

Date: 22 November 2017

Item: Human Resources Quarterly Report

This paper will be considered in public

1 Purpose

- 1.1 To provide the Safety, Sustainability and Human Resources Panel with an update on key Human Resources (HR) led activities and statistics from Quarter 2, 2017/18.

2 Recommendation

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

3 Background

- 3.1 This is the second HR Quarterly Report to the Safety, Sustainability and Human Resources Panel for the 2017/18 reporting year.
- 3.2 This paper builds upon the previous quarterly report, providing additional information requested by the Panel on workforce composition and recruitment statistics broken down by business area.
- 3.3 Further work investigating more strategic HR metrics actioned from the September Panel has commenced, this will feed into future HR Quarterly Reports. This aligns with work already ongoing as part of wider TfL Transformation as to how HR can use data better to inform our planning and work going forward.

4 HR Quarterly Report

- 4.1 The HR Quarterly Report focuses on providing the Panel with an update on a number of key HR activities underway, with sections covering workforce composition, composition changes occurring in Q2, along with updates on the TfL Scorecard, recruitment and work towards the Action on Equality report.

Appendices:

Appendix 1: HR Quarterly Report

List of Background Papers:

None

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HR Quarterly Report

2017/18 Quarter 2 Update

HR Quarterly Report – 2017/18 Quarter 2 Update

Introduction

This Human Resources (HR) quarterly report provides an overview of key developments that have taken place in the second quarter of the 2017/18 financial year, covering between 25 June 2017 and 16 September 2017 inclusive.

This report contains additional information requested by the Panel on recruitment across TfL, splitting this down by area, whilst also highlighting some of the positive activities taking place to drive improvements in diversity across the organisation.

Recent and upcoming publications:

The Workforce Monitoring Report was published online in September. This report has been shared with the Panel directly.

The Gender Pay Gap Report and action plan is due for publication in late November 2017. This again will be shared with the Panel and will be publically available on the TfL website. A precis of the action plan is provided in Section 3.

Report Content

Section 1 – Workforce Composition

- Permanent Headcount
- Workforce composition by area
- Non-Permanent Labour

Section 2 – Changes in Q1

- External recruitment
- Internal recruitment
- Case Study – CSA Recruitment Q2
- Workforce Representativeness

Section 3 – Recruitment and Action on Equality Update

- Graduate Induction
- Apprentice Induction
- Gender Pay Gap Report 2017

Section 1: Our People

Permanent Headcount

Data extracted from the HR System (SAP) excludes Crossrail and other employees whose details have not yet transferred to SAP.

The following staff numbers represent both permanent TfL employees and temporary staff measured in full time equivalents (FTEs) which equate to 1 person working 35 hours per week. Headcount values at the end of Q2 2017/18 are as follows:

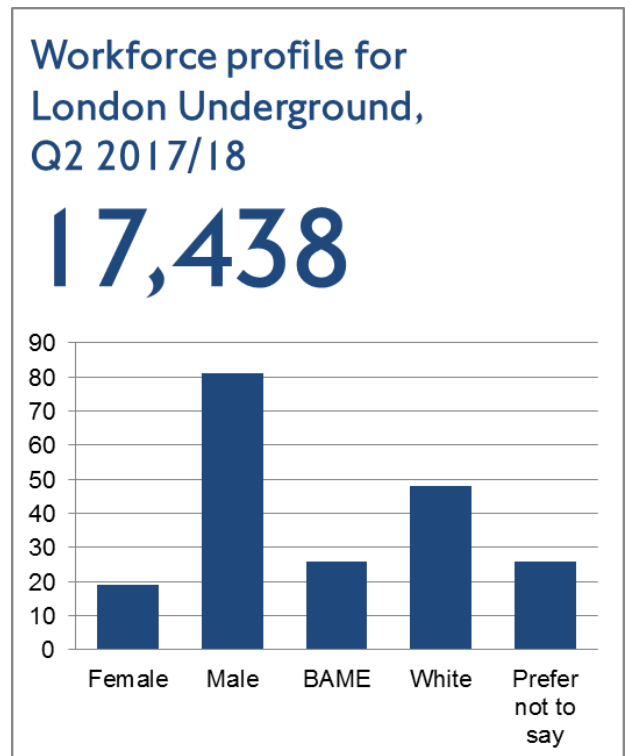
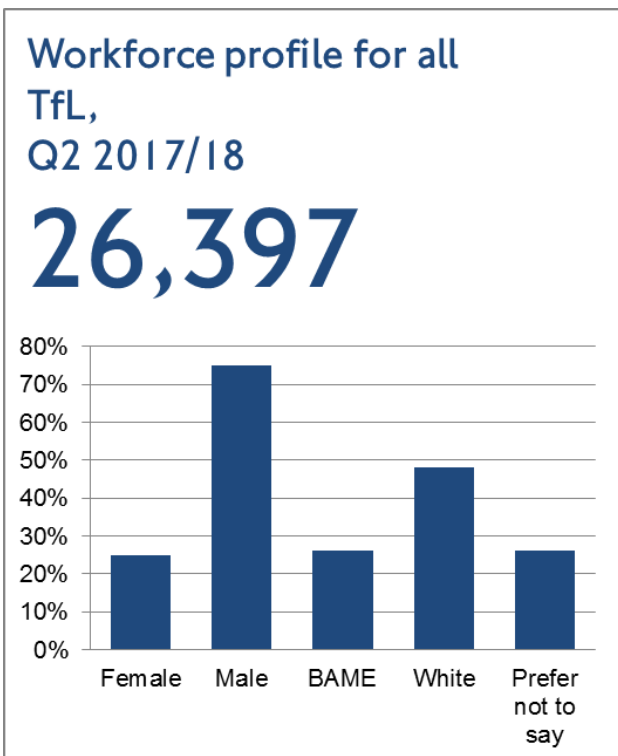
All TfL

