

Agenda

Meeting: Remuneration Committee

Date: Wednesday 24 July 2024

Time: 14:00

**Place: Chamber, City Hall - Kamal
Churchie Way, London E16 1ZE**

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.

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.

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

Andrea Clarke, General Counsel
Tuesday 16 July 2024

**Agenda
Remuneration Committee
Wednesday 24 July 2024**

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 29 February 2024
(Pages 1 - 6)**

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 29 February 2024 and authorise the Chair to sign them.

**4 Matters Arising, Actions List and Use of Delegated Authority
(Pages 7 - 22)**

General Counsel

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

5 Reward Strategy - Job Families and Pay Management (Pages 23 - 26)

Chief People Officer

The Committee is asked to note the paper.

6 TfL Remuneration Outcomes 2021/22 (Pages 27 - 36)

Chief People Officer

The Committee is asked to note the paper.

7 Pay Outcomes of £100,000 or more Approvals (Pages 37 - 38)

Chief People Officer

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

8 Performance Awards 2024-25 - Financial criteria (Pages 39 - 40)

Commissioner

The Committee is asked to note the paper.

9 Chief Officer Salary Review 2024 (Pages 41 - 42)

Chief People Officer

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda and consider the proposals as set out in the paper on Part 2 of the agenda.

10 Members' Suggestions for Future Discussion Items (Pages 43 - 46)

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.

11 Any Other Business the Chair Considers Urgent

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

12 Date of Next Meeting

Wednesday 20 November 2024 at 10.00am.

13 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.

14 Pay Outcomes of £100,000 or more Approvals (Pages 47 - 54)

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

15 Chief Officer Salary Review 2024 (Pages 55 - 58)

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

Transport for London

Minutes of the Remuneration Committee

**Conference Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London SE1 8NJ
10.00am, Thursday 29 February 2024**

Members

Kay Carberry CBE (Chair)
Seb Dance

Executive Committee

Andy Lord	Commissioner
Fiona Brunskill	Chief People Officer
Andrea Clarke	Interim General Counsel

Staff

Stephen Field	Director of Pensions and Reward
Shamus Kenny	Head of Secretariat

01/02/24 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Peter Strachan (Vice Chair) and Dr Nelson Ogunshakin OBE. The meeting was quorate.

The Chair welcomed everyone to the meeting. While the meeting was broadcast live to TfL's YouTube channel, except for the discussion of the information on Part 2 of the agenda, which was exempt from publication, a technical issue meant there was no audio of the meeting.

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.

02/02/24 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.

There were no interests for Members to declare that related specifically to items on the agenda. For the items relating to Performance Awards 2023/24 and Chief Officer Remuneration, all non-essential staff would leave the meeting and the Chief People Officer and the Commissioner would also leave for any discussion of their own performance.

03/02/24 Minutes of the Meeting of the Committee held on 9 November 2023

The minutes of the meeting of the Committee held on 9 November 2023 were approved as a correct record, and the Chair was authorised to sign them.

04/02/24 Matters Arising, Actions List and Use of Delegated Authority

Andrea Clarke introduced the item. Since the last meeting of the Committee on 9 November 2023, there had been three uses of Chair's Action approving salaries of £100,000 or more, two of which were referred to in the paper and a further use on 26 February 2024, the details of which would be included in the report to the next meeting.

The Committee noted the updated actions list and use of Chair's Action.

05/02/24 Performance Awards 2023/24

Andy Lord introduced the item. TfL operated performance award schemes for many of its staff, as part of its overall reward arrangements. These were designed to enable the recruitment and retention of staff with the skills and experience required to deliver London's public transport network, while recognising TfL's status as a public body. The consideration and payment of the performance awards for the Commissioner and Chief Officers has been brought forward for 2023/24 to ensure that appropriate oversight and governance was applied by the current Committee membership ahead of the Mayoral election on 2 May 2024. This advance consideration was applied in the final year of a mayoralty.

The Committee's decisions on whether to make performance awards, and if so their quantum, depended on TfL's overall financial performance, the overriding financial performance condition for TfL to achieve operating breakeven for 2023/24, TfL's wider performance as measured against the TfL and divisional scorecards and individual contributions. The Audit and Assurance Committee would review the Internal Audit review of the TfL and divisional scorecards outturn to provide assurance to the Remuneration Committee ahead of any decisions on performance awards being taken.

Following the exclusion of the public and non-essential officers, the Committee discussed the current performance assessments of Chief Officers by the Commissioner and the Commissioner by the Deputy Chair of TfL.

As decisions could only be taken after the end of the financial year, ending 31 March 2024, and as no meetings were scheduled during the pre-election period, the Committee was asked to authorise the Chair of the Committee, following consultation with Committee Members, to approve any performance awards. Any payments would only be made in accordance with the criteria previously agreed by the Committee.

