



HR Quarterly Report

2018/19 Quarter 3 Update

HR Quarterly Report – 2018/19 Quarter 3 Update

Executive Summary

This Human Resources (HR) Quarterly Report provides an overview of key developments that have taken place in the third quarter of the 2018/19 financial year, covering between 16 September and 8 December inclusive.

During this quarter we confirmed our scorecard results for the Total Engagement and Inclusion Index measures. Total Engagement remained constant at 46 per cent, with our Inclusion Index also unchanged at 43 per cent.

Our all workforce and senior manager representativeness measures are behind target for the quarter, with all employee representativeness remaining at 69.9 per cent in Q3, and senior manager representativeness declining to 40.6 per cent.

Despite these measures, our recruitment activity continues to deliver diverse appointments across the organisation. In the first three quarters, of all those recruited, internally and externally, 41.6 per cent were BAME, and 36.4 per cent were female. However, low turnover coupled with lower levels of external recruitment is reducing our ability improve the representativeness of our employees at the pace desired.

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Section 1: TfL Scorecard – People Measures

This section provides the Panel with an update on the four People measures included on the TfL Scorecard, along with key activities which support the delivery of our Scorecard targets.

Workforce Representativeness

Total Workforce Representativeness

The Workforce Representativeness measures are an indicator of how closely TfL employees reflect the economically active London population.

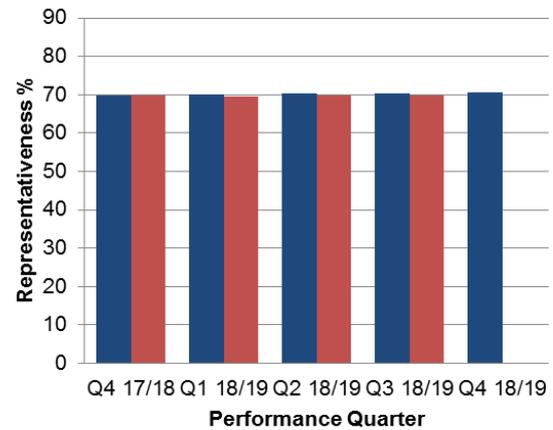
The Scorecard target for Total Workforce Representativeness in 2018/19 is 70.7 per cent. In Q3 we fell short of the target of 70.5 per cent, with a total workforce representativeness score of 69.9 per cent.

Despite this representativeness measure remaining at 69.9 per cent in Q3, we continue to build the foundations which will drive greater representativeness in the future. A summary of these activities are detailed in this report.

All Staff Workforce Representativeness, Q3 2018/19

69.9%

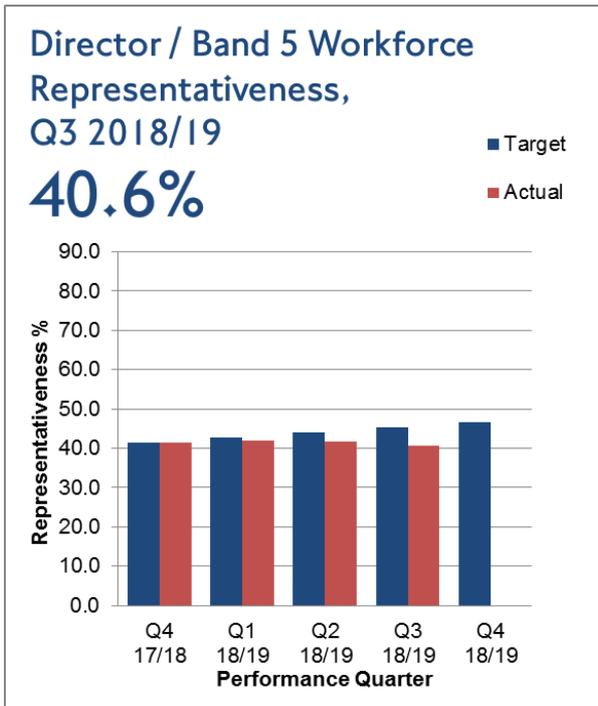
■ Target
■ Actual



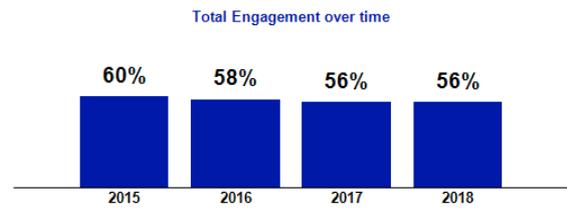
Director / Band 5 Workforce Representativeness

For the Director and Band 5 workforce representativeness scorecard measure, the 2018/19 target is 46.6 per cent. At the end of 2017/18 our scorecard outcome was 41.6 per cent.

