

# Agenda

**Meeting: Remuneration Committee**

**Date: Wednesday 9 November 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.

There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on [www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf](https://www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf).

## **Further Information**

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat, email: [ShamusKenny@tfl.gov.uk](mailto:ShamusKenny@tfl.gov.uk)

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

Howard Carter, General Counsel  
Tuesday 1 November 2022

**Agenda  
Remuneration Committee  
Wednesday 9 November 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 6 July 2022**

(Pages 1 - 6)

General Counsel

**The Committee is asked to approve the minutes of the meeting of the Committee held on 6 July 2022 and authorise the Chair to sign them.**

**4 Matters Arising, Actions List and Use of Delegated Authority**

(Pages 7 - 14)

General Counsel

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

**5 Resourcing at TfL (Pages 15 - 20)**

Interim Chief People Officer

**The Committee is asked to note the paper.**

**6 Pay Outcomes of £100,000+ Approvals** (Pages 21 - 22)

Interim Chief People Officer and Director of Pensions and Reward

**The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda and agree the format for future presentation of similar data.**

**7 Chief Officer and Director Pay Review 2022** (Pages 23 - 24)

Interim Chief People Officer and Director of Pensions and Reward

**The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda and agree the proposal to apply a percentage equivalent to first year of the TfL 2022 pay deal to the pay of any Chief Officers who have not had a salary adjustment during 2022 and note the intention to apply the same percentage increase to Directors in the same way who have not had a salary adjustment during 2022.**

**8 Members' Suggestions for Future Discussion Items** (Pages 25 - 28)

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**

Thursday 2 March 2023 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 paragraph 3 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 Pay Outcomes of £100,000+ Approvals** (Pages 29 - 44)

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

**13 Chief Officer and Director Pay Review 2022** (Pages 45 - 48)

**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 6 July 2022**

#### **Members**

Kay Carberry CBE (Chair – via Teams)  
Peter Strachan (Vice-Chair)  
Seb Dance

#### **Executive Committee**

Andy Byford	Commissioner
Howard Carter	General Counsel (via Teams)
Tricia Wright	Chief People Officer

#### **Staff**

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

### **01/07/22 Apologies for Absence and Chair's Announcements**

An apology for absence had been received from Dr Nelson Ogunshakin OBE.

Kay Carberry CBE was attending via Teams and was able to take part in the discussions but was not counted toward the quorum. The meeting was quorate with two Committee members attending in person.

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 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 the appropriate member of the Executive Committee after the meeting. There were no specific issues raised at the meeting.

### **02/07/22 Declarations of Interests**

Members confirmed that their declarations of interests, as published on [tfl.gov.uk](https://www.tfl.gov.uk), were up to date and there were no other interests to declare that related specifically to items on the agenda.

## **03/07/22 Minutes of the Meeting of the Committee held on 10 November 2021**

**The minutes of the meeting of the Committee held on 10 November 2021 were approved as a correct record and the Chair was authorised to sign them.**

## **04/07/22 Matters Arising, Actions List and Use of Delegated Authority**

The Committee noted that there had been 13 uses of Chair's Action since the last meeting of the Committee on 10 November 2021. In addition to the 11 uses to approve salaries of £100,000 or more, detailed in the paper, a further approval for six roles had been granted after the papers for the meeting had been published. One exit payment had also been approved.

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

## **05/07/22 2021-22 Scorecards**

Andy Byford introduced the item, which set out the business performance results as measured by the TfL and delivery business Scorecards for the year ended 31 March 2022. The Committee agreed that the targets set had been ambitious and stretching and it had been a challenging year due to the ongoing impact of the coronavirus pandemic and the uncertainty around funding. Significant outcomes were delivered, for which Andy Byford and the Committee commended the professionalism and dedication of TfL staff.

The Scorecards outturn had been reviewed by Internal Audit and agreed by the Audit and Assurance Committee.

**The Committee noted the delivery against Scorecards for 2021-22.**

## **06/07/22 Executive Committee Remuneration Benchmarking**

Stephen Field introduced the paper, which provided information 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. The paper contained the remuneration consultant's full report along with an overview of the methodology used and a summary of the key observations from the exercise.

