People and Remuneration Committee

Date: **15 September 2025**

Item: **Enterprise Risk Update – Future Skills, Inclusion, Engagement and Wellbeing of Our Employees (ER02)**

This paper will be considered in public

1 Summary

1.1 This paper provides the Committee with an update on Enterprise Risk 02 – Future skills, inclusion, engagement and wellbeing of our employees (ER02). This risk recognises that if we fail to equip staff with future-ready skills, ensure inclusive practices, and support employee wellbeing there may be talent shortages, reduced engagement and productivity and increased absenteeism challenges.

1.2 Following a review, the title and scope of ER02 has changed from Attraction, retention, health and wellbeing of our employees to Future skills, inclusion, engagement and wellbeing of our employees.

1.3 The overall control effectiveness rating is Adequately Controlled and the top three mitigations for ER02 are: deliver local strategic workforce plans; deliver and embed the Wellbeing Plan; and continue to deliver and embed Action on Inclusion. Further detail of these mitigations is set out in section 5 below.

1.4 A paper is included on Part 2 of the agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Background

3.1 Our colleagues are at the centre of everything we do. Our Colleague Strategy was created to drive us towards creating a workplace where everyone can thrive so we can keep delivering a great service for London, now and into the future.

3.2 Previously the ER02 risk title and scope was Attraction, retention, health and wellbeing of our employees and annual updates were presented to the former Safety, Sustainability and Human Resources Panel. This risk recognised that if we do not continue to attract and retain employees with the skills and expertise we need and/or we have wellbeing challenges, we will not be able to deliver effectively for London in the future.

3.3 It continues to be recognised that TfL cannot deliver for London without attracting and retaining the talent we need to deliver our business plan and the Mayor's Transport Strategy.

3.4 From the colleague data and context reviewed during the latest assessment of ER02 – including results from this year's Viewpoint colleague survey and attraction and retention data – it was noted that attraction and retention remains a low risk at a pan-TfL level.

3.5 There were more prominent areas of concern identified when horizon scanning for potential risk factors that could impact our colleagues over the next three to five years. These areas were agreed to be:

(a) inclusion;

(b) future skills and capability;

(c) the pace of technological change and impact on skills including artificial intelligence; and

(d) colleague wellbeing.

3.6 Given this change in context, ER02 has been updated and endorsed with a change in focus and title to Future skills, inclusion, engagement and wellbeing of our employees.

3.7 The updated risk description recognises that if we fail to equip staff with future-ready skills, ensure inclusive practices, and support employee wellbeing there may be talent shortages, reduced engagement and productivity and increased absenteeism. This may impact service delivery and our ability to deliver our Colleague Strategy and to deliver for London.

4 Current Status

4.1 In line with the Enterprise Risk schedule endorsed by the Executive Committee, ER02 was reviewed by the Executive Committee in July 2025 ahead of this update to the Committee.

4.2 Since the last update to the former Safety, Sustainability and Human Resources Panel in September 2024, the overall control effectiveness rating remains Adequately Controlled as the controls and planned actions are considered effective in mitigating the risk.

4.3 The overall risk level remains Low. This is due to the design and effectiveness of the controls and arrangements in place, including local strategic workforce plans in progress, publication of our Wellbeing Plan in April 2025, the embedding of Action on Inclusion and in year Colleague Roadmap deliverables to meet the Colleague Strategy outcomes to 2030. The Target risk level is Low as the initiatives described above will help mitigate the risk in the short to medium-term. The risk levels and the control measures to address it are regularly reviewed.

5 Mitigations – Controls and Actions

5.1 Since the last update, the following mitigating actions have been completed:

(a) strategic workforce plan toolkit and approach: We launched our approach to developing long-term workforce plans in December 2024;

(b) reward strategy Job Families implementation: Phase one of the reward strategy has been completed, including the launch of Job Families for TfL / TfL Non-Operations in April 2025;

(c) myJourney (recruitment and onboarding): The recruitment and onboarding module of myJourney, which is our internal HR system, has launched. This provides enhanced and streamlined hiring processes, supporting external and internal recruitment and secondments;

(d) Wellbeing Plan launched: The Wellbeing Plan was published in April 2025 and sets the direction for colleague wellbeing through to 2030; and

(e) continued in year Colleague Roadmap delivery to enable our Colleague Strategy: A refreshed Colleague Roadmap of activity has been developed outlining a programme of work prioritising how we will make working at TfL better for our colleagues and enable the delivery of our Colleague Strategy to 2030.