In Q3 our senior manager representativeness reduced from 42 per cent to 40.6 per cent, behind the Q3 target of 45.3 per cent. This was in part driven by the recent disclosure campaign where several senior managers whose protected characteristics were not previously known, declaring themselves as being part of majority groups. There has also been lower turnover at Band 5 and Director level in business areas which have recently undergone Transformation, with many senior managers new to role, limiting our ability to make inroads with this measure.



Engagement scores are provided in a separate paper to be tabled at this Panel.



Inclusion Index

The Inclusion Index is another measure from the annual Viewpoint survey and measures how inclusive our employees feel we are as an organisation.

The perceptions around inclusion are also stable, remaining at 43 per cent following a 3 per cent decline seen in 2017. This is below our scorecard target for 2018 of 46 per cent.

This demonstrates that there is still work to be done to promote a more inclusive culture.

The below section outlines some of the activities undertaken in the previous quarter to promote a more inclusive environment for our people:

Total Engagement

The Total Engagement scorecard measure is derived from the annual Viewpoint employee survey which ran between the 9 and 26 October 2018.

Total Engagement for 2018 was 56 per cent, below our 2018/19 TfL Scorecard target of 57 per cent, but consistent with the 2017 Total Engagement score, halting a recently declining trend.

The response rate to the 2018 Viewpoint survey was 66 per cent which was the highest response rate to the survey in its current format. The response rate was up from 57 per cent in 2017 providing us with a more detailed picture of life at TfL from which to build targeted action plans.

The average scores do however mask different variations, both positive and areas for significant improvement, within the organisation. A more detailed breakdown of the Viewpoint survey, and the Total

Gender and Ethnicity Pay Gap Reports

In January, we published our annual Gender and Ethnicity Pay Gap reports. The pay gaps at TfL have increased marginally due to more women and BAME candidates applying for and working in operational roles which tend to have lower rates of pay, compared to roles such as train operators or engineers, which are higher-paying roles.

We have made progress with an increase in the proportion of women and BAME employees within our organisation, including in senior management roles. However, we know we need to go much further and that's why we are working hard to tackle the pay

gaps head-on by continuing to improve our recruitment and hiring processes as well as encouraging more diverse candidates to consider a career in the transport industry.

New Equality Impact Assessment

The full review of the EQIA process is now complete with a new training programme launched on 14 January. This seeks to build the capability of our people to consider and identify the impacts of our work on diversity and inclusion, both for our customers and colleagues. This will aim to create a cohort of 'super users' within the business who will be able to complement the D&I team.

Purple Light Up

To celebrate the UN's International Day of Persons with Disabilities, we joined the #PurpleLightUp campaign which is an initiative to acknowledge the economic contribution of disabled employees. The theme was also used to raise awareness of the barriers that others face, and the role we all play in reducing these.

As part of the celebrations, we raised the purple flag over 55 Broadway. Operational managers were provided with an information pack to raise awareness amongst front line staff of the day and what to look out for.

Our Staff Network Group for Disability also held an open forum for all employees to meet the group and gain a better understanding of barriers faced by disabled employees.



Diversity and Inclusion Trade Union Forum

On 24 January 2019, we held our first D&I Forum with our Trade Union colleagues. This forum is dedicated to discussing and working alongside our Trade Unions to help identify and address key diversity and inclusion issues across the organisation.

The first Forum discussed potential areas for co-design and collaboration, along with the strategic direction for the newly formed Diversity, Inclusion and Talent team within HR. This will allow greater collaboration between TfL and our Trade Union Colleagues to build a more diverse and inclusive working environment across the organisation.