Benchmarking was undertaken against organisations in two groups: the Executive Total Rewards Survey (ETRS) and a publicly accountable group. The benchmarking showed that the base salaries and comparable remuneration for the Commissioner and Chief Officers was significantly below the market level, with total estimated overall remuneration an average of 42 per cent of the ETRS peer group benchmark levels and 79 per cent of the publicly accountable group market benchmark levels.

While many staff had left TfL for substantially better remuneration, it was recognised that many stayed or joined for the experience of working for TfL given its public service ethos with a breadth of work and delivery of major projects that aided career development and

job satisfaction. Andy Byford remained concerned, however, at the exodus of talent given the pay disparity and the public perception of TfL remuneration.

The Committee endorsed the methodology and the selection of the comparator groups and welcomed the insights provided.

With the contract for executive remuneration benchmarking now expired the Committee was asked to confirm its requirements to inform the proposed tender for a new contract. Members were content with the current format and content of the report. They recommended that the contractor retain the existing comparator groups but check if others should be added based on the recent loss of talent and to also look at market trends. Members also requested information on wider remuneration package trends.

**The Committee noted the paper and:**

- 1 noted the previous (November 2021) benchmarking report (Appendix 1 to the paper) and the methodology used to produce the benchmark information;**
- 2 noted the observations on the market position for TfL executive roles identified within the report; and**
- 3 agreed that future executive remuneration benchmarking reports should use the current methodology and comparator groups and present the information in a similar format, and the provider should also comment on wider remuneration trends.**

**07/07/22 Performance Reviews 2021/22**

Andy Byford introduced the item, which detailed his assessment of the staff within the remit of the Committee, and his assessment of his own performance.

For the 2021/20 performance year, the Committee had agreed to defer the payment of any awards until 2021 and agreed that no awards would be made for the 2020/21 performance year. This difficult decision had been taken as a result of TfL's financial situation arising from the coronavirus pandemic, although the Committee noted the increased workload and pressure on staff due to these circumstances.

Subsequently, the Committee had agreed revised performance awards schemes for 2021/22 and 2022/23 that required TfL to 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. As a result of that decision, there would be no performance award payments made this year.

The Committee recognised the hard work and commitment of staff to deliver all that TfL had achieved over the last year against a difficult background including the financial uncertainty. Huge progress had been made on moving TfL to being financially sustainable by April 2023. Members agreed that it was entirely reasonable for the effort to be rewarded if Scorecard measures were met and financial sustainability achieved and that to not honour its commitment risked a further exodus of talent.

The Committee noted Andy Byford, as the Commissioner, earned 6.3 times that of the median employee (excluding Crossrail) and this compared very favourably with peer groups and the private sector where ratios could be significantly higher.

In March 2022, Andy Byford made public his decision not to accept any performance award for the years 2021/22 and 2022/23. This was a personal decision as he was asking everyone in the organisation to go above and beyond to deliver in very challenging circumstances. He did not expect any other staff to do the same, particularly given the long-term pay restraint, deferred and forgoing of performance award payments in recent years and the benchmarking outcomes noted above. The Committee commended Andy Byford for his decision and stressed that the lack of a performance award did not reflect its assessment of what he had achieved over the last year.

Following the exclusion of the press, public and non-essential staff from the meeting, the Committee discussed the individual performance assessments for staff and agreed the performance ratings with changes in some cases.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and:**

- (a) agreed the individual performance rating for the Commissioner;**
- (b) agreed 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) noted the potential awards payable to the Chief Officers and Directors specified under the Committee's Terms of Reference if the financial overlay trigger was met, and that the same principles would apply in relation to performance awards for other eligible TfL staff; and**
- (d) noted the Commissioner's decision in March 2022 to decline any performance awards that he was entitled to for the 2021/22 and 2022/23 performance years.**

## **08/07/22 Members' Suggestions for Future Discussion Items**

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.**

## **09/07/22 Any Other Business the Chair Considers Urgent**

There was no other urgent business to discuss.



## **10/07/22 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Wednesday 9 November 2022 at 10.00am.

## **11/07/22 Exclusion of the Press and Public**

**The Committee agreed 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), when it considered the exempt information in relation to the item on Performance Reviews 2021/22.**

The meeting closed at 12 noon.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_

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## Remuneration Committee



**Date:** 9 November 2022

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

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**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 five uses of Chair's Action since the last meeting of the Committee on 6 July 2022; all in relation to the approval of salaries of £100,000 or more.