Total FTEs has increased from 26,036 in Q1 to 26,397 by the end of Q2. This represents an increase of just over 1 per cent. This is marginally lower than the 26,404 FTEs in Q2 2016/17.

The proportion of male and female employees has remained the same over the past quarter. The proportion of employees that do not disclose their ethnicity has increased by 0.66 per cent, with the proportion of employees disclosing themselves as white falling by 0.5 per cent and BAME by 0.16 per cent. This is due to the low disclosure rates of new employees.

London Underground

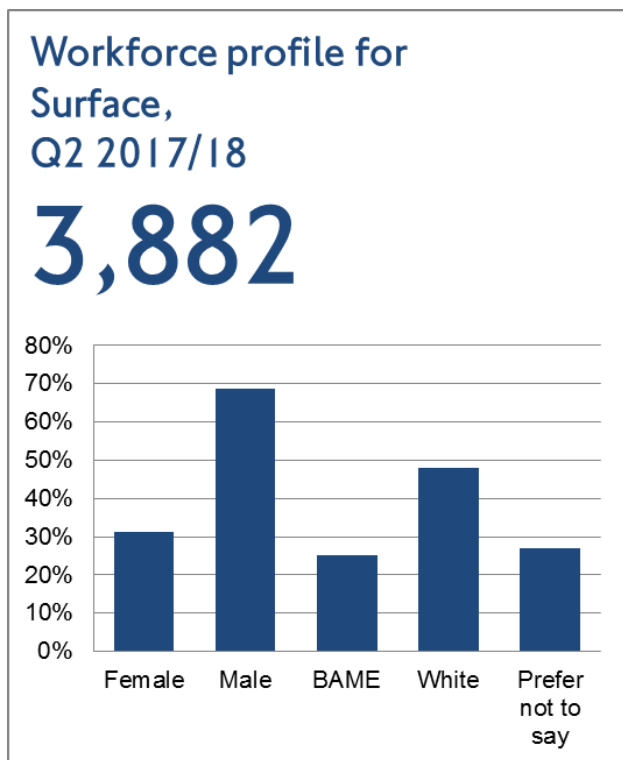
The total FTEs in London Underground increased from 17,028 in Q1 to 17,438 by the end of Q2. This was partly driven by the campaign to recruit an additional 325 station staff which was staggered over Q2. This recruitment campaign will be discussed in more detail on Page 9.



The proportion of females in LU increased by 0.18 per cent over the past quarter, with the male proportion falling by the same amount. The proportion of employees not declaring their ethnicity increased by 0.87 per cent since Q1, with employees declaring themselves as white falling by 0.7 per cent and as Black and Minority Ethnic (BAME) by 0.17 per cent.

Surface Transport

Total FTEs in Surface have fallen from 3,975 in Q1 to 3,882 in Q2.