Steps into Work

An event was held at Endeavour Square to celebrate the 12 students who have recently completed their Steps into Work programme. Steps into work is a partnership between TfL, disability specialist employment agency Remploy and Barnet and Southgate College.

Each year the programme gives 12 young adults with complex employment barriers the opportunity to develop sustainable workplace experience, invaluable knowledge and skills towards gaining paid employment.



The national employment average of people with learning disabilities is six per cent full or part time. Compared to this, 70 per cent of our 2017 intake found paid employment within 12 months of completing the programme. From September 2019, we will be doubling the number of places on the scheme to 24, giving more people with learning disabilities the opportunity to get into employment.

Safeguarding

Safeguarding means protecting children and adults at risk in our workplace and on our network. The TfL Executive Committee takes this very seriously and has appointed Staynton Brown as its lead in this area. Since its inception the Safeguarding Leads Group (SLG) has met several times and has endorsed a detailed work programme that is being progressed. Much of the current activity is focussed in HR. The SLG recently signed off TfL's safeguarding policy and guidance, the next steps are to communicate this across the organisation once Business Services have been appraised of it. Other achievements include the training of 8 Designated Safeguarding Officers (DSO) in HR – a call has gone out for the business to nominate people locally to be trained as DSOs; this will help to increase that capability across TfL. Internal audit have completed their audit of safeguarding; the findings are generally positive recognising the fact the implementation of the work programme will strengthen this area of work even further.

Anonymous Recruitment Software

As part of our drive to remove any potential bias from the recruitment process, automatically removing demographic information from CVs is a key enabler to help achieve this.

We have now confirmed our commercial agreement to implement Anonymous Recruitment Software and roll this out for all recruitment at TfL by the end of the financial year (excluding recruitment where CVs are not required such as apprentice recruitment). This, alongside other measures such as diverse interview panels, will help to remove any potential bias in our recruitment activity.

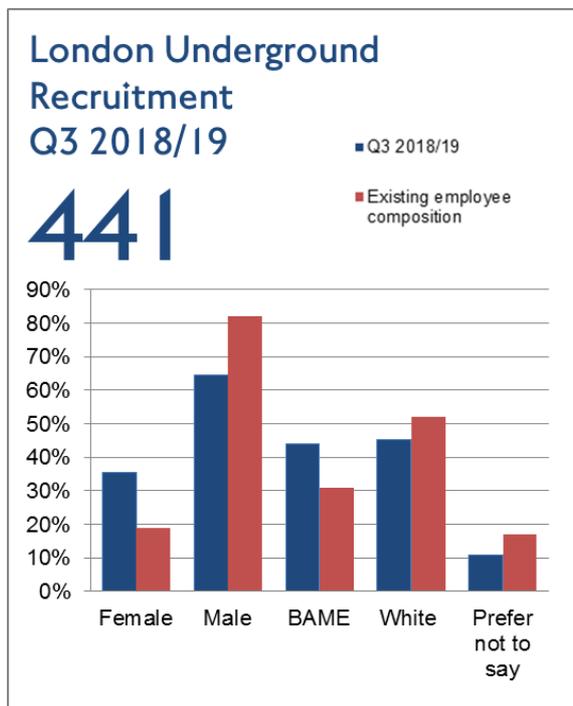
Section 2: Our People

Ongoing Recruitment Activity

The following section shows the composition of all recruitment by business area during Q3. This includes both internal and external recruitment, along with promotions and changes to roles within the same band/grade.

