

TRANSPORT FOR LONDON

BOARD

SUBJECT: SKILLS AND EMPLOYMENT STRATEGY

DATE: 10 DECEMBER 2008

1 PURPOSE AND DECISION REQUIRED

1.1 This document describes TfL's 10-year Skills and Employment Strategy, which seeks to guarantee that TfL and its supply chain continue to have the skilled workforce needed to deliver its transport objectives. It is presented to the Board for noting.

2 BACKGROUND

2.1 Attached is TfL's Skills and Employment Strategy.

Development

2.2 For the past eight months TfL has been developing its Employment and Skills Strategy. This document draws together TfL's work on skills and employment with recommendations covering existing staff and the supply chain, as well as prospective employees and those still in education.

2.3 The Strategy has been considered by the Skills and Employment Steering Group (SESG) and has been consulted on with external and internal skills stakeholders and the Commissioner. The strategy is in line with the London Skills and Employment Board's strategy document "London's Future".

Aims

2.4 The aim of the Strategy is to ensure that our staff and those working in our supply chain have the skills TfL needs and also to improve the skills opportunities available to Londoners, particularly those from disadvantaged or under-represented groups.

2.5 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.

Key themes

2.6 The strategy focuses on three key themes

(a) Staff solutions. This theme is designed to ensure that TfL can recruit, support and develop the people it needs to fulfil its requirements.

(b) Education. The education theme seeks to develop the industry's future

workforce, particularly with regards to engineering, planning and project management.

- (c) Supply chain and industry solutions. This theme is designed to ensure that TfL can access, manage and make the most efficient use of its supply chain. It also seeks to ensure that, where appropriate, TfL's suppliers offer employment, training and skills opportunities to local communities.

2.7 Each of these key themes relate to corresponding workstreams which are detailed in the Strategy document.

3 RECOMMENDATION

3.1 The Board is asked to NOTE the TfL Skills and Employment Strategy.

4 CONTACT

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‘We need the right people,
with the right skills,
at the right time.’

Peter Hendy CBE
Commissioner, Transport for London

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Commissioner's message



For Transport for London (TfL), delivery to time and to budget is paramount – both of existing services and the challenging transport improvements that we have set ourselves – is only possible if we have the right people with the right skills at the right time.

Since its creation in 2000, TfL's achievements have been based on having the best people available, as staff and through our supply chain. In 2004, TfL achieved a long-term agreement with the Government on grant levels and borrowing. This gave us the ability to improve London's transport infrastructure substantially and to borrow funds to take forward major projects, as well as ensuring long-term continuity. This was strengthened by the funding package agreed in October 2007, which secured £15.9bn for Crossrail.

But it also brought into sharp relief the need for more skilled people to support the delivery of projects such as Crossrail and the London Underground (LU) line upgrades.

This strategy document draws together TfL's work on skills and employment with recommendations covering existing staff and the supply chain, as well as prospective employees and those still in education. Through its implementation, TfL will be able to realise its vision of a transport system that delivers the safe, reliable and efficient movement of people and goods to enhance London's economy and environment, while promoting social inclusion.

In all its activities TfL is dedicated to providing value for money for its customers and taxpayers, and the delivery of the initiatives outlined in this strategy is no exception. Through these planned activities we will seek to repay the trust Londoners have placed in us and offer employment, learning and training opportunities for both this generation and the next.

Peter Hendy CBE

Commissioner, Transport for London

Foreword by Valerie Todd



We need talented and skilled people working for us and our suppliers if we are to meet our commitment to deliver a challenging programme of transport improvements for London – and transport services for the many millions of passengers each day on the Capital’s buses, Tubes and trams.

Finding, retaining and developing these people poses a number of challenges. Key sectors, such as engineering, face skills shortages which impact both TfL and our supply chain. The latest technology and developments mean new skills will be needed, and we are also committed to encouraging the unemployed into work.

We need to rethink our approach to skills and employment to continue to be successful. We must ensure

that those working for us directly or through our suppliers, and those we seek to employ, are equipped to meet our needs.

Experience has shown that taking a passive approach to recruitment and development of staff puts our delivery at risk over the medium term. This is not an option.

Over the past few months, we have reviewed our approach to skills, and worked closely with the London Skills and Employment Board (LSEB) to develop a 10-year strategy for skills and employment within TfL.

This document sets out many of the mechanisms for change that we will use to ensure we continue to deliver services to meet the demands and expectations of Londoners.

It is an evolving document that will be revisited to ensure it has currency and relevance to the challenges faced by TfL.

Valerie Todd.

Valerie Todd

Managing Director, Group Services
Transport for London



Executive summary

This document describes TfL's 10-year Skills and Employment Strategy, which seeks to guarantee that TfL and its supply chain continue to have the skilled workforce needed to deliver its transport objectives. The strategy, and its associated implementation plan, will be kept under review to maintain its alignment with Mayoral policy and the LSEB's direction, as well as to make sure that emerging challenges are met and planned improvements are achieved.

Aims and context

Despite the recent economic downturn, London remains one of the most important centres for financial and business services in the world. The city is set to grow and prosper in the future, with more than 800,000 extra people and around 900,000 additional jobs forecast over the next 20 years. The impact of the predicted growth will mean that there will be changes in demand for public transport which, combined with TfL's challenging programme of transport improvements for London, will affect the number and

type of staff that TfL and its supply chain need to employ.

Developing a comprehensive, consistent Skills and Employment Strategy is important to TfL for two main reasons. As an employer TfL has access to London's highly-qualified skills base but, along with its suppliers, it also has to compete with other successful companies that value skilled workers highly and reward them accordingly.

Secondly, TfL is an organisation committed to supporting London's local communities and promoting equal life chances for all through its recruitment practices and training opportunities, and those offered by its supply chain. The LSEB, which is responsible for delivering a long-term strategy for adult skills and employment in London, is a key partner.

TfL will work with the LSEB, the Greater London Authority (GLA) and other stakeholders to deliver the strategy, which aims to:

- > Ensure that TfL and its supply chain have access to staff with the necessary skills

- > Increase skill levels of staff and prospective staff within TfL and its supply chain through training and development
- > Support economic and social regeneration through employment and training opportunities
- > Work with partners to maximise skills and training opportunities
- > Ensure disadvantaged groups benefit from any employment, training and skills opportunities

Challenges

Renewal of the existing network and investment in new capacity, such as Crossrail, is essential to ensure that the transport system is equipped to accommodate projected increases in travel demand. Both require more people with appropriate skills to do the job.

Improving the transport network requires TfL to address various skills gaps in its workforce and its supply chain, particularly in engineering and construction. Despite the recent economic slowdown, over the longer term there will be continuing growth in the infrastructure sector, particularly in relation to road and rail. This will mean competition for skilled staff both from within the UK and also from international markets, such as India and China. This increased competition

is in addition to an ageing workforce and a lack of apprentices and graduates coming into the industry.

As well as recruiting more skilled staff, TfL has a significant opportunity to increase skill levels within its existing workforce, improving employee job satisfaction and increasing staff retention. Upskilling existing staff also makes additional entry-level positions available to Londoners with fewer or no pre-existing skills.

TfL must also ensure that its supply chain has the requisite capability and competency to deliver its work programmes. The Investment Programme requires TfL's supply chain to provide high volumes of complex goods and services so there is a need for access to highly skilled workers. There is a risk to the efficient and effective completion of the Investment Programme if TfL does not ensure, through this strategy, that staff in its supply chain have the appropriate skills.

As well as securing the performance of its supply chain, TfL has the opportunity to provide training and employment opportunities to local communities both directly and through its supply chain.

Building Crossrail will help transform London's transport network and has the potential to make a real difference



to training and employment opportunities in some of the most deprived parts of the Capital. At the peak of construction, there will be as many as 14,000 positions made available, giving TfL the opportunity to help excluded groups of Londoners and tackle worklessness.

Making it happen

The strategy and associated implementation plan have been developed through analysis of TfL's transport objectives, and the needs and views of key stakeholders within TfL and Crossrail. Although the figures may adjust in line with changes to programmes and investment plans, the objectives are fixed.

The programme is divided into three themes: staff solutions; education; and supply chain and industry solutions. Within each of these there are a number of topic areas, and within these there are individual workstreams, details of which can be found in the implementation plan.

Key recommendations

The key recommendations of each of the three themes are outlined here. They also seek to build on existing equality and inclusion work and help TfL and its supply chain to better represent London.

Staff solutions

This theme is designed to ensure that TfL can recruit, support and develop the people it needs to fulfill its requirements. TfL will:

- > Continue to ensure that it attracts and retains skilled staff through effective recruitment, succession planning and talent management processes
- > Upskill the existing workforce, in line with TfL's People Strategy
- > Better utilise and retain TfL staff with key skill sets by more effectively matching skills and career aspirations to ongoing projects and future workload
- > Develop and attract people from across all communities by encouraging reskilling, tackling worklessness and working with those still in education to enable them to meet their full potential and prepare effectively for employment

Education

The education theme seeks to develop the industry's future workforce, particularly with regards to engineering, planning and project management.

TfL will:

- > Work with selected partners in the higher education sector to adopt a more integrated approach, combining



student placement and recruitment activities with post-graduate training and allied research programmes

- > Establish a Crossrail Tunnelling Academy to alleviate this noticeable skills gap and to train local people in the required skill sets
- > Continue and build on the existing schools engagement programme promoting science, technology, engineering and maths (STEM) subjects as a path to an engineering, technical or planning career

Supply chain and industry solutions

This theme is designed to ensure that TfL can access, manage and make the most efficient use of its supply chain. It also seeks to ensure that, where appropriate, TfL's suppliers offer employment, training and skills opportunities to local communities.

TfL will:

- > Require its suppliers to offer employment, training and skills opportunities to local communities through the implementation of Strategic Labour Needs and Training (SLNT) requirements within its procurement process - and seek to support its suppliers to meet these requirements

- > Support small and medium-sized enterprises (SMEs) and black, Asian and minority ethnic (BAME) suppliers and ensure a level playing field with other larger suppliers. Where possible, TfL will require its larger suppliers to offer opportunities to SME/BAME companies
- > Access its suppliers in the most cost-effective and efficient manner possible and put in place a system to monitor and manage supplier performance, where required
- > Establish an industry-wide picture of the demand and supply of the required skill sets within the transport industry and put in place a system to allow long-term monitoring to aid decision making

Conclusion

The TfL Employment and Skills Strategy identifies a comprehensive range of workstreams and deliverables to ensure that TfL has access to the skilled staff it needs to deliver the challenging transport objectives for London, as well as addressing wider economic and social inclusion issues. By having such workstreams in place, TfL can be confident that the delivery of its services, plus the planned improvements to London's transport network, are secure.

Aims and context

- > Introduction and aims
- > Evidence and context

Introduction and aims

The purpose of this strategy is to ensure that TfL and its supply chain have the right people with the right skills at the right time to deliver a world-class transport system. It will achieve this by creating employment and training opportunities that allow Londoners to meet their potential.

Aims

Over the next 10 years, the TfL Skills and Employment Strategy aims to:

- > Ensure that TfL and its supply chain have the necessary workforce with the skills required to deliver the Investment Programme
- > Increase skill levels, capability and competency within TfL's workforce and the supply chain, by creating or supporting tailored training and development programmes
- > Support economic and social regeneration within local communities by offering employment and training opportunities associated with TfL's network and the Investment Programme

- > Work with the industry, suppliers, training bodies and other relevant organisations to maximise skills and training opportunities for TfL staff, the supply chain and local communities
- > Ensure disadvantaged and under-represented groups benefit from any employment, training and skills opportunities that become available through TfL, the supply chain and/or TfL-related projects

Evidence and context

As London's strategic transport authority, TfL aims to provide the most integrated, efficient, accessible, reliable and safe journeys possible.

TfL is responsible for:

- > London's buses, the Tube, London Overground, the Docklands Light Railway (DLR), Croydon Tramlink and London River Services
- > Victoria Coach Station and the London Transport Museum
- > The red route network, Congestion Charging and London's 6,000 traffic lights
- > Compliance with traffic management legislation and strategic leadership for developing policies jointly with other highway authorities
- > Crossrail, the new railway for London and the South East
- > A range of alternative transport initiatives, including walking and cycling

Activities are directed towards achieving the following objectives:

- > Helping get Londoners get from A to B as quickly, conveniently and cheaply as possible
- > Ensuring all Londoners have the information they need, when they need it, to make their journeys easier
- > Reducing congestion and emissions, and improve the passenger experience through the right mix of policies

TfL's approach to developing skills is designed to enable it to run services in the most efficient and effective way possible and achieve its overarching goals.

London's Future

In July 2008, the LSEB published 'London's Future: The Skills and Employment Strategy for London 2008 – 2013'. This document sets out the Mayor's long-term employment and skills strategy for the Capital. A complementary document, 'Globalisation, Skills and Employment: The London Story', analyses the challenges for improving Londoners' skills to keep pace with the competitive global marketplace.