### **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 require it to approve salaries of £100,000 or more and forms part of TfL's overall governance of pay at Senior levels. TfL has experienced high turnover of senior staff over recent months and requests include replacements for those that have left or are leaving.
- 3.2 Requests have also been made following changes to role under TfL's change programme. These include circumstances where individuals have increased accountability and scope following merging of roles and activity.
- 3.3 Other requests include extensions to existing contracts of highly skilled or technical staff where not retaining this resource would have a significant detrimental impact on TfL's ability to achieve its financial or operational deliverables.
- 3.4 A business case justification is provided to the Committee for each role. Following consultation with members of the Committee, the Chair approved salaries of £100,000 or more for the roles set out in Appendix 2.

**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 27 July, 2 August, 15 and 20 September and 20 October 2022

Contact Officer: Howard Carter, General Counsel  
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## Remuneration Committee Actions List (reported to the meeting on 9 November 2022)

## Actions arising from previous meetings

Minute No.	Description	Action By	Target Date	Status note
14/06/19	<p><b>Pay Gap Analysis Update: Diversity of Train Drivers</b> 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.</p>	Tricia Wright	February 2023	Work was undertaken on the recruitment / application process and information on the impact of those changes will be provided in the Pay Gap Analysis report to be considered by the Safety, Sustainability and Human Resources Panel.

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

This includes changes for recruitment to existing roles or where the responsibilities of the role have changed.

### **Request 27 July, approved 29 July 2022**

- 1) Director of Operational Planning;
- 2) Director of Spatial Planning;
- 3) Director of Transport Policy;
- 4) Director of City Investment Planning & Delivery;
- 5) Director of Network Management & Resilience;
- 6) Director of Programme Management Office;
- 7) Director of Public Service Transport Planning;
- 8) Director of Security, Policing and Enforcement;
- 9) Director of Capital Delivery – Infrastructure or Systems;
- 10) Director of Corporate Affairs & Communications;
- 11) Director of Diversity, Inclusion & Talent;
- 12) Director of Rail & Sponsored Services;
- 13) Director of Asset Management TTLP;
- 14) Chief Finance Officer TTLP;
- 15) Director & Chief Exec TTLP;
- 16) Director of Strategy & Planning TTLP;
- 17) Head of Operations TTLP;
- 18) Director of Strategy & Innovation;
- 19) Director of Information Technology; and
- 20) Head of SHE Business Partnering Ops – rail, road, LU (Band 5).

### **Request 2 August, approved 4 August 2022**

- 21) Head of Customer Operations Strategic Delivery and Change;
- 22) Head of Customer Operations TU Engagement;

- 23) Head of Customer Operations x4;
- 24) Head of London Underground Service Control;
- 25) Head of Hosting and Infrastructure Architecture;
- 26) Lead Clinical Services Manager;
- 27) Consultant Occupational Physician;
- 28) Occupational Health Physician Manager (Education);
- 29) Head of Track Maintenance & Renewals;
- 30) Lead BI Architect;
- 31) Senior Software Developer (CRM) x4;
- 32) Senior Product Owner;
- 33) Senior Software Developer (.Net);
- 34) Ariba Deployment Lead x2;
- 35) Senior Application Engineer (Maximo);
- 36) Lead Construction Manager x3;
- 37) Senior Treasury Accounting Manager; and
- 38) Deputy Commissioner.

**Request 15 September, approved 20 September 2022**

- 39) Director of Customer;
- 40) Head of Legal Specialism x6;
- 41) Legal Manager x10;
- 42) Senior Commercial Manager – FM & Minor Works;
- 43) Lead Business Intelligence Architect;
- 44) Project Manager – New GL Project;
- 45) Project Manager;
- 46) Project Manager;
- 47) Project Manager – Success Factors Phase (Employee Central & Payroll);
- 48) Senior Application Engineer Maximo;
- 49) Senior Application Engineer Maximo (Maximo SME Developer);

