

Responsible Procurement Strategic Labour Needs and Training (SLNT)

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MAYOR OF LONDON

Transport for London



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Transport for London (TfL)



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- Created in 2000 to implement the Mayor's Transport Strategy and manage transport services across London.
- Includes London's Buses, Underground, Docklands Light Railway, London Overground, Croydon Tram link, London River Services, Victoria Coach Station
- Key stats
 - 4 million tube journeys per weekday;
 - 6.3 million bus journeys per weekday;
 - 580km of main road network;
 - 6,000 traffic lights
 - 25,000+ employee's / ~100,000 people indirectly employed through the supply chain;
 - 09/10 operational budget of £5.9 billion
 - 09/10 capital budget of £1.9 billion



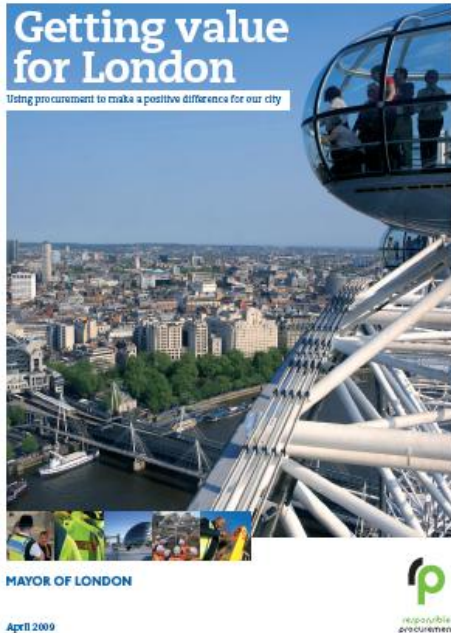
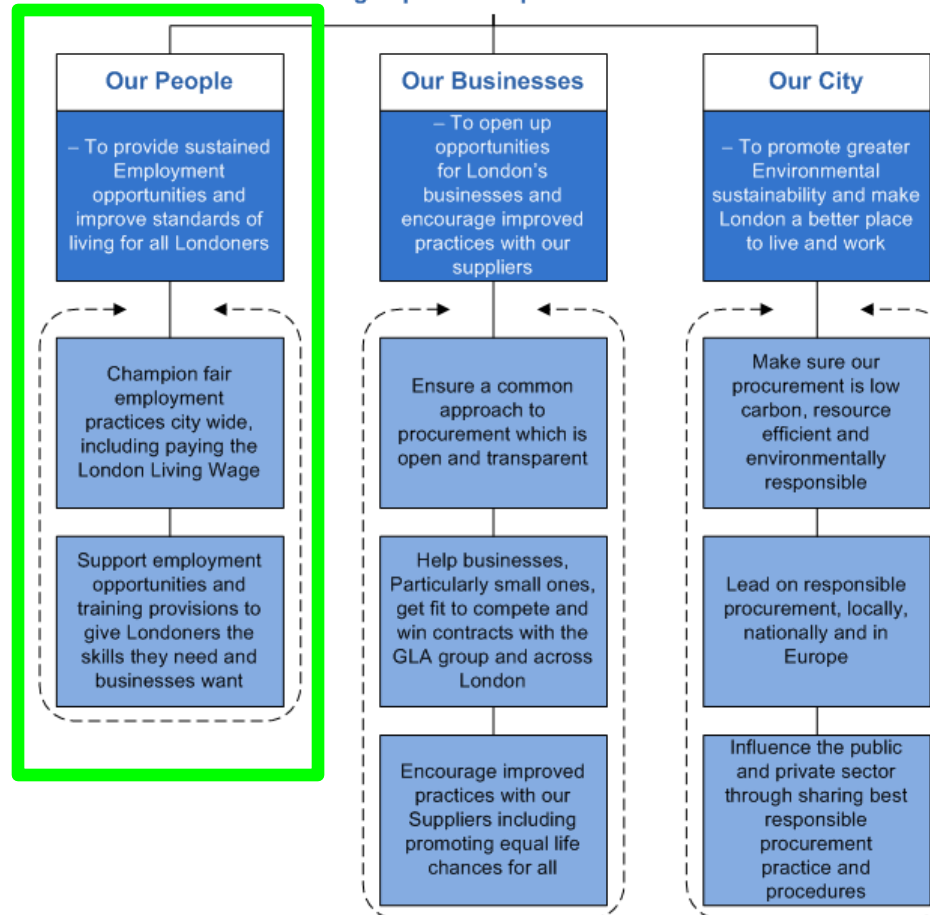
Responsible Procurement Framework



