

Date: 22 February 2023

Item: Enterprise Risk Update – Attraction, Retention, and Wellbeing of Our Employees (ER2)

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of enterprise risk 02 (ER02) “Attraction, retention, and wellbeing of our employees”. This risk recognises that if we do not continue to attract and retain colleagues with the skills and expertise we need, or prioritise wellbeing, we will not be able to deliver effectively for London in the future.
- 1.2 In line with the enterprise risk schedule, ER02 is reviewed annually. The risk plan and status were endorsed by the Executive Committee Strategy, Safety and Business meeting on 9 February 2023.
- 1.3 A full risk update report, included as an appendix to this paper, provides further commentary on the actions we are taking to mitigate against the drivers of risk identified.
- 1.4 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. 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 financial affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendations

- 2.1 **The Panel is asked to note the paper.**

ER02 – Background

- 2.2 We cannot deliver for London without attracting and retaining the talent we need to deliver our business plan.
- 2.3 Although our overall rate of employee turnover remains low, over the last 12 months we have continued to experience increased levels of turnover, primarily due to internal movement between directorates. This has heightened the likelihood of this risk materialising as movement out of a directorate can impact on delivery while a replacement is recruited.
- 2.4 Although the diverse nature of the organisation means our overall turnover will include areas with very low levels of employee exit, the areas of the business where we are experiencing higher turnover contain roles with critical and/or

scarce skill sets, therefore the impact on delivery of employee turnover can be significant.

- 2.5 The most recent results of our employee engagement survey showed a decrease in our 'total engagement' score. This included a decrease in the number of employees who feel a strong sense of commitment to our organisation. The survey responses also showed a decline in colleagues having confidence that there is a clear vision for the future of the organisation, a decline in satisfaction with employee benefits, and a decline in the number of colleagues who feel their pay is fair. These are all potential drivers of increased employee turnover.

4. ER02 – Mitigation and Control

- 4.1 Our continuing ability to attract and retain employees is impacted by several internal and external factors, some of which are not fully in our control. The primary drivers of this risk are detailed in slide 2 of the accompanying report. Therefore, there is no single "event" that will cause the risk to materialise, nor is there a way of eliminating the risk entirely.
- 4.2 Our approach to managing this risk continues to be focused on alignment between our management of risk and our core delivery. We deliver a range of policies and processes, permanently in place, that help the organisation control our attraction and retention risk. These include our approach to reward management, our approach to talent management and career development and the support we provide for our people leaders. Details of our core activity is described in more detail in slide 3 of the accompanying report.
- 4.3 The emerging TfL Colleague strategy sets out our high-level ambitions and articulates how we will deliver our purpose through our people. In conjunction with the strategy, a refreshed colleague plan of activity has been developed outlining a programme of work prioritising how we attract and retain colleagues and enhance the employee experience of working here. The priority projects are detailed on slide 4 of the accompanying report.

5. Risk Status

- 5.1 The overall assessment of ER02 remains at **"Requires Improvement"**.
- 5.2 The initiatives described in the accompanying report will mitigate and control risk over the medium term. We do not propose to alter the status of this risk before these programmes can demonstrate effectiveness in controlling risk.
- 5.3 Effective management of the risk is, and will continue to be, an ongoing focus for the organisation and is led by programmes of work by the Human Resources, Safety, Health and Environment, and local management teams.

List of appendices to this report:

Appendix 1: Presentation to TfL Executive Committee February 2023

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

List of Background Papers:

None

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