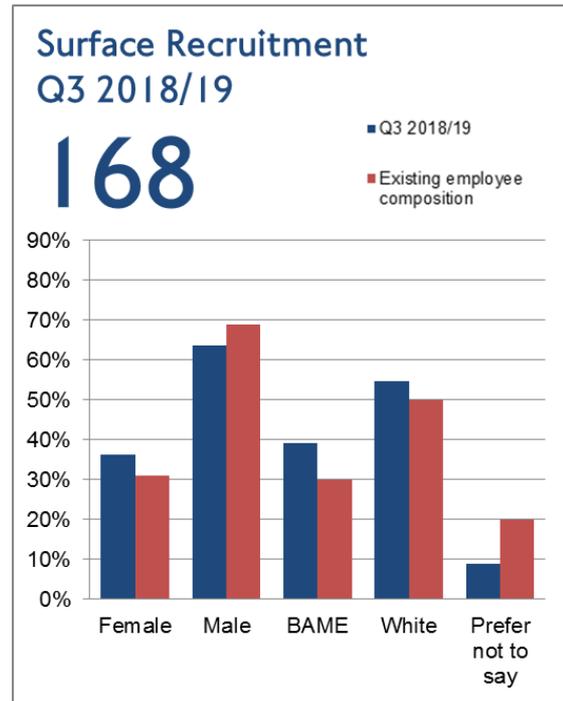
London Underground

Black and Minority Ethnic (BAME) recruitment was in excess of 44 per cent during Q3, significantly higher than the existing employee population of 31 per cent. Female recruitment was 35 per cent in Q3, this is nearly double the existing 18 per cent of LU population that is currently female.



Surface Transport

Recruitment in Surface during Q3 was more diverse than the existing surface employee population females and BAME employees. Female recruitment was 36 per cent, up on the 31 per cent of Surface that are female. BAME recruitment was 39 per cent in Q3, up on the 30 per cent of the existing surface population that declare as BAME.

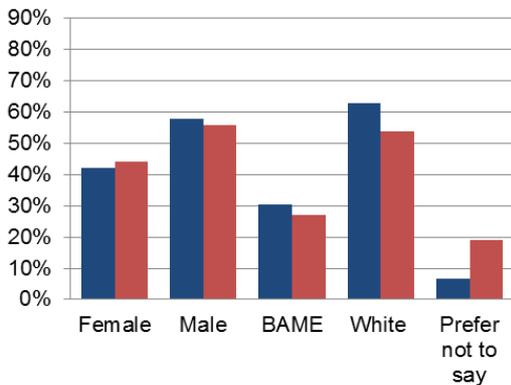


Professional Services

Recruitment in Professional Services was broadly reflective of the existing employee population during Q3. Over 42 per cent of those recruited in Q3 were female, slightly below the existing population of 44 per cent female. BAME recruitment was slightly higher than the existing employee population, with 31 per cent against 27 per cent respectively.

**Professional Services
Recruitment
Q3 2018/19**

394

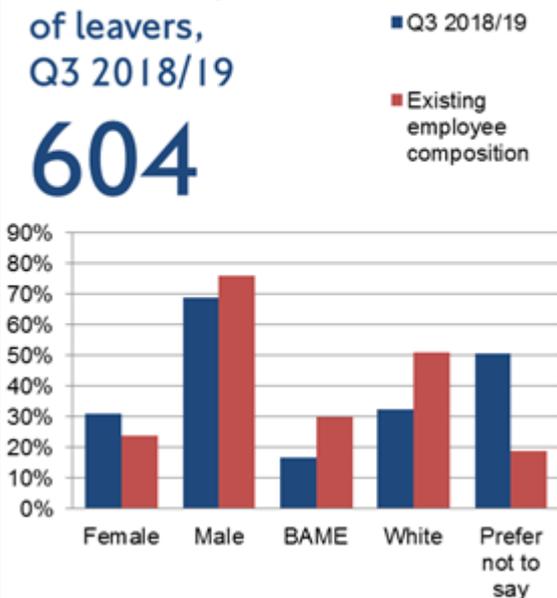


Leavers

In Q3 a total of 604 employees left the organisation, a turnover rate of 2.2 per cent. If combined with the turnover rate for Q1 and Q2, the turnover rate to date for 2018/19 is 7.9 per cent.

**Workforce profile
of leavers,
Q3 2018/19**

604



Whilst this low turnover rate can indicate job satisfaction and job security, it can also reduce the speed by which the organisation can change its representativeness.

In Q3 there were proportionally fewer BAME employees leaving the organisation than the existing employee composition, with 17 per cent of leavers coming from a BAME background, compared with over 30 per cent of the existing employee population.