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“Pioneering socially, environmentally and economically responsible procurement to deliver improved quality of life and better value for money for our people, our businesses and our city.”

Working in partnership across London



Why is Responsible Procurement Important ?

Social

- 1 in 7 of London's employees are paid at a rate below poverty levels
- Over half a million of London's children (41%) live in poverty
- 30% of working age residents within London are not in employment
- One fifth of the working age population of London has a disability, yet only 11% are in employment
- 33% of the City's population are from ethnic minorities. London's employment rate stands at 70.5%, the employment rate for ethnic minorities is at 58%



Regional / National Drivers

- Strong Mayoral agenda around:
 - Greater support to employers in providing more jobs and skills opportunities to Londoners;
 - Supporting Londoners to improve their skills and prospects;
 - London Skills and Employment Board;
 - The Economic Recovery Action Plan;
- Other national and regional agendas around
 - Increasing the number of apprentices
 - Worklessness Agenda
 - Long term unemployed
 - Ex-offenders
- Skills shortages in certain engineering and technical areas (even with the current economic circumstances)



TfL Targets from the GLA

TfL Skills Schemes - Combined Targets						
Totals	2009	2010	2011	2012	2013	Totals
Graduate	199	217	217	177	137	947
Sponsored Placement	82	100	80	40	40	342
Foundation Degree	44	48	48	48	8	196
Apprentice/ Technician	850	850	850	850	850	4250
Worklessness Placements	100	220	320	420	420	1480
Totals	1275	1435	1515	1535	1455	7215

TfL's Approach to Skills and Employment



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- Recognition that TfL's major projects and supply chain have a role to play in providing skills and employment benefits to local communities;
- Approach piloted within TfL and its Supply Chain through the East London Line Extension and the Highways Maintenance and Works contracts;
- TfL released its 10 year 'Skills and Employment Strategy' in March 2009 with three themes
 - Staff
 - Education
 - **Supply Chain and Industry**
- All of the above has lead to the development of an approach to TfL's supply chain called Strategic Labour Needs and Training (SLNT)



Strategic Labour Needs and Training (SLNT) – What Is It?

SLNT is composed of two broad and interlinked strands:-

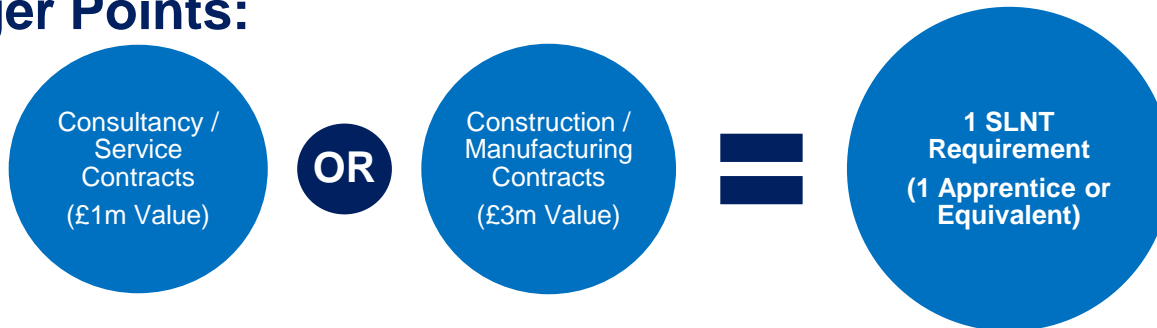
- A procurement toolkit that provides a set of requirements within TfL contracts that seek to ensure TfL's supply chain:
 1. Train and develop their workforce to ensure capability/competency;
 2. Offer training, employment and skills opportunities to London communities, particularly in relation to disadvantaged groups;
- An LDA funded Supplier Skills Team embedded within TfL to assist suppliers to gain access to public sector funding and support to meet their SLNT requirements

Strategic Labour Needs and Training (SLNT) – How Is It Used?

