iceberg’ where we are building focus on what happens ‘below the Waterline’ (see Figure 2 below).

5.4 Examples include measuring incident close out rates and outstanding actions from investigations to focus on ensuring timely action is taken and we are continually learning. We also measure completion of SHE training courses. As we roll out our new digitised SHEMS we will be able to provide a variety of indicators about how often it is being accessed, tools are being used and by who. All of this helps us consider not just whether we have controls and processes in place but whether they are being used, and ultimately whether they are effective.

5.5 We have also developed a Cultural Maturity Model which brings much of this together; measuring elements such as leadership and how well we communicate with and develop our people to provide a score of our SHE maturity.

Figure 2: SHE Insights and Prevention Framework ‘Iceberg’



6 Diagnosing areas of focus to identify and prioritise action

6.1 As detailed in June 2022, we know our priority topics of pan-TfL concern, posing the greatest risks to meeting our SHE outcomes. We also know the controls we need in place for good risk management, providing us greater confidence that they are managed (see Appendix 1).

6.2 From these we have developed a diagnostic tool, using recognised risk management maturity definitions where we assess confidence in each of the controls and activities in place for each of our SHE concerns.

6.3 The approach not only highlights where improvements are required (lower levels of confidence controls are standardised) but also where we are performing well (high level of confidence controls are standardised). We can then learn lessons from effective approaches to apply elsewhere in the business, continually maturing our approach.

6.4 This helps us better manage both the SHE priority topics and the controls.

6.5 We look at how topics are managed in one area and can expand or adapt that approach for other areas. This is how we approached our Pan-TfL Fatigue Management programme. Some areas had their own fatigue training, others were trialling detection technology or new fatigue reporting processes. By looking across the business we were able to bring all the good practice together into a single Pan-TfL Fatigue Management Plan for all areas to utilise.

6.6 We are also working on common challenges and required solutions for controls. For example, we carry out assurance checks across the business but use different ways of collecting and storing that information making it harder to view and analyse. Understanding the issues at this level, we can develop improvements meeting business needs. We are now rolling out a digital assurance linked to our new SHEMS, to more systematically capture and report on information.

6.7 We are carrying out diagnostic assessments across business areas and at different levels. This means we can ‘zoom in’ on those topics requiring focus and specifically on the area of control, prevention or management that needs improvement.

6.8 It is therefore much easier and more effective in terms of translating into specific actions, and who or where this action needs to take place. Business areas can then ensure these are included within SHE improvement plans and tracking they are completed. It gives confidence each area is focussing on the right areas.

6.9 Our Strategy and SHE Enterprise Risk Management Plan actions, summarised in Table 2 below, are structured around the controls we know need to be in place for good risk management, aligned to internationally recognised steps in risk management and ‘Plan, Do, Check, Act’.

Table 2: Summary of Actions within SHE Enterprise Risk Management Plan

Activity Group	Actions		Timescale
Enabling Conditions	**Creating Enabling SHE Culture**		Ongoing
	SHE Cultural Maturity Model	Pilot	Complete
		Full rollout	2024
	SHE Leadership engagement programme		Ongoing
	Leadership tours	Full rollout	Jan-2023
	Focus Weeks & Stand Downs	2 x per year	2022
	Leadership Training - rolling programme		2023 - onwards
	SHE Governance and Reporting		
	Align Level 0 SHE ERs and Governance		Complete
	Align risk cascades to business area roles, accountabilities & influence	L1 L2	Ongoing - 2023
Understanding Risk (Plan)	**Risk Identification & Assessment**		
	Risk Diagnostics across operational areas		2023
	New Risk Assessment System		May-2023
	Pan - TfL Fatigue Risk Management Plan		Nov-2022
	Slips Trips Falls		
	- Buses		Complete
	- Wider Public Transport Modes		Mar-2023
	Evidence and Indicators		
	Leading Indicators development		Ongoing
	New single incident reporting system		2024
	Self-Service Reporting & Visualisation		Ongoing
Effective Management of Risk (Do ,Act)	**SHE Management System & Tools**		
	New, simplified SHE Management System	Tranche 1	Nov-2022
		Tranche 2	Feb-2023
		Full rollout	Sep-2023
	SHE Competency		
	Basic SHE training Requirements	Agreed	Complete