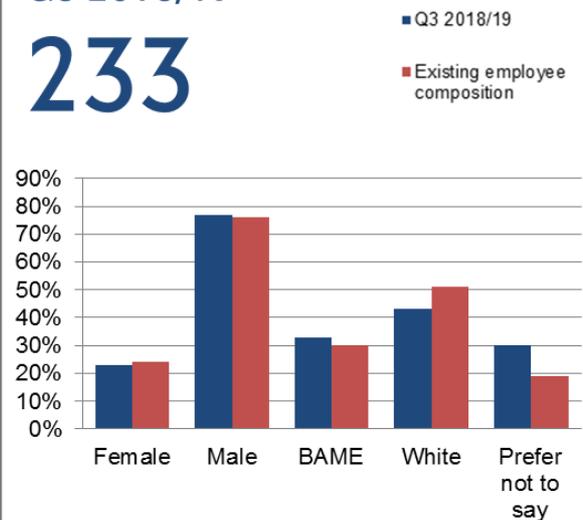
Promotions

In Q3 a total of 233 employees were promoted. This is defined as a change in role from one pay band to the one above. This does not include lateral moves.

Of those promoted in Q3, 23 per cent were female which is slightly lower than the existing employee composition which is 24 per cent female. The proportion of those promoted declaring as BAME was higher than the existing employee composition, with 33 per cent of those gaining promotion declaring as BAME, against 30 per cent.

**Workforce profile of
promotions, All Employees
Q3 2018/19**

233



Section 3: Workforce Composition

Permanent Headcount

Data extracted from the HR System (SAP) excludes employees whose details have not yet transferred to SAP. The Total Headcount figure contains Crossrail employees but the workforce composition data does not, as this data is not held on SAP.

The following staff numbers represent both permanent TfL employees and temporary staff measured in full time equivalents (FTEs) which equate to one person working 35 hours per week.

All TfL

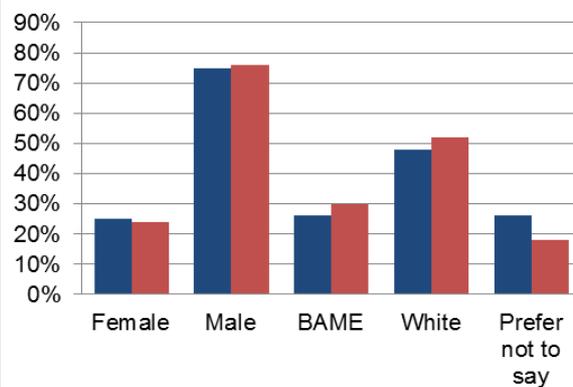
Total FTEs in Q3 was 27,479. This is an increase from 27,177 recorded in Q2. The Q3 figure does now include the 522 employees at Crossrail to align our reporting with our Annual Report and Quarterly Performance Reports. Even with this additional headcount, this is down from 27,871 at the end of 2017/18.

The proportion of employees who declare their ethnicity as BAME has increased over the past year, from 26.37 per cent at the end of Q3 2017/18, to 30.34 per cent in Q3 2018/19. The proportion of employees who do not declare their ethnicity continues to fall.

Workforce profile for all TfL, Q3 2018/19

27,479

■ Q3 17/18
■ Q3 18/19



The proportion of female employees fell from 24.76 per cent at the end of Q3 2017/18 to 23.80 per cent, slightly up from 23.73 per cent in Q2.

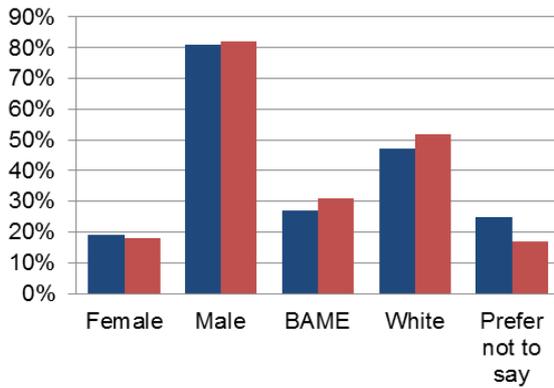
London Underground

The total FTEs in London Underground have decreased from 19,436 at the end of 2017/18 to 18,832 in Q3. Changes to the diversity of London Underground employees mirrored that of TfL, with the proportion of employees declaring as BAME increasing from 27.33 at the end of Q3 2017/18, to 31.17 per cent. Those preferring not to declare their ethnicity continued to decline from 25.23 per cent to 16.72 per cent over the same period.