- 50) Senior Application Engineer Maximo (Maximo SME Developer);
- 51) Senior Product Owner;
- 52) Senior Product Owner;
- 53) Senior Product Owner;
- 54) Senior Product Owner;
- 55) Senior Project Manager – Application Hosting;
- 56) Senior Project Manager – Asset Management Systems Integration;
- 57) Senior Software Developer Android);
- 58) Senior Software Developer (Android;
- 59) Senior Software Developer (Dev Ops Engineer);
- 60) Senior Software Developer (ios);
- 61) Senior Software Developer (ios);
- 62) Senior Software Developer (Mobile) Safe Track Access;
- 63) Senior Software Developer (Dev Ops Team Lead);
- 64) Senior Software Developer (Dev Ops Team Lead);
- 65) Senior Software Developer (.net);
- 66) Senior Solution Architect;
- 67) Senior Solution Architect;
- 68) Senior Solution Architect;
- 69) Senior Solution Architect;
- 70) Senior Construction Manager;
- 71) Senior Systems Engineer x3;
- 72) Senior Treasury Accountant;
- 73) Fire Engineer x3; and
- 74) Senior Fire Engineer x3.

**Request 20 September, approved 21 September 2022**

- 75) Interim Commissioner;
- 76) Interim Chief Operating Officer; and



- 77) Interim Chief People Officer (secondment whilst the substantive post-holder undertakes the temporary role of Chief Officer – Pensions Review).

**Request 20 October, approved 25 October 2022**

- 78) Head of Finance – MPD;
- 79) Head of Property Development – Commercial;
- 80) Head of Procurement – Professional Services;
- 81) Senior Finance Business Partner;
- 82) Commercial Manager;
- 83) Senior Engineer – Permanent Way;
- 84) Engineer – Permanent Way;
- 85) Safety Critical License Inspector;
- 86) Project Manager;
- 87) Senior Business Analyst;
- 88) Senior Project Manager;
- 89) Senior Application Engineer;
- 90) Senior Application Engineer x3; and
- 91) RUC Futures Senior Cloud Infrastructure Engineer.

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## Remuneration Committee



**Date:** 9 November 2022

**Item:** Resourcing at TfL

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### **This paper will be considered in public**

#### **1 Summary**

- 1.1 It is vital that TfL is resourced appropriately to deliver our Business Plan and to ensure the continued safe operation of our network.
- 1.2 This paper provides an update on how TfL is resourced, recent upward trends in the use of non-permanent labour (NPL) and mitigations in place to ensure we can attract, retain and develop our own talent to meet our requirements.
- 1.3 The paper also provides an update on strategic workforce planning activity in place to ensure we can attract, retain and develop our own talent pipelines to meet our future resource requirements.

#### **2 Recommendation**

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

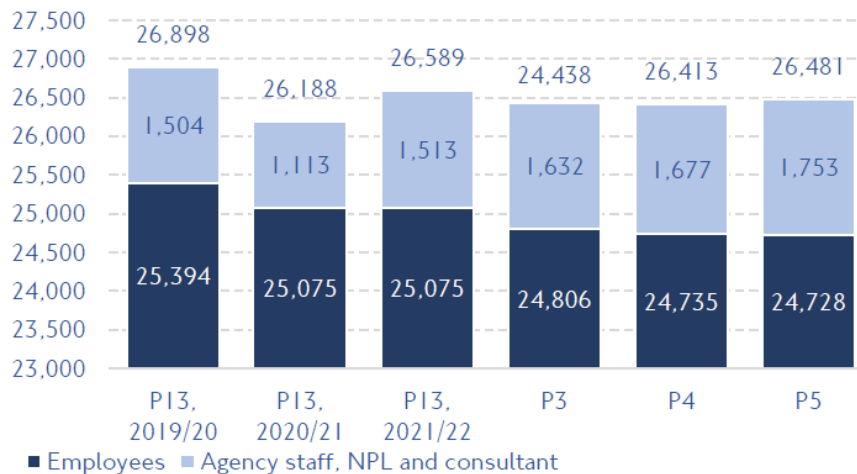
#### **3 Background**

- 3.1 TfL is currently resourced using a mix of permanent employees, NPL and consultants. Over 93 per cent of our employees are currently employed on permanent contracts.
- 3.2 NPL are brought into the organisation for several key reasons, including but not limited to peaks in demand, prior to organisational change where recruiting permanently is not prudent, to fill scarce skill roles, or as maternity and long-term sickness absence cover.
- 3.3 Consultants are also brought in on a short-term basis, generally to provide expertise which is not available internally.
- 3.4 The Mayor has made a commitment to minimise expenditure on consultants and agency workers in TfL and we remain committed to driving down NPL usage throughout the organisation.
- 3.5 It is important that TfL continues to be able to use the flexibility and benefits that NPL and consultants provide where necessary, however we also need to ensure that we avoid their overuse by developing talent internally and retaining this talent.

