

Meeting: Remuneration Committee

Date: Wednesday 6 July 2022

Time: 10:00am

**Place: Conference Rooms 1 and 2,
Ground Floor, Palestra, 197
Blackfriars Road, London, SE1
8NJ**

Members

Kay Carberry CBE (Chair)
Peter Strachan (Vice-Chair)

Seb Dance
Dr Nelson Ogunshakin OBE

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public and webcast live on [TfL YouTube channel](#), except for where exempt information is being discussed as noted on the agenda.

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Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat; telephone: 020 7983 4913 email: ShamusKenny@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Tuesday 28 June 2022

**Agenda
Remuneration Committee
Wednesday 6 July 2022**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

**3 Minutes of the Meeting of the Committee held on 10 November 2021
(Pages 1 - 4)**

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 10 November 2021 and authorise the Chair to sign them.

**4 Matters Arising, Actions List and Use of Delegated Authority
(Pages 5 - 14)**

General Counsel

The Committee is asked to note the updated actions list and the use of Chair's Action.

5 2021-22 Scorecards (Pages 15 - 20)

Commissioner

The Committee is asked to note the delivery against scorecards for 2021-22.

6 Executive Committee Remuneration Benchmarking (Pages 21 - 48)

Chief People Officer

The Committee is asked to note the paper and the observations on the market position for TfL executive roles identified within the report and provide direction on the Committee's executive remuneration benchmarking requirements for 2023.

7 Performance Reviews 2021/22 (Pages 49 - 54)

Commissioner

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda on the individual performance commentary for the Commissioner, Chief Officers and staff specified under the Committee's Terms of Reference.

Under the revised performance awards schemes for 2021/22 and 2022/23, TfL must achieve financial sustainability by April 2023 and run its operations free of extraordinary Government funding for revenue support to trigger payment of any awards from the schemes.

8 Members' Suggestions for Future Discussion Items (Pages 55 - 58)

General Counsel

The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.

9 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

10 Date of Next Meeting

Wednesday 9 November 2022 at 10am.

11 Exclusion of Press and Public

The Committee is recommended to agree to exclude the press and public from the meeting, in accordance with paragraphs 1, 3 and 5 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

Agenda Part 2

Papers containing supplemental confidential or exempt information not included in the related item on Part 1 of the agenda.

12 Performance Reviews 2021/22 (Pages 59 - 84)

Exempt supplementary information relating to the item on Part 1 of the agenda.

Transport for London

Minutes of the Remuneration Committee

**Conference Room 1, Palestra, 197 Blackfriars Road, London SE1 8NJ
10.00am, Wednesday 10 November 2021**

Members

Ben Story (Chair)
Kay Carberry CBE (Vice-Chair)
Heidi Alexander

Executive Committee

Andy Byford	Commissioner
Howard Carter	General Counsel
Marcia Williams	Director of Diversity, Inclusion and Talent
Tricia Wright	Chief People Officer

Staff

Stephen Field	Director of Compensation and Benefits
Shamus Kenny	Head of Secretariat

23/11/21 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting. The meeting was also being webcast live to TfL's YouTube channel to ensure the public and press could observe the proceedings and decision making.

The Chair welcomed Marcia Williams, the new Director of Diversity, Inclusion and Talent, to her first meeting of the Committee.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. There were no specific issues raised at the meeting.

24/11/21 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no other interests to declare that related specifically to items on the agenda.

25/11/21 Minutes of the Meeting of the Committee held on 7 July 2021

The Chair, following consultation with the Committee, approved the minutes of the meeting held on 7 July 2021 as a correct record.

26/11/21 Matters Arising, Actions List and Use of Delegated Authority

The Committee noted that there had been seven uses of Chair's Action since the last meeting. Five were in relation to approving salaries of £100,000 or more, one for an exit payment and one in relation to approving the implementation of Senior Management Performance Award Scheme arrangements for 2021/22 and 2022/23, in accordance with the design outlined in the paper, which had been published.

The Committee noted the updated Actions List and use of delegated authority.

27/11/21 Approach to Strategic Workforce Planning

Tricia Wright introduced the item, which updated the Committee on the proposed methodology for strategic workforce planning, short and medium-term risks to TfL's ability to recruit and retain key skills and the mitigating actions being put in place to ensure TfL could effectively plan its resourcing strategy.

TfL was facing several challenges to its ability to attract and retain the skills and expertise required to deliver its business priorities. These had been heightened in the last 18 months due to the impact of the pandemic, financial constraints and greater competition for skilled staff from organisations that were able to offer substantial increases in remuneration. TfL had implemented solutions to address immediate challenges and had put in place infrastructure to provide data for a longer-term strategic workforce plan.

The Committee discussed and welcomed the approach to strategic workforce planning and the actions currently being taken to mitigate risks. These actions focussed on succession planning and identification of critical roles, the graduate and apprentice pipeline, managing talent and reward. The actions sought to ensure an agile and diverse workforce and to reduce pay gaps. Members recommended that the consideration of critical roles include a review of TfL's buy-in model for key technology and data roles using non-permanent labour, to see if this was better provided in-house.

Members requested papers on the approach to succession planning and reward, given TfL's financial constraints, for a future meeting. **[Action: Tricia Wright]**

The Committee noted the paper.

28/11/21 Pay Gap Analysis

Tricia Wright and Marcia Williams introduced the paper, which provided an update on the 2020 Gender and Ethnicity Pay Gap reports and the work taking place to reduce the gaps, including the development of a four-year Pay Gap Action Plan.

The 2020 Gender Pay Gap report showed a reduction in the median pay gap, from 19.5 per cent to 18.8 per cent. The mean pay gap also reduced from 9.7 per cent to 9.4 per cent. The 2020 Ethnicity Pay Gap report showed an increase in the median pay gap, from 9.2 per cent to 9.6 per cent. The mean pay gap also increased from 11.4 per cent to 12.1 per cent.

The Committee discussed the reasons for the results, which included an older operational workforce and the different pay structures for TfL, where pay was frozen, and London Underground where a multi-year pay agreement was in place. These made quick changes to address pay gaps difficult.

The Committee discussed the initiatives to reduce pay gaps including equality objectives, scorecard and dashboards, recruitment activity, mentoring, equality impact assessments and graduate and apprenticeship schemes. It welcomed the new four-year Pay Gap Action Plan, which would cover three key areas: Governance and data; policies, systems and processes; and leadership, culture and behaviour. The Action Plan would be developed in discussion with TfL's Staff Network Groups and trade unions and be underpinned by local diversity and inclusion plans. Consideration would also be given to how TfL could encourage its supply chain to reduce pay gaps and increase diversity.

The Committee noted the paper.

29/11/21 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item. No further suggestions were made, in addition to the request for a further paper on reward and succession planning above.

The Committee noted the forward plan.

30/11/21 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

31/11/21 Date of Next Meeting

The next scheduled meeting of the Committee was Thursday 3 March 2022 at 10am.

The meeting closed at 11.14am.

Chair: _____

Date: _____

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Remuneration Committee



Date: 6 July 2022

Item: **Matters Arising, Actions List and Use of Delegated Authority**

This paper will be considered in public

1 Summary

- 1.1 This paper provides information on any use of Chair's Action and the progress against actions agreed at previous meetings (Appendix 1).
- 1.2 There have been 12 uses of Chair's Action since the last meeting of the Committee on 10 November 2021; 11 in relation to the approval of salaries of £100,000 or more and one in relation to an exit payment.

2 Recommendation

- 2.1 **The Committee is asked to note the updated Actions List and the use of Chair's Action.**

3 Use of Delegated Authority

Salaries of £100,000 or more

- 3.1 The Terms of Reference for the Committee required it to approve salaries of £100,000 or more. A business case justification is provided to the Committee for each role.
- 3.2 Under TfL's ongoing Transformation programme the overall number of senior roles are being reduced and cost savings achieved. Following consultation with members of the Committee, the Chair approved salaries of £100,000 or more for the roles set out in Appendix 2.

Exit Payment

- 3.3 The Terms of Reference for the Committee include oversight of any proposed exit payment outside of standard redundancy terms that exceeds £100,000 (excluding notice periods, which are contractual) irrespective of the grade and/or salary of the employee.
- 3.4 Following consultation with Members on 29 December, on 31 December 2021 the Chair of the Committee approved the proposed redundancy terms including an exit payment for the Managing Director, Customer, Communications and Technology.

List of appendices to this report:

Appendix 1: Actions List

Appendix 2: Use of Chair's Action to approve salaries of £100,000 or more

List of Background Papers:

Minutes of previous meetings of the Committee

Chair's Action papers issued on 9, 20, 22, 29 December 2021, 21 and 31 January, 4 March, 11 April, 3 May, 8 and 13 June 2022 (all exempt from publication)

Contact Officer: Howard Carter, General Counsel

Email: HowardCarter@tfl.gov.uk

Remuneration Committee Actions List (reported to the meeting on 6 July 2022)

Actions arising from previous meetings

Minute No.	Description	Action By	Target Date	Status note
17/11/21	Approach to Strategic Workforce Planning Members requested papers on the approach to succession planning and reward, given TfL's financial constraints, for a future meeting.	Tricia Wright	March 2022	Members received an update in March 2022 and a paper will be submitted to a future meeting.
14/06/19	Pay Gap Analysis Update: Diversity of Train Drivers TfL would continue to review how it could further increase the diversity of its drivers, including reviewing the recommendations from the ASLEF report. A comprehensive status update would be provided to a future meeting.	Tricia Wright	November 2022	Work was undertaken on the recruitment / application process and a note will be provided on the outcome of those changes.