Workforce profile for London Underground, Q3 2018/19

18,832

■ Q3 17/18
■ Q3 18/19



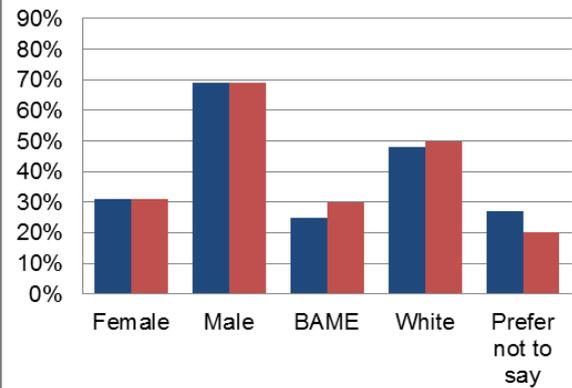
The proportion of LU employees that are female decreased from 18.82 per cent at the end of Q3 2017/18, to 18.01 per cent. This is up however from 17.87 per cent in Q2. Female recruitment in Q3 stood at 35.3 per cent, despite this the rate of turnover in Q3 was only 2.3 per cent, reducing the rate at which recruitment can change the wider employee population.

Surface Transport

Total FTEs in Surface have fallen from 3,465 at the end of 2017/18, to 3,097 at the end of Q3. This is a 10.6 per cent reduction in total headcount in the year to date.

Workforce profile for Surface, Q3 2018/19

3,097



The proportion of BAME employees has increased from 25.85 per cent at the end of Q3 2017/18, to 30.04 per cent, continuing the upward trend seen in 2017/18. The proportion of female employees increased slightly, from 30.72 per cent at the end of Q3 2017/18, to 31.16 per cent this year.

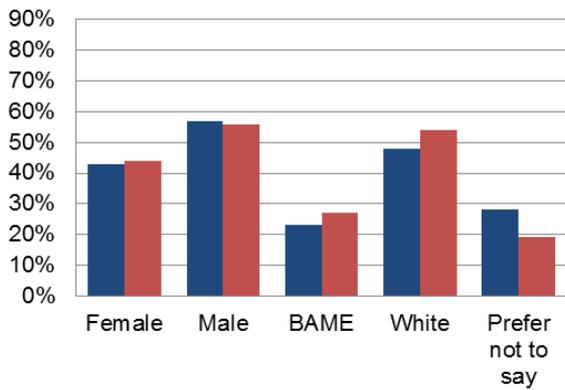
Professional Services

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

Workforce profile for Professional Services, Q3 2018/19

5,013

■ Q3 17/18
■ Q3 18/19



Total FTEs in Professional Services has increased marginally, from 5,002 at the end of 2017/18, to 5,013 in Q3. There was an increase in the proportion of female employees over the past year, increasing from 43.17 per cent at the end of Q3 2017/18, to 43.87 per cent.

The proportion of BAME employees in Professional Services also increased from 25.85 per cent at the end of Q3 2017/18 to 27.07 per cent in Q3 this year. The proportion of employees who declared as White also increased during the same period, from 46.02 per cent, to 53.65 per cent. This illustrates that drives to increase declaration rates across the organisation can often lead to the majority group increasing disproportionately.

TfL Senior Manager Staff Composition

The total number of senior managers has increased slightly from 1,206 in Q3 2017/18, to 1,243 at the end of Q3 2018/19.

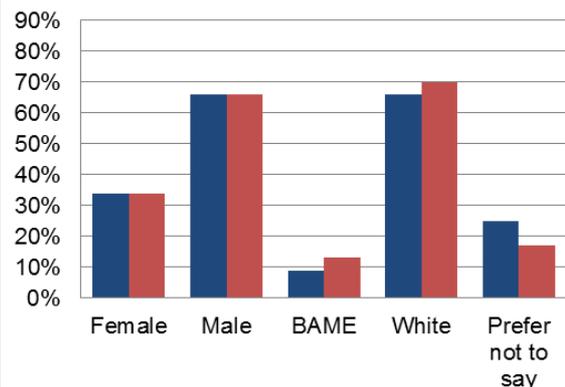
The proportion of female senior managers has decreased slightly from 35.38 per cent in Q3 2017/18 to 34.33 at the end of Q3.