## 4 Recent Trends

- 4.1 Whilst still only accounting for a small proportion of our resourcing mix, our use of NPL and consultants has increased by nearly 20 per cent since the start of the 2022/23 performance year.
- 4.2 In parallel, the number of colleagues employed on a permanent basis has decreased by 347 since the start of the year, and by 666 since the start of the pandemic.

### Staff trends



- 4.3 The reduction in NPL and consultant use in 2020/21 is not part of the wider trend and can be explained by the reduction in project work and less demand during the pandemic.
- 4.4 Whilst the use of NPL has increased this year, this is set against a wider backdrop of a reduction in NPL use since December 2015, where over 3,000 were engaged with TfL. Therefore, current numbers compared to NPL use on December 2015 equates to a saving of approximately £1.5m per week.

## 5 Organisational Context

- 5.1 We are competing for talent in a buoyant employment market. As the economy now enters recovery, employers are beginning to grow and are looking for people to sustain that growth. This has coincided with what has been termed 'the great resignation': a post-pandemic increase in employees making different career choices or seeking to rebalance their professional and home lives. Consequently, employees, whether in or out of work, have more options and this has created an unprecedented number of job vacancies, resulting in rising salary expectations and greater competition in attracting key talent.
- 5.2 Since 2015, TfL has operated with annual pay budgets that have been significantly below market. This has adversely impacted how competitive TfL is in the employment market. Pay for roles at Bands 3 to 5 is now significantly lower than the external market medians. At a time when we need to be at our most competitive, we have fallen behind the market and can no longer rely on our benefits to cover any shortfall in cash compensation.

5.3 The impact of the coronavirus pandemic on TfL’s finances is well known as is the knock-on effect this has had on initiating new projects or initiatives. Where previously TfL could attract talent via the breadth of projects available to employees, subsequent short-term funding agreements with government and the pausing of projects has also reduced our attractiveness externally.

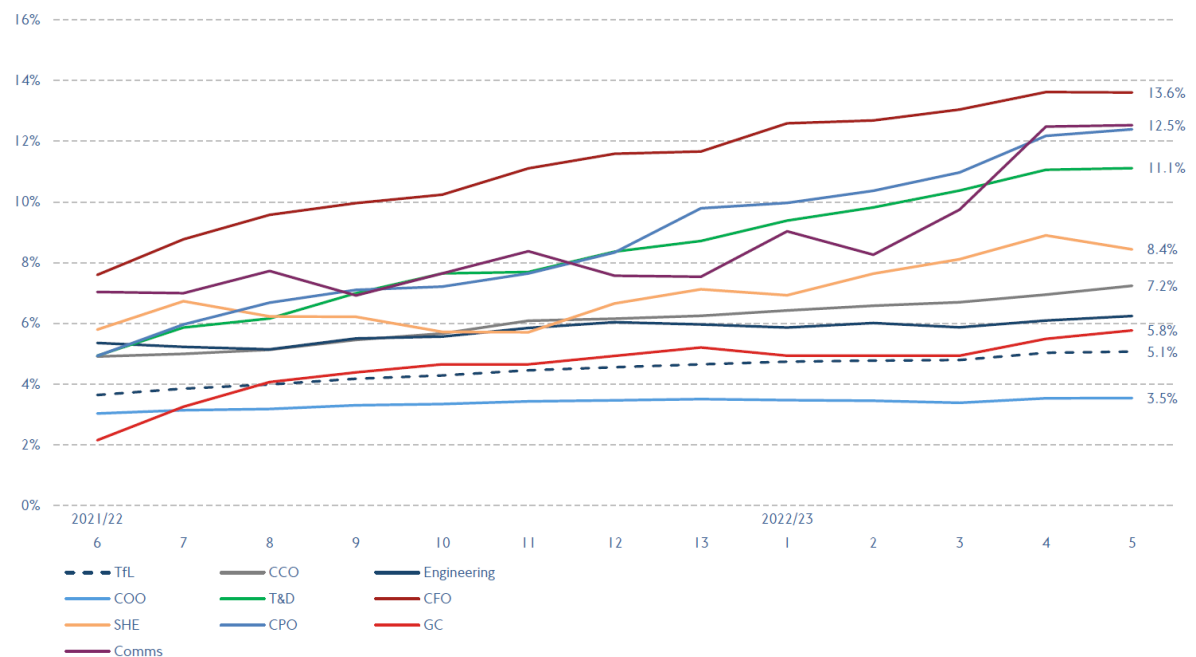
5.4 We are now putting together our first Business Plan since the start of the pandemic, which will lay out our deliverables over the medium-term. This will also enable us to identify the skills we need as an organisation over the next three to five years, allowing us to identify gaps and where we need to increase our attraction or development of specific skills.