TfL contributed comments to this work and strongly supports the LSEB's aims. The following sections give a brief overview of the excellent analysis of the overall London skills economy produced by the LSEB in 'Globalisation, Skills and Employment: The London Story' and, unless otherwise stated, all data are sourced from it.

London's global economy

London is an international success story. It is one of the most important centres for financial and business services in the world, with an international reputation for excellence in these sectors and a high Gross Value Added (GVA) per head. Its competitive advantage is based on the highly qualified staff available to firms and its time-zone advantage for trading and the city's high quality transport infrastructure. The LSEB gives more information on London's position in the global marketplace, analysing the size of sectoral job markets, productivity, concentration of businesses and its competitive advantage over other cities.

The Capital is predicted to see a large increase in population over the next two decades, from 7.4 million in 2004 to 8.3 million by 2025¹. TfL, as the

London transport authority, is affected by these trends.

As an employer, TfL has access to London's highly qualified skills base and the broader skills resource of commuters from all over the South East. However, it has to compete with other successful companies that value skilled workers and reward them accordingly.

Fluctuations in different sectoral job markets will affect patterns of movement across the city and so have an impact on transport demand. The predicted employment and population growth in London will result in a 30 per cent increase in public transport passenger kilometres travelled in the morning peak, by 2025². Changes in the demand for public transport will affect the type of staff TfL needs to employ.

Job market conditions and their impact on the people of London, will also affect TfL as an organisation committed to supporting the Capital's local communities. The impact of long-term worklessness can be damaging to communities and TfL's recruitment practices and supply chain should take advantage of opportunities to remedy this.

Demand for labour

The demand for labour in London has been, and will continue to be, influenced by the success of the City. Previous forecasts from the LSEB have shown substantial growth in the London job market in business, financial and 'other' services and indicated that this will increase. Given the current economic issues associated with the finance sector and recent Government interventions in the market, it is unlikely that such growth forecasts hold true. Indications point to reductions in employment numbers associated with the banking and finance sectors and it is uncertain when future growth may occur.

LSEB forecasts identify a demand for the more customer-facing skills needed for the predicted growth in sectors such as hotels and restaurants. The sectors showing a marked decline are those such as manufacturing, which offer jobs for low or unskilled workers. The LSEB provides a full breakdown of these trends and a detailed assessment of their impact on the demand for labour in London.



Supply of labour

The 2007 National Employer Skills Survey showed that employers in London and the South East were more likely than employers nationally to have skill gaps among their staff (17 per cent for London and 15 per cent for England). Skill gaps in London were particularly likely to be characterised by a lack of management, customer handling, communication and team-working skills. Foreign language skills were more likely to be described as lacking in London, compared with other regions³.

The LSEB reports on the various sources of labour for organisations in London. Each year 180,000 international migrants and 130,000 domestic migrants enter the Capital's workforce, supplemented by 700,000 people commuting in daily from surrounding areas. Comparatively few young Londoners, school or university leavers, enter this market – only 90,000 a year. The Capital's education leavers are also often at a skills disadvantage compared with other groups entering the London jobs market. It is frequently international and domestic migrants who have high-level skills, while young Londoners are

sometimes inadequately prepared to compete in a high-skills job market.

All this leads to a situation in which employers are not incentivised to train Londoners because they have access to good quality migrant recruits. This is particularly true in the construction sector, where easy access to workers from recent European accession countries has led to a large influx of skilled and unskilled labour within the industry. This has meant few training opportunities have become available to local residents.

A rapidly ageing workforce and lack of apprentices, technicians and graduates with the required technical and engineering skills sets is of concern to many large employers. The 2007 Engineering and Technology Board Survey⁴ shows the average age of engineers in the UK is now 55, with more than 17,000 chartered engineers now aged over 65. The survey also shows the number of apprentices in engineering and construction has been decreasing, with a 26 per cent drop in engineering apprentices between 2002/03 and 2004/05. Graduate numbers in the engineering and technical sectors have also generally been static or shown little growth. Of particular concern is that, of those who graduate with an engineering or technology degree, almost 50 per cent do not go into the professions.

A more general impact associated with the ageing workforce will be the need for individuals and organisations to adapt, retrain and update skill sets. As the population ages and working lives lengthen, workers are more likely to have to update their skills to move into different sectors or adapt to new technologies. This means organisations will have to ensure they support their internal workforce through training and development, and also encourage career changes through tailored training courses. [Figure 1](#) gives some indication of the changes anticipated in the age groups up to 2020.

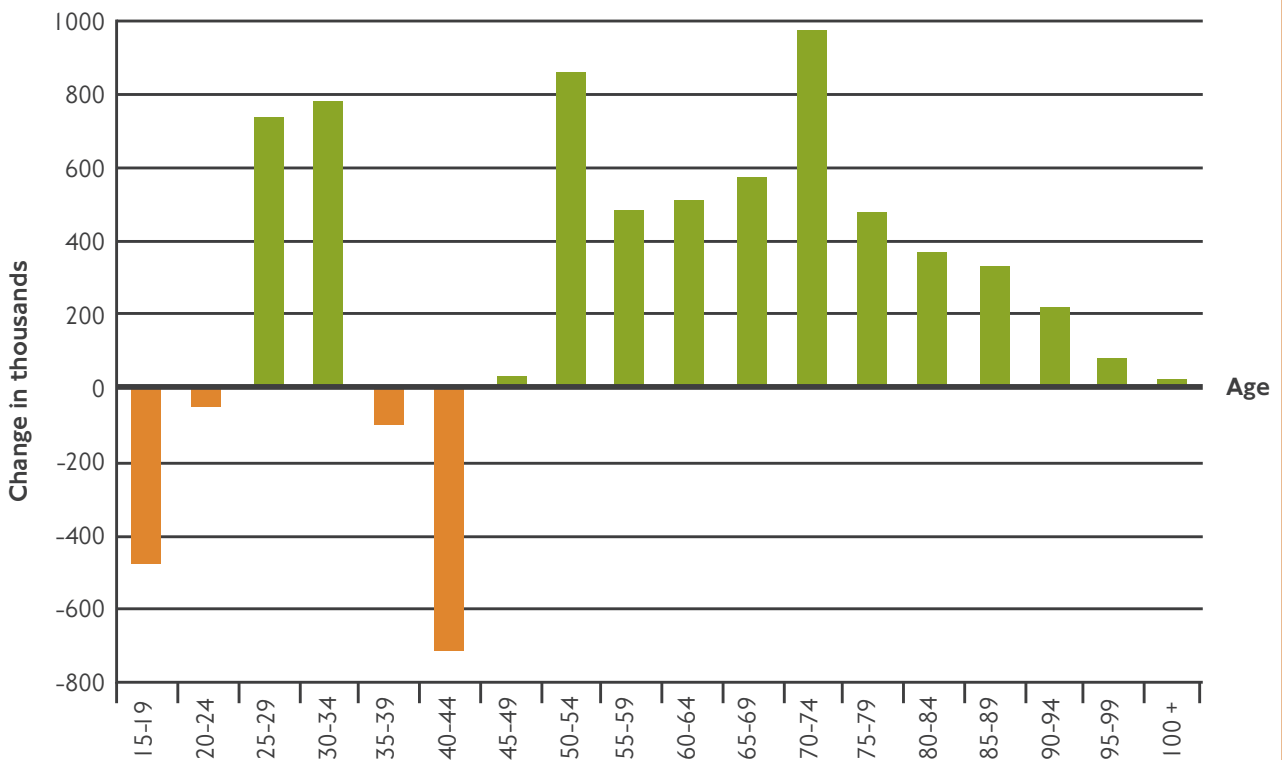
TfL, in partnership with the DfT and the LDA, has commissioned an industry study to examine areas of skills shortages within the transport planning, road and rail sectors. Although still in draft, the report supports anecdotal evidence of skills shortages within the engineering, technical and planning professions, particularly in relation to some of the more specialist areas. An average shortfall of 10-15 per cent in the number of skilled professionals required was reported in the majority of the professions with some of the more specialist ones such as system integration, reporting a shortfall as high as 25 per cent⁵.



Figure 1

Projected change in age groups 2006 – 2020

Source: NIACE 2007 – The Workforce in 2020





The current economic climate has seen a sharp slowdown of construction work both in Greater London and the UK in general. The ongoing financial turmoil in world markets has seen cutbacks in London's important financial services sector and weakening consumer confidence. A recent Office of Government Commerce (OGC) report outlines a continuing fall in UK house prices with recent estimates forecasting an almost 40 per cent decline in new house starts for 2008/09⁵. The same report details a significant drop in the commercial build sector as well.

Owing to the number of major projects such as the London 2012 Olympic and Paralympic Games within the Greater London area, the impact of decline within the housing and commercial sectors is somewhat attenuated. Construction forecasts have been downgraded but, as outlined in the OGC report, new work is still forecast to increase by 4.7 per cent over 2009-2013. Decline in the housing and commercial sectors may even benefit these projects by freeing up the construction and engineering workforce. This possible increase in available construction workers, engineers and other skilled workers may well have an effect on TfL's recruitment policies in these areas. TfL is monitoring the situation to ensure

that the skills strategy remains up-to-date with market conditions.

Worklessness

London has the lowest employment rate in the UK, with 30 per cent of the Capital's residents not in work. The reasons for this, as analysed by the LSEB, are numerous, but the city's competitive employment market, characterised by high-skills jobs and the ready availability of highly skilled migrant workers willing to come to London, certainly plays a role. At present there are three low-skilled workers for each available low-skilled job in the Capital.

Worryingly, this worklessness tends to be concentrated in neighbourhoods and households, threatening their sustainability. It also has an effect on child poverty, which in London is running at 41 per cent. Children who grow up in poverty, or in deprived neighbourhoods, are less likely to go on to higher education and may not gain the qualifications necessary to participate in the London job market, continuing the cycle of worklessness and neighbourhood degeneration.

The LSEB also reports on the issues faced by the Capital's agencies in reducing worklessness and the barriers to work for Londoners.

GLA initiatives

As the city-wide strategic government for London, the GLA and elected Mayor are responsible for the promotion of economic and social development and the Capital's environmental improvement. The Mayor's vision is for London to be an exemplary, sustainable, world city, based on three interwoven themes:

- > Strong, diverse long-term economic growth
- > Social inclusivity to give all Londoners the opportunity to share in London's future success
- > Fundamental improvements in London's environment management and use of resources

The Mayor also chairs the LSEB which has developed the strategy for adult skills and employment in London.

LSEB

The LSEB is responsible for delivering a long-term strategy for adult skills and employment in London. The Board's primary responsibility is for the strategic direction of the Learning and Skills Council's (LSC's) adult skills budget in London (approximately

£600m per year). In addition, it seeks to influence the spending and priorities of other key agencies such as Jobcentre Plus, the London Development Agency (LDA) and the Higher Education Funding Council in England (HEFCE).

The LSEB has set itself some challenging targets: to increase London's employment rate from 70.5 per cent to 72 per cent by 2013 and close the gap for those with low rates of participation; and reduce the proportion of Londoners with no qualifications to 10 per cent by 2013. It also wants to develop measures around productivity, training and progression in the labour market to track progress.

In July 2008 the LSEB issued its strategy for improving skills and employment outcomes in the Capital. Called 'London's Future' it identified three strategic aims for the city:

- > Work with employers to better support them in providing more job and skills opportunities to Londoners, to the benefit of their businesses and to keep London's economy competitive

- > Support Londoners to improve their skills, job and advancement prospects through integrated employment support and training opportunities
- > Create a fully integrated, customer-focused skills and employment system

Responsible procurement

The GLA group has defined responsible procurement as the purchase of goods, works and services in a socially and environmentally responsible way that delivers value for money and benefits the contracting authority and London.

In June 2006 the GLA group adopted a Responsible Procurement Policy to support the delivery of the Mayor's vision for London. The policy sets out the GLA group's commitment to adopt responsible procurement practices based around seven areas of social, economic and environmental impact. One strand of the policy focuses on meeting SLNT opportunities, and states:

- > We will seek to incorporate provisions into our contracts, where appropriate, to offer training and employment opportunities for London's communities and to address under-representation of particular groups in particular

sectors, and the need for providing skills and opportunities for people experiencing long-term unemployment

- > We will work with our suppliers to ensure that, wherever appropriate, employment opportunities arising from our contracts are communicated to local communities

This strand links procurement to the skills and employment agenda, and it is the view of the GLA that all seven themes of the Responsible Procurement Policy can be mutually supportive within it.

TfL's market sector

TfL is a large organisation requiring an array of skills ranging from planning and communications to project management. However, the availability of staff with certain specific skills, such as engineering and construction, will have a huge impact on TfL's ability to deliver complex transport schemes effectively and efficiently. As such, the situation in the national construction, rail, road and highways markets will have a huge impact on the availability of workers with these specialist skills and so must be taken into account when planning employment and skills policies.