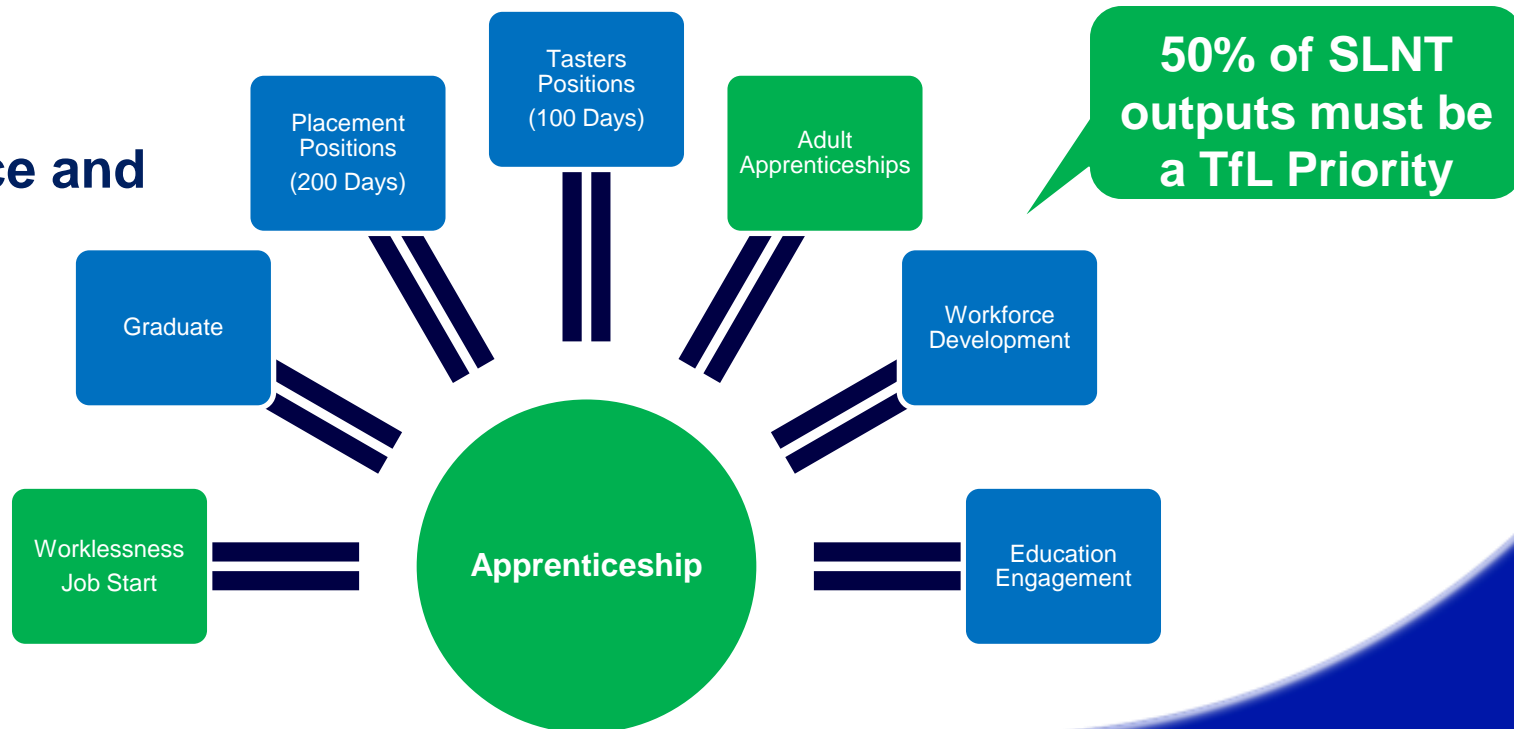
- Toolkit provides clear guidance and targets of what TfL expects from its suppliers and how they should respond;
- Contracts are considered on a case by case basis to identify which have the greatest scope for implementing SLNT provisions;
- Relevance and proportionality are the key to ensuring supplier compliance, and are considered at an early stage with legal and subject matter experts;
- PQQ / ITT stages are designed to ensure supplier awareness of the SLNT requirements and provide TfL with an outline delivery plan;
- Key stage is post contract award and the requirement for the supplier to work with TfL to develop a detailed delivery plan;
- Monitoring and contract management critical to successful delivery;
- SLNT seen as part of a broader long term relationship with suppliers through SRM / contract management.