## 6 Attraction and Retention Trends

6.1 We have identified a recent trend in retention, with an increasing number of employees either resigning from the organisation or retiring. This trend varies by business area, with a peak of 13.6 per cent in our Chief Finance Office, which was under eight per cent a year ago.

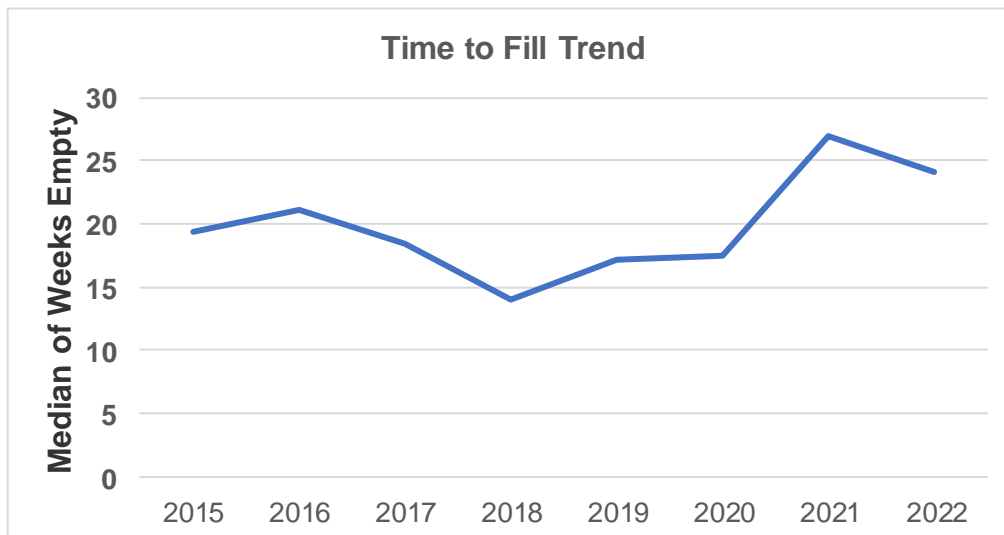
6.2 The proportion of those resigning or retiring is also over 10 per cent per annum in our Chief People Office, Technology and Data (T&D) and in Communications.

**Leavers – resignations and retirees**  
Resignations and retirement rates (13-period rolling average)



6.3 Employee turnover at TfL has consistently remained relatively low compared to other public sector organisations. There were a couple of peaks in 2017 and 2018 due to large transformation programmes and we’ve started to see turnover rise in this last year.

6.4 We are also facing challenges in attracting talent, internally and externally. The chart below shows that the average time to fill a vacancy across the organisation now stands just under 25 weeks, slightly down on last year but still significantly higher than pre-2021. Within this measure there is considerable variation between roles and grades, with executive recruitment taking longer than non senior roles for example.



6.5 In recent campaigns run in the Programme Management Office (PMO) for Capital projects and Engineering it has been a challenge to attract the skills needed to fill vacancies. A project management campaign was run twice and did not attract enough quality candidates to fill all roles, resulting in the use of NPL to fill the resource gap. There have been multiple examples of unsuccessful Engineering recruitment campaigns, across disciplines such as vehicles, fire and telecomms meaning that NPL have been utilised as an alternative.

6.6 The candidates are coming with multiple offers and are feeding back in some instances that the salaries at TfL aren't comparable to what is offered elsewhere. In particular permanent campaigns for scarce skills are seen as less attractive with candidates favouring consultancy routes.

6.7 The higher rates of turnover, coupled with difficulty in attracting the required skills is leading to a higher use of NPL in the short-term.

## 7 Mitigations

7.1 The impact on our ability to attract and retain staff is being mitigated by a combination of initiatives that support a proactive approach to resourcing which aim to address the immediate and future needs of the organisation.