Construction market

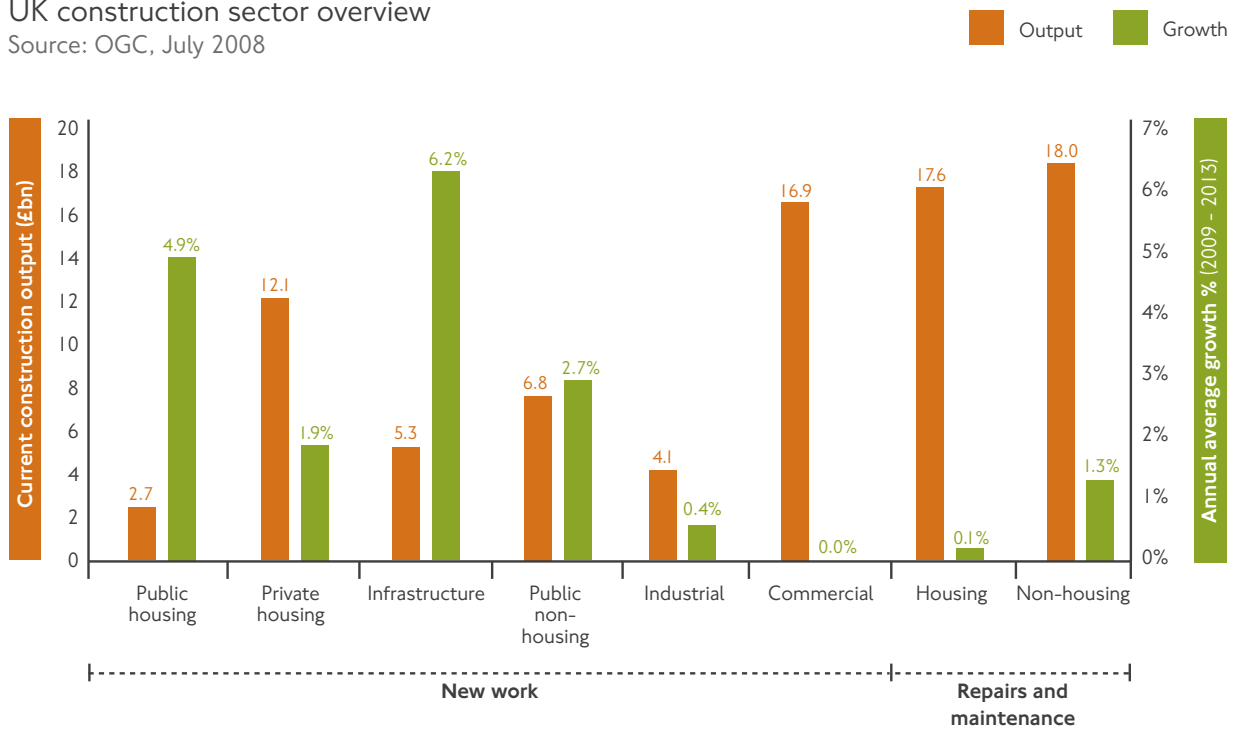
Latest OGC forecasts⁶ show that current economic conditions are having a significant impact on the construction market, which is set to fall in 2008 and 2009 before growth resumes in 2010. The housing and commercial construction markets have shown significant declines over the last 12 months. However, the

infrastructure sector, of which transport forms a part, is expected to show strong growth of 6.2 per cent a year from 2008 to 2012. Within Greater London, the OGC forecasts show an annual growth rate of 22 per cent within the infrastructure sector up to 2014. Figure 2 below indicates forecast construction activity across the various sectors.

Figure 2

UK construction sector overview

Source: OGC, July 2008





Large capital projects or programmes of work within the sector cover a range of areas and include:

- > Road and rail transport – large projects include Crossrail, Thameslink and the M25 widening
- > Airports – refurbishment of Terminals 1, 2 and 3 at Heathrow is underway and works are about to begin at Gatwick. Possible expansion of Stansted from 2010/11 onwards
- > Ports – large projects include the £1.5bn Shellhaven scheme in Essex, £250m expansion at Felixstowe, and the £1bn expansion at Tilbury
- > Energy – new generating capacity needs to be established in the UK, whether for nuclear, renewable or more traditional forms.

Decommissioning of existing nuclear plants is estimated to cost £73bn or more⁷. Substantial works are also envisaged for the National Grid over the next 10 years, along with Transco's gas pipeline network

Like the transport sector, many other industries face potential skill shortages associated with an ageing workforce and a lack of apprentices and graduates. These pressures mean possible

opportunities for joint industry actions and also potential competition between these areas for scarce skills.

International markets also need to be considered in terms of competition for scarce resource. More than half of the world's infrastructure investment is now taking place in emerging economies, such as India, China and the Middle East, with an estimated £1.2 trillion being spent this year. Over the next 10 years it is estimated that these emerging markets will spend £22 trillion on infrastructure projects, with China estimated to account for 43 per cent of this spend⁸.

UK rail market

The UK rail market is expected to show significant growth over the next five years. Figure 3 indicates that current capital works programmes in the rail market will increase by almost 50 per cent, peaking in 2012/13. Much of this growth is due to programmes such as Crossrail, Thameslink and the ongoing LU renewals and upgrade works.

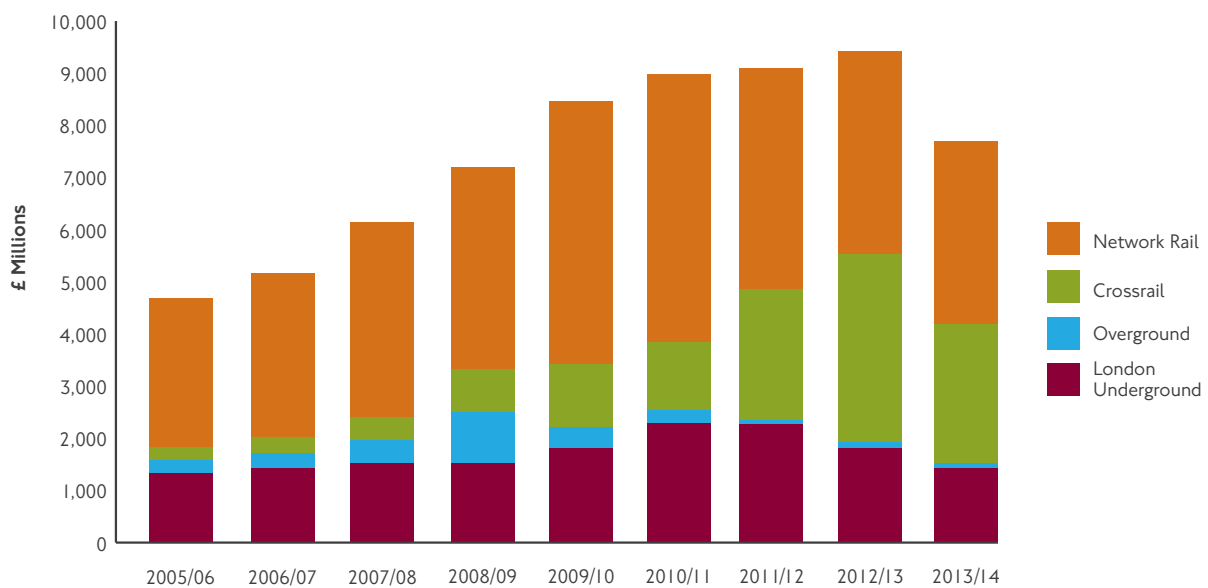
Outside London and the South East, a number of significant rail-related projects are either underway or about to be approved.

Figure 3

UK rail market – new works, renewals and enhancements

Source: Network Rail business plans (CP3 & CP4), TfL Investment Programme

Figures based on current data but subject to change



In England these include:

- > Manchester Metrolink – work due to begin in 2008/09 at a cost of £600m
- > Nottingham Express Transit extension – work due to begin in 2010 at a cost of £582m

Scotland also has a range of schemes including:

- > Glasgow Airport Rail Link – planned to open for the 2014 Commonwealth Games at a cost of £210m
- > Airdrie to Bathgate Rail Link – due for completion in 2010/11 at a cost of £300m
- > Borders Rail Project – work due to begin in 2010 at a cost of £295m

With the LU upgrade programme, Crossrail and the various works underway on the DLR and East London line, TfL will increase its share of the National Rail market from 35 per cent in 2005/06 to a maximum of 58 per cent in 2012/13, as shown below in figure 4.

UK road and highways market

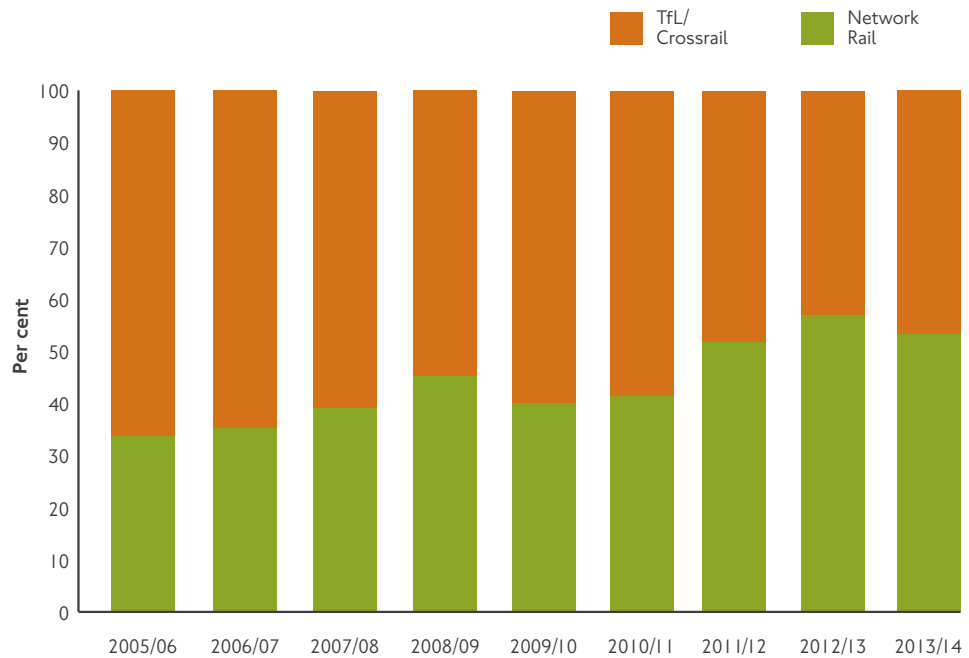
The Department for Transport (DfT) is moving away from building new roads and motorways towards better use of the current network through technology, hard shoulder running and potentially some form of road use charging scheme. For instance, £6bn is available to fund improvements to

Figure 4

Average UK rail market share – new works and renewals

Source: Network Rail business plan (CP3 and CP4), TfL Investment Programme)

Figures based on current data but subject to change



national strategic roads in England in the period up to 2014⁹.

Active traffic management, as it is called, could mean the industry not only faces pressures on traditional engineering and construction skill sets, but also needs to allow for an increasing requirement for skill sets associated with new technologies such as CCTV, communications and systems engineering.

The Highways Agency in its 2008/09 Business Plan outlines 21 major schemes currently under construction, with a combined value of £2bn. Sixteen of these are expected to be completed within 2008/09 and work is expected to begin on two additional major projects, the £330m A1 Dishford to Leeming scheme and the £187m upgrade of the A421 from Bedford to Junction 13 of the M1. Stage one of the £4.5bn M25 widening scheme is expected to start in 2009. In Scotland, work is underway on the £445m contract to complete the missing link of the M74, with the project planned to be completed by the end of 2011.

TfL perspective

TfL is responsible for delivering a transport system that enables the safe, reliable and efficient movement of people and goods in and around London. Its overarching business goals

are to support economic development, tackle climate change and enhance the environment, and improve social inclusion in the Capital.

The development of a skilled London workforce is a very important aspect of TfL's efforts to realise these goals. Ensuring the transport system is equipped to accommodate projected increases in travel demand means renewing the existing network and investing in new capacity. Both require more people with the appropriate skills to do the job. In addition, the creation of thousands of new jobs in coming years affords TfL the opportunity to help excluded groups of Londoners and tackle worklessness.

In the short term, TfL is responsible for delivering the transport requirements of the London 2012 Olympic and Paralympic Games. This includes an extra carriage on all Jubilee line trains and an increase in fleet size to boost capacity on the line by 17 per cent, plus delivery of the Javelin train to carry passengers from central London to Stratford International in the Olympic Park in just seven minutes. TfL has been an active participant in innovative partnerships with employers, the public sector and training providers to create a workforce with the skills required to deliver the 2012 Games.

TfL hopes to build on this successful framework to develop the skills it requires to deliver Crossrail. The construction of Crossrail will help transform London's transport network and could make a real difference to training and employment opportunities in some of the most deprived parts of the Capital. At the peak of construction, there will be as many as 14,000 positions. TfL, through Crossrail, will be able to work with contractors and suppliers to ensure high quality training, employment and progression opportunities are built into the delivery programme.