Use of Chair's Action to approve salaries of £100,000 or more

Request 9 December, approved 10 December 2021

- 1) Supply Chain Director x2.

Request 20 December, approved 22 December 2021

- 2) Senior Occupational Health Advisor; and
- 3) Senior Software Developer.

Request 22 December, approved 23 December 2021

- 4) Senior Commercial Manager; and
- 5) Senior Software Developer (CRM) x2.

Request 29 December, approved 31 December 2021 in relation to the Commissioner's new Executive Leadership team from 1 February 2022

- 6) Chief Operating Officer;
- 7) Chief Strategy and Customer Officer;
- 8) Chief Capital Officer;
- 9) Chief Safety and Environment Officer;
- 10) Director of Communications and Corporate Affairs;
- 11) adjustments to performance awards for two members of the Leadership team;
- 12) introduction of a new retention scheme for the members of the new Leadership team.

Requested 21 January, approved 24 January 2022

- 13) Interim Chief Finance Officer.

Requested and approved 31 January 2022

- 14) Finance Director – Surface;
- 15) Commissioner for Walking & Cycling;
- 16) Head of Change Portfolio Office;
- 17) ERP Transformation Programme roles x3;
 - a. Head of ERP Change Delivery;

- b. ERP Senior Data Architect; and
- c. ERP Senior Enterprise Architect;
- 18) Head of Project Management;
- 19) Head of Business Planning, Strategy and Development Appraisal;
- 20) Head of Finance – Commercial Development;
- 21) Interim Deputy Chief Procurement Officer;
- 22) Head of Procurement – Indirects;
- 23) Head of Finance Improvement Programme;
- 24) Head of Procurement – Improvement Programme;
- 25) Improvement Programme Lead x3;
- 26) AMIS Senior Programme Manager; and
- 27) Senior Treasury Accounting Manager.

Requested 4 March 2022, approved 10 March 2022

- 28) Senior Financial Reporting Manager (New Standards);
- 29) Project Manager;
- 30) Project Manager;
- 31) Senior Developer (Maximo);
- 32) Senior Developer (Maximo);
- 33) Senior Project Manager;
- 34) Senior Solution Architect;
- 35) Senior Solution Architect;
- 36) Lead Business Intelligence Architect;
- 37) Senior Product Owner;
- 38) Senior Product Owner;
- 39) Senior Product Owner (SPO);
- 40) Senior Project Manager;
- 41) Senior Project Manager;
- 42) Senior Project Manager;

- 43) Senior Software Developer (DevOps Team Lead);
- 44) Senior Software Developer (DevOps Team Lead);
- 45) Senior Software Developer (Mobile) Safe Track Access;
- 46) Senior Software Developer (iOS);
- 47) Senior Software Developer (DevOps Engineer);
- 48) Senior Software Developer (Android);
- 49) Senior Software Developer (iOS);
- 50) Senior Solution Architect; and
- 51) Senior Solution Architect (iBus2).

Requested 11 April 2022, approved 13 April 2022

- 52) Chief Finance Officer;
- 53) Head of Finance x3;
- 54) SharePoint Development Consultant;
- 55) Head of TfL Portfolio;
- 56) OH Staff Doctor;
- 57) Head of Financial Planning & Analysis;
- 58) Head of Transformation Portfolio (Payments); and
- 59) Improvement Programme Lead x3.

Requested 3 May 2022, approved 5 May 2022

- 60) Engineer - Civil;
- 61) Lead BI Architect;
- 62) OLE (Over Line Electrification) Engineer;
- 63) Scrum Master (Agile);
- 64) Senior Developer x5;
- 65) Senior Finance Business Partner;
- 66) Senior OH Advisor;
- 67) Senior Product Owner Master (SPO);
- 68) Senior Product Owner (Oyster Online);

- 69) Senior Product Owner (TfL Go);
- 70) Senior Software Developer (.Net);
- 71) Senior Solution Architect;
- 72) Senior Solution Architect;
- 73) Senior Technical Accounting Manager;
- 74) Senior Test Analyst;
- 75) Technical Delivery Lead;
- 76) Technical Delivery Manager; and
- 77) Head of Engineering.

Requested 8 June 2022, approved 9 June 2022

- 78) Business Intelligence (BI) Architect;
- 79) Data & Analytics Senior Developer x3;
- 80) Development Stream Lead;
- 81) Programme Manager;
- 82) Project Manager x3;
- 83) Senior Business Analyst x3;
- 84) Senior Data Architect;
- 85) Senior Data Visualisation Developer x2;
- 86) Senior Developers x12;
- 87) Senior Fares Analyst x2;
- 88) Senior Infrastructure Architect;
- 89) Senior Product Manager;
- 90) Senior Product Owner x4;
- 91) Senior Project Manager;
- 92) Senior Scrum Master x2;
- 93) Senior Solution Architect;
- 94) Senior Test Analyst x12;
- 95) Service Performance Manager;

- 96) Systems Assurance & Risk Manager;
- 97) Technical Delivery Expert;
- 98) Technical Delivery Manager;
- 99) Development Technical Lead x3;
- 100) Senior Developer x6;
- 101) Senior Product Owner x4;
- 102) Senior Scrum Master x3;
- 103) Data & Analytics Senior Developer x3;
- 104) Data & Analytics Senior Tester;
- 105) Development Stream Lead (Band 4);
- 106) Senior Data Architect;
- 107) Senior Data Visualisation Developer;
- 108) Senior Test Analyst x6;
- 109) Technical Delivery Manager;
- 110) Test Manager (Band 4); and
- 111) Senior Solution Architect.

Requested 13 June 2022, approved 15 June 2022

- 112) Director of Compensation & Benefits;
- 113) Head of Change x2, Head of HR x4;
- 114) Head of Business Programme x4;
- 115) Customer & Revenue Director;
- 116) Head of Financial Accounting & Tax – Perm;
- 117) Head of Financial Accounting & Tax – NPL;
- 118) Occupational Health Staff Doctor x3;
- 119) Engineer – Permanent Way;
- 120) Senior Engineer – Permanent Way;
- 121) Senior Solution Architect (Proteus);
- 122) Senior Solution Architect;

- 123) Senior Systems Accountant;
- 124) Senior Technical Accounting Manager;
- 125) Senior Test Analyst;
- 126) Technical Delivery Manager (Maximo) x3; and
- 127) Senior Finance Business Partner.

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Remuneration Committee

Date: 6 July 2022

Item: 2021-22 Scorecards



This paper will be considered in public

1 Summary

- 1.1 This paper provides the Committee with the business performance results as measured by the TfL and delivery business scorecards for the year ended 31 March 2022.

2 Recommendation

- 2.1 **The Committee is asked to note the delivery against scorecards for 2021-22.**

3 2021-22 scorecard outcomes

- 3.1 The table below summarises the 2021-22 scorecard results against the ambitious targets. A full breakdown is contained in Appendix 1.

Table 1: A summary of the 2021-22 scorecard outcomes

Scorecard	Actual Outcome %
Commercial Development	72.0
London Underground	76.8
Major Projects	64.3
Surface Transport	79.2
TfL	72.0

4 Assessing TfL's performance in 2021-22

- 4.1 The TfL Business Plan sets our long-term objectives driven by the Mayor's Transport Strategy whilst the Budget sets out our activity in 2021/22. The TfL scorecard whilst being ambitious and stretching captures the outcomes and milestones required over 2021/22 to deliver this.
- 4.2 The scorecards of our four delivery businesses captured how the TfL scorecard translated into what each individual business needed to achieve, focusing more on leading measures.
- 4.3 The assurance and approval of the TfL scorecard result is managed via the Audit and Assurance Committee based on an Assurance Review undertaken by TfL's Risk and Assurance Directorate.

4.4 The Audit and Assurance Committee's Assurance Review was completed on 27 May 2022 and the scorecard results were therefore deemed as being formally approved at that point.