SLNT – How Does It Work?

- **Trigger Points:**



- **Equivalence and Priority:**



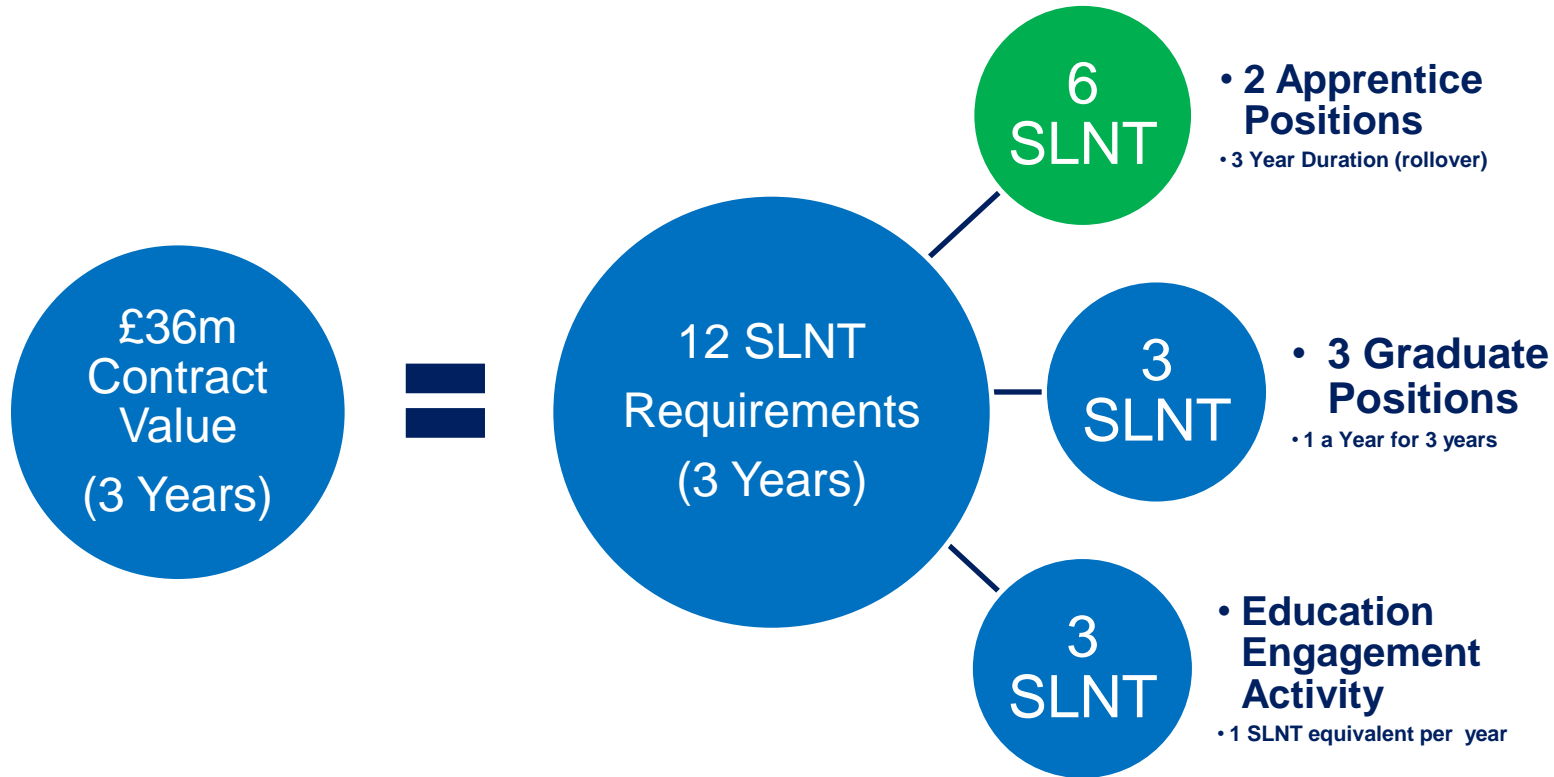
SLNT Outputs and Priorities



Type		New Entrants			Trainees		Current Workforce		Educational Activities
		Apprentices	Job Starts	Graduates	Placement Positions	Taster Positions	Adult Apprentices	Workforce Skills	
TfL Priority	Worklessness	✓	✓		✓		✓		
	London Residents	✓					✓		
Activities / Outputs		<ul style="list-style-type: none"> •Apprentice/ Technician positions •Sponsorship activities •Trainees 	<ul style="list-style-type: none"> •Recruitment/attraction strategies •Local partnerships •Jobs pledge 	<ul style="list-style-type: none"> •Student placements •Sponsorship activities •Graduate positions 	<ul style="list-style-type: none"> •Paid placements •Women returners •Refugees etc. •Work trials •Unemployed •Career changers 	<ul style="list-style-type: none"> •Job Shadowing •Site tours 	<ul style="list-style-type: none"> •Career Changers •NVQ training •Leadership development •Skills for Life 	<ul style="list-style-type: none"> •NVQ training •Leadership development •Skills for Life •Basic Skills •ESOL Training •Skills Pledge 	<ul style="list-style-type: none"> •Schools Visits •Ambassador Programmes •Educational packs/ material •U14-19 work placements •Schools Academies •School placements •School grants/ endowments
Funding		✓	✓		✓		✓	✓	



SLNT – An Example



The above example covers construction/ manufacturing and demonstrates meeting the 12 SLNT requirements required for the contract and meeting the 50% of deliverables within TfL Priority areas

TfL – Supplier Skills Managers (SSM)