Improving other parts of the transport network means TfL must also address various skill gaps in its workforce. In particular, certain engineering skills are in short supply and it will require dedicated efforts to recruit qualified staff. That said, as an employer of around 22,000 people, TfL has a significant opportunity to improve skill levels within its existing workforce. This not only improves employee job satisfaction and staff retention, it also makes available additional entry-level positions to Londoners with fewer or no pre-existing skills.

TfL also has a role to play in ensuring transport is not a barrier to accessing training or employment opportunities. Appropriate transport links must be in place and services must be affordable. Where appropriate, TfL must work with other agencies to ensure new services are positioned in accessible locations.

The recently formed TfL Skills and Employment Steering Group (SESG) is responsible for ensuring that TfL effectively meets its skills challenges and plays an appropriate role in delivering Mayoral objectives related to social exclusion and worklessness.

TfL demand

TfL's Investment Programme includes projects to modernise, increase capacity and reduce congestion on the Tube, London Overground and the Capital's bus and road network. In addition to this, enabling works on Crossrail will begin from 2009, with construction work beginning in 2010, at a cost of £15.9bn. [Figure 5](#) gives an indication of the impact of these programmes by TfL mode. All Investment Programme data cited in this strategy are correct at the time of print. However, a new Investment

Figure 5

Capital spend - TfL Investment Programme by mode and Crossrail

Source: TfL Investment Programme

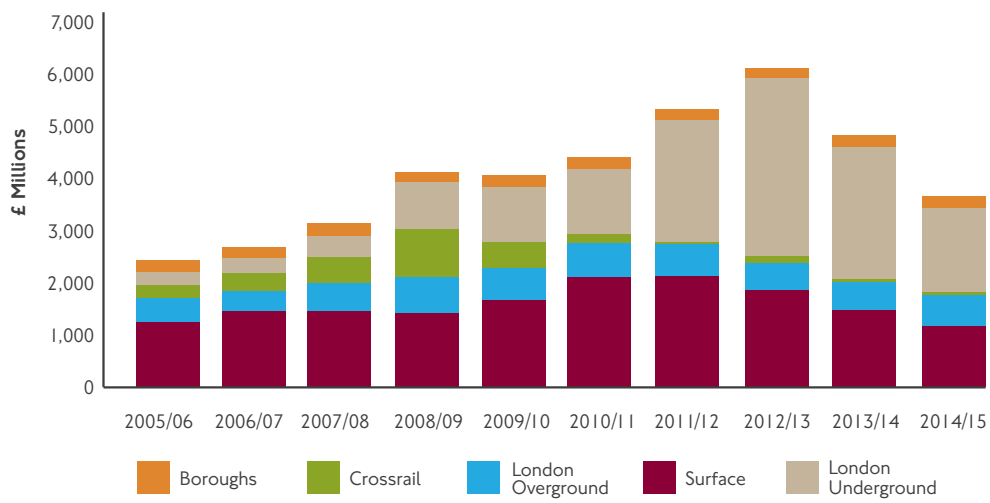
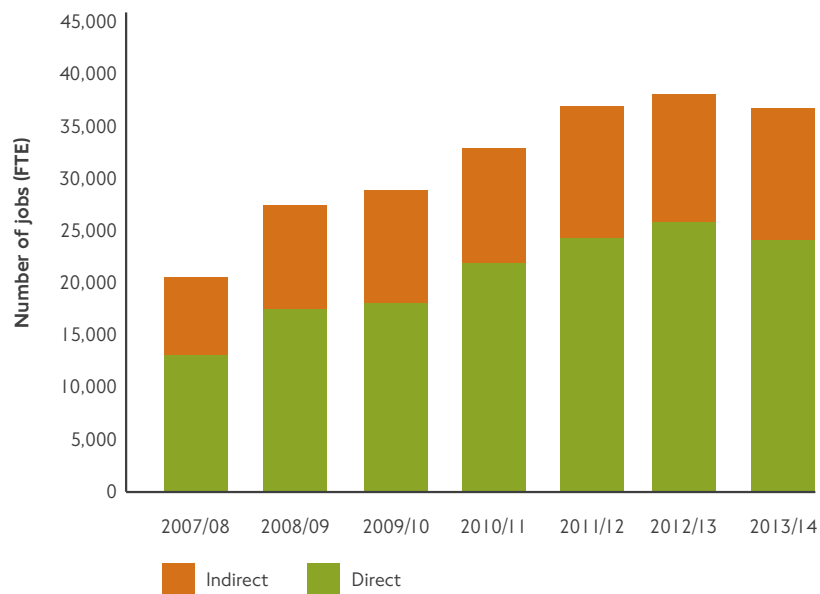


Figure 6

TfL Investment Programme and Crossrail – estimated resource demand

Source: TfL analysis



Programme will be published in December 2008 and this will update the financial and investment information.

The TfL Skills and Employment Strategy will continue to be reassessed and updated in line with changes in the Investment Programme and economic fluctuations being experienced by the wider economy.

To undertake projects of the magnitude covered by the Investment Programme and Crossrail, there is, and will continue to be, a significant requirement for labour across a broad range of skilled and unskilled occupations. Figure 6 gives some idea of the labour impacts that TfL's improvement works and Crossrail will have. These figures account for the impacts of both direct employment

(people employed directly on a site or by a project) and indirect employment (people supporting the works or projects, for instance, those transporting materials to the site or manufacturing products).

In terms of the type of skills required by TfL, [figure 7](#) gives a breakdown of the manual and non-manual labour requirements of TfL’s Investment Programme and Crossrail. Manual labour requirements increase

significantly from 2012 as Crossrail develops (Crossrail is scheduled for completion in 2017/18). The maximum requirement for manual labour in TfL (including Crossrail) is currently estimated at almost 30,000 direct/indirect full-time equivalent (FTE) positions in 2012/13.

Demand for skilled labour remains more constant, peaking in 2010/11 and 2011/12 with almost 9,000 non-manual FTE positions.

Figure 7

TfL Investment Programme – estimated resource demand by type

Source: TfL analysis

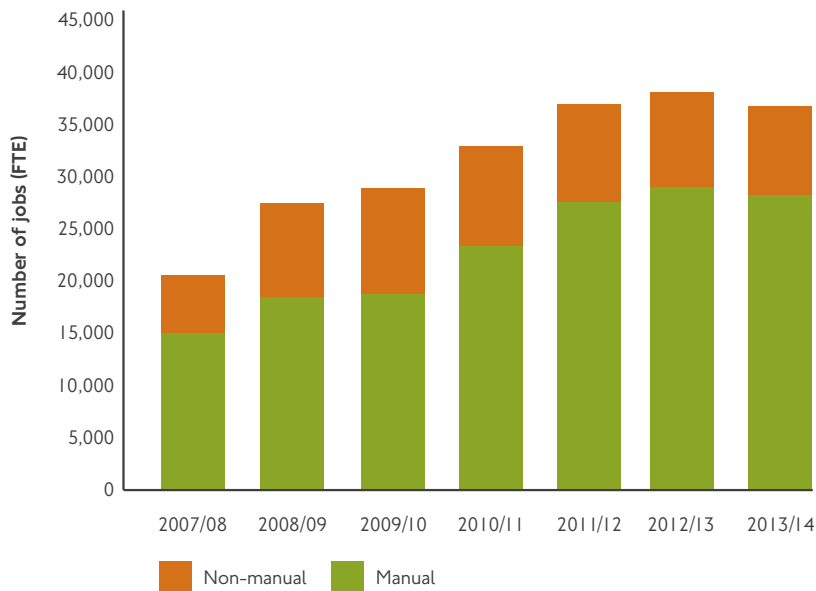


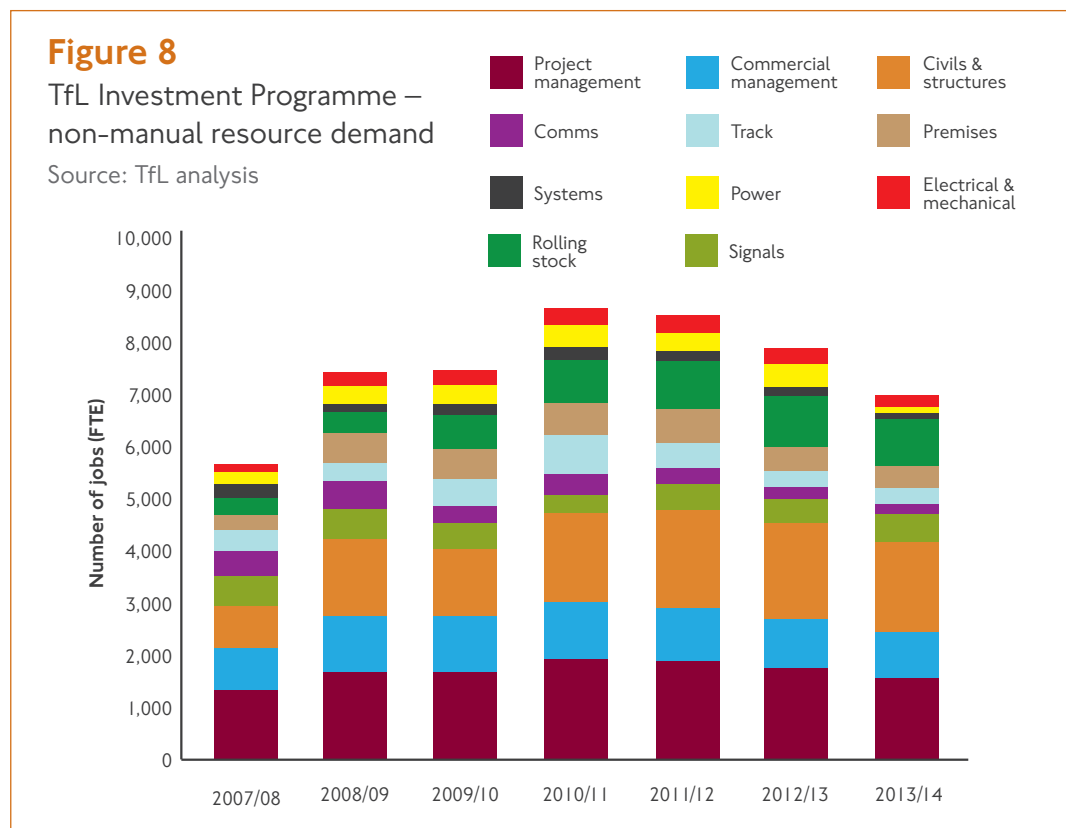
Figure 8 gives an indication of the number and type of skilled resources that TfL will require. Key areas of demand will include:

- > Project management and commercial management
- > Civil and structural engineering (including the tunnelling resources for Crossrail)
- > Rail asset engineers, particularly premises, permanent way and rolling stock engineers

TfL's resource base

With an expenditure of almost £6.7bn last year, TfL has a significant impact on the employment market and brings in people from a range of sources.

TfL employs around 22,000 people – not including the Metronet employees who will transfer across to TfL – the breakdown by mode is given in figure 9. Of these, approximately 1,500 (8.4 per cent) are temporary staff.



TfL recruited more than 2,300 people in 2006/07. Most recruits came from within the Capital – 49 per cent from outer London boroughs and 31 per cent from inner London boroughs – with only 20 per cent coming from outside the London area.

TfL not only relies on its own staff base, it is also dependent on a supply chain that provides a huge variety of skills and occupations. Suppliers range from large Public Private Partnership

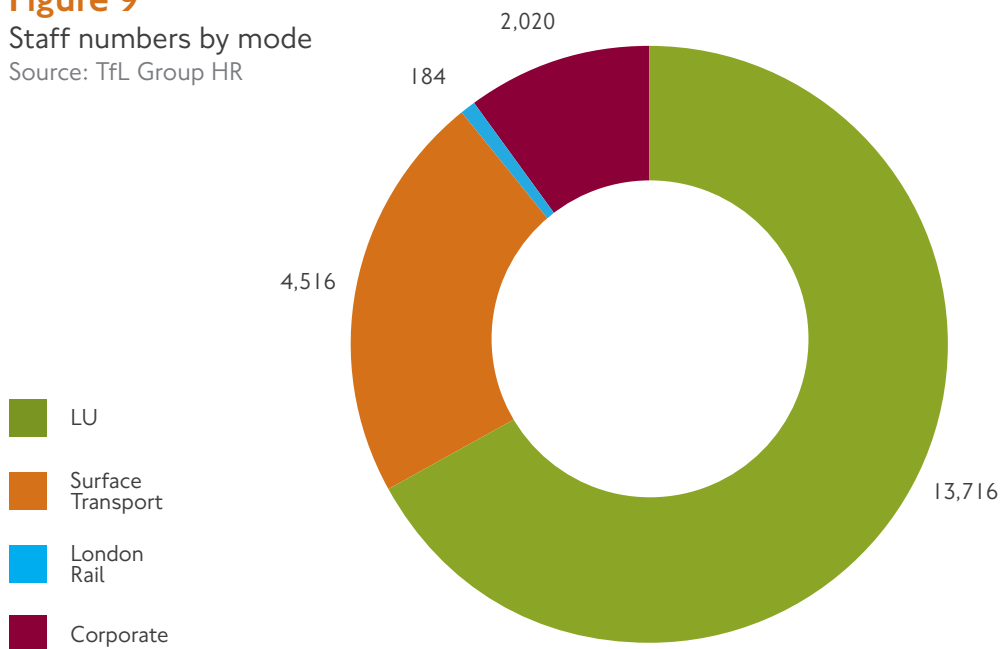
(PPP) or Private Finance Initiative (PFI) providers (such as Tube Lines), global manufacturing and consultancy service providers, through to SMEs and BAME enterprises.