List of appendices to this report:

Appendix 1: 2021/22 scorecards

List of Background Papers:

None

Contact Officer: Tricia Wright, Chief People Officer
Email: triciawright@tfl.gov.uk

Contact Officer: Stephen Field, Director of Compensation and Benefits
Email: stephenfield@tfl.gov.uk

TfL Scorecard

	Measure	Action Lead	Measured	Unit	Desired trajectory	Full year (pre-mitigation)					Full year (post mitigation)
						Full year	21/22 Target	21/22 Floor Target	Target weighting	Actual weighting	Weighting after mitigation
Safety	Roads KSIs per million journey stages	Gareth Powell	Periodic	# per m	L	0.32	0.43	0.45	10.0%	10.0%	10.0%
	Customer all injuries per million passenger journeys	Andy L/Gareth P	Periodic	# per m	L	2.77	2.54	2.65	5.0%	0.0%	0.0%
	Workforce - all injuries	Andy L/Gareth P	Periodic	#	L	1,397	1,791	2,090	5.0%	5.0%	5.0%
Operations	Reliability - Bus journey time	Gareth Powell	Periodic	%	L	31.9	32.9	33.5	5.0%	5.0%	5.0%
	LU - % trips operated (against LU schedule)	Andy Lord	Periodic	%	H	88.50%	91.0%	84.0%	5.0%	3.2%	5.0%
	Asset Condition: State of good repair	Gareth P/Andy L	Quarterly	%	H	77.00%	77.0%	75.0%	0.0%	0.0%	0.0%
	CO2 emissions from TfL Operations & Buildings	Lilli Matson	Annually	tonnes	L	832,000	915,000	950,000	2.5%	2.5%	2.5%
People	Total Engagement	Tricia Wright	Viewpoint	%pts	H	61%	62%	57%	10.0%	7.4%	7.4%
	Inclusion Index	TBC	Viewpoint	%pts	H	51%	54%	52%	5.0%	0.0%	0.0%
	Wellbeing Index	TBC	Viewpoint	%pts	H	57%	59%	57%	5.0%	1.0%	1.0%
Finance	Closing cash balance	Simon Kilonback	Periodic	£m	H	£1,287m	£1,200m	£1,200m	10.0%	10.0%	10.0%
	Total OPEX cost	Simon Kilonback	Periodic	£m	L	(£6,478m)	(£6,931m)	(£6,931m)	5.0%	5.0%	5.0%
	Total CAPEX cost (Incl Renewals)	Simon Kilonback	Periodic	£m	L	(£1,368m)	(£1,735m)	(£1,683m)	5.0%	0.0%	0.0%
Customer	TfL Cares about its customers	Vernon Everitt	Periodic	%	H	57%	56%	53%	10.0%	10.0%	10.0%
	Passenger journeys (Tube, Bus, LO, Trams, DLR, TfL Rail, Cycle Hire), compared to pre-COVID (2018/19)	Gareth P/Andy L	Periodic	%	H	62%	67%	62%	5.0%	0.0%	1.0%
Delivery	Milestone delivery	Stuart Harvey	Periodic	%	H	81%	90%	75%	5.0%	1.9%	3.2%
	EL milestone - Trial Operations	Mark Wild	Annually	mmm/yy	L	Nov-21	Oct-21	Jan-22	2.5%	1.9%	1.9%
	Northern Line Extension - completion	Andy Lord	Annually	mmm/yy	L	Sep-21	Sep-21	Oct-21	2.5%	2.5%	2.5%
	ULEZ expansion - Start of operations	Gareth Powell	Annually	mmm/yy	L	Oct-21	Oct-21	Pass/Fail	2.5%	2.5%	2.5%
Total	Total								100.0%	67.9%	72.0%

London Underground (includes LU Engineering & Asset Strategy)						Full year (pre-mitigation)					
	Measure	Action Lead	Measured	Unit	Desired trajectory	Full year (pre-mitigation)	21/22 Target	21/22 Floor Target	Target weighting	Actual weighting	Weighting after mitigation
Safety	Colleagues - All Injuries (number)			No.		870 (809 LU & 61 TfL Rail)	≤1178	≤1304	15%	15%	15%
	Customers - All Injuries (per million pax journeys)			No.		3.69 (3.55 LU & 6.33 TfL Rail)	≤3.3	≤3.7	15%	7.5%	7.5%
Operations	LU % Service Operated - All Week			%		88.5%	90.8%	84%	7.5%	7.3%	7.5%
Customer	LU Cares #1 Driver Question - 'LU supports customers when things go wrong'			%		52%	52%	50%	7.5%	7.5%	7.5%
Delivery	Capital Milestone Delivery (%)			%		82.3%	90%	75%	7.5%	6.8%	6.8%
People	Viewpoint - Engagement with Management (%)			%		54%	59%	57%	7.5%	0%	0%
	Viewpoint - Total Engagement (%)			%		56%	59%	-	0%	0%	0%
	Workforce Representativeness Index (Band 3+ LU & TfL Engineering & Asset Strategy)			%		54.19%	53.94%	48%	7.5%	7.5%	7.5%
	Absence (%)			%		9.2%	9%	14%	10%	5%	10%
Finance	Opex vs. Budget (£m)			£m		-1996	-2112	-	15%	15%	15%
	Capex vs. Budget (£m)			£m		-354	-418	Up to 3% under (406)	7.5%	0%	0%
Total	Total								100%	72%	77%

Surface						Full year (pre-mitigation)					
	Measure	Action Lead	Measured	Unit	Desired trajectory	Full year	21/22 Target	21/22 Floor Target	Target weighting	Actual weighting	Weighting after mitigation
Safety	Roads KSIs per million journey stages					0.32	0.45	0.47	5%	5.0%	5.0%
	Bus Involved KSIs per million journey stages					0.022	0.020	0.024	5%	2.1%	2.1%
	Customers - all injuries per million passenger journeys					2.35	2.23	2.29	4%	0.0%	0.0%
	Workforce - all injuries					479	474	667	6%	5.8%	5.8%
Operations	Reliability - Bus Journey Time					31.9	32.9	33.5	8%	8.0%	8.0%
	London Overground - Time to 3					94%	91%	91%	6%	6.0%	6.0%
	Roads Disruption					-2.0%	9%	12%	6%	6.0%	6.0%
Customer	Bus Care (score)					53%	49%	48%	5%	5.0%	5.0%
	Passenger journeys (Bus, LO, Trams, DLR, Cycle Hire), compared to pre-COVID (2018/19)					66%	69%	63%	5%	2.5%	2.9%
	Time Saved for Pedestrians, Cyclists & Bus Passengers at Traffic Lights					12,593	11,500	10,000	5%	5.0%	5.0%
Delivery	Surface milestone delivery - including ULEZ					85%	90%	75%	10%	6.5%	10.0%
People	Surface Total Engagement (score)					63%	64%	58%	6%	5.0%	5.0%
	Inclusion Index (score)					54%	55%	53%	4%	2.0%	2.0%
	Wellbeing Index (score)					60%	60%	58%	4%	4.0%	4.0%
	People Delivery Milestones					81%	90%	75%	6%	2.4%	2.4%
Finance	Surface Gross Operating Expenditure £m					- 3,323	- 3,354	- 3,354	10%	10.0%	10.0%
	Surface Capital Expenditure £m					- 285	- 361	- 350	5%	0.0%	0.0%
Total									100.0%	75.3%	79.2%

Commercial Development						Full year (pre-mitigation)					
	Measure	Action Lead	Measured	Unit	Desired trajectory	Full year	21/22 Target	21/22 Floor Target	Target weighting	Actual weighting	Weighting after mitigation
Finance	Net operating surplus - property		£20.9m			£13.2m	£13.2m	£13.2m	5%	5%	5%
	Net operating surplus - Estates		-£79.7m			-£85.3m	-£85.3m	-£85.3m	5%	5%	5%
	Net capital		£109.1m			£76.5m	£58.3m	£58.3m	10%	10%	10%
	Property operating margin (%)		49.6%			47.9%	47.9%	47.9%	5%	5%	5%
Operations	% Affordable Start on Sites		51.0%			50.0%	50.0%	50.0%	5%	5%	5%
	Cumulative no. of Start on Sites of Homes (by March 2022)		2034			2000	1800	1800	5%	5%	5%
	GRESB – Property Development		97% - 5 Star Retained			Retain 5 Star Rating	Retain 5 Star Rating	Retain 5 Star Rating	3%	3%	3%
	Urban Green Factor		0.4			0.5	0.3	0.3	3%	2%	2%
Safety	Lifecycle Carbon Emissions (% reduction – PD Only)		52%			50%	45%	45%	4%	4%	4%
	Documentary evidence complete for statutory testing undertaken by TfL - TfL Head Office		99%			100%	98%	98%	5%	3%	5%
	Documentary evidence complete for statutory testing undertaken by TfL - TfL managed commercial		91%			100%	98%	98%	5%	0%	0%
Customer	Lost work time due to injury, sickness or mental health (hours), as a %		1.70%			2%	2%	2%	5%	5%	5%
	Total number of Killed or Seriously Injured (KSI)		0			0	0	0	5%	5%	5%
Customer	Overall Customer Satisfaction		62%			72%	60%	60%	15%	4%	4%
People	All Staff Diversity Index		71			72	69	69	5%	4%	4%
	Total Engagement		61%			68%	66%	66%	10%	0%	0%
	GLA Diversity Measure		Complete all actions			Complete all actions	Complete all actions	Complete all actions	5%	5%	5%
Total									100.0%	70.0%	72.0%

MPD						Full year (pre-mitigation)					
	Measure	Action Lead	Measured	Unit	Desired trajectory	Full year	21/22 Target	21/22 Floor Target	Target weighting	Forecast weighting	Weighting after mitigation
Safety	Workforce injuries		51.0			88.0	100.0	100.0	5.0%	5.0%	5.0%
	RIDDOR Accident Frequency Rate		0.11			0.12	0.15	0.15	5.0%	4.0%	4.0%
	Lost Time Injury Frequency rate - (LTI's per 100,000 hours MAT)		0.18			0.20	0.25	0.25	5.0%	5.0%	5.0%
	Incident close-out rate (within 4 weeks)		84.0			85.0	80%	80%	5.0%	4.0%	4.0%
	Waste recycling		94%			100%	90%	90%	5.0%	2.0%	2.0%
Delivery	Strategic milestones – Tier 1		82.6			90.0	75%	75%	12.5%	6.7%	6.7%
	Strategic milestones – Tier 2		79.8			90.0	75%	75%	12.5%	4.2%	4.2%
People	Inclusion index		66.0			66.0	52%	52%	7.5%	7.5%	7.5%
	Wellbeing index		69.0			68.0	57%	57%	10.0%	10.0%	10.0%
	Engagement index		72.0			71.0	57%	57%	7.5%	7.5%	7.5%
Finance	IP Capex spend vs Budget - within 3%		557.5			582.0	97.0%	97.0%	15.0%	0.0%	0.0%
	Other Opex spend vs Budget		7.4			7.4	7.4	7.4	5.0%	5.0%	5.0%
	Cash forecast accuracy		88%			96%	91%	91%	5.0%	0.0%	3.4%
Total									100.0%	60.9%	64.3%