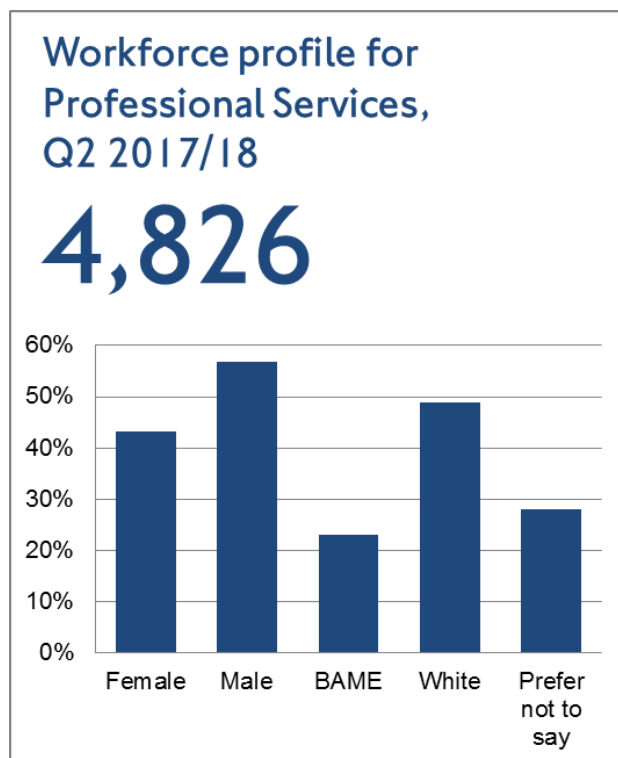


The proportion of females in Surface increased by 0.12 per cent over the past quarter, with the male proportion falling by the same amount. The proportion of employees not declaring their ethnicity increased by 0.28 per cent since Q1, with employees declaring themselves as BAME increasing by 0.29 per cent, and employees

declaring themselves as white decreasing by 0.57 per cent.

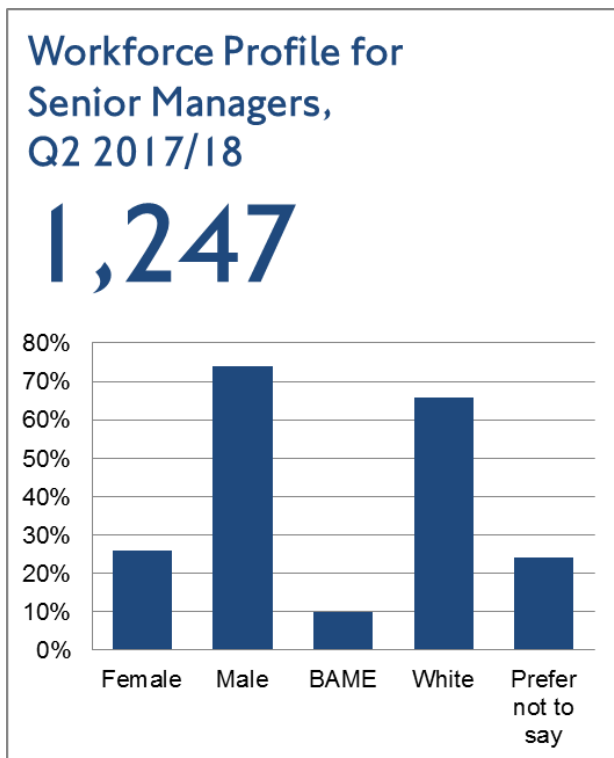
Professional Services

Professional Services comprises functions within TfL including General Counsel, Finance, Human Resources, Commercial and Customers, Communication and Technology where services are provided on a shared basis across all TfL divisions.



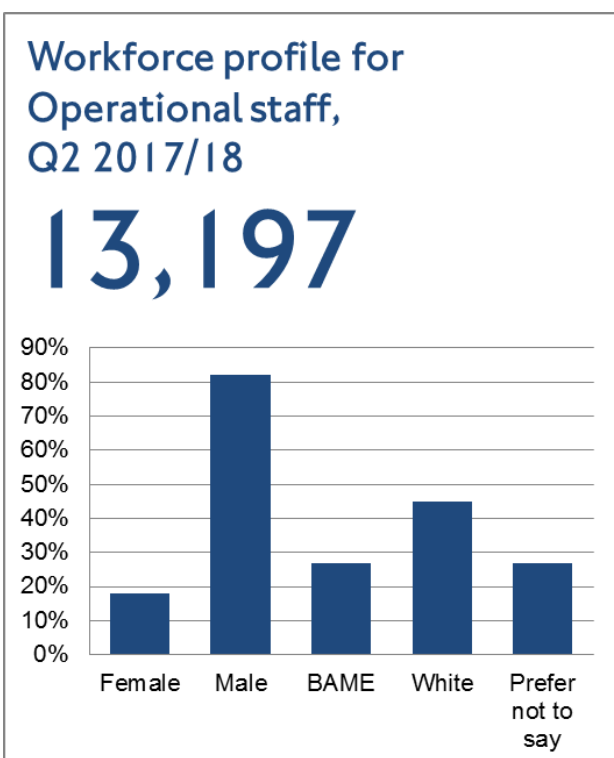
The proportion of females in Professional Services increased by 0.05 per cent over the past quarter, with the male proportion falling by the same amount. The proportion of employees not declaring their ethnicity decreased by 1.05 per cent since Q1, with employees declaring themselves as BAME increasing by 0.07 per cent, and employees declaring themselves as white decreasing by 0.98 per cent.