TfL spent £3.8bn through its supply chain in 2007/08. This covers everything from the provision of services such as cleaning and catering through to high-end engineering and project management.

Figure 9

Staff numbers by mode

Source: TfL Group HR



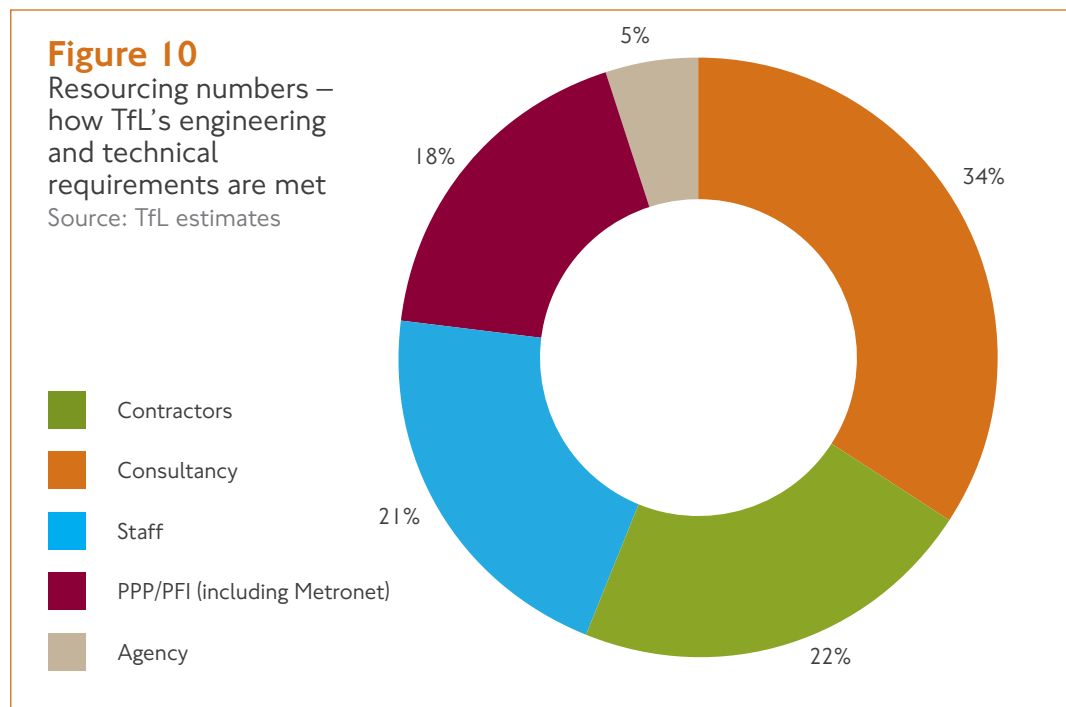


Figure 10 outlines how TfL resources its engineering and technical requirements. As this shows, TfL is enormously dependent on its supply chain for the provision of services such as engineering and technical skills. TfL will have to balance internal and external resources to meet its workload. An issue for TfL is achieving the optimum mix of its own staff and external resources, and this is continually reviewed.

As an organisation, TfL needs to ensure its own staff have the necessary skills, competence and experience to undertake the required workload. However, it also needs to ensure that its supply chain workforce can provide the same levels of competence, experience and knowledge.

A lot of work is currently being done with TfL’s supply chain to look at more efficient ways of working, to better manage supplier performance and ensure the competence and capability

Endnotes

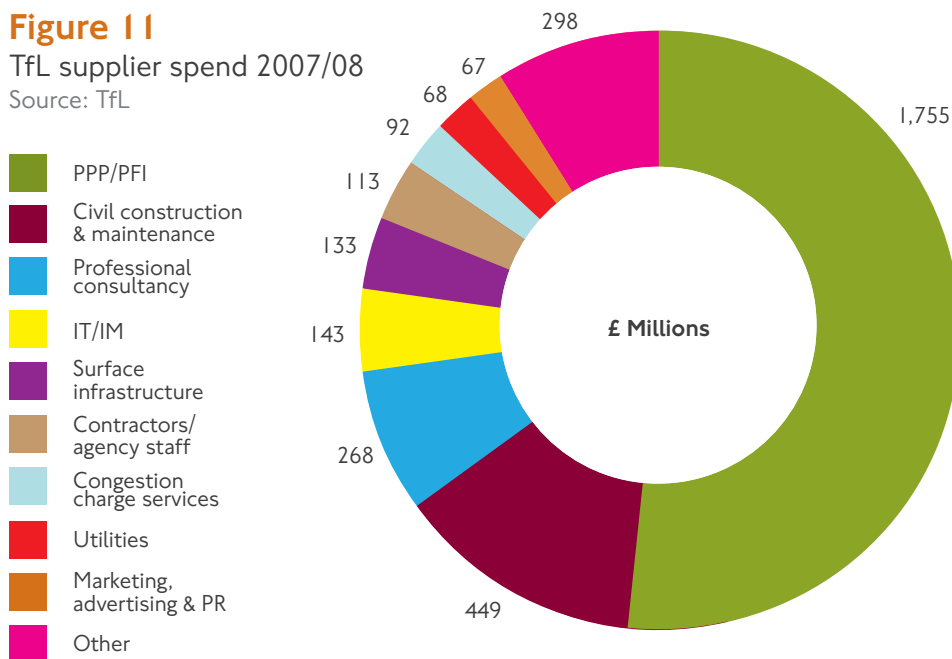
- 1 TfL 2006 – Transport 2025: Transport Challenges for a Growing City, p6
- 2 TfL 2006 – Transport 2025: Transport Challenges for a Growing City, p6
- 3 LSEB 2008 – The London Story Update 2008
- 4 ETB 2007 – Engineering UK 2007 – A Statistical Guide to Labour Supply and Demand in Engineering and Technology
- 5 TfL, DfT, LDA – 2008 Draft Project Brunel Industry Resourcing Study



Figure 11

TfL supplier spend 2007/08

Source: TfL



of TfL's suppliers. **Figure 11** gives a breakdown of spend by broad category.

Valued at more than £1.7bn, the PPP/PFI contracts within TfL formed almost 52 per cent of TfL's spend within its supply chain. Of this amount, LU's PPP/PFI spend accounted for almost £1.5bn of the total. This situation will change as Metronet is integrated into LU.

Of the £449m spent on construction, almost £200m was associated with the East London line and the DLR.

TfL has to take into account the skills endowment of London as a whole, while also focusing on the availability of skills needed for its business. These factors create a complex skills landscape which TfL has to contend with to ensure the continued service improvements and Investment Programme commitments. The next section of this document will show how TfL plans to do this.

6 OGC/Experian – 2008 OGC Construction/Demand Model Key Findings (draft document July 2008, not yet published)

7 OGC 2008 – OGC Construction Demand Capacity Model Update July 2008

8 Audit Office 2007 – The Nuclear Decommissioning Authority – taking forward decommissioning

9 The Economist March 2008 – Economics Focus – Building BRICs of Growth

10 16 July 2008 – Speech by Ruth Kelly, Secretary of State for Transport
www.dft.gov.uk/press/speechesstatements



Making it happen

- > TfL's approach to skills
- > Staff solutions
- > Education
- > Supply chain and industry solutions
- > Making it happen – delivering the strategy

TfL's approach to skills

TfL has an established record of delivery in many of the areas suggested by the LSEB strategy, such as National Vocational Qualifications (NVQs) and work-based learning apprenticeships. More details can be found in Appendix I.

The programme of works that form the TfL Skills and Employment Strategy set out in this document will:

- > Build on this strong starting point
- > Meet the challenge that is set by skill gaps identified in the Aims and Context section of this document
- > Enable and support the delivery of the LSEB strategy

The programme divides into three themes, within which topic areas have been identified with individual workstreams attributed to them.

Internal solutions will include:

- > Improving the skills of the existing TfL workforce, in line with the TfL People Strategy
- > Working to develop and attract those who have completed their formal education but remain without the skills to gain employment
- > Encouraging those in education to meet their full potential and prepare effectively for employment

External supply chain solutions will include setting requirements for the supply chain and enabling it to meet these requirements.

Both internal and external themes will build on equality and inclusion work already delivered and will push TfL and its supply chain to achieve even better representation of London's diverse communities.

TfL is also working with the GLA's Responsible Procurement Team to extend the roll-out of the seven themes of responsible procurement within its supply chain.



Many of the activities in the implementation plan are already being delivered or are under development, and new activities can be divided into three categories:

- > **Short-term actions**, which will include sharing good practice already being delivered in one mode with other appropriate TfL modes
- > **Medium-term actions**, which are prioritised by demand and will begin within the first two years of the strategy
- > **Longer-term actions**, which require more development to enable successful delivery and will begin within the first four years of the strategy

The principles underpinning this strategy are that:

- > The programme will be demand-led and, where possible, will build on work already done or in progress
- > This is a 10-year strategy which will need mobilisation of significant resources and require hard decisions to be made regarding priorities
- > Programmes will be developed, piloted and evaluated to identify

methods of delivery that are sustainable

- > TfL will work in partnership with appropriate agencies to deliver this strategy, including the LSC and the LDA, and, where appropriate, will seek support from Government or European funding
- > This strategy and its implementation will promote equal life chances for all, good relations between different groups, the elimination of unlawful discrimination and the provision of accessible transport for all
- > TfL will work closely with other members of the GLA group to establish partnerships, share good practice and maximise economies of scale
- > The TfL SESG will work in partnership with the Olympic Delivery Authority (ODA) to ensure the success of the ODA's legacy work
- > TfL will establish partnerships with agencies, training providers and education sector partners to enable and support delivery of the strategy

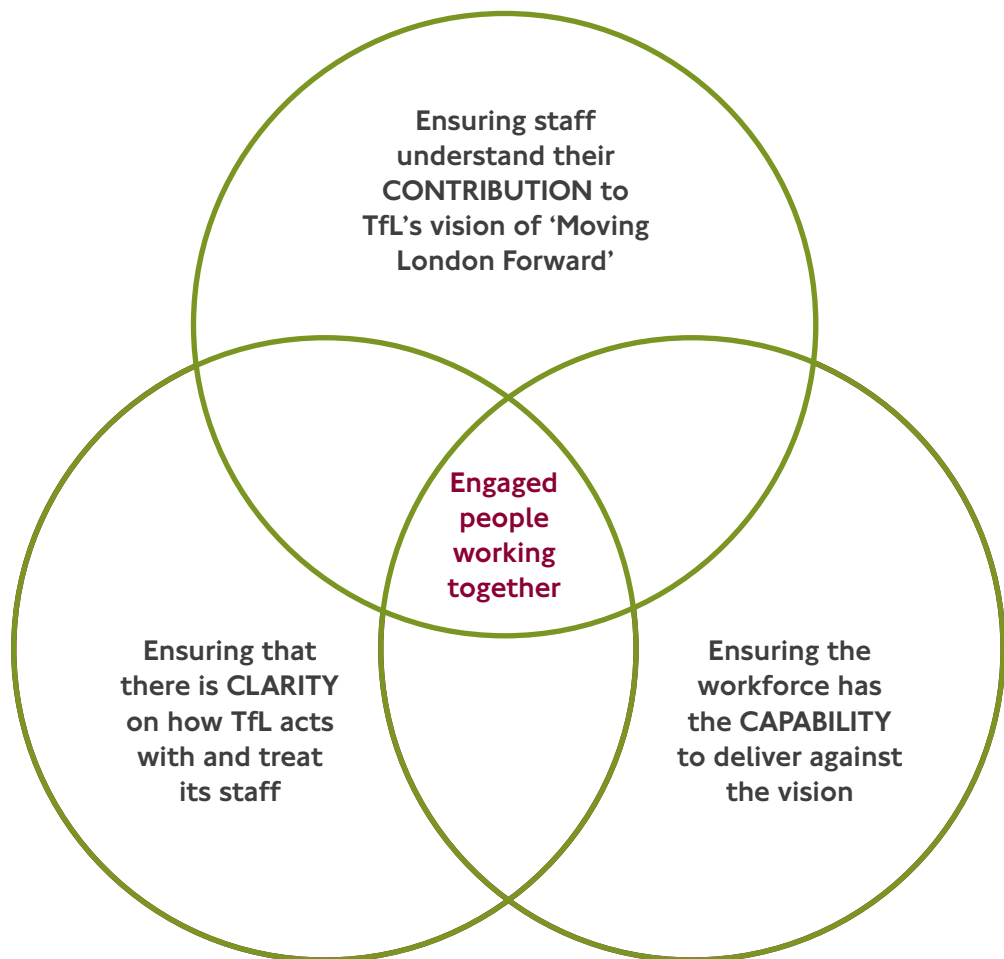
Staff solutions

Theme 1: Staff – reduce turnover, improve recruitment and raise skill levels of existing staff

This theme is designed to ensure that TfL can recruit, support and develop the people it needs to fulfil its requirements.