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Remuneration Committee

Date: 6 July 2022



Item: Executive Committee Remuneration Benchmarking

This paper will be considered in public

1 Purpose

- 1.1 This paper is intended to inform the Committee on the remuneration benchmarking undertaken for TfL's executive roles ahead of the recent reorganisation of the Executive Committee that became effective on 1 February 2022.
- 1.2 The paper contains the remuneration consultant's report appended in full along with an overview of the methodology used and a summary of the key observations from this exercise.
- 1.3 With the contract for executive remuneration benchmarking now expired the Committee are asked to give thought to their requirements for the future as part of an intended new contract that the TfL Reward team will shortly commence procurement for.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and:**
 - (a) **note the previous (November 2021) benchmarking report (Appendix 1) and the methodology used to produce the benchmark information;**
 - (b) **note the observations on the market position for TfL executive roles identified within the report; and**
 - (c) **provide direction on the Committee's executive remuneration benchmarking requirements for 2023.**

3 Background – Benchmarking report

- 3.1 Since 2015, TfL Reward has had in place a contract for the commissioning of an annual Remuneration Benchmarking report for the roles under the Committee's Terms of Reference from executive remuneration consultants Aon consulting group.
- 3.2 The purpose of the report is to provide a snapshot of how remuneration for executive roles in TfL compares with the external market.
- 3.3 The report surveys remuneration under the following categories:
 - (a) Base Salary;
 - (b) Total Cash (base salary + on-target bonus);

- (c) Total Direct Compensation (base salary + on-target bonus + expected value of Long Term Incentive (LTI) awards); and
 - (d) Total Target Remuneration (base salary + benefits + pension + on-target bonus + expected value of LTI awards).
- 3.4 Defining the market, i.e. the 'peer group' of businesses and organisations that are appropriate to compare against is critical in formulating the report, as it has a significant impact on the benchmarking results that are derived.
- 3.5 Previous Remuneration Committees have invested time in considering this issue in detail to ensure that the most appropriate comparators for TfL are identified. A previous review of our peer groups led to the current situation where two groups of comparators are surveyed; one for publicly accountable organisations and one consisting of listed companies. This reflects TfL's status as a public sector body as well as the fact that we both hire from and lose a significant amount of our executive talent to private sector businesses. Utilised together it was considered that the two separate benchmarks provide a rounded view of the external market that was most beneficial for pay setting decision making.
- 3.6 The information in the report is derived from a combination of an Executive Total Rewards Survey ('ETRS') that Aon operated along with bespoke desktop research into company remuneration data.
- 3.7 The benchmarking report for the Executive Committee was last produced in full in November 2021 (see Appendix 1).

4 Peer groups and the method for generating comparable data

- 4.1 The report surveyed the market from the perspective of two separate peer groups.
- 4.2 The ETRS Peer Group comprised 182 organisations focusing on sectors such as transportation, infrastructure and engineering, and excluding less-relevant sectors such as financial services. This resulted in a broadly analogous peer group which represented a cross section of the UK, with a focus on organisations with a similar focus to TfL (see pages 17 and 18 in the appended report).
- 4.3 The Publicly Accountable Group (PAG) comprised of a range of UK organisations with some degree of public accountability and, in most cases, a focus on infrastructure and transportation.

2021 Publicly A Company	ccountable Group Revenue (£m)	No. of employees
Anglian Water	£1,351.8	4,882
BBC	£5,064.0	22,219
British Council	£1,289.0	11,523
Civil Aviation Authority	£128.0	1,208
High Speed Two Ltd	-	1,479
Highways England	-	5,810
Manchester Airport Group	£178.6	5,495
NATS	£823.0	4,227
Network Rail	£9,618.0	44,356
Nuclear Decommissioning Authority	-	14,943
Post Office	£951.0	4,027
Severn Trent	£1,827.2	7,033
Thames Water	£2,106.7	6,525
United Utilities Group	£1,808.0	5,354

- 4.4 Aon also produced a separate benchmarking report for TfL director roles in May 2021 that are not under the Committee's Terms of Reference. This report is used by the Commissioner and Chief Officers to understand the relative positioning of pay of their direct reports. The information in this report is derived using the same ETRS peer group above.

5 Report format

- 5.1 The report, as set out in Appendix 1, provides relevant data from the peer groups discussed above along with supporting commentary on the state of the market and key trends in executive compensation in both the private and public sector environments.
- 5.2 The report's appendices contain detailed tables for each TfL role surveyed outlining the relative position of the current incumbent compared to the market under each of the four remuneration categories (base pay through to Total Target Remuneration). Comp ratios show the specific position in percentage terms against the market quartiles and the median position.

6 Interpreting the benchmarking data

- 6.1 Caveats for interpreting benchmarking data are included on page 9 of the appended report and should be noted. These include other factors beyond market benchmarking that are relevant in pay setting decisions. Furthermore, a 'market median range' (typically set at +/- 15 per cent of the median salary level) is considered as being representative of a mid-market position rather than using the single median salary itself. Market data therefore provides a useful 'snapshot' of information that can help guide decisions on pay setting but no single salary amount e.g. such as the actual median (if that is determined as the market position most relevant) should be automatically interpreted as being the 'correct' positioning.

7 Observations on benchmarking results from November 2021

- 7.1 The graph in Appendix 2 shows the comparison ratios for Executive Committee roles against the Aon assessed market medians for Salary and Total Target

Remuneration. The graph provides a useful snapshot for individual roles detailing their 'compa-ratio' showing both the Private Sector (ETRS) comparison as well as that for the Publicly Accountable Group (PAG). The graph also provides a useful means to compare the relative positioning of roles internally across the Executive Committee.

- 7.2 From this it is evident that Salary is typically between only the 60th and 80th percentile against the ETRS comparison whilst comparing more favourably against the PAG, but still typically only between the 70th percentile and Median. Overall, this shows a relatively low positioning for our Executive Committee roles against external market salary levels which can compromise both attraction and retention of talent in these critical roles.
- 7.3 The comparison of Total Target Remuneration is unsurprisingly even less favourable than salary against the ETRS data. In the private sector, as well as higher salaries, roles at this level also receive higher levels of variable pay in the form of annual bonuses (Short Term Incentives – STI) as well as typically arrangements for Long Term Incentives. TfL's short-term equivalent, its annual performance award scheme, generally does not deliver a percentage of salary equivalent to market based STI arrangements and there are no Long-Term Incentive (LTI) arrangements in TfL. Therefore, the compa-ratio for Executive Committee roles on Total Target Remuneration is typically between only the 40th and 60th percentile.
- 7.4 Against the PAG data the Total Target Remuneration for TfL Executive Committee roles is as expected stronger than the comparison with the ETRS but still typically only between the 60th and 80th percentile.
- 7.5 This pattern of relativity is similar across all TfL senior management roles, from Payband 4 through to Director level although more marked at the highest levels.

8 Future Executive Benchmarking Requirements

- 8.1 Our previous executive remuneration benchmarking contract with Aon has now expired. To produce similar consultant sourced benchmarking in the future, TfL will first need to undertake a competitive procurement process to contract with an appropriate supplier. The lead time for this activity is typically between six and nine months. We therefore plan to commence this process shortly to be able to supply refreshed benchmarking data next spring, in line with our usual cycle for this activity.
- 8.2 As part of the procurement process a specification is produced that sets out our requirements for the data and report we are seeking. It would therefore be helpful to have the Committee's view on the previous reports regarding their usefulness and whether there are any amendments to the previous approach or changes that the Committee would find beneficial in future benchmarking reports. These can then be included in the specification that we procure against.

List of appendices to this report:

Appendix 1: Remuneration Benchmarking Report Executive Committee, November 2021

Appendix 2: Graph showing comparison ratios of Executive Committee roles to market median base pay and Total Target Remuneration

List of Background Papers:

None

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Executive Committee Remuneration Benchmark

Transport for London

16 November 2021

Introduction

- Aon has been retained to benchmark the remuneration of the new Executive Committee structure of Transport for London (“TfL”).
- The last benchmarking exercise was carried out in May 2021 and the same approach has been adopted for this review. To note: participation in Aon's Executive Total Reward survey in 2020 was impacted by COVID-19 – as such, a number of companies in Executive Total Rewards Survey (“ETRS”) Peer Group did not submit data for 2020. For this year’s exercise, it was agreed at a meeting between Aon and TfL on 8th February 2021 to proceed with the following approach:
 - include 2020 data for peers¹ where we hold updated data for 2020;
 - include 2019 data for peers¹ where we hold data and age the data by an appropriate factor²; and
 - include additional peers¹ from current ETRS participants approved by TfL.
- Each role has been benchmarked against their respective counterparts at comparator organisations, with the scope of each role matched on a like-for-like basis using Aon’s JobLink system, in turn based on the Hay job evaluation outcomes provided to us by TfL.