5.2 ER02's top three key mitigations are:

(a) deliver local strategic workforce plans: Each Chief Officer area is now developing their own workforce plans. The goal is to improve long-term planning to better anticipate future skill and resource needs over the next three, five, and 10 years. This includes retaining critical skills and experience. The outcomes of these local plans will inform learning and development capability building, and recruitment strategies. An update on strategic workforce plan development and progress will be provided to the next scheduled meeting of the Committee on 19 November 2025.

(b) deliver and embed the Wellbeing Plan: The Wellbeing Plan sets the direction for colleague wellbeing through to 2030. Key actions for 2025/26 include implementing TRiM (Trauma Risk Management) and ensuring People Leaders understand their health and wellbeing responsibilities. By 2030, the plan aims to achieve healthier, more engaged colleagues and ensure wellbeing services are accessible to everyone at TfL. An update on the Wellbeing Plan was shared at the previous meeting of the Committee on 24 June 2025; and

(c) continue to deliver and embed Action on Inclusion: Launched in June 2023, Action on Inclusion sets out our approach for delivering our equality objectives and achieving our vision for a more inclusive, diverse, equal organisation for our employees through to 2030. Ensuring our workplaces are inclusive, safe environments is central to our employee offer and promotes healthy wellbeing. The short-term plan covers 2023-2026 and includes a focus on disability awareness, pay and reward, speak-up culture and allyship. The medium to long-term part of the plan covers 2026-2030 with a focus on

embedding and sustaining an inclusive workplace. The annual Action on Inclusion progress update paper is included elsewhere on the agenda for this meeting.

5.3 All Level 1 (strategic) risks linked to ER02 have been identified. They are updated on a six-monthly basis and reported annually to the Executive Committee Colleague sub-group.

5.4 All identified controls and actions for ER02 are set out in the appendix to the paper on Part 2 of the agenda. Progress against these actions will be reviewed and reported to the Committee in a year's time, in line with the Enterprise Risk schedule.

6 Key Causes and Impacts

6.1 Key causes that require mitigation to ensure this risk does not worsen or materialise include:

(a) a lack of strategic workforce plans: These are needed to improve long-term planning and better anticipate future skill and resource needs;

(b) an inability to create an inclusive culture: This includes not meeting our Action on Inclusion goals to 2030;

(c) failure to deliver our Reward Strategy: Including the embedding of Job Families to help manage perceptions of pay unfairness and dissatisfaction;

(d) health and wellbeing causes: The mismanagement of potential exposure to conditions, substances, or tasks could cause occupational health and wellbeing issues; and

(e) external causes: This includes changes to government and people policy, political and social changes.

6.2 Potential impacts that could occur if this risk was to materialise include:

(a) an inability to deliver the Business Plan and our overarching strategies including the Mayor's Transport Strategy: A disengaged workforce is linked to lower productivity and will be less likely to deliver against organisational objectives;

(b) our skills requirement becomes misaligned to our skills profile: We do not have the right people in the right place at the right time to deliver for London;

(c) impacts on employee wellbeing: Including increased absence, high turnover and decreased engagement;

(d) increased costs: Including non-permanent labour and consultant cost if we do not maintain the skills we need in our permanent workforce;

(e) lack of inclusion: If we are not able to embed an inclusive culture, this would impact colleague wellbeing and employee retention;

(f) reputational damage to TfL: If we are not able to embed an inclusive culture, there is potential for legal risk and tribunal cases, negative perceptions and risk to inclusive services for our customers; and

(g) loss of key talent: Resulting in a reduced talent pool and a risk to attraction and retention.

List of appendices to this report:

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

List of Background Papers:

None

Contact Officer: Fiona Brunskill, Chief People Officer
Email: FionaBrunskill@tfl.gov.uk