TfL has developed a People Strategy, the component parts of which are:

- > Ensuring staff understand their contribution to TfL's vision of 'Moving London Forward'
- > Ensuring the workforce has the capability to deliver against that vision
- > Ensuring there is clarity on how TfL acts with and treats its staff





Over the next five years the capability theme of the People Strategy will deliver:

- > Development for all – a workforce that understands the opportunities available to them and how to put themselves in the best position to progress in the organisation
- > An organisation that attracts and retains the skill sets required to deliver its objectives
- > Improvements in leadership and management capability
- > Talent management/succession planning to ensure the organisation is able to identify and manage its talent

The work within this theme is also designed to meet the aspirations of individual staff members and provide structured career paths that are supported by the requisite training and development programmes.

This theme is divided into six topics, with a range of associated workstreams.

Topic 1 – retain existing staff

TfL has a competent and experienced workforce. As the organisation attracts

and develops more people, it is important that existing staff are retained not only to continue delivering the required outputs, but also to maintain knowledge and competence and pass this on to developing staff.

Workstreams in this topic include identifying why people leave and making working for TfL a more attractive proposition.

They are:

- > **Workstream 1a** – monitor staff leaving and understand reasons – to deliver employment-related information gathered from leavers and current staff and use it to better understand the factors which influence employees to stay with, or leave, the organisation
- > **Workstream 1b** – succession planning/talent management – to carry out an annual talent review which will feed into emergency and long-term succession planning and provide support for those regarded as high potential, in senior roles or identified as emerging leaders
- > **Workstream 1c** – rewards package improvements – to ensure:



employees understand the link between performance and reward; reward is cost effective, market competitive and internally relative; and TfL attracts and retains the skill sets required to deliver the organisation's objectives

Topic 2 – recruit experienced staff

Like any organisation, TfL needs to access the market to recruit skilled and experienced staff to meet its workload. To ensure TfL can recruit the people it needs when it needs them, it must have an efficient and effective recruitment process.

- > **Workstream 2a** – effective and efficient recruitment process – to deliver recommendations, through Project Breakthrough, on the current state of TfL's recruitment practices and provide benchmarking with external competitors

Topic 3 – raising the skills of TfL's existing workforce

TfL has signed up to the Skills Pledge, which includes a commitment to support employees to gain literacy and numeracy skills. In line with this commitment, TfL will conduct a sensitively-handled survey to identify all staff who have not attained Level 2 education (equivalent to five good GCSEs) and who have numeracy or literacy needs.

The information gathered will enable the programme to develop TfL's existing workforce and feed directly into the workstreams in this topic, particularly NVQs and basic skills.

- > **Workstream 3a** – build on existing competency frameworks – to embed Pyramid, a cross-modal initiative to enhance the capability of TfL's programme and project management (PPM) staff, enhancing PPM capability and improving knowledge sharing across TfL
- > **Workstream 3b** – NVQ levels 2-3/competency assurance – to implement a competence assurance programme and award NVQ accreditation in relevant business areas
- > **Workstream 3c** – foundation degrees – to use foundation degrees as a recruitment method and development tool for existing employees (as HNCs and HNDs have been used previously)
- > **Workstream 3d** – basic skills – to identify those individuals who require development in numeracy and literacy, and offer them the support they require to achieve these skills

Topic 4 – efficient use of scarce resources

Given the lack of people with key skill sets that TfL requires, and the difficulties in attracting them, it is particularly important that TfL finds ways to utilise and retain those already in the workforce.

Two key strands of this work are:

- > **Workstream 4a** – greater visibility of long term skills requirements across TfL and the supply chain – to enhance recruitment demand planning and include the identification of generic skill sets that are required across TfL, so that suitable recruitment plans can be developed throughout TfL
- > **Workstream 4b** – better utilise and retain those with key skill sets already within the workforce – to introduce a brokering service that allows project managers who are finishing or due to finish projects to be better matched to existing or future projects that have a requirement for their services

Topic 5 – developing new staff

TfL’s recruitment already covers all of London. However, it does not always succeed in attracting people from all parts of the community.

The programme will focus on worklessness, re-skilling and education.

Worklessness: Working with appropriate agencies to assist those who have completed their formal education yet remain without the skills necessary to gain employment.

Re-skilling: Recruiting individuals with similar skills to those required and retraining them with the particular skills necessary for a new role

Education: Working with selected partners to enable those in education to meet their full potential and prepare effectively for employment

- > **Workstream 5a** – conversion programmes for career changers – to develop and implement conversion programmes to train experienced engineers from other sectors and enable them to develop TfL-specific skills
- > **Workstream 5b** – graduate scheme and sponsorship – to contribute to the most diverse talent pool possible and source future managers and leaders, develop scarce skills and resources in-house, generate new energy and challenge ideas which may change perceptions and encourage a learning environment within TfL

> **Workstream 5c** – work-based apprenticeship schemes – to recruit post-GCSE students and work with selected colleges and training providers to implement work-based learning apprenticeship schemes

> **Workstream 5d** – employability programmes – to assist those who have completed their formal education but remain without the skills to gain employment. These programmes will prioritise disabled people and ex-offenders



Education

Theme 2: Education – develop the industry’s future workforce

The education theme is designed to ensure that TfL can recruit, support and develop the staff it needs.

TfL will progress the following:

- > **Graduate schemes** - TfL will continue its graduate schemes, but engage with selected universities to develop programmes focused on areas of skills shortages
- > **Academies** – TfL and Crossrail are examining the establishment of a specialist tunnelling academy, national skills academies and schools academies
- > **Schools Engagement** – TfL and Crossrail will continue to develop programmes to stimulate student interest in areas like transportation and engineering

Topic 6 – university/college partnerships

Working with selected partners in the higher education sector, TfL will seek to adopt a more integrated approach with its university/further education college partners

- > **Workstream 6a** – university/college partnerships – to adopt a more integrated approach and combine student placement and recruitment with allied research programmes, and post-graduate training and recruitment, as well as to expand into new areas such as foundation degrees

Topic 7 – academies

TfL and Crossrail are currently reviewing how they might establish or support three types of academy: a specialist tunnelling academy for Crossrail, national skills academies and schools academies.

Crossrail will be one of the largest construction projects in Europe. At its peak, it is estimated Crossrail will employ more than 14,000 people on-site with another 7,000 employed indirectly through related services (such as manufacturing equipment for the project).

One of the larger skill requirements for the Crossrail project will be for tunnelling skills, an area in which there is a noticeable gap in the UK. To alleviate this gap, both for the Crossrail

project and a range of other tunnelling projects, it is proposed to establish a tunnelling academy in the London area to train local people with the required skill sets.

- > **Workstream 7a** – Crossrail Tunnelling Academy – to develop a specialist tunnelling academy to provide Crossrail, and related projects, with the specialist resources needed, and to provide training and employment opportunities for local communities
- > **Workstream 7b** – National Skills Academy – to work with Construction Skills towards achievement of National Skills Academy for Construction status for the whole of the Crossrail project
- > **Workstream 7c** – schools academies – to examine and review how TfL might best engage and support schools academies, particularly those with a focus relevant to TfL, for example engineering and the built environment



Topic 8 – schools engagement programme

Although latest figures show the first increase for some years in students taking STEM subjects, the number of young people choosing these subjects remain low.

As these subjects offer the core learning for anyone who might subsequently choose an engineering or technical career, it is important that the industry as a whole, as well as TfL, find ways to influence this situation.

TfL will build on the LDA-funded work to promote STEM subjects and will liaise with the education sector and the Royal Academy of Engineering to identify schools and colleges to partner.

With these schools TfL will offer:

- > Programmes of visits and activities under the TfL500 brand, which will bring STEM subjects to life. These will be delivered by TfL engineering ambassadors – engineers who have been selected, vetted and trained for this role. Partners will be the Royal Academy of Engineering and the London Transport Museum, both

of which have a successful record of delivery in this area

- > Gifted and talented programmes, setting week-long challenges to groups of school and college pupils, culminating in presenting their findings to a board of senior TfL managers
- > Lesson plans, which will link to the National Curriculum, and offer teachers and lecturers ways to vary the teaching of theoretical subjects

Crossrail is also running the Young Crossrail Project, which works with more than 450 primary and 200 secondary schools within one mile of the proposed route. The programme aims to stimulate interest in careers in construction, the built environment and engineering; inform and educate about the Crossrail project; and support the formal education process.

TfL and Crossrail also participate in the Young, Gifted and Talented Initiative, a Government scheme to support the brightest young learners in the country.

Workstreams include:

- > **Workstream 8a** – TfL Ambassadorship Programme (TAP) – to enlist practising engineers and planners from across TfL to act as positive role models for the industry and profession and undertake educational activities with students at the Key Stage 3 level (13 to 14-year-olds) to influence GCSE subject choices
- > **Workstream 8b** – TfL500 – to generate interest and awareness of the transport industry and the associated engineering and planning careers, through a high-profile event involving 500 school students in intensive one-day workshops
- > **Workstream 8c** – 14-19 Diplomas – to engage with the new 14-19 Diplomas programme and identify those areas where TfL might best support this initiative

Supply chain and industry solutions

Theme 3: Supply chain and industry – generate more and better resources and join forces with industry and other stakeholders

Spending £3.8bn in 2007/08, TfL's supply chain is fundamental to the delivery and operation of the TfL network.

It covers a huge variety of skills and occupations ranging from those delivered through large-scale partnerships such as the PPP and PFIs, through large multi-national consultancy companies to small SMEs and BAME enterprises.

Also engaged through the supply chain are TfL's temporary or agency staff, of which there are around 1,500.

This theme seeks to ensure that TfL can access, manage and make the most efficient use of its supply chain. It also seeks to ensure that, where appropriate, TfL's suppliers offer employment, training and skills opportunities to local London communities.

TfL will undertake workstreams in the following areas:

- > **SLNT** – requires TfL suppliers to offer employment, training and skills opportunities to local London communities. SLNT also enables TfL suppliers to meet these requirements by providing access to Government-funded skills and training programmes
- > **SME/BAME suppliers** – TfL will continue to use and support SME/BAME suppliers and, where possible, ensure its larger suppliers use them for major TfL projects or workloads
- > **Supply chain management** – ensure TfL is able to manage its supply chain through efficient and effective methods of working and can ensure cost-effective supplier performance, quality and delivery



- > **Accessing the supply chain** – ensure TfL is able to access its suppliers in the most cost effective and timely way

TfL already participates in a wide range of forums, groups and organisations that exist to coordinate activity on skills and training at an industry level. Working with other key client organisations, Government departments and sector skills agencies, TfL will continue to contribute to existing industry initiatives and help develop and support new schemes and programmes where needed.

One such initiative is the Project Brunel Industry Study being undertaken with the DfT and the LDA. The study is looking at the demand and supply issues associated with engineering, technical and planning resources within the industry, and developing joint industry solutions where skills gaps are identified.

At an industry level it is essential that suitable forums exist to ensure co-ordination and liaison between organisations and provide a clear voice to Government. It is not intended to create any new forums or groups, but

rather identify existing ones that can be tailored to industry requirements. One area where activity and attention does need to be focused is labour market information, as outlined in topic 13.

Topic 9 – SLNT

Most of TfL's project spend is currently through third parties such as engineering consultancies, construction companies and/or a range of large-scale equipment suppliers. To maximise the benefits of major transport and construction programmes, TfL will increasingly require its suppliers to provide training and employment opportunities for local communities.

TfL will also review, and seek to apply, these same requirements across other areas of the supply chain, particularly service providers such as consultancies, and in facilities management and customer services. To support its suppliers in meeting these requirements, TfL is working with the LDA and LSC to link them into relevant public-sector skills and employment schemes, initiatives and funding.



- > **Workstream 9a** – SLNT requirements and processes – to increase the number of projects that have SLNT requirements embedded within them, and expand them across a much broader range of suppliers including consultancies, manufacturing companies, caterers and security suppliers
- > **Workstream 9b** – TfL Supplier Skills Manager (SSM) – to link TfL’s projects and supply chain into programmes that offer development, training and employment opportunities to members of the local community and disadvantaged groups

Topic 10 – SME/BAME suppliers

Larger businesses generally have the skills and experience to deal with public procurement systems; small businesses often do not. This has traditionally meant that SMEs have not had the same opportunities as larger companies. SME and BAME suppliers can offer a range of competitive advantages over larger businesses including lower cost, greater responsiveness and a more flexible approach.