1. See Appendix A for detail of both peer groups

2. See Appendix B for the aging factor methodology detail



Page 28

Benchmarking methodology

Executive Total Rewards Survey (ETRS) group

- We understand benchmarking below Director level is currently undertaken against a peer group defined by TfL, based on data provided by Willis Towers Watson, representing organisations and subsidiaries based on their size, complexity and relevance.
- In order to provide consistency with the approach adopted for the wider workforce, Aon has agreed with TfL to use the same Executive Total Rewards Survey (ETRS) Peer Group as the previous benchmarking assessment in 2020, with the addition of four further companies approved by TfL. This group forms the primary benchmark for each role under review.
- The ETRS Peer Group comprises 182 organisations – around half of these are also constituents of the WTW group, with the remainder previously selected from Aon’s survey database on the same basis – i.e. focusing on sectors such as transportation, infrastructure and engineering, and excluding less-relevant sectors such as financial services.
 - This results in a broadly analogous peer group which represents a cross section of the UK, with a focus on organisations with a similar focus to TfL.
- A full list of organisations included in the ETRS Peer Group is set out in Appendix A.

Page 29

Comparison with previous exercises

- In the 2020 review, TfL’s Managing Directors and Directors were benchmarked against a broad ETRS Peer Group of c.173 organisations, selected using the method described above. As the constituents in Aon’s survey database vary every year, 104 companies did not submit data in the latest edition of the survey. In the interest of keeping the group roughly the same size as last year’s and to provide robust year-on-year results, we have agreed with TfL to age the data for these peers, while adding four additional comparators from our database having considered their sector, size and number of employees against the group. We were also able to match data for an additional five companies from the revised 2019 WTW group.
- Overall, the ETRS Peer Group used for this report is ~95% the same as last year’s in terms of its constituents.¹
- We believe that this provides for robust and consistent outcomes for the benchmarked population, and is a good reflection of the TfL talent market. However, due to the new constituents of the group and broader data variation, results do not reflect a ‘like-for-like’ increase on remuneration to last year; rather, these should be viewed as a snapshot of the current market.

1. Refer to Appendix B for details on the aging methodology

Publicly-accountable organisations

- Executive pay in publicly-accountable organisations (such as TfL) may be subject to a higher level of scrutiny and restraint than the broader market, and as such we have also provided data for a second comparator group, the Publicly-Accountable Group, which comprises a range of UK organisations with some degree of public accountability and, in most cases, a focus on infrastructure and transportation.
- A list of organisations included in the Publicly-Accountable Group is set out in Appendix A.

Comparison with previous exercises

- This is in line with the approach adopted for the Managing Directors in previous benchmarking exercises.
- In 2019, as agreed with TfL and the Remuneration Committee, the group was expanded to include additional relevant peer companies to a total of 14 organisations. The inclusion of certain additional peer companies (such as the utility companies, which are typically more commercially-minded) resulted in an increase over previous benchmarks for some roles. As with the private sector data, this was thought to better represent TfL's talent market.
- For this benchmarking exercise, we have used the same peer companies as in 2020 and earlier in 2021. While the data reflects the change in remuneration for a number of data points in a 'like-for-like' manner, year-on year variation is still present due to specific incumbents leaving, new joiners, changes to remuneration plans, etc.
- A number of companies have published Report and Accounts since the exercise was carried out in May 2021 and we have updated the data to account for this. For a number of roles, this results in variation on the data presented earlier in the year.
- With fewer 'other' Board directors remuneration being reported year-on-year, the sample size for the 'other' Board directors at publicly-accountable organisations had decreased, resulting in year-on-year variation. This should be borne in mind when reviewing the findings.

Role matching

- In addition to job descriptions, Aon has been provided with the Hay job evaluation outcome for each role. This was mapped to Aon’s proprietary JobLink Level (“JLL”) scale based on our experience and understanding of both systems, and the organisational structure at TfL.
- JobLink Levels are assigned to market data on the basis of the scope and responsibilities of individual roles, as well as their seniority within their organisation and the scope of the organisation itself (typically with reference to group or divisional revenue). Role matching based on JobLink therefore ensures that a robust comparison can be made between each role at TfL and the market data.
- A summary of the roles, JLL and role match is set out below:

Role	TfL Band	Hay Outcome	JobLink Level	Role Match
Commissioner	MD	3856	13.1	Chief Executive Officer
Chief Strategy Officer	MD	2676	12.2	Head of Strategic/Business Development; and/or Chief Commercial Officer
Chief HR Officer	MD	2028	12.1	Chief HR Officer/Head of HR
General Counsel	MD	[1936]	12.1	Chief Legal Officer/Head of Legal/General Counsel
Chief Safety Health & Environment Officer	MD	1936	12.1	Head of Health, Safety and Environment
Chief Operating Officer	MD	2812	12.2	Chief Operating Officer; and/or Profit Centre Head
Chief Finance Officer	MD	2328	12.1	Chief Financial Officer/Head of Finance
Chief Capital Officer	MD	2328	12.1	Chief Commercial Officer; and/or Chief Engineering Officer/Head of Engineering; and/or Profit Centre Head
Director of Corporate Affairs	DIR	1418	11.2	Head of Corporate/Public Affairs

Role matching (cont.)

ETRS Peer Group

- Benchmark data for each role has been matched to roles at TfL on the basis of:
 - Job title/description – using the job descriptions provided we have mapped to roles at TfL to the most appropriate jobs within our survey, based on their responsibilities (although job titles may not match directly); and
 - JobLink Level – to ensure that only roles with similar levels of responsibility are included.
- The large size of the ETRS Peer Group allows us to include enough data points in each data cut to produce a robust benchmark for each role.

Publicly-Accountable Group

- Given the small number of organisations within this group, the availability of data remains limited, and as such we are not able to provide role-specific benchmarks for roles below Managing Director level. We have therefore presented data as follows:
 - CEO – matched to the CEO of each comparator company;
 - CFO – matched to CFO or FD of each comparator company;
 - Other Executive Committee members – matched to the average of all 'other' Board-level directors (other than CEO and CFO) at each comparator company.

Comparison of private and public sector data

- While we would expect a difference in pay levels between private and public sectors for all roles included in this review, in our experience the difference between the two is most pronounced at a senior level. Given the nature of TfL as a business, positioning remuneration somewhere between the two separate reference points may be appropriate for the roles benchmarked.

Valuation methodology and presentation of results

Approach to benchmarking

- We have reviewed the roles on a total remuneration basis. To reflect our standard approach, total remuneration has been assessed on the basis of 'on-target' pay rather than on the basis of actual amounts of pay awarded in the year, which can be volatile, as it reflects the performance of both the company and the individual.
- Total Target Remuneration comprises:
 - base salary;
 - value of pension and benefits;
 - on-target bonus; and
 - theoretical 'expected value' or target value of long-term incentives ("EV of LTIs").
- Further details of the methodology used to value each element can be found in Appendix C.

Page 33

Presentation of results

- We have shown quartile analysis of remuneration in total and for each constituent part. This approach provides an indication of how competitive each element of remuneration is in isolation as well as providing an overview of how competitive the total package is against the market.
- As quartile analysis is determined for each element independently, elements may not sum across (i.e. the median Total Target Remuneration may not equal the sum of its constituent parts).

Data sources

- The majority of data used in this exercise has been sourced from Aon's participatory Executive Total Reward Survey. Supplemental data for the Publicly-Accountable Group and other organisations, where publicly-disclosed, has been sourced from annual reports and accounts.

Interpretation of results

- It should be noted that benchmarking only provides a general guide to pay levels in broadly comparable roles. When assessing remuneration levels, in our view, it is also important to take account of a number of other factors, including, but not limited to:
 - the experience and performance of the individual;
 - the criticality of the individual to the success of the company;
 - pay and conditions throughout the company;
 - pay relativities across the population;
 - the impact of salary increases on the overall package (as bonus, long-term incentives and pension tend to be driven off base salary);
 - the size and complexity of the company;
 - company performance over the year of review; and
 - the wider economic climate.
- These factors should be taken into account when considering an individual's positioning against the market data as a below or above market positioning may be appropriate in some cases.
- In addition, as the median is simply a point in a set of data, we suggest that companies consider the 'market rate' to be a range around the median and not a single data point. In our view, roles within approximately 15% of a market median are usually considered as being in line with the market.

Page 34

Consideration of multiple benchmarks

- Where multiple peer groups are used, data may be utilised in a number of ways, including:
 - Combined peer group – include data for both peer groups in each benchmark.
 - Blended peer group – carry out separate benchmarks for each peer group, and present a single combined benchmark, with each peer group weighted separately.
 - Separate benchmarks – present benchmarks for each peer group separately.
- Of the above options, the third is thought to be the most appropriate, as it is the least complex and allows TfL to consider market positioning against each group separately. We have adopted this approach for the current view.