### Strategic Workforce Planning

7.2 For TfL's vision to be the 'strong green heartbeat for London' to be realised, we need to focus on green skills with new roles emerging to support this. We are tapping into both internal and external expertise and exploring apprenticeships to

meet this future demand working in partnership with Safety, Health and Environment (SHE) and other teams such as Engineering.

- 7.3 This work combined with our approach to talent management, Skills and Employability programmes and differentiated reward will ensure we have the flexibility to retain our talent.
- 7.4 The focus on resourcing growing out of our need to flex during the pandemic now has a more strategic focus which allows us to interrogate data and have a deeper understanding of the risks and mitigations being put in place across the business with regards to resourcing. This is helping to manage NPL spend and identify areas most at risk due to retirement and other leave data.
- 7.5 With the introduction of myJourney, our new HR application for performance and talent, and our employee led approach to readiness and performance, we will be better able to track flight risk and manage succession as this embeds. This application allows us to have a better understanding of our people, their skills and development needs and ensures we have the right people that are ready for the right role, at the right time. Embedding a culture of trust and transparency so that employees can become more invested in their career and want to stay.
- 7.6 We are also finalising a new dashboard looking at turnover, employee ratings, retirements, NPL and other metrics which will help inform our leaders where they face risks in terms of attraction and retention. A demonstration of this dashboard will be provided at the meeting.

### **Succession Planning and Critical Roles**

- 7.7 We have developed a methodology which is being rolled out to local leadership teams to understand our Critical and Hard to fill roles. We are targeting the skills required now, and in the future, to support our business strategy. This work is allowing us to build succession pipelines and career pathways. We aim to have identified these roles with each leadership team by the end of the financial year.
- 7.8 Early stages of roll-out have identified roles (skills) in T&D, Engineering, SHE, PMO and Communications. This work feeds into our Graduate and Apprentice demand and a recent success has been the re-introduction of the Cyber Security apprenticeship as a result of this work and is anticipated to continue to help support the reduction of NPL using this talent pipeline to fill vacancies.

### **Reward**

- 7.9 A Reward strategy, which will be developed over the next 18 months, will support the attraction and retention of key skills, and consider how we can adopt a more segmented approach to reward, focusing on rewarding talent with skills critical to our future success and structuring our pay and reward offering accordingly. We will share progress with the Committee as this work emerges.

## **8 Next Steps**

- 8.1 Our next steps are to finalise our Strategic Workforce Planning dashboard and operationalise this with the different business areas. This will allow them to take ownership of risks identified and to put actions in place to mitigate any risk identified.
- 8.2 We will return to the Committee in March 2023 with localised initiatives and actions in place to help improve either attraction and retention, and the development of key skills internally.

### **Appendices to this paper:**

None.

### **List of Background Papers:**

None.

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## Remuneration Committee

**Date: 9 November 2022**

**Item: Pay outcomes of +£100k approvals**

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### **This paper will be considered public**

## **1 Background and Purpose**

- 1.1 The current governance process for appointments with a Full-Time Equivalent salary in excess of £100,000 per annum requires Remuneration Committee approval to be sought for both permanent and non-permanent labour (NPL) positions.
- 1.2 The Committee has requested regular updates that compare the salary approved by the Committee with that given on actual appointment. Previous papers covered the period from July 2017 to September 2020 (reports were submitted and discussed separately at the meetings of the Committee on 23 November 2020 and 21 March 2021).
- 1.3 This submission covers the period from September 2020 to July 2022 for permanent and NPL roles.
- 1.4 A paper is included on Part 2 of the agenda which contains the relevant exempt supplementary information on permanent and NPL roles for the Committee's review. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, in that it contains information relating to the business affairs of TfL.

## **2 Recommendation**

- 2.1 **The Committee is asked to note the paper, the supplementary information on Part 2 of the agenda and agree the format for future presentation of similar data.**

### **List of appendices to this report:**

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

### **List of Background Papers:**

None

Contact Officer: Fiona Brunskill, Interim Chief People Officer  
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## Remuneration Committee

Date: 9 November 2022



Item: Chief Officer and Director Pay Review 2022

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### This paper will be considered in public