To support SME/BAME companies and ensure TfL receives business benefits from their services, workstream 10a has been established. TfL will work with the LDA to make more effective use of their programmes to support SME/BAME suppliers including CompeteFor and Supply London.

- > **Workstream 10a** – Supporting SME/BAME suppliers – to ‘level the playing field’ so that SME/BAME businesses have the same opportunities as larger suppliers to compete for TfL contracts

Topic 11 – supply chain management

With TfL spending almost £3.8bn on its supply chain in 2007/08 (including the infraco Tube Lines), TfL’s suppliers are a vital source of skills and expertise and are fundamental to the delivery of TfL’s Investment Programme.

It is critical, therefore, that TfL ensures its suppliers are delivering quality services and products as well as providing value for money. To manage its key suppliers, TfL is putting in place systems and processes to monitor and manage supply chain performance.

TfL is also looking at ways in which it can develop greater efficiencies and effectiveness between itself and its supply chain, particularly in areas where scarce engineering and technical skills are required.

The two workstreams covering this are:

- > **Workstream 11a** – management of key suppliers – to monitor and assess supplier performance while putting in place a system to manage supplier performance where required
- > **Workstream 11b** – more efficient use of the supply chain – New Engineering Contracts 3 (NEC3) as contract of choice – to introduce a consistent strategy for the choice of contract forms used by TfL in the delivery of its projects and programmes (mainly construction type), based on industry best practice

Topic 12 – accessing the supply chain

TfL accesses its supply chain through a range of mechanisms including PPPs/PFIs, competitive tendering processes and the use of framework agreements. These are long-term (four-year) contracts that allow a public

sector organisation to engage its supply chain more quickly. TfL uses a variety of frameworks covering a wide range of services.

One of the more important is the Group Engineering and Project Management (E&PM) framework, which comes up for renewal in 2009.

- > **Workstream 12a** – TfL frameworks – to bring into operation a new Group E&PM framework which will take into account all lessons learned from the current framework and any new requirements

Topic 13 – labour market information

There is very little detailed information on the availability of the specialist engineering, technical and planning skills required by the road and rail industries.

Before the industry or individual organisations can begin to deal with potential skills gaps, it is necessary to establish an industry-wide picture on the demand and supply of each skill area. This baseline information will be provided through the Project Brunel Industry Study currently underway with the DfT and the LDA.

It is intended to work with industry partners to update the resource model every six months and allow market trends to be tracked and associated demand and supply impacts understood.

It is intended to link this work into the proposed London Skills Observatory to be established by the LSEB, and build on existing initiatives such as the Construction Skills Network.

> **Workstream 13a** – industry study and model – to review, with the DfT, LDA and Go-skills, how the methodology and model from the industry study can be used and re-run on at least an annual basis to track demand and supply trends within the required skills sets



Making it happen – delivering the strategy

This section of the strategy looks at how TfL will turn its objectives into outcomes.

Key partners and funding streams

LSEB

The TfL Skills and Employment Strategy is aligned with London's Future, the LSEB strategy, and much of the analysis in this document is based on its London-wide work. This work analysed the skills gaps in the Capital and explored the possible solutions to these problems. TfL will continue to align its strategy and plans with the ongoing work of the LSEB.

LSC

The LSC provides funding for further education, skills, and training across the UK. The LSEB provides the strategic direction for the London LSC's adult skills budget. The London LSC is a key partner for TfL as, in some cases, its funding decisions could affect the viability of TfL's training and skills programmes. TfL will seek to work closely with the LSC to coordinate its work and so maximise value for Londoners.

London boroughs

All London boroughs are key influencers of the LSC strategy. Their input helps to direct and align funding to ensure that skills opportunities are available to all Londoners. TfL will continue to work closely with individual boroughs, and London Councils (the organisation that represents all 33 local authorities in the Capital), as key partners of the LSC. Moving forward, boroughs will gain control of LSC funding in London, and TfL is currently building strong working relationships that will become even firmer in the future.

LDA

TfL is currently working with the LDA across a range of skills and employment programmes that the LDA either partly or fully funds. TfL will continue to work closely with the LDA in the implementation of TfL's Skills and Employment Strategy to ensure current funding is maintained and future funding made available where necessary.

Foundation Degree Forward

Working in partnership, the HEFCE promotes and funds high quality, cost-effective teaching and research.

Foundation Degree Forward (FDF) was established in 2003/04 and is funded by the HEFCE in order to generate and support employer engagement strategies across higher education.

TfL will engage with FDF to examine funding options available for the possible implementation of foundation degrees within its workforce.

Suppliers

Working with its supply chain, TfL intends to examine ways in which education and training programmes that benefit local Londoners can be jointly undertaken and funded.

Trade Unions

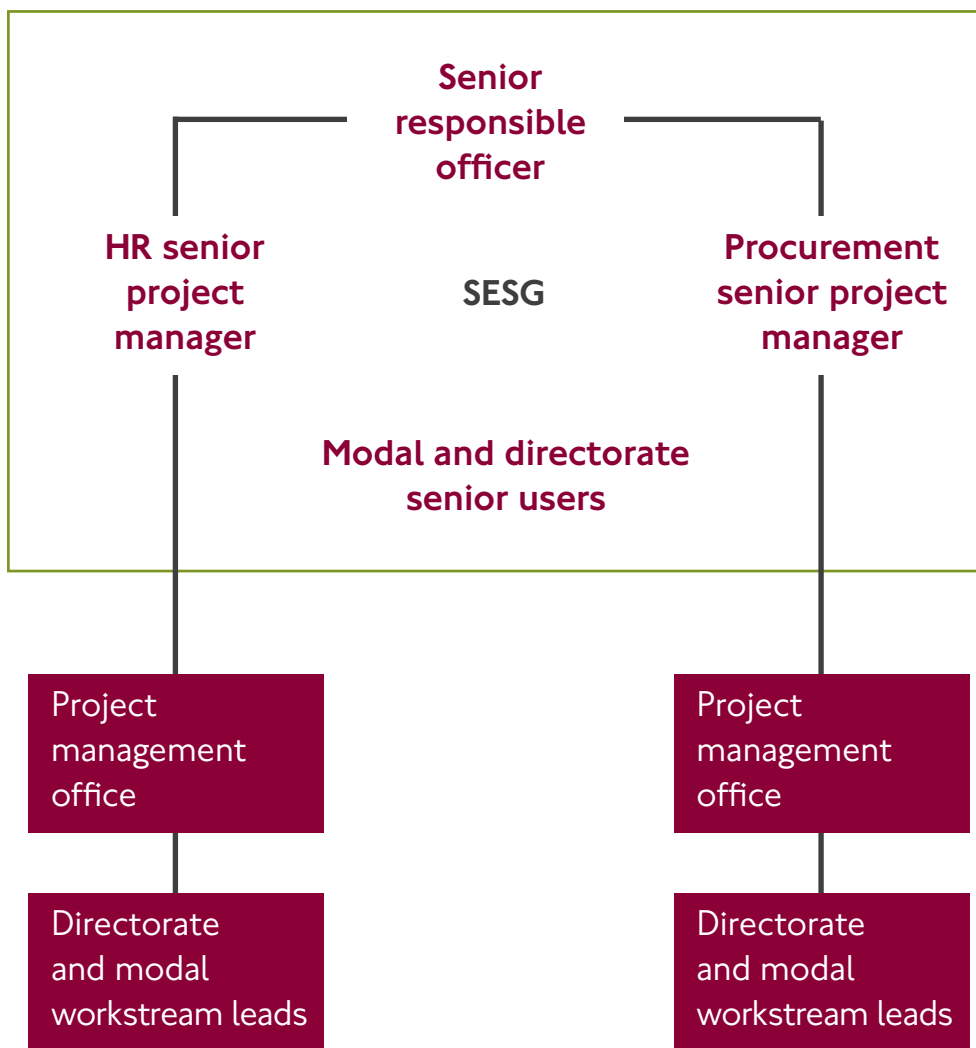
Trade Unions have a long history of worker education from acts such as the founding of Ruskin College in Oxford in the late 19th century, and continue to be involved in efforts to provide 'second chance' educational opportunities.

TfL and its recognised unions are working together on establishing a framework that recognises union involvement in employee learning. This framework will reflect current arrangements and those that both parties are keen to support in the future.



Figure 12

TfL skills and employment governance



Project approach

Project governance

To implement the TfL Skills and Employment Strategy, the SESG is being established under the direction of the Managing Director of Group Services, who will act as the Senior Responsible Officer for the project as a whole and the Chair of the SESG.

The SESG has been established to provide management for the strategy and also to allow the Group Services directors and representatives from the modes to work together to coordinate the project and ensure its success across the organisation. This strategy provides a TfL-wide approach to skills and the SESG will provide a single, central governance structure to complement it. The SESG members include representatives from each mode, all the Group Services directors, LDA representation and project staff. The SESG will provide clear leadership across TfL on all skills.

The steering group will report into the TfL panel and committee structure. When in need of an executive decision, the steering group will report to either the Strategic Executive Group or the Investment Programme Chief Officers Meeting, depending on whether or not

the scheme in question will have an effect on the Investment Programme. When the steering group requires a political steer, it will report to the Planning and Corporate Panel.

Any of these groups may then report on to the TfL Board. It is likely, however, that information on the steering group will only reach as far as the Board as part of the Commissioner's Report.

Project resources

As many of the workstreams are part of established programmes within TfL, most of the resources will come from existing TfL staff. Where existing workstreams are to be expanded or new workstreams initiated, additional project resource will be approved by the SESG.

In the short to medium term, some consultancy or contract resource will be needed to undertake the expanded or new workstreams. For workstreams that involve partnerships with key stakeholders, TfL will look at whether resourcing requirements may be funded or met by seconded staff from the relevant organisations.

Details of the resources required for individual workstreams can be found in the TfL Employment and Skills Implementation Plan.

PMOs

As the vast majority of the workstreams within the strategy are HR or procurement focused, the directors of these functions will act as senior project managers. They will co-ordinate the work taking place across TfL through their project management offices (PMOs), which will be structured and resourced as they choose from within their directorates. Individual project managers will come from group directorates and the modes and will report into the PMOs.

The group directorates and modes will also be expected to provide staff members to act in a liaison/co-ordination capacity with the PMOs to run the project.

Project controls

The PMOs will provide progress reports to each SESG meeting through the senior project managers. If there is information that senior project managers believe is particularly important and a meeting is not imminent, the information can be

circulated to SESG members outside of the meeting.

For those workstreams not already underway, projects will be reviewed and approved by the SESG. Project monitoring and tracking will be undertaken by the PMOs.

Project plan

The strategy has been divided into three distinct themes with related topics and workstreams. Theme 1 focuses on TfL staff, Theme 2 looks at education and Theme 3 covers TfL's supply chain and its relationship with industry and other stakeholders.

A summary of the themes, topics and workstreams can be found in Appendix 2, with additional information in the TfL Employment and Skills Implementation Plan.

Risks and issues

A risk and issues register will be maintained by the PMOs to cover all workstreams and associated delivery risks. The PMOs will be responsible for identifying and ensuring appropriate mitigation measures are in place for key risks.





Appendices

- > Existing TfL skills initiatives
- > Summary of workstreams by topic
- > National policy initiatives
- > TfL key facts

Appendix I

Existing TfL skills initiatives

Engagement with schools

London Transport Museum delivers programmes for schools across the Capital, seeing more than 100,000 school children a year.

Specific themes are:

- > Plan a school visit
- > Foundation & Key Stage 1
- > Key Stage 2
- > Key Stage 3 & 4
- > Special educational needs
- > Outreach for schools

TfL began engaging with the STEM programme in 2007, by running pilot programmes and developing learning modules linked to the National Curriculum. It recently completed a programme to recruit engineering employees as ambassadors to help promote engineering as a career of choice.

Programmes to deliver NVQs

Since 2001 more than 10,000 employees have enrolled for, and 8,800 have completed, NVQ Level 2 qualifications. While the majority of these qualifications have been in the

field of operations, others have included customer services, administration, learning and development, and management.

Work-based learning apprenticeship programmes

Programmes for young apprentices have existed in TfL and its supply chain companies for many years. Recently, TfL has increased its intake of apprentices and has begun the delivery of new programmes in engineering. Further engineering, operations and administration programmes are in development and will start in 2008.

Graduate schemes

TfL recruits around 100 graduates each year for two-year schemes covering operational and support disciplines.

In 2008 the schemes available are:

- > Business and finance
- > Engineering (civil, electrical and electronic)
- > Quantity surveying
- > Contracts and procurement
- > Information technology (information management and software engineering)

- > Project management
- > Service delivery
- > Signalling and communications
- > Transport planning and modelling

Basic skills programmes

The TfL Learning Zone delivers a number of programmes to help employees with learning needs in areas such as numeracy and literacy.