TfL Senior Manager Staff Composition



The total number of senior managers has fallen in Q2 from 1,274 to 1,247. At the end of Q2 in 2016/17 this stood at 1,319 representing a 6 per cent decline in senior managers over the past year.

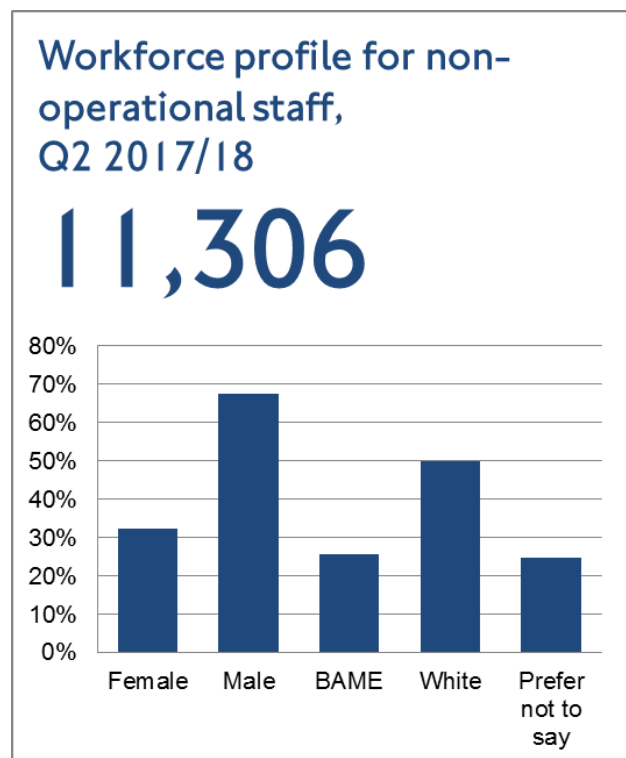
TfL Operational Staff Composition (2017/18 Q1)



The number of operational employees increased in Q2, from 12,949 to 13,197. The proportion of female employees increased by 0.24 per cent in Q2, with the proportion of males falling by the same amount.

The proportion of employees that did not declare their ethnicity increased by 1.43 per cent, with those declaring themselves as White falling by 1.13 per cent and BAME by 0.3 per cent. The rates of change for operational employees were the largest seen in Q2. This is in part by recent recruitment campaigns and the diversity characteristics of the new starters.

TfL Non-Operational Staff Composition (2017/18 Q1)



The non-operational workforce profile has remained relatively static in Q2. The proportion of male employees has fallen by

0.13 per cent with the proportion of females increasing by the same amount. The proportion of BAME employees has increased by 0.08 per cent; the proportion of White employees has increased by 0.05 per cent and those who do not disclose their ethnicity has decreased by 0.13 per cent.

There have been improvements in the gender split across all of the different business areas in Q2. These however have been relatively small changes due in part to the low turnover of staff. In Q2 521 employees left the organisation, representing a turnover rate of just under 2 per cent. Section 2 looks at recruitment in more detail providing a more insightful account of the positive impact of activities to promote workforce diversity across TfL.

Non Permanent Labour

Non Permanent Labour (NPL) are temporary staff engaged to complete project work or short term assignments.

The use of NPL has increased slightly over the previous quarter, from 1,517 at the end of Q1 to 1,548 at the end of Q2.

Q2 2017/18:

1,517 (24 Jun 17)

1,548 (16 Sep 17)

This is the first quarterly increase in the use of NPL since controls were brought in to reduce the use of NPL in December 2015. Total NPL use has decreased from 3,095 at the start of Q1 2016/17. This has reduced the cost of NPL use across TfL by over £3m per week.

The recent small increase in NPL use has been in areas currently going through Transformation. It is important that TfL continues to make use of the flexibility offered by NPL, particularly through this time of change and temporary peaks in demand, e.g. in recruitment. It is equally important that we do not close off our ability to hire talent in scarce skills areas.