Activity Group	Actions		Timescale
		suite	
		Roll out	Jan-2023
	Enhanced SHE competency training	Agreed suite	Jul-2023
		Roll out	Dec-2023
	Carbon Literacy Training Delivered		Mar-2023
	Strategies & Information		
	Vision Zero Action Plan & Progress Reports (Road Risk)		In delivery
	Capital Delivery & Maintenance Strategy		In delivery
	Public Transport Safety Strategies		In delivery
	Corporate Environment Plan		In delivery
	Climate Change Adaptation plan		Feb-2023
Taking Action (Act, Check)	**SHE Improvement Plans & Actions**	Annualised	Ongoing
	Update to include Risk Diagnostics		Jun-2023
	Assurance & Review		
	Digitised Assurance System	Phase 1	Nov-2022
		Full rollout	Q1 2023/24

7 Reflecting our Strategy and SHE Enterprise Risk Management Plan actions in our operating model, accountabilities and roles

7.1 We have both clearly identified roles and accountabilities across business areas, as well as an understanding of where we can have a wider influence.

7.2 We also have the SHE improvement programmes and actions as detailed in Table 2 above. We can use our established Enterprise Risk Management and Framework to bring together our roles and accountabilities and the actions we are already taking and those from our diagnostics to manage SHE.

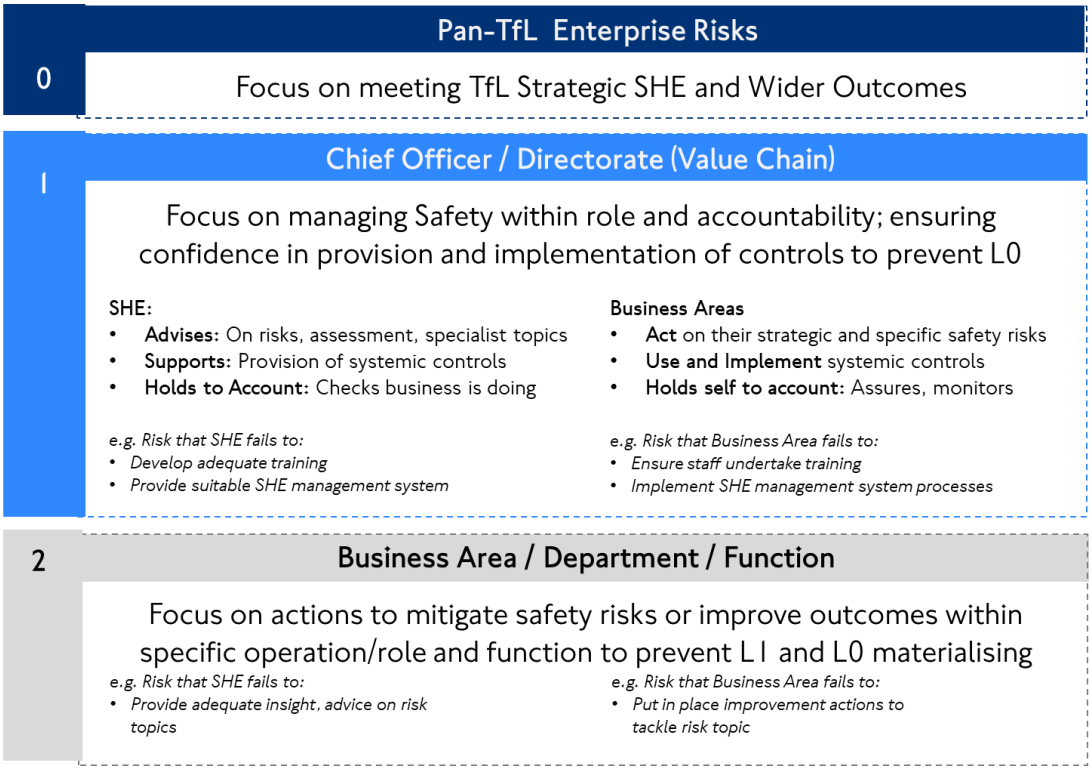
7.3 We can articulate and cascade the actions at Level 1 and Level 2 in a way that enables each business area to monitor its progress and show how we are all working together to mitigate our Enterprise Risks and meet SHE outcomes.

7.4 Using the actions identified from the diagnostics and already in train above and our roles and accountabilities we could articulate risks and actions at Level 1 and Level 2.