Programmes offered in 2008 are:

- > City and Guilds Certificate in Adult Numeracy Level 1 and 2
- > GCSE Maths
- > City and Guilds Certificate in Adult Literacy
- > GCSE English
- > CLAIT Level 1 (OCR Level 1 Certificate/Diploma for IT Users)
- > English for speakers of other languages including City and Guilds Certificate in English for Speakers of Other Languages at Work
- > Languages: French, Spanish, German, Arabic, Japanese
- > Council for the Advancement of Communication with Deaf People Level 1 Certificate in British Sign Language

The Learning Zone has recently become accredited as a centre for the delivery of the European Computer Driving Licence.

STAR

STAR is a TfL London Streets programme to define, recognise and improve the skills of traffic and transport professionals in London.

It has developed a competence framework for transport planning disciplines and created a directory of training programmes so employees and potential employees can learn skills in areas such as urban design, traffic scheme design and strategic modelling.

Crossrail

The Young Crossrail Project works with more than 450 primary and 200 secondary schools within one mile of the route. It aims to: stimulate interest in careers in construction, the built environment and engineering; inform and educate about the Crossrail project; and support the formal education process.

Crossrail also participates in the Young, Gifted and Talented Initiative, a Government scheme to support the brightest young learners in the country.

Appendix 2

Summary of workstreams by topic

Theme	Topic	Workstream
Staff Reduce turnover, improve recruitment, upskill existing staff	Topic 1 Retain existing staff	Workstream 1a Monitor staff leaving and understand reasons Workstream 1b Succession planning/talent management Workstream 1c Rewards package improvements
	Topic 2 Recruit experienced staff	Workstream 2a Effective and efficient recruitment process
	Topic 3 Upskill existing workforce	Workstream 3a Build on existing competency frameworks Workstream 3b NVQ 2-3/competency assurance Workstream 3c Foundation degrees Workstream 3d Basic skills
	Topic 4 Efficient use of scarce resources	Workstream 4a Greater visibility of long term skills requirements across TfL and the supply chain Workstream 4b Better utilise and retain those with key skillsets already in the workforce
	Topic 5 Developing new staff	Workstream 5a Conversion programmes for career changers Workstream 5b Graduate scheme and sponsorship Workstream 5c Work-based apprenticeships schemes Workstream 5d Employability programmes

Theme	Topic	Workstream
Education Develop the industry's future workforce	Topic 6 University/college partnerships	Workstream 6a University/college partnerships
	Topic 7 Academies	Workstream 7a Crossrail Tunnelling Academy Workstream 7b Schools academies Workstream 7c National Skills Academy
	Topic 8 Schools engagement programme	Workstream 8a TAP Workstream 8b TfL500 Workstream 8c 14–19 Diplomas
Supply chain Generate more and better supply of resources	Topic 9 SLNT	Workstream 9a SLNT requirements and processes Workstream 9b SSM
	Topic 10 SME/BAME suppliers	Workstream 10a Supporting SME/BAME suppliers
	Topic 11 Supply chain management	Workstream 11a Management of key suppliers Workstream 11b More efficient use of the supplychain
	Topic 12 Accessing the supply chain	Workstream 12a TfL frameworks
Industry Join forces with industry	Topic 13 Labour market information	Workstream 13a Industry study and model

Appendix 3

National policy initiatives

The Government has introduced a number of policies in response to the Leitch Review of Skills published in 2006. This was an independent review by Lord Sandy Leitch, Chairman of the National Employment Panel, commissioned by the Government in 2004. Its aim was 'to identify the UK's optimal skills mix for 2020 to maximise economic growth, productivity and social justice, set out the balance of responsibility for achieving that skills profile and consider the policy framework required to support it'.

Some of these policies will have a greater impact on TfL than others.

Department of Innovation, Universities and Skills (DIUS)

This will continue to focus public funds on addressing market failures and ensuring people have the basic skills necessary for employability and progression (such as literacy, numeracy and first full Level 2 qualification). The Government will meet the full costs of learning for these skills.

At intermediate and higher levels of qualification (where the returns are greater), the DIUS expects employers and learners to contribute more to the

costs of learning, with the rate of public subsidy reducing to 50 per cent by 2010. For some learning (for instance, courses to help employers meet statutory obligations), there will be no public subsidy.

Leitch Review of Skills

The review recommended that all adult vocational skills should flow through demand-led routes by 2010. However, these timescales are unlikely to be possible given existing commitments. The DIUS, however, is substantially increasing the proportion of public funding for adult training that is demand-led.

Train to Gain is the highest profile intervention of this kind, for which funds for 2008/09 will be around £650m. It is estimated that the total employer-focused funding will reach around £1.3bn by 2010/11 (including more than £900m for Train to Gain).

Skills Pledge

All employers will be asked to make a pledge which will, as a minimum, include a commitment to support employees to gain literacy and numeracy skills and to work towards their first full Level 2 qualification in an area of value to the business.

Employers will be encouraged to extend their commitment beyond this core pledge, and support employees to gain higher-level qualifications relevant to the business.

Skills pledges should be backed by an action plan, which will specify the scale, scope and timetable for delivering them (although there will be no requirement for these action plans to be shared outside the organisation). DIUS will also pilot schemes that enable employers to award their own accredited units and qualifications, and to extend qualification-awarding powers to colleges and training providers.

DIUS will ask the LSC to expand the remit and capacity of the National Employer Service so that it can work with a greater number of businesses employing more than 5,000 people.

Sector Skills Councils

DIUS will re-focus the attention of Sector Skills Councils, giving them a remit with three strategic objectives: ensuring the supply of skills is driven by employers, for example by advising the LSC on which vocational qualifications should be funded; raising employers' ambition and investment in skills by engaging with them to increase their demand for skills; and

articulating the future skill needs of their sector.

Adult careers service

DIUS will merge the information and advice services of learndirect and nextstep providers to create a new universal adult careers service, working in partnership with Jobcentre Plus. This new service will promote individuals' management of their learning, skills and careers progression. It will have strong links with Jobcentre Plus, Train to Gain brokerage and employer training funds.

It will feature a personalised assessment for people, including a skills health check. The DIUS is also rolling out skills accounts, which will give individuals greater ownership and choice over their learning. A unique account number and account card will help them to understand the levels of investment going into their training, whether it is their own or funding from the Government or their employer.

Appendix 4

Key TfL facts

- > Since 2000, there has been a five per cent shift from private to public and sustainable transport in the Capital
- > TfL is already delivering a transport legacy for the London 2012 Olympic and Paralympic Games – after making transport a cornerstone of the Capital's winning bid. Examples of infrastructure improvements for the Games include extra capacity on the Jubilee line, London Overground and DLR serving the Olympic Park and the extension of the DLR to Woolwich Arsenal
- > London's fleet of more than 8,000 buses now carry more people than ever, with more than 2.1bn passenger trips in 2006/07. The number of operated kilometres has also risen to 458 million, the highest since 1957. The Capital's 100 night bus routes carry 34 million passengers every year, more than double the number in 2000
- > London's buses are now achieving their best service quality since records began in 1977
- > Around one billion customer journeys were made on the Tube in 2006/07. Each weekday more than three million passenger journeys are made on the 275-station, 408km network. On 7 December 2007, a new record was set for daily passenger numbers when an estimated 4.17 million people traveled on the Tube
- > LU has begun a programme to ensure 25 per cent of Tube stations will have step-free access by 2010
- > DLR carries more than 60 million passengers annually, a figure which is expected to rise to 80 million by 2009. In 2005, it was extended to London City Airport and a further extension is under construction to Woolwich Arsenal. Work has also started on an extension to Stratford International station
- > TfL has helped increase the number of cyclists on London's major roads by 91 per cent; installed 53,500 new cycle parking spaces on streets and at schools, colleges and rail stations; and opened the UK's first 24-hour, fully-staffed cycle park

- > As well as running London's Congestion Charging scheme, TfL manages a 580km network of main roads, which carries 30 per cent of the Capital's traffic; all of London's 6,000 traffic lights; and regulates taxis and the private hire trade
- > Around nine million passengers arrive at the Victoria Coach Station each year, travelling on almost 400,000 coaches
- > In 2004, TfL secured a ground-breaking, five-year funding settlement with Government on grant levels and borrowing. It is now progressing its £10bn Investment Programme to improve and expand London's transport network, half of which will be spent on the Tube.

As part of the Comprehensive Spending Review settlement announced in February 2008, TfL will receive a total of £39bn in the years up to 2017, which is the largest settlement it has ever been given. It provides for the delivery of Crossrail, upgrading the Tube, building London's Overground rail service, further improvements to the bus network, preparations for the London 2012

Olympic and Paralympic Games, plus other major projects that will deliver significant benefits to passengers

- > More than 2.3 million journeys on the Thames are made each year from the eight LRS piers
- > Dial-a-Ride accounts for around 1.2 million passenger journeys annually
- > In 2006/07, the Public Carriage Office issued approximately 80,000 licences to taxi drivers and owners, and private hire drivers, owners and operators. This has now completed licensing of the private hire trade for the first time
- > TfL now manages Croydon Tramlink. It carries up to 22.5 million passengers every year and is the South East's only tramway
- > TfL announced in 2006 that it would pay for Oyster validation equipment to be provided at all London rail stations in zones 1-6. TfL's aim is that Oyster pay as you go will be available on all train services in London by 2009
- > London Transport Museum reopened in November 2007 after a two-year £22.4m refurbishment and redesign project

Appendix 4 (continued)

Key TfL facts

- > Since November 2007, TfL has managed the London Overground concession. Its services currently run on North London Railway routes comprising 50 stations and 60 miles of track, which is travelled by 63,000 passengers every day
 - > A £1.4bn investment programme is underway to upgrade services including increased train frequency, major station enhancements and the provision of a new fleet of 44 air-conditioned trains to be in service by the end of 2009. The extension and conversion of the former East London line to link up with the London Overground network is also part of this investment programme. When this work is completed in 2010, London Overground services will link 20 of London's 33 boroughs
 - > Crossrail's £15.9bn funding package was announced by the Prime Minister, Gordon Brown MP, on 5 October 2007 with the powers to build the railway granted in July 2008.
- Crossrail:
- Runs from Maidenhead and Heathrow in the west, through new twin-bore 21 km tunnels under central London out to Shenfield and Abbey Wood in the east, joining the Great Western and Great Eastern railway networks
 - Brings 1.5 million people within a 60-minute commute of the centre of London
 - Contributes at least £20bn to the British economy
 - Involves new stations for 10-carriage trains, being built at Paddington, Bond Street, Tottenham Court Road, Farringdon, Liverpool Street, Whitechapel, Isle of Dogs and Woolwich
 - Will provide 24 trains an hour in each direction during the peak through central London



Glossary

Abbreviations

BAME	black, Asian and minority ethnic
CLAIT	Computer Literacy and Information Technology
DfT	Department for Transport
DIUS	Department of Innovation, Universities and Skills
DLR	Docklands Light Railway
E&PM	Engineering and Project Management
FDF	Foundation Degree Forward
FTE	full-time equivalent
GLA	Greater London Authority
GVA	Gross Value Added
HEFCE	Higher Education Funding Council for England
HNC	Higher National Certificate
HND	Higher National Diploma
LDA	London Development Agency
LSC	Learning and Skills Council
LSEB	London Skills and Employment Board
LU	London Underground

NEC3	New Engineering Contracts 3
NVQ	National Vocational Qualifications
ODA	Olympic Delivery Authority
OGC	Office of Government Commerce
PFI	private finance initiatives
PMO	project management office
PPM	programme and project management
PPP/PFI	public private partnership
SESG	Skills and Employment Steering Group
SLNT	Strategic Labour Needs Training
SMEs	small and medium sized enterprises
SSM	Supplier Skills Manager
STAR	Streets Technical Academy and Resource project
STEM	science, technology, engineering and maths
TAP	TfL Ambassadorship Programme
TfL	Transport for London

Our
future.
It's in
our hands.

OUR SKILLS PLEDGE

On behalf of *Transport for London*

I *Valerie Todd*

am making a commitment that we shall:

- Actively encourage and support our employees to gain the skills and qualifications that will meet the needs of our business and will support their future employability
- Further support our employees to acquire basic literacy and numeracy skills and work towards their first full Level 2 qualification
- Demonstrably raise our employees' skills and competencies to improve our organisational performance through investing in economically valuable training and development

Signed *Valerie Todd*

Date *12 June 2008*

Name *Valerie Todd*

Position *Managing Director*

Company *Transport for London*

I commend and thank you for the leadership you have shown in making the Skills Pledge

Signed *John Y. Denham*

Date *12th June 2008*

John Denham, Secretary of State
Department for Innovation, Universities and Skills



This strategy is based on certain assumptions and forecasts with respect to and without limitation: Customer demand, political and economic conditions, and Government policy and strategy. There can be no assurance that these assumptions are correct. It is TfL's intention to periodically revise the strategy to account for changing assumptions and forecasts.

All information contained within the strategy was collected for indicative purposes and we cannot give any warranty as to its suitability for any other purpose. We've sought to ensure the information is accurate and complete, but we accept no liability or responsibility for any errors or omissions or for any damage or loss arising to any person acting or refraining from action as a result of it.