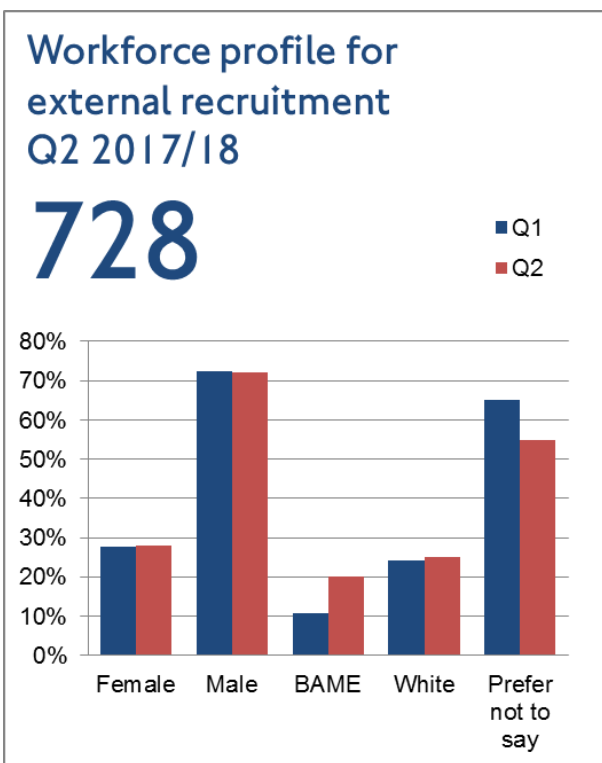
We will look to balance the cost and use of NPL with our ongoing commitment to our customers and our key role in keeping London moving and growing.

Section 2: Changes in Q2

Section 1 of this report looks at a static snapshot of the workforce composition at the end of Quarter 2. The following section will provide a more dynamic picture of changes occurring across our workforce over the previous quarter.

External Recruitment workforce composition (2017/18 Q2)

The below graph provides a breakdown of staff recruited externally into TfL.



External recruitment in Q2 increased from 569 to 728, mainly driven by increases in LU operational recruitment, this was partly driven by the campaign to recruit an additional 325 station staff which was staggered over Q2. Q2 saw a significant increase in the number

and proportion of BAME recruits, increasing from 11 per cent in Q1 to 20 per cent in Q2.

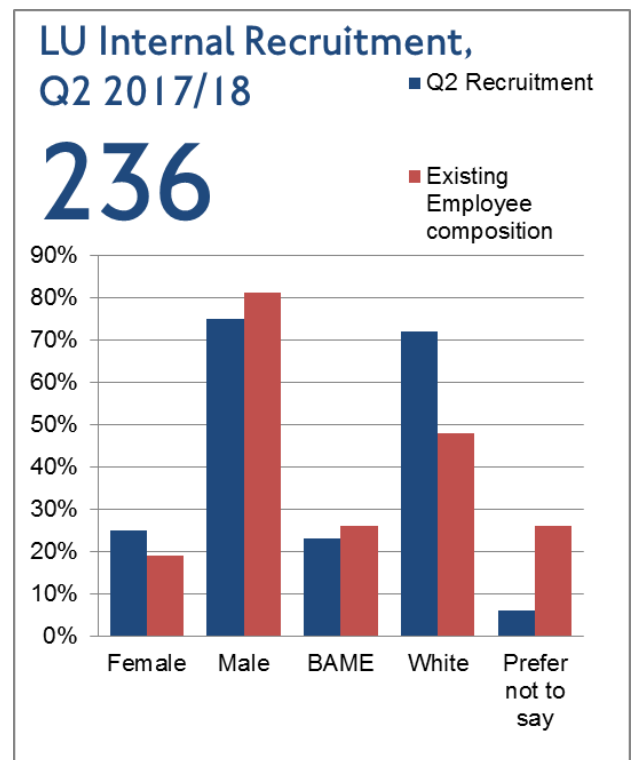
External recruits have a higher tendency not to declare their ethnicity as part of their application. Once recruited this is leading to higher rate of non declaration across TfL as seen in Section 1 of this report.

Internal Recruitment (2017/18 Q2)

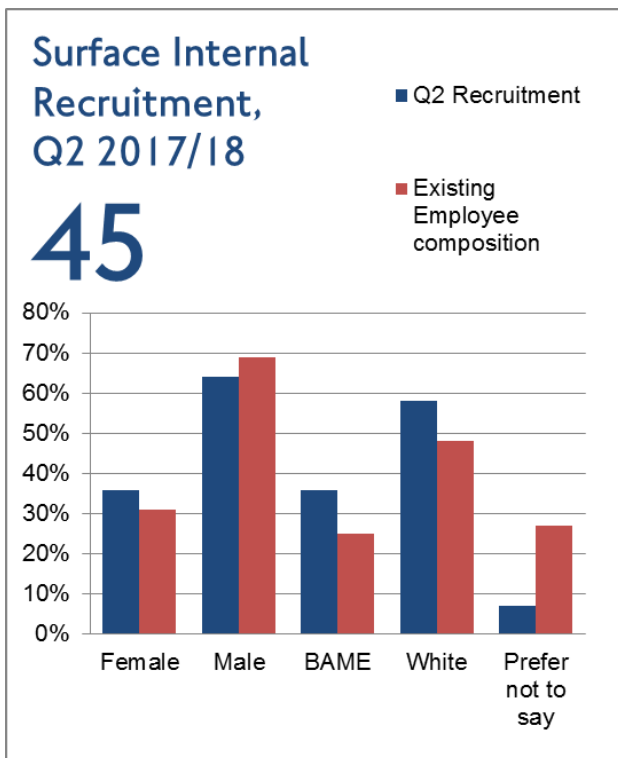
The following analysis combines all internal recruitment, both promotional and lateral movements by business area.