## 1 Summary

- 1.1 This paper asks the Committee to consider an annual pay review for those Chief Officers that have not received a pay adjustment as part of the leadership organisation restructure during 2022. The proposal is to apply the same percentage increase as the first year of the TfL pay deal currently under negotiation with the relevant TfL Trades Unions for employees in pay bands 1 to 3. Although not subject to negotiation with the Trades Unions, it is the intention that (if agreed) the same pay increase percentage applied to paybands 1-3 would also be applied to senior managers in paybands 4 and 5. Any increase would be consolidated into base pay and backdated to 1 April 2022.
- 1.2 The Committee are also asked to note the intention to apply the same approach to any Directors who similarly did not receive pay adjustments as part of the leadership restructure (as stated in the previous paper presented on the Director restructure (dated 27 July 2022)).
- 1.3 Annual pay review processes for Chief Officer and Director populations have been frozen since 2016. As a result, base pay has remained static for individuals in this population unless a role re-evaluation, structural change or promotion has taken place.
- 1.4 In February 2022 the Executive Committee was restructured and a pay benchmarking exercise was undertaken for any new roles and pay adjustments were then made for the individuals appointed to those roles. There were some individuals whose roles did not change as part of the restructure and they therefore did not receive a pay adjustment.
- 1.5 Awarding a pay increase to those individuals who did not receive a pay adjustment as part of the leadership restructure would assist in maintaining appropriate relativities between the Chief Officer roles and the rates of pay for the affected Chief Officers would still be below market levels.
- 1.6 Pay talks for employees within TfL bands 1-3 (TfL Pay for Performance), Rail for London Infrastructure Limited and Surface Operations are ongoing with the relevant Trades Unions for the pay review effective 1 April 2022 and 1 April 2023. The current two-year offer is as follows:
  - (a) a 4 per cent consolidated base pay increase backdated to 1 April 2022, paid at a flat rate, not differentiated by performance rating;
  - (b) a 4.4 per cent consolidated base pay increase effective from 1 April 2023, paid at a flat rate, not differentiated by performance rating;

- (c) those employees on a Full Time Equivalent salary of below £27,000 in pay band 1 (equivalent to the lower quartile) would receive a consolidated increase of £1,080 for 2022, for 2023, the consolidated value would be determined once we have established the lower quartile of pay band 1 on 31/03/23; and
  - (d) those employees whose current salary is below the current pay band minimum would have their salary increased up to the minimum and then have the percentage increase applied.
- 1.7 Application of a percentage increase equivalent to the second year of the pay deal for employees in Pay Bands 1 to 3 (and applied to Senior Managers) would be considered in 2023 for Chief Officers and Directors unless they already have alternative pay review arrangements in place.
- 1.8 A paper is included on Part 2 of the agenda which contains exempt supplementary information. The information is exempt 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.

## **2 Recommendation**

- 2.1 **The Committee is asked to note the paper and the supplementary information on Part 2 of the agenda and:**
- (a) **agree the proposal to apply a percentage equivalent to first year of the TfL 2022 pay deal to the pay of any Chief Officers who have not had a salary adjustment during 2022; and**
  - (b) **note the intention to apply the same percentage increase to Directors in the same way who have not had a salary adjustment during 2022.**

### **List of appendices to this report:**

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

### **List of Background Papers:**

None

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## Remuneration Committee



**Date:** 9 November 2022

**Item:** Members' Suggestions for Future Discussion Items

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### **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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## Remuneration Committee Forward Plan

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

Key: CPO (Interim Chief People Officer), DPR (Director of Pensions and Reward)

2 March 2023		
Talent Management and Workforce Planning Update	CPO	To note.
Pay Gap Analysis	CPO	Annual update. Current data, progress against actions and the performance indicators that the Committee keeps under review.
Senior Management Performance Awards Scheme	CPO and DPR	To consider the operation of the Performance Awards Scheme for 2023/24.
June 2023		
TfL Scorecard Outturn	CPO	Annual report, to note.
TfL Performance Delivery and Performance Awards	CPO & DPR	Annual update.
July 2023		
To be agreed		
November 2023		
Strategic Workforce Planning	CPO	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	CPO	Annual update. Current data, progress against actions and the performance indicators that the Committee keeps under review.
Pay Outcomes of £100,000+ Approvals	CPO & DPR	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.

March 2024		
Talent Management and Workforce Planning Update	CPO	To note.
Senior Management Performance Awards Scheme	CPO and DPR	To consider the operation of the Performance Awards Scheme for 2024/25.

### 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)



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

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