Remuneration Committee

Date: **2 March 2023**

Item: **Resourcing at TfL**

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This paper will be considered in public

1   Summary

1.1   The Committee considered a paper on Resourcing at TfL at its meeting on 9 November 2022. This paper provides further detail on the future skills requirements of the organisation, our approach to strategic workforce planning and how we are addressing our skills challenges.

1.2   The paper also addresses an action from the meeting of the Board on 7 December 2022, which asked for a breakdown of Non-Permanent Labour (NPL) use at TfL and steps to reduce its use.

2   Recommendation

2.1   **The Committee is asked to note the paper.**

3   Retention

3.1   Table 1 provides a recap of retention by Chief Officer area from February 2022 to February 2023. It also provides information on internal colleague turnover as well as external turnover (those leaving TfL).

3.2   We have also experienced increased levels of internal turnover, due to movement of employees between directorates. Increased levels of internal turnover can impact on delivery while a replacement is recruited.

3.3   Movement within TfL is seen as a positive, as it allows us to retain the skills and organisational knowledge within and gives our colleagues the opportunity to develop and grow their skillsets.

3.4   However, it is recognised that although skills are staying 'in-house' there is still the need to backfill those skills/roles within each area. This is being mitigated by the interventions outlined in section 5 of this paper.

3.5   While TfL's overall turnover is still low, in some areas with in-demand critical and hard to fill skills turnover is higher. For example, over the last year in Engineering, Finance, Technology and Data (T&D) and Safety, Health and Environment (SHE), where data analysis skills are key, we are seeing higher turnover.

Table 1: Retention by Chief Officer Area, February 2022 – February 2023

Chief Officer Area	Current External Turnover	Internal Turnover
Chief Capital Officer	7.0%	19.02%
Chief Customer and Strategy Office	8.3%	16.13%
Chief Finance Officer	11.8%*	27.06%
Chief Operating Officer	4.3%	15.17%
Chief People Officer	9.5%	20.77%
General Counsel	5.0%	12.64%
Chief SHE Officer	10.5%*	17.44%
Communications and Corporate Affairs	10.0%	25.00%

*Recent Organisation Change will be a factor

4 Skills for the future

Green Skills

4.1 For TfL to deliver our net zero commitments, to mitigate the impact of climate change and to achieve our vision of being the green heartbeat of London, it is vital that we develop our green skills pipeline.

4.2 While green jobs can be specialist roles which focus on specific initiatives or projects dedicated to improving environmental outcomes (e.g. Sustainability Manager), we expect that many other roles at TfL will increasingly require green skills.

4.3 Universal green skills development initiatives are already under way at TfL, including carbon literacy training and sustainable procurement courses. We are developing a methodology to categorise more specialist green skills at TfL (e.g. skills supporting low carbon industry, skills supporting climate resilience and transport specific green skills), to effectively map the current level of skills and future requirements.

4.4 Through the first phase of critical roles identification, we will have early data insight which we will contrast with industry trends and research, providing a more rigorous analysis of what the green skills gaps are at present and in the future, as well as a workforce development plan to mitigate the risks.

Digital Skills

4.5 Digital skills will be critical for our ability to innovate to sustainably deliver our transport services. We recognise the increasing need for these skills, coupled with the challenges to both attract and retain colleagues with digital skills as shown in our existing turnover data. We have already begun to identify our critical skills using through our critical and hard to fill role methodology, which has been tested and is bespoke to TfL. Skills crucial both now and in the future include data

science and analysis, programming, software engineering, automation and artificial intelligence.

4.6   We are engaging with local industry and education institutions to inform the London Local Skills Improvement Plan (LSIP) which will play a key role in tackling technical skills shortages. LSIP has reported from a recent survey that 76 per cent of businesses lack the digital skills needed and those digital skills are ones that are in most demand.

4.7   We have also been collaborating with the National Skills academy for Railway, whose research shows the number of 25-year-olds entering the industry has halved in recent years. We have formed a Strategic alliance with Network Rail and HS2 to share common challenges and best practice.

Leadership Skills

4.8   We know that having good people leaders is essential for the challenges we face in growing our organisation, retaining our talented employees, and building our brand/Employee Value Proposition (EVP). A recurring theme in our Viewpoint staff survey, end of year and critical and hard to fill role discussions, is the need for strong leadership skills throughout our business. We recognise the need for a consistent experience for how our people are inspired and supported.

4.9   We have a community of 5,000 people leaders, which equates to 18 per cent of our workforce. They are responsible for helping create a strong culture of good people leadership across the whole of TfL, enabling a culture which supports our people, our purpose, and our vision and values.

5   Steps to address our skills challenge

5.1   A new Strategic Resourcing Group has been established to identify and mitigate any potential resourcing issues. The group also plays a key role in knowledge sharing to prevent a siloed approach to managing our strategic resourcing requirements. This group compromises of strategic resourcing leads for each directorate, analytics, recruitment, and the Chief People Office.

