

TRANSPORT FOR LONDON

CORPORATE PANEL

SUBJECT: SKILLS AND EMPLOYMENT STRATEGY IMPLEMENTATION

DATE: 17 NOVEMBER 2009

1 PURPOSE AND DECISION REQUIRED

1.1 The purpose of this report is to update the Panel on the implementation of the Skills and Employment Strategy, within the context of the development of a pan-TfL Organisational Capability Strategy. The Panel is requested to note the report.

2 BACKGROUND

2.1 The TfL Skills and Employment Strategy was presented to the Board in December 2008. The aim of the strategy is to ensure that our staff and those working in our supply chain possess the skills that TfL requires, and also to improve the skills and opportunities that are available to Londoners, particularly those from disadvantaged or under represented groups. In particular, TfL is keen to minimise the risks faced by the organisation due to the skills shortage in particular transport related fields, such as engineering.

2.2 The Planning and Corporate Panel received an update on the implementation of the Skills and Employment Strategy on 12 May 2009. During this update, it was requested that an overview of the TfL Organisational Capability Strategy and its links to the Skills and Employment Strategy would be provided at the next meeting.

2.3 TfL is continuing to play a major contribution in delivering the Mayor's headline commitment of 1,000 apprenticeship positions per annum through the GLA Group and its suppliers up to 2012. However, there are significant financial pressures on the Learning and Skills Council (LSC) as employer led training demands are increasing sharply, while budgets are fixed. The consequence is that there is the risk that not all the resources required to support apprenticeships will be available from the LSC, and this is even more of an issue for suppliers, who generally do not have the same established relationship with the LSC as the GLA Group does.

2.4 As part of the Skills and Employment strategy, TfL has developed a draft Strategic Development Framework (SDF) in conjunction with the LSC to establish clear commitments relating to the provision of funding and support both for directly employed staff and for those employed through its supply chain. The Mayor has now requested that the other GLA Group Chief Executives build upon TfL's work in this area and expand the draft agreement to cover the whole GLA Group.

3 ORGANISATIONAL CAPABILITY STRATEGY

- 3.1 In 2008, TfL announced an Operating Cost Review that would require savings of £2.4 billion over nine years. On 2 October 2009, the Commissioner announced that further savings are required and a revised target of over £5 billion over nine years is now confirmed. This must be achieved while continuing to manage the investment programme that is required to deliver the Mayor's Transport Strategy and the extensive transport improvements London needs. This means that TfL now has to do more with fewer resources.
- 3.2 In 2005 and 2007, assessments of TfL's organisational capability to deliver the business plan and respond effectively to the changing environment showed that this would be dependent upon:
- (a) Developing a performance focused culture across TfL;
 - (b) Raising standards of leadership;
 - (c) Actively identifying, managing and retaining critical skills and talent; and
 - (d) Engaging people at all levels to embrace the changes needed.
- 3.3 The purpose of the Organisational Capability Strategy is to define the approach and steps that will be taken to implement simplified and cost effective people processes across TfL that will respond to the challenges identified above.
- 3.4 To achieve the efficiencies and savings that are required, there is an immediate need to develop a common pan-TfL approach to attracting, assessing, managing and developing TfL future capability requirements. This will involve a number of different activities that will be delivered in parallel but have high levels of dependency upon each other. These include:
- (a) Develop a future focused pan TfL capability framework that will define the capabilities and critical skills that will be needed at all levels to deliver the business plan and the cultural change required at TfL;
 - (b) Implement cost effective recruitment processes that assess candidates against benchmarked skills and capabilities;
 - (c) Implement talent and succession planning processes for leadership and specialist resource groups that are directly linked to pan-TfL demand planning processes;
 - (d) Build and embed an effective performance management process for all levels that is directly linked to both the capability framework and reward strategy; and
 - (e) Develop and implement cost effective focused people development resources and programmes that are linked to any capability gaps that are identified at performance reviews.

3.5 Implementation of the Organisational Capability Strategy will be over the next two and a half years. Activities and timelines are planned as follows:

Phase 1: 2009 - 2010

- (a) Complete engagement and data gathering with all stakeholders and develop recommendations about what actions are required to build and implement a common future focused pan-TfL capability framework;
- (b) Review the existing performance management processes and develop recommendations for a common approach to performance management for all levels that is aligned to the reward strategy and the capability framework;
- (c) Complete succession planning with TfL Directorates and agree Talent process principles for 2010 and beyond e.g. establish Talent Boards;
- (d) Review the existing leadership development strategy e.g. Warwick Business School delivered modules, internal Master Classes and coaching panel process. Develop recommendations for a future approach that is directly linked to the capability framework; and
- (e) Develop a common approach and methodology for implementing change management across TfL.

Phase 2: 2010 - 2012

- (a) Launch, implement and embed a pan-TfL capability framework;
- (b) Deliver culture change activities through the implementation of management tools and targeted interventions;
- (c) Implement a common employee engagement survey;
- (d) Implement a revised job evaluation system and governance process;
- (e) Implement pan-TfL and modal Talent Boards;
- (f) Link talent and specialist resource management processes to workforce demand planning and actively promote the mobility of resources across TfL;
- (g) Identify and establish leadership development plans and programmes for top 150; and
- (h) Develop and implement a focused learning and development strategy for all levels that is directly linked to the capability framework.

3.6 There are some risks that will impact the environment within which this strategy will be delivered including:

- (a) Cost reduction challenges and job losses will lower morale across TfL. This will require leaders to lead and managers to manage and increase the need to implement change more effectively;

- (b) Implementation of a pan-TfL strategy has to work within existing modal business priorities and cultures;
- (c) The TfL HR organisational model is currently under review and securing greater clarity of the respective roles and accountabilities of the various HR teams across TfL in the future is critical.; and
- (d) Operational Modes and Directorates could wish to continue to reinforce taking a local approach.

4 EQUALITY AND INCLUSION

- 4.1 Embedding equality and inclusion principles will be integral in the design, development and implementation of a pan-TfL capability framework.

5 CROSS-MODAL

- 5.1 The Heads of all the Corporate and Modal HR teams are members of the TfL People Strategy Development Group, which manages the governance of all HR projects including those that are delivered in support of the Organisational Capability Strategy.

6 CONCLUSION AND NEXT STEPS

- 6.1 The future development of the TfL People Agenda will be led by the Group HR Directorate in 2010 and beyond. This will provide an opportunity to incorporate the work planned to deliver the Organisational Capability Strategy into a revised version of the TfL Skills and Employment Strategy.
- 6.2 This would be communicated to all key stakeholders, with a clear explanation of the overlaps and how any new work is directly relevant to achieving the stated aims of the Skills and Employment Strategy.

7 RECOMMENDATION

- 7.1 The Panel is asked to NOTE the content of this report.

8 CONTACT

- 8.1 Contact: Michael Higgins, Interim Group Human Resources Director
Email: michaelhiggins@tfl.gov.uk
Phone: 020 7126 4734