Internal recruitment has been measured against the current employee composition for each business area to illustrate if internal recruitment is as reflective of current employees.

London Underground Internal Recruitment



Surface Internal Recruitment



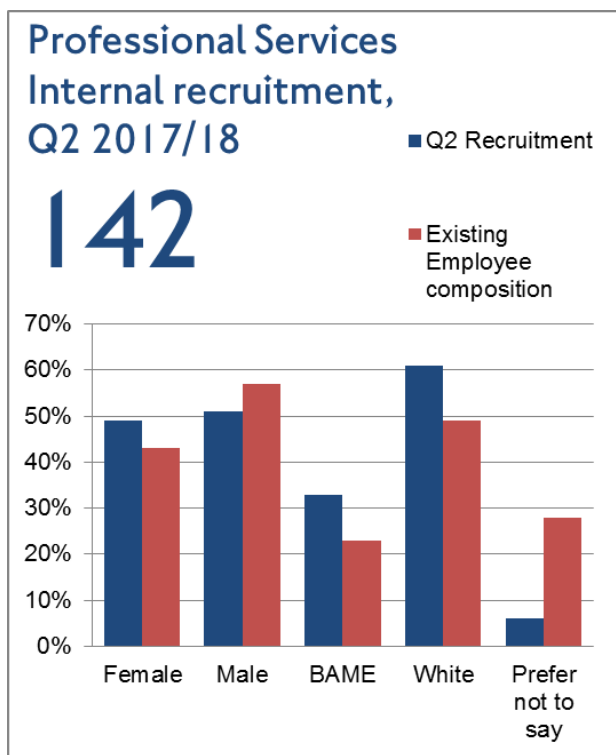
Female recruitment for all three areas of TfL was higher than the existing employee population.

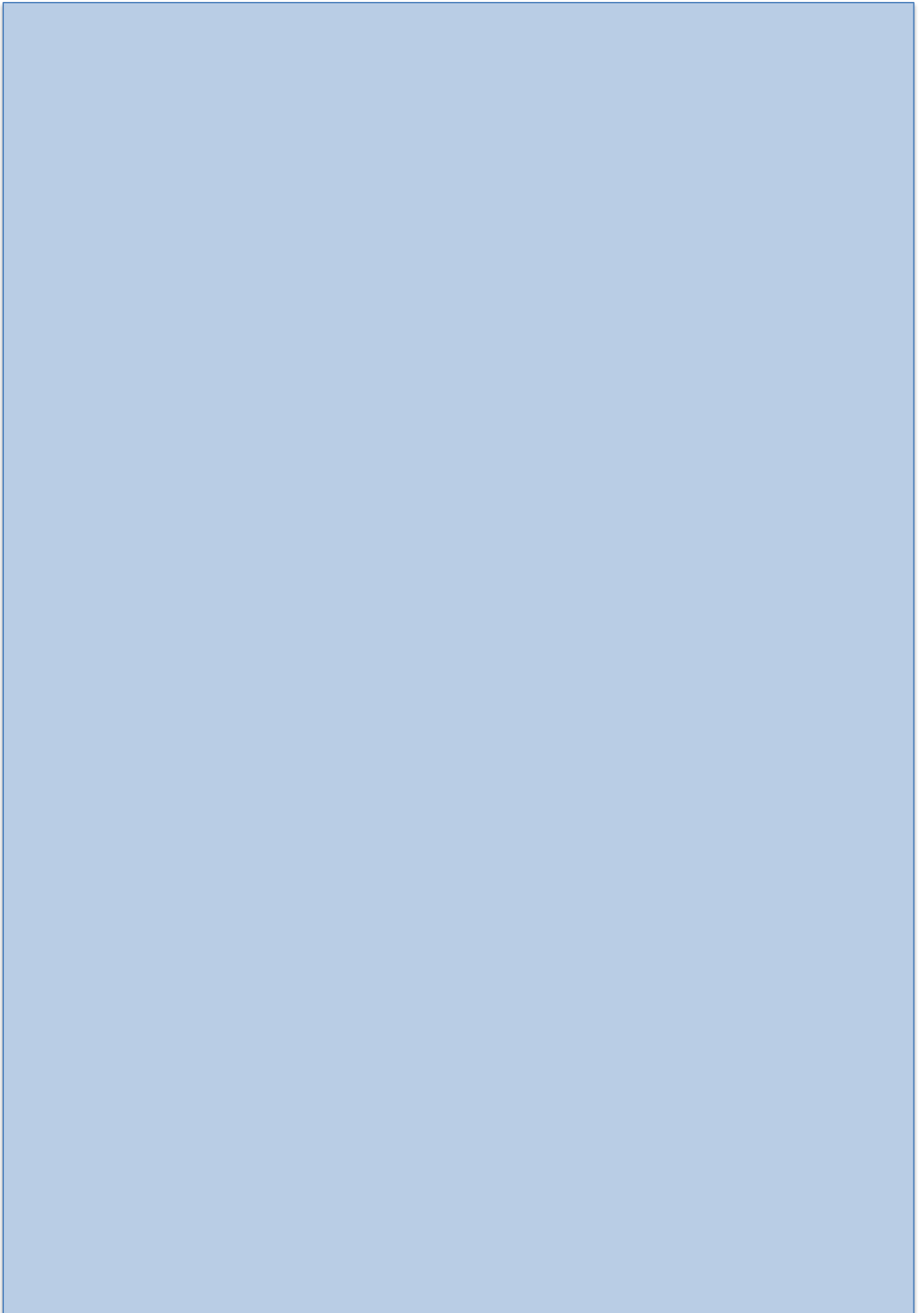
BAME internal recruitment was higher than the existing employee population for Surface and Professional Services, with a small under representation for internal BAME recruitment in London Underground.