Page 35

Detailed benchmarking results

Commissioner and Chief Strategy Officer

Commissioner

Benchmarked against Chief Executive Officers

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£621	£438	75%	£1,118	£492	81%	£1,594	£14	£89	£1,667
	Median	£800	£611	75%	£1,400	£700	110%	£2,039	£16	£112	£2,229
	Upper quartile	£847	£744	93%	£1,565	£1,161	136%	£2,745	£25	£146	£2,860
Publicly-Accountable Group	Lower quartile	£400	£54	12%	£516	£0	0%	£560	£3	£0	£578
	Median	£515	£168	35%	£664	£0	0%	£681	£9	£60	£723
	Upper quartile	£623	£451	60%	£1,204	£232	40%	£1,528	£16	£80	£1,644

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Page 36

Chief Strategy Officer

Benchmarked against Heads of Strategic/Business Development, 'other' Board directors at publicly-accountable organisations

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£330	£169	50%	£480	£131	41%	£668	£5	£38	£732
	Median	£395	£205	60%	£603	£247	75%	£767	£11	£62	£889
	Upper quartile	£466	£349	72%	£855	£361	85%	£1,146	£14	£82	£1,207
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Chief HR Officer and General Counsel

Chief HR Officer

Benchmarked against Chief HR Officers/Heads of HR

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£280	£137	43%	£410	£87	44%	£525	£11	£38	£602
	Median	£341	£200	60%	£541	£183	55%	£694	£15	£51	£776
	Upper quartile	£402	£259	65%	£631	£278	70%	£952	£17	£62	£1,072
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

General Counsel

Benchmarked against General Counsels/Heads of Legal, 'other' Board directors at Publicly-accountable organisations

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£245	£133	50%	£391	£95	39%	£511	£10	£37	£562
	Median	£262	£182	65%	£450	£173	66%	£652	£12	£39	£706
	Upper quartile	£376	£287	73%	£683	£288	81%	£927	£14	£48	£983
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Chief Safety Health & Environment Officer and Chief Operating Officer

Chief Health, Safety & Environment Officer

Benchmarked against Heads of Health, Safety and Environment

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£220	£107	43%	£321	£68	44%	£412	£9	£30	£472
	Median	£267	£157	60%	£424	£144	55%	£544	£12	£40	£609
	Upper quartile	£315	£203	65%	£495	£218	70%	£747	£13	£48	£841
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Page 38

Chief Operating Officer

Benchmarked against Chief Operating Officer and Heads of Profit Centre, 'other' board directors at publicly-accountable organisations

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£341	£174	50%	£497	£136	41%	£691	£5	£39	£757
	Median	£409	£212	60%	£624	£256	75%	£793	£12	£64	£920
	Upper quartile	£482	£361	72%	£885	£373	85%	£1,185	£14	£84	£1,248
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Chief Finance Officer and Chief Capital Officer

Chief Finance Officer

Benchmarked against Chief Financial Officers/Heads of Finance

		Salary		On-Target Bonus		Total Cash Compensation		Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£383	£209	50%	£580	£207	55%	£808	£13	£50	£951		
	Median	£428	£313	63%	£770	£301	71%	£987	£16	£61	£1,133		
	Upper quartile	£521	£436	94%	£930	£458	92%	£1,348	£19	£81	£1,518		
Publicly-Accountable Group	Lower quartile	£264	£41	13%	£323	£0	0%	£410	£11	£35	£480		
	Median	£337	£109	39%	£413	£52	20%	£480	£14	£47	£552		
	Upper quartile	£402	£259	60%	£675	£286	72%	£946	£17	£59	£1,007		

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Page 39

Chief Capital Officer

Benchmarked against Chief Commercial Officer and Chief Engineering Officer/Head of Engineering and Profit Centre Head, 'other' Board directors at Publicly-accountable organisations

		Salary		On-Target Bonus		Total Cash Compensation		Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£314	£153	43%	£459	£98	44%	£589	£13	£43	£674		
	Median	£382	£224	60%	£606	£205	55%	£778	£17	£57	£870		
	Upper quartile	£450	£290	65%	£707	£312	70%	£1,067	£19	£69	£1,201		
Publicly-Accountable Group	Lower quartile	£290	£141	43%	£424	£90	44%	£544	£12	£39	£623		
	Median	£353	£207	60%	£560	£190	55%	£718	£15	£53	£803		
	Upper quartile	£416	£268	65%	£654	£288	70%	£985	£17	£64	£1,109		
Publicly-Accountable Group	Lower quartile	£212	£20	10%	£279	£0	0%	£279	£2	£21	£339		
	Median	£293	£67	32%	£371	£0	0%	£360	£13	£45	£445		
	Upper quartile	£371	£293	65%	£587	£289	70%	£876	£15	£72	£960		

Benchmarking notes:

Source: Aon's participatory Executive Total Reward Survey and Annual Reports & Accounts

Director of Corporate Affairs

Director of Corporate Affairs

Benchmarked against Head of Corporate/Public Affairs

		Salary	On-Target Bonus		Total Cash Compensation	Expected Value of LTIs		Total Direct Compensation	Benefits	Pension	Total Target Remuneration
		£000	£000	% of salary	£000	£000	% of salary	£000	£000	£000	£000
ETRS Peer Group	Lower quartile	£213	£80	40%	£308	£67	34%	£354	£9	£29	£390
	Median	£245	£127	50%	£372	£119	50%	£469	£13	£38	£519
	Upper quartile	£303	£189	65%	£468	£241	79%	£752	£16	£50	£805

Benchmarking notes:
Source: Aon's participatory Executive Total Reward Survey



Page 41

Appendices

ETRS Peer Group (1 of 2)

ETRS Peer Group

Peers for which we still hold data

AB Electrolux	Connect Group	J Sainsburys	Qualcomm
Accenture	Dassault Systemes	Johnson & Johnson Consumer	Rentokil Initial
Air Partner	Dell	Johnson & Johnson Medical	Rio Tinto
Amazon.Com	Dixons Carphone	Kier Group	Rolls-Royce Group
Amey	DS Smith	Land Securities Property Limited	Royal Mail
Anglian Water	Dyson	Lendlease	Schneider Electric
Anglo American	easyJet	Merlin Entertainments Limited	Shanghai Shenda
Applied Materials, Inc.	Equinor	Microsoft	Sky
Ardagh Group	FirstGroup	National Grid	Smith & Nephew
Associated British Foods	General Electric Company	NATS Limited	Sony Corporation
AstraZeneca	GlaxoSmithKline	Novartis	Takeda Pharmaceutical Company Limited
Babcock International Group	Grafton Group	Novo Nordisk	Tata Group
Bae Systems	GVC Holdings	Ocado Group	Thames Water Utilities
Balfour Beatty	Harley-Davidson, Inc.	Oracle	The Crown Estate Commissioners
BBA Aviation	Honeywell International Inc.	Parexel International	Thomas Cook Group
BP	Ibm	Pearson	Tokyo Electron Limited
Bristol-Myers Squibb	Ilex Corporation	Petrofac	William Hill
Capgemini	International Airlines Group	Pfizer Inc	Wm Morrison Supermarkets
Cisco Systems	ITV		

New additions from ETRS that have been approved by TfL

Cabinet Office	International Automotive Components	Johnson Matthey	Oshkosh Corporation
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ETRS Peer Group (2 of 2)

ETRS Peer Group

Peers for which we have aged data by 1.5%

ABBOTT LABS	Dwr Cymru Welsh Water	Johnson Controls	Siemens
Accor	E.ON	Jumeirah Group	SNC-Lavalin Group
Adecco Group	Ericsson	Kingfisher	Sodexo
Airtankers	Excel London	LafargeHolcim	Telefonica
Aman	Expedia	Leidos Holding Inc.	Telefonica Global Units
Astellas	F. Hoffman-La Roche	Low & Bonar Global	Texas Instruments
Atkins	Ferguson	LSL Property Services	Thales Us
BBC	Ferrovial SA	Mandarin Oriental Hotel Group	The British Land Company
BBC Studios	Flybe Group	Marks and Spencer Group	The Construction Industry Training Board
Boehringer Ingelheim	Forterra	McDonald's Corp	Thomson Reuters
Breedon Group	Four Seasons	Meggitt-Usa	Tullow Oil
Bunzl	Fujitsu	Merck Sharpe and Dohme	U And I Group
CALA Homes	Gardner Denver, Inc.	Mitchells & Butlers	UBER
Capital & Counties Properties	Hexcel	Motability Operations	UBM
Centrica	Hilton Worldwide	Newgistics	UCB
Coats Group	HITACHI	Nokia Oyj	United Utilities - Retail
Coca Cola	Homeserve	Nordson Corporation	United Utilities - Water Services
Compass Group	Huhtamäki	Northrop Grumman	United Utilities Group
Countryside Properties	ICF International	Oxford University Press	Uponor
Crest Nicholson	IHG	Post Office	Visteon
CSC	Imax	Rotork	Vodafone
Debenhams	Innogy npower	Royal Caribbean Cruises Ltd.	Vodafone Group
Derwent London	Intu Properties	Royal Dutch Shell	Wessex Water
Domo	Jaguar Land Rover	Schlumberger Limited	Wyndham Worldwide
Doncasters	JLL	Selfridges & Co	Yorkshire Water
Drax Group	John Lewis Partnership	Serco Group	ZF Group

Publicly Accountable Group

2021 Publicly A	ccountable Group	
Company	Revenue (£m)	No. of employees
Anglian Water	£1,351.8	4,882
BBC	£5,064.0	22,219
British Council	£1,289.0	11,523
Civil Aviation Authority	£128.0	1,208
High Speed Two Ltd	-	1,479
Highways England	-	5,810
Manchester Airport Group	£178.6	5,495
NATS	£823.0	4,227
Network Rail	£9,618.0	44,356
Nuclear Decommissioning Authority	-	14,943
Post Office	£951.0	4,027
Severn Trent	£1,827.2	7,033
Thames Water	£2,106.7	6,525
United Utilities Group	£1,808.0	5,354

Aging factor methodology

ETRS peer group

- In determining the appropriate aging factor, we have sourced data from Aon's 2020 Salary Increase and Turnover Study — Second Edition Refresh ("2020 Salary Report") and recent COVID pulse surveys.
- According to our 2020 Salary Report, the 2021 Merit Increase Budget for all industries in the UK was 2.7%.
- Our recent COVID pulse survey reported that 45% of UK companies in the relevant industries such as the energy (including mining, oil & gas, renewables and utilities), transportation and mobility industries are cancelling non-statutory base salary adjustments or merit increases for the current fiscal year.
- Based on these factors we have calculated a diluted salary increase by which to age the private sector data as follows: $(1 - 45\%) * 2.7\% = 1.5\%$.