5.2   One of the focuses of this group is to ensure we are supporting the retention of the key skills associated with our critical and hard to fill roles. Identifying these key skills and ensuring we have succession plans in place for the roles associated with those skills mitigates against the risk of losing this knowledge and expertise from the business.

5.3   Our Graduate, Internship and Apprenticeship schemes are commissioned in response to our longer term critical and scarce skill requirements. In 2023 we are recruiting to 61 different schemes with those directly addressing digital, green and leadership skills totalling 14 schemes, including a new sustainability graduate scheme and sustainability degree level apprenticeship.

5.4   Recognising that all disciplines will be required to support the transition to net zero and mitigate climate change, apprentice training providers engaged by TfL are now required to embed sustainability in their training provision for all of our apprenticeships and carbon literacy training is being rolled out to all graduates.

5.5   In January 2023, we launched a new framework called Our People Leaders which illustrates five key principles that support what our people leaders need to do to demonstrate good leadership. This framework will provide support and self-assessment tools to encourage self-development.

5.6   Part of our development offering for growing our own diverse talent and succession management is our Getting Ready for Senior Leadership programme. The programme pairs Band 4 and 5 participants (17 in total in the pilot cohort) with Directors and Chief Officers as senior sponsors, over the period of nine months.

5.7   The programme is designed to enhance leadership skills through providing tailored experiential learning opportunities based around our Leadership Strengths and Our Values. The programme is designed to prepare Band 4 and Band 5 colleagues for the wider strategic, commercial and stakeholder remit of Director level roles.

5.8   With our focus on retention and critical skills we are undertaking a strategic review of our Learning and Development offering, recognising that our spend on external development and qualifications has been curtailed over the last six years due to financial constraints. This will incorporate how we can increase the use of apprenticeships to upskill colleagues following pilots in Leadership and Rail Engineering, complementing the seven schemes in design.

5.9   Work to establish a TfL EVP is currently being scoped. This work will articulate why people want to work at TfL, building our employer brand and articulating the offer we can make to people to build their career with us.

5.10   This will be an important tool for recruitment and for articulating what people can get out of a career with us if they are considering leaving. At a time when we may be constricted in being able to offer salaries at the top of the market, having a clear employee offer is vital to being able to continue to attract and retain people with the skills and talent we need. What prospective employees are seeking from an employer continues to evolve post-pandemic. Reviewing and refreshing our employee offer and internal brand will be a priority activity over the next 12 months.

6   NPL use at TfL

6.1   As an organisation we are committed to delivering our challenging Business Plan, this requires a range of skills and capabilities that cover a number of different disciplines. The most efficient way to deliver this is through a combination of permanent employees, NPL and consultants, providing flexibility as and when specific skills are required.

6.2   Table 2 provides a breakdown of where NPL are engaged by Chief Officer Area, showing the number at the start of this performance year and the most recent number.

Table 2: Use of NPL

Chief Officer Area	NPL (P1 – 2022/23)	NPL (P10 – 2022/23)
Chief Capital Officer	344	340
Chief Customer and Strategy Office	571	636
Chief Finance Officer	206	176
Chief Operating Officer	305	350
Chief People Officer	18	19
General Counsel	117	183
Chief SHE Officer	13	19
Communications and Corporate Affairs	7	12
Total	**1,581**	**1,734**

6.3   The area with the most NPL is our Chief Customer and Strategy Office, which of the 636 NPL engaged currently, 533 are within our Tech and Data teams. This aligns with our focus on developing and attracting digital skills. Some colleagues in this field prefer to provide their labour via shorter term engagements working on specific projects, rather than via permanent contracts.

6.4   In our Chief Capital Office, 244 of the 340 NPL engaged are in engineering. In our Chief Operating Office, 285 of the 350 NPL are similarly involved with Capital Delivery. Engineering and Capital Delivery are areas we have already identified as having attraction and retention concerns, with NPL use ensuring we can deliver our programmes of work.

6.5   These areas are early adopters of our critical role identification methodology, with succession plans to be developed for these roles. This will ensure talent is developed internally for scarce skill roles.

6.6   We continue to be committed to driving down NPL usage throughout the organisation. This is in line with the Mayor's pledge to minimise expenditure agency workers at TfL. In support of this, decisions to utilise NPL support are subject to headcount controls is with local Chief Officer sign off required to ensure the application of this resource remains strictly controlled.

6.7   Since May 2016, we have reduced the number of NPL from 3,095, a 44 per cent reduction. In Quarter 2 of 2022/23, the cost per week of NPL was £2.7m per week, this is down from £5.2m per week.

6.8   With the longer-term steps to address our skills challenge, over time our use of NPL would be expected to fall. It is important that we continue to make use of the flexibility offered by NPL staff where appropriate, particularly during times of change and a competitive external labour market.

List of appendices to this report:

None.

List of Background Papers:

9 November 2022 Committee paper on Resourcing at TfL.

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