When applying for new positions internally, we often get a higher declaration rate of a candidates ethnicity than that held centrally. This explains why those recruited have a far lower tendency not to declare their ethnicity than the existing employee population. This is in contrast to external recruitment when the majority of recruits do not declare this.

Whilst internal recruitment does not improve diversity of the wider TfL employee population to the same extent as external recruitment, the previous tables show that gender or ethnicity is not a barrier to changing roles or achieving a promotion within the organisation.

Professional Services Internal Recruitment





Workforce Representativeness

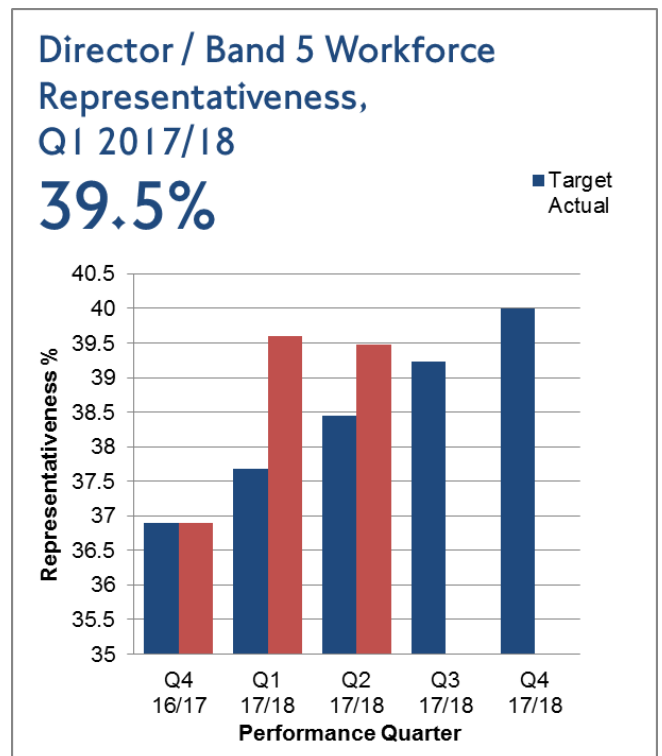
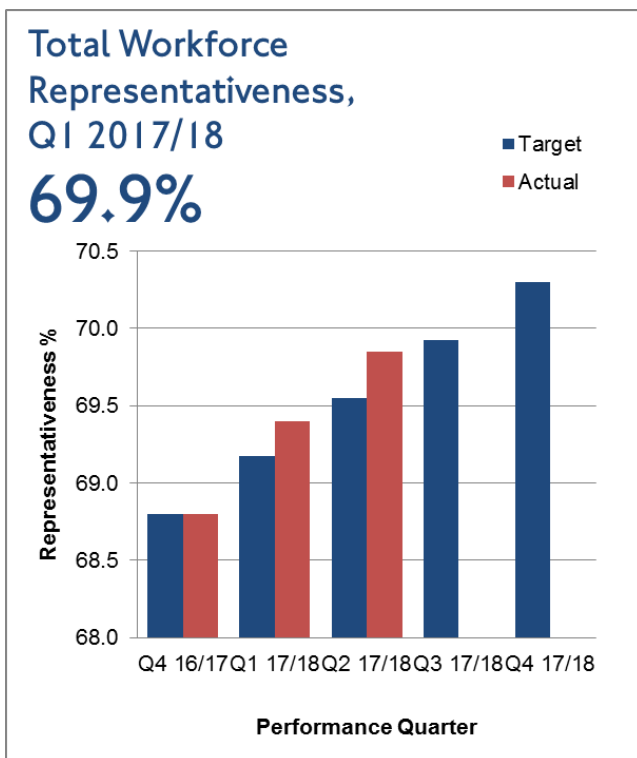
Total Workforce Representativeness