Page 45

Publicly-accountable group

- According to the Commons Library Briefing Paper published in December 2020, the Chancellor announced that public sector pay would be "paused" for 2021/22, with exceptions for NHS staff and low paid workers in light of the ongoing economic impact of COVID.
- Therefore, for the public sector data where we have previously sourced from the ETRS but no longer hold updated data for (primarily for the "other directors" benchmark), we propose not to age the data.

Benchmarking methodology

Element	Method of calculation
Salary	Current salary data if disclosed, or salary paid in the prior year if not.
Benefits	Cash equivalent value of any taxable benefits provided, including company cars, cash allowances, death, disability and healthcare insurance.
Pension	Defined contribution or cash-in-lieu payments as a percentage of current salary. For defined benefit pensions, we have used the single figure value as defined by the reporting regulations. This valuation is intended to provide a general guide to the value of the defined benefit plan, and is not an actuarially-calculated value.
On-target bonus	On-target bonus as a percentage of salary, if disclosed. If not disclosed, we have assumed an on-target bonus of 50% of the maximum bonus potential. If neither the on-target nor the maximum is disclosed, we have used the average of the actual bonus paid in the prior three years (or, for below-Board roles, the prior year only), as a percentage of salary, and applied this to the current salary.
Expected value of long-term incentives (LTIs)	Based on the company's future grant policy, if disclosed, or if not disclosed the value of long-term incentive awards made in the prior year (as a percentage of salary) is used. Where disclosure allows, where no award has been made in the prior year, an average value of awards made in the last three years is used. A market norm 'expected value' is then applied: for performance share or performance cash awards, this is 55% of face value; for market-priced options without performance conditions, 30% of face value; and for options with performance conditions, 20% of face value. Free shares without performance conditions are valued at 100% of face value.
Total Cash Compensation	Salary + on-target bonus
Total Direct Compensation	Salary + on-target bonus + expected value of LTIs
Total Target Remuneration	Salary + benefits + pension + on-target bonus + expected value of LTIs

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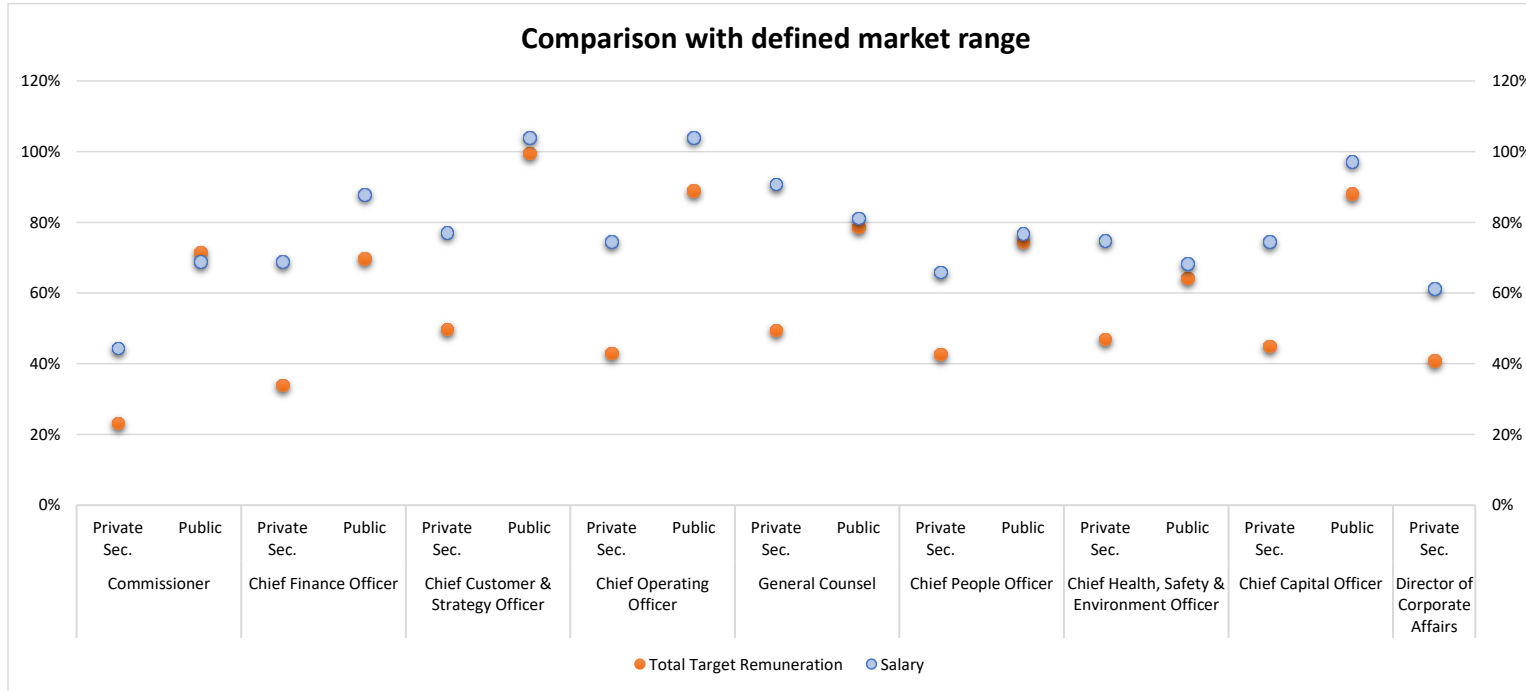
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APPENDIX 2: Graph showing comparison ratios for Executive Committee roles to market medians for Salary and Total Target Remuneration



Remuneration Committee

Date: 6 July 2022



Item: Performance Reviews 2021/22

This paper will be considered in public

1 Summary

- 1.1 This paper seeks the Committee's approval for performance ratings in respect of the Commissioner, Chief Officers and specific Director roles in relation to the overall performance delivery for the year ended 31 March 2022 as measured against the TfL and delivery business scorecards.
- 1.2 The paper sets out the potential awards to the Executive Committee members if the Financial Overlay Trigger is met, calculated on the 2021/22 scorecard results and individual performance ratings.
- 1.3 At its 10 November 2021 meeting, the Committee agreed to the reintroduction of performance award schemes for the 2021/22 and 2022/23 performance years with an additional financial overlay trigger metric of achieving financial sustainability by April 2023. This means that individual performance awards will be calculated in line with the normal annual performance cycle and recorded for 2021/22 and 2022/23, but payment can only be considered when all performance conditions have been met, including the Financial Overlay Trigger.
- 1.4 A paper is included on the Part 2 agenda which contains supplementary information that is exempt from publication by virtue of paragraphs 1, 3 and 5 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to individuals, the business affairs of TfL and where a claim to legal professional privilege could be made. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda:**
 - (a) **agree the individual performance rating for the Commissioner;**
 - (b) **agree the individual performance ratings for the Chief Officers and Directors specified under the Committee's Terms of Reference against the 2021/22 performance delivery outturn;**
 - (c) **note the potential awards payable to the Commissioner, Chief Officers and Directors specified under the Committee's Terms of Reference if the financial overlay trigger is met; and**
 - (d) **note that the same principles will apply in relation to performance awards for other eligible TfL staff.**

3 Background – Scorecard achievement and how performance awards are calculated

- 3.1 An earlier paper on the agenda, ‘Scorecards 2021-22’, sets out in detail the scorecard outturn for TfL and the delivery businesses.
- 3.2 The total actual score against the TfL scorecard is 72.0 per cent. For the purposes of performance award calculations, we round the actual scorecard score down to the nearest whole number.

Summary of Scorecard Achievement Rates

Table 1: A summary of the 2021-22 scorecard achievement

Scorecard	Actual Outcome %	Rounded Outcome % for Performance Award Calculations
London Underground	76.8	76
Surface Transport	79.2	79
Commercial Development	72.0	72
Major Projects	64.3	64
TfL	72.0	72

How performance awards are calculated: Commissioner, Chief Officers and Directors

- 3.3 For the years 2021/22 and 2022/23 there are three performance elements being used to determine performance award outcomes:
- (a) how TfL performs against the critical priorities set out in the business scorecards;
 - (b) how individuals personally contribute to these, as defined by a performance rating; and
 - (c) the ‘financial overlay trigger’.
- 3.4 The ‘financial overlay trigger’ is a separate overriding financial performance condition (independent of the annual scorecard and individual performance rating conditions) built into our performance award schemes for 2021/22 and 2022/23.
- 3.5 It requires TfL to deliver its business plan to become financially sustainable, free of ‘extraordinary Government funding’ for revenue support by 1 April 2023.
- 3.6 The ‘financial overlay trigger’ has no bearing on the quantum of the annual performance award budgets but acts as a trigger that determines whether performance awards in respect of 2021/22 and 2022/23 can be paid.
- 3.7 There is no entitlement to receive payment for any award under the scheme for 2021/22 and 2022/23 until all performance conditions have been met, including the financial overlay trigger. In this respect there is no deferral of awards from the annual scorecard calculations because awards cannot become due until achievement of the financial overlay trigger is confirmed.