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- The role of the SSM's is to assist TfL suppliers gain funding and support from available employment and skills programmes;
- The positions are embedded within TfL and funded by the LDA;
- The SSM will work with TfL's Supply Chain to understand the suppliers' requirements in terms of SLNT and help them deliver;
- The SSM will help co-ordinate the various agencies and organisations (including Sector Skills councils, LSC, LDA etc) that offer skills or employment funding, into one integrated programme;
- The SSM will co-ordinate and monitor the TfL Supply Chain to ensure SLNT Requirements are being met.



Conclusions and Lessons

- Crucial to involve the project teams and supply chain at the earliest possible opportunity;
- Ensure integration of effort both internally and externally
 - SLNT forms part of the SRM, Account Management, Performance Management systems and processes within TfL
 - Align best practice internal skills activity with best practice activity within the Supply chain (i.e. Learn off each other)
 - Internal/ external communications a key
 - Use the TfL work programme to help obtain / develop required support and funding from skills and employment programmes and agencies;
- Work proactively with suppliers to develop joint programmes – don't just rely on the contractual clauses
- Importance of the Supplier Skills Team to ensure engagement from Suppliers
- Major contracts with SLNT in them include:-
 - Cycle Hire Contract (~ £120 million)
 - Engineering and Project Management Framework (~ £500 million)
 - LUL/ Metronet Total Purchased Service Contract (~ £750 million)

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