Q2 2017/18

Total workforce representativeness continues to improve ahead of target. This in part could be attributable to the recent operational recruitment campaigns in London Underground. The representativeness of TfL employees in all seven protected characteristics has either improved or remained constant.

Director / Band 5 Workforce Representativeness, Q2 2017/18

Data from Q2 suggests a marginal decrease in the representativeness of our senior managers and directors from Q1 to Q2. The fluctuating nature of this measure over the year so far reflects the rate of turnover for this cohort resulting from Transformation. The workforce representativeness for these senior managers is still ahead of target.



Section 3:

Recruitment and Action on Equality Update

Graduate Induction 2017

The last week in Q2 saw the start of our 2017 Graduate Schemes with the Commissioner attending the first day to welcome our new recruits.

This year we have recruited a total of 43 graduates and two year in industry interns across various schemes.

This local induction was split over five days and involved a range of activities such as a workshop entitled, 'Making an Impact' which involved professional actors coaching new graduates on correct TfL behaviours in readiness for their transition into the workplace.

Vernon Everitt, Managing Director of CCT, George Clark, Director of Engineering, Staynton Brown, Director of Diversity and Inclusion and Leon Daniels, Managing Director of Surface Transport also made an appearance at the Director Panel event held at Broadway to welcome the new intake.

Apprentice Induction 2017

Over the last year, the Apprentice Development team have been busy working on embedding the new apprenticeship reforms and designing 30 schemes in readiness for September 2017.

In September TfL welcomed a total of 179 apprentices including some higher level apprenticeships equivalent to degree level.

Gender Pay Gap Report 2017

Our Gender Pay Gap Report and Action Plan will be published online by the end of November. This report identifies the mean and median hourly rates of pay for both males and females across the organisation, along with the gap between these figures.

How we are closing the gap

Our vision for equality is 'every person matters'. It articulates our commitment to becoming a more diverse organisation reflecting the city we serve and maximising the talent we have.

In anticipation of this publication, we continue to work on initiatives to reduce any gender pay gap identified in this report.

Work that has already taken place in this area includes:

- Appointing a Diversity & Inclusion Director
- Added an 'inclusion index' to the TfL scorecard to ensure everyone is accountable for Diversity & Inclusion

- Launched Returnships in 2017, a programmes to support women who have been out of the workplace for several years back into employment
- Ensure mentoring programmes support women and BAME colleagues in middle manager roles in London Underground Operations, where we have less female representation
- Our Women's Staff network Group supports personal progression and provides networking and mentoring opportunities. This group now has in excess of 1,000 members
- Gender pay gap reduction to be set as a target and reduced each year
- Further elimination of any bias in our approach to recruitment, performance and development. Also, to continue to attract, develop, promote and retain the best talent
- Anonymous job applications by January 2018
- Support flexible working unless there is a clear business case for not doing so
- Include gender related targets in contracts with our main suppliers

We are also currently working on the following initiatives which may also help further reduce any gender pay gap:

- Diverse interview panels, for senior positions in particular
- Gender balanced long and shortlists hiring senior managers
- Unconscious bias training for all senior managers
- Focus on recruiting women into roles where they are currently least represented, such as senior manager and operational roles
- Engagement with schools to encourage more females to consider a career in STEM subjects

In anticipation of the 2017 report, we have created our action plan for 2017/18 which includes the following activities:

- Introducing more robust Diversity & Inclusion governance by 2018, with clear accountabilities, indicators to measure progress in response to our actions, and support our Staff Network Groups, particularly the Women's Network



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