7.5 For example, Level 1 risks and actions for SHE focus on provision of a new SHEMS and SHE competence and training. The business Level 1 risks and actions focus on implementation of the SHEMS and ensuring staff undertake training.

7.6 Specific risk topics can also be included with SHE supporting identification of topics of concern and deep diving into potential solutions, and business areas ensuring solutions and actions to tackle risk topics included within their improvement plans.

Figure 3: Illustrative Approach to SHE Enterprise Risk Cascade



7.7 Setting the Level 1 and 2 risks and actions in this way helps all parts of the business understand their roles, accountabilities and actions not just in their own area, but as part of the bigger effort to manage SHE risk.

7.8 The status of each risk and preventative or mitigating action can be monitored and tracked at each level of governance, overseen by the Executive Committee thematic sub-groups.

8 Summary and Next Steps

8.1 The dedicated focus on SHE in separate Enterprise Risks and alignment of our governance structure create the conditions for developing and implementing our SHE Enterprise Risk Management Plan. Our diagnostic approach enables us to identify and prioritise areas for action.

8.2 We have developed several actions already that are in train, which will be further targeted as we complete our diagnostics. Over time, we believe this approach will help us to improve our maturity in terms of confidence we are controlling our SHE risks and improving our performance to achieve our SHE outcomes.

8.3 We will provide a further update on as part of our annual SHE Level 0 Enterprise Risk reviews as per Table 23.

Table 3: Summary of Actions within SHE Enterprise Risk Management Plan

Date for review	**Level 0 Enterprise Risk**
February 2023	ER2: Attraction, Retention, **Health & Wellbeing** of our Employees ER3: **Environment,** including Climate Adaptation
September 2023	ER1: Ability to Deliver **Safety** Objectives & Obligations

List of appendices to this report:

Appendix 1: Top SHE Concern Topics and Key Risk Management Controls

List of Background Papers:

None

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Appendix 1: Top SHE Concern Topics and Key Risk Management Controls

Pan-TfL SHE Concern Topics, presenting greatest risk to SHE Outcomes and Vision

Top Priority SHE Risks	Primarily Affects (outcomes)	Summary Rationale for Inclusion (see Diagnostic Table for further detail)
Asset Deterioration	S,H,E Law, MTS, V&V	This is a known risk under most future funding scenarios. ORR identified risk requiring particular management.
Road Risk (VRU)	S, E MTS, V&V	This is the single greatest form of harm that befalls Londoners whilst travelling
Slips Trips Falls	S MTS, V&V	Most common source of customer injury across a range of our services and workforce injury. Has many underlying factors
Passenger Transport Interface Boarding / Alighting	S MTS, V&V	Higher risk point in passenger journeys across a range of our services.
Track Access	S Law, V&V	Is an acknowledged risk area in TfL and the wider industry.
Fire	S Law	Is a low frequency but high consequence risk.
Fatigue	S,H Law, V&V	A known risk across capital, operations and non-operational roles.
Staff Mental Health	S,H V&V	The single greatest cause of absence with potential to be exacerbated by economic, social and organisational responses to Covid.
Health Surveillance	S,H Law, V&V	Requirement not currently undertaken, enforcement notice. Aim to expand ambition beyond compliance.
Workplace Violence & Aggression	S,H MTS, V&V	A known risk to the health and wellbeing of frontline staff.
Hazardous Materials & Hazardous Waste	S,H,E Law, MTS	A low frequency, high risk issue with significant regulatory scrutiny.
Climate Change / Extreme Weather / Adaptation	E,H, S MTS, V&V	A known issue with incompletely understood implications, increasing scrutiny from regulators due to potential impacts
Air Pollution	E,H Law, MTS, V&V	Continued illegal levels of air pollution in parts of London combined with air quality issues on some of our services.
Operational Communication	S Law, V&V	Known issue across operations; within TfL and with third party operators and organisations
Further SHE Risks kept under review within Business as Usual		

Key Risk Management Controls to be in place and effective for each Concern Topic

An Enabling SHE Culture
Understanding our Risk (Plan) - Governance, Reporting, Tracking - Risk Identification & Assessment - Evidence & Indicators
Enabling effective management of risk (Do, Act) - Management Systems &Tools - Competency & Knowledge - Strategies, Information & Communication
Taking Action (Act, Check) - Improvement Plans & Actions - Assurance & Review