The proportion of our senior managers declaring as BAME has increased over the previous year, from 9.99 per cent in Q3 2017/18, to 11.99 per cent in Q3 2018/19, with the absolute number of BAME senior managers increasing by over 17 per cent.

Workforce Profile for Senior Managers, Q3 2018/19

1,243

■ Q3 17/18
■ Q3 18/19



TfL Operational Staff Composition

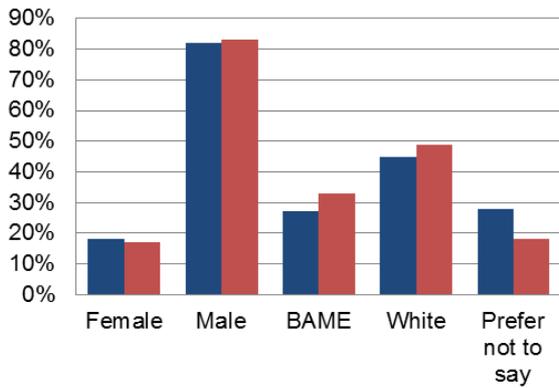
The number of operational employees decreased slightly in the previous quarter, from 14,446 to 14,374. Of these, the proportion of female operational employees decreased from 18.21 per cent to 16.89 per cent.

The proportion of BAME operational employees increased significantly, from 28.21 per cent, to 32.92 per cent.

Workforce profile for Operational staff, Q3 2018/19

14,374

■ Q3 17/18
■ Q3 18/19



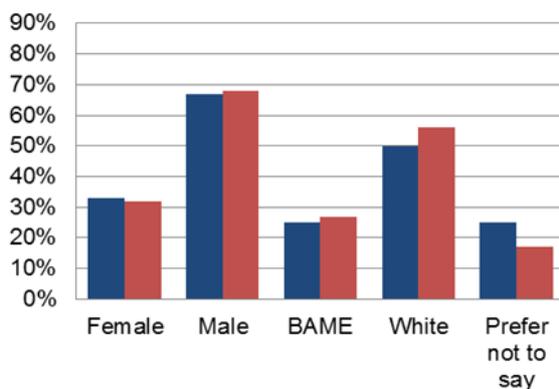
TfL Non-Operational Staff Composition

The number of non operational employees has decreased from 11,264 to 11,152 in Q3.

Workforce profile for non-operational staff, Q3 2018/19

11,152

■ Q3 17/18
■ Q3 18/19



The proportion of BAME non operational employees has increased from 25.91 per cent

in Q3 2017/18 to 27.35 per cent in Q3. The proportion of female non operational employees has decreased slightly over the previous year, from 32.24 per cent to 31.80 per cent at the end of Q3.

Non Permanent Labour

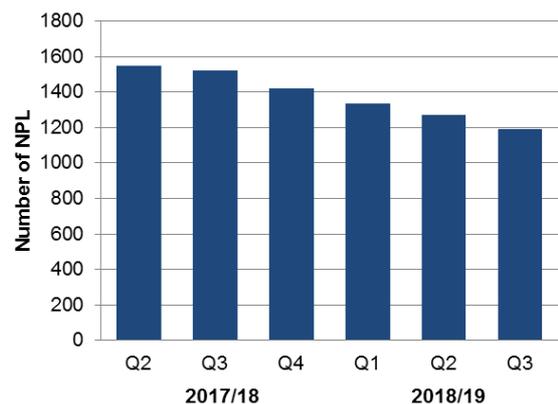
Non Permanent Labour (NPL) is defined as temporary staff engaged to complete project work or short term assignments.

The use of NPL has continued to decrease in Q3, from 1,271 to 1,191. This represents a 22 per cent reduction in the use of NPL since Q3 2017/18.

Total NPL use has decreased from 3,095 at the start of Q1 2016/17. This has reduced the cost of NPL across TfL by over £3.6m per week.

Total Number of NPL Q2 2018/19

1,191



It is important that we continue to make use of the flexibility offered by NPL, particularly through this time of change and temporary peaks in demand, e.g. in recruitment resulting

from Transformation. It is equally important that we do not close off our ability to hire talent in scarce skills areas.

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