- 3.8 If TfL achieves the 'financial overlay trigger' by 1 April 2023, and has successfully delivered against its business scorecards for 2021/22 and 2022/23, then we would pay performance awards for both performance years during 2023/24.
- 3.9 The performance awards for the Commissioner, Chief Officers and Directors are determined via a combination of TfL-wide, delivery business and individual performance measures. This paper is concerned primarily with the calculation of payments for the Commissioner, Chief Officers and Directors specified under the Committee's Terms of Reference, but also sets out the broad performance related payments for other staff across TfL outlined in section 7.
- 3.10 Depending on the business area worked in, either the TfL scorecard result alone or a combination of the TfL scorecard and the delivery business scorecard result determines the budget available for performance awards. Individual contribution, measured in the form of a personal performance rating, then determines the actual percentage performance award received from the available budget.
- 3.11 Each level of performance rating has an assigned multiplier. The individual performance award calculation is made by taking the budget percentage figure (as determined by the scorecard result) and then applying the multiplier to it which determines the actual percentage of base salary received as a performance award.
- 3.12 At the start of each performance year, a matrix is used to illustrate the potential level of performance award budget available aligned to each level of performance scorecard result (in increments of one per cent); and in addition, the percentage of individual award that will be delivered according to the relevant performance rating and associated multiplier for each level of budget. Publishing this at the beginning of the year allows a clear line of sight between business performance outturn, individual performance contribution and the potential level of reward.
- 3.13 Modelling a combination of the anticipated performance rating distribution, average salaries by payband level and headcount allow the formulation of matrices as described above to a good level of accuracy at the start of the performance year to ensure that the total spend on performance awards would be delivered within budget. However, at year-end after scorecards and personal performance ratings have final approval the model is re-checked to ensure that the performance multipliers do actually deliver performance awards within budget parameters allowing adjustments to be made to the rating multipliers if needed. This negates any risk of overspend and also ensures alignment of the scorecard outcome and interaction with reward in the form of a performance award.
- 3.14 A separate matrix is drafted at the start of the performance year for each of the different levels of scheme based on the maximum performance award opportunity (Commissioner, Chief Officers, Directors and Senior Managers).
- 3.15 Chief Officers who lead one of our four delivery businesses have their performance award budget determined by a combination of the TfL scorecard result and their delivery business scorecard result. The calculation method uses the same matrix for both scorecard results to produce a weighted average score 60:40; TfL scorecard: delivery business.

- 3.16 For all levels of scheme there is currently a minimum TfL scorecard threshold, of 60 per cent, below which no performance award budget is released. This is regardless of the delivery business scorecard result.
- 3.17 The same threshold of 60 per cent is set for the delivery business scorecards with the exception of the London Underground delivery business that has a minimum threshold of 55 per cent for 2021/22.
- 3.18 In a situation where the TfL scorecard result is above the minimum 60 per cent threshold but the delivery business scorecard is below that level, those in the delivery businesses will still receive an element of award for the TfL scorecard result.

4 Chief Officer Performance Awards 2021/22

- 4.1 The potential maximum performance award that Chief Officers can achieve is **30 per cent** of base salary.
- 4.2 The structure for Chief Officer Performance Awards is set out in Table 2 below.

Table 2: Structure for Chief Officers Performance Awards 2021/22

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60% (55% for LU)	30%
Professional Services	100%	-	60%	-	30%

- 4.3 The Commissioner’s commentary for each Chief Officer with regard to their individual performance and the proposed performance rating are set out in the supplementary paper on Part 2 of the agenda.

5 Performance Awards for Directors under the Remuneration Committee’s Terms of Reference 2021/22

- 5.1 The potential maximum performance award that Directors can achieve is **20 per cent** of base salary.

5.2 The structure for Director Performance Awards is set out in Table 3 below.

Table 3: Structure for Director Performance Awards 2021/22

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60% (55% for LU)	20%
Professional Services	100%	-	60%	-	20%

5.3 The Commissioner’s commentary for Directors under the Remuneration Committee’s Terms of Reference with regard to their individual performance and the proposed performance rating is set out in the supplementary paper on Part 2 of the agenda.

6 Commissioner’s Performance Award 2021/22

6.1 The potential maximum performance award that the Commissioner can achieve is **50 per cent** of base salary.

6.2 The structure for the Commissioner’s Performance Award is set out in Table 4 below.

Table 4: Structure for the Commissioner’s Performance Award 2021/22

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Professional Services	100%	-	60%	-	50%

7 Performance Awards for Directors, Senior Managers and Others

7.1 Arrangements for employees below Chief Officer level are set out below and are agreed by the Commissioner.

7.2 **Directors:** Arrangements for Directors not covered by the Committee’s Terms of Reference are the same as for those that are covered, as set out in 5.1 and Table 3 above.

7.3 **Senior managers:** Arrangements for Senior Managers (Payband 4 and 5) use exactly the same methodology as for Directors, Chief Officers and the Commissioner described in 3.3 – 3.18 above. However, the maximum performance award opportunity is **15 per cent of base salary**.

Table 5: Structure for Senior Manager (Payband 4 and 5) Performance Awards 2021/22

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60% (55% for LU)	15%
Professional Services	100%	-	60%	-	15%

7.4 **Non-operational employees in other grades:** Performance is reflected by a combination of rises to base salary and/or lump sum performance awards (Performance Related Pay and Pay for Performance).

List of appendices to this report:

None

Supplementary information is provided in a paper on Part 2 of the agenda.

List of Background Papers:

None

Contact Officer: Tricia Wright, Chief People Officer
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Contact Officer: Stephen Field, Director of Compensation & Benefits
 Email: stephenfield@tfl.gov.uk

Remuneration Committee



Date: 6 July 2022

Item: Members' Suggestions for Future Discussion Items

This paper will be considered in public

1 Summary

- 1.1 This paper presents the current forward plan for the Committee and explains how this is put together. Members are invited to suggest additional future discussion items for the forward plan. Members are also invited to suggest items for future informal briefings.

2 Recommendation

- 2.1 **The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.**

3 Forward Plan Development

- 3.1 The Board and its Committees and Panels have forward plans. The content of the plans arise from a number of sources:
- (a) Standing items for each meeting: Minutes; Matters Arising and Actions List.
 - (b) Regular items (annual, half-year or quarterly) which are for review and approval or noting as specified in the Terms of Reference: Examples include the annual consideration of pay and performance awards for the staff listed in the terms of reference and regular reports on remuneration on a pan-TfL basis, pay gaps and TfL's approach to talent management and succession planning.
 - (c) Items requested by Members: The Deputy Chair of TfL and the Chair of this Committee will regularly review the forward plan and may suggest items. Other items will arise out of actions from previous meetings (including meetings of the Board or other Committees and Panels) and any issues suggested under this agenda item.

4 Current Plan

- 4.1 The current plan is attached as Appendix 1. Like all plans, it is a snapshot in time and items may be added, removed or deferred to a later date.

List of appendices to this report:

Appendix 1: Remuneration Committee Forward Plan.

List of Background Papers:

None

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Email: HowardCarter@tfl.gov.uk

Remuneration Committee Forward Plan

Membership: Kay Carberry CBE (Chair), Peter Strachan (Vice-Chair) Seb Dance and Dr Nelson Ogunshakin OBE

Key: CPO (Chief People Officer), DCB (Director of Compensation and Benefits), DDIT (Director of Diversity, Inclusion and Talent)

9 November 2022		
Strategic Workforce Planning	CPO & DDIT	Annual update. To note the approach to workforce planning and assessing our current capabilities and how we will map these to our emerging business priorities.
Pay Gap Analysis		Annual update. Current data and progress against actions and the performance indicators that the Committee should keep under review.
Pay Outcomes of £100,000+ Approvals	CPO & DCB	Annual update and trend analysis on the number of approvals and the remuneration limit approved against that on actual appointment for permanent and non-permanent roles.
2 March 2023		
Talent Management and Workforce Planning Update	DDIT	To note.

Regular items each year

- Salaries of £100,000 or more (approvals and analysis)
- TfL Performance Delivery and Performance Awards (annual approval)
- TfL Remuneration (annual, noting of overall remuneration policy)
- Pay Gap Analysis (annual, noting of gap and actions to address)
- Talent Management and Succession Planning (as required)

Items approved by Chair's Action if the decision needs to be taken urgently (reported to next meeting)

- Salary for any person proposed to be appointed as an Officer of TfL with an annual basic salary of £100,000 or more
- Exit payments for any officer listed in the Terms of Reference or if over £100,000k (excluding statutory notice period)

As at 23 June 2022

By virtue of paragraph(s) 1, 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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