

Date: 28 February 2018

Item: Transformation Programme

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of the Transformation Programme and an update on the third phase of proposed organisational changes launched in November 2017.

2 Recommendation

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

3 Transformation Programme Background

- 3.1 We are undertaking the largest ever review of our organisation to provide the most efficient and effective transport service for Londoners.
- 3.2 Over the past year, we have been carrying out a comprehensive review of our organisation and modernising the way we work.
- 3.3 Good progress has been made in reducing costs and we are on track to reach our 2022/23 net operating surplus target of - £153m.
- 3.4 To achieve our target, we are making significant structural and cultural changes. We are radically reducing our cost base and transforming how we work to sustain these changes and become more agile and commercially aware.

4 Organisational Activity

- 4.1 We have been reviewing every part of our business, identifying and implementing new structures and ways of working that will enable us to function more efficiently and effectively.
- 4.2 Last year, we launched three phases of organisational change, reviewing the work of 10,600 roles.
- 4.3 Following consultation on proposals with our staff and trades unions we have completed organisational change programmes in: Commercial; Finance; Technology and Data; Customers, Communication and Technology; City Planning; and at senior manager level in LU, Surface and Engineering
- 4.4 On 7 November 2017, we began our third phase of formal organisational change. Consultation is currently underway in the following managerial, support and other non-frontline areas across TfL and London Underground:

- Engineering
- Major Projects Directorate
- HSE
- London Underground
 - Asset Operations
 - Establishment Planning
 - Network Operations Admin
 - Senior Admin
 - Performance
 - Renewals and Enhancements
 - Skills Development
- Surface
 - Bus Operations including Victoria Coach Station
 - Control Centre
 - Compliance, Policing and On-street Services
 - Network Management
 - Service Planning
 - Rail and Sponsored Services
 - Road User Charging

4.5 Face-to-face briefings were held for all staff impacted by proposals. Between 7 and 10 November 2017, 5,700 members of staff were briefed at 73 separate staff briefings. A wide range of ongoing engagement activity is underway including, further briefings and drop in sessions with Senior Management.

4.6 We are engaging with Trade Unions across 19 different forums on proposals with over 30 representatives. Discussions remain ongoing and in a number of areas we have received counter proposals which have been considered at a local level. We remain committed to conducting meaningful consultation with Trade Unions and discussions are now focused on proposed assessment and selection approaches.

4.7 We are doing all we can to mitigate redundancies and ensure key talent and skills are retained by the organisation, this includes halting external recruitment, reducing agency staff and redeploying staff across the business.

4.8 A new process for Central Skills Matching has been introduced. This mitigates the requirement for voluntary severance and redundancies.

4.9 We continue to monitor staff engagement levels through a series of surveys which provide us with real-time, actionable feedback. The staff engagement score is tracked on our 2017/18 pan-TfL scorecard, and all business areas are tasked with achieving a +3 per cent improvement by the end of the financial year.

5 Culture and Ways of Working

5.1 To ensure these changes are sustainable, it is not enough to just re-structure our organisation; we are also changing the way we work. We must: connect our people to our vision, purpose and behaviours; drive high performance, be inclusive as well as diverse, get things done quicker and better; and foster collaboration.

5.2 In line with these themes we have set up six TfL-wide projects identified as high priority by the Executive Committee focusing on: Leadership Development,

Performance Management, Employee Value Proposition, Diversity and Inclusion, Smart Working and Line Manager Capability

- 5.3 A new long term People Strategy and corresponding governance structure are being developed by a cross-business team to ensure full alignment and prioritisation of People activity across the organisation.

Appendices:

None

Background Papers:

None

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