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

- 1 authorised the Chair of the Committee, following consultation with available Committee Members, to approve the performance awards for 2023/24 for the**

Commissioner, Chief Officers and Directors specified under the Committee's Terms of Reference, subject to the final validated 2023/24 TfL and divisional scorecards outturn; and

- 2 noted that the same principles would apply in relation to performance awards for other eligible TfL staff.**

06/02/24 Executive Committee Remuneration Benchmarking

Fiona Brunskill and Stephen Field introduced the item, which provided an updated benchmarking report, produced by Willis Towers Watson. The report set out the methodology, background and market context and the appendices detailed the private and publicly accountable peer groups and long-term incentive valuation methodology. The unique nature of TfL's role and governance arrangements meant there were no direct comparators, so benchmarking was against a broad range of organisations.

The benchmarking results showed that all TfL Executive Committee roles remained below the market when compared to both peer groups. From a base salary perspective, all roles sat below the lower quartile or were positioned between the lower quartile and the median when looking across the peer groups. The comparison of Total Target Remuneration was even less favourable. This pattern of relativity was similar across all TfL senior management roles, from payband 4 through to Director level, although more marked at the highest levels.

Members recognised that individuals did move between the public sector and private sector as it was a single and active executive jobs market. TfL was fortunate to have attracted and retained the talent that it had, despite the remuneration position, due to their strong public sector ethos. The relatively short notice periods for key roles, compared to other organisations, remained a concern and this was being reviewed.

Benchmarking reports would be provided to the Committee annually, usually at the March meeting.

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

07/02/24 Performance Awards 2024/25

Andy Lord and Fiona Brunskill introduced the item. Performance awards were a critical component of TfL's total remuneration proposition for senior management, supporting TfL's ability to attract and retain critical talent within the business. They also had an important role to play in delivering high performance across TfL. Through the direct relationship with business performance (as captured by scorecards) the schemes served to highlight the main priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering TfL's critical goals. They also ensured that reward was only delivered that was commensurate with the level of success achieved and therefore provided a fair and value for money approach.

The Committee considered the proposal to continue to operate performance award schemes for senior management (Commissioner, Chief Officer, Director and payband 4

and 5 Senior Managers) for the performance year 2024/25. The scheme would continue to have a financial criterion and Chief Officer and Director performance awards would be aligned to a single scorecard approach (TfL scorecard) to ensure a single focus for delivery. As it was no longer proposed to consider performance against divisional scorecards, the recommendation in the published paper was amended to ask the Committee to endorse that change.

The Committee noted the paper and:

- 1 endorsed the proposal to continue to operate performance award schemes for senior management for 2024/25 with the continuation of a financial criterion;**
- 2 endorsed how Chief Officer and Director performance awards would be aligned to a single scorecard approach (TfL scorecard) for the performance year 2024/25; and**
- 3 noted the proposal to continue to operate performance award schemes for the performance year 2024/25 under the TfL Pay for Performance framework with the continuation of a financial criterion.**

08/02/24 Chief Officer Remuneration 2024

Andy Lord introduced the item, which sought approval to proposals in relation to Chief Officer remuneration roles, based on the executive benchmarking exercise elsewhere on the agenda for the meeting, while also considering internal relativities. If approved, the remuneration proposals would still be below the external benchmark.

Members unable to attend the meeting had been consulted on the proposals and had confirmed their agreement. If approved, the details would be published in TfL's annual remuneration report in due course.

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and approved the proposals as set out in the paper on Part 2 of the agenda.

09/02/24 Approach to Reward

Fiona Brunskill introduced the item. A similar paper, and a paper on TfL's approach to talent, had been considered at the meeting of the Safety, Sustainability and Human Resources Panel held on 21 February 2024. Kay Carberry CBE was also a member of the Panel and confirmed that it had supported the direction of travel in both papers.

Ensuring TfL provided a fair and attractive employee offer was an integral part of its Colleague Strategy, with the need to balance fairness and affordability with meeting the competitive challenge of attracting and retaining talent. TfL's banding was currently very different to the wider employment market. TfL had looked at segmentation and the use of job families to better align activity into job families. This would also result in a better approach to pay setting. Discussions would be held with the trade unions in the coming months.

The Committee welcomed the work and noted the expectation that the implementation of the approach would reduce current discontent across TfL on the different pay structures and reduce the reliance on non-permanent labour.

The Committee noted the paper.

10/02/24 Members' Suggestions for Future Discussion Items

Andrea Clarke introduced the item.

The Committee noted the forward plan.

11/02/24 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

12/02/24 Date of Next Meeting

The date for the next meeting of the Committee would be confirmed shortly.

13/02/24 Exclusion of the Press and Public

The Committee agreed 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), when it considered the exempt information in relation to the items on: Performance Awards 2023/24; Executive Committee Remuneration Benchmarking; and Chief Officer Remuneration 2024.

The meeting closed at 12.30pm.

Chair: _____

Date: _____

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Remuneration Committee



Date: 24 July 2024

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 delegated authority or Chair's Action and the progress against actions agreed at previous meetings (Appendix 1).
- 1.2 Since the last meeting of the Committee, on 29 February 2024:
 - (a) there have been two uses of Chair's Action in relation to the approval of salaries of £100,000 or more, set out in Appendix 2. The Appendix also includes the list of roles covered by the use of Chair's Action that was reported verbally at the last meeting of the Committee; and
 - (b) the Chair has exercised authority delegated by the Committee, on 29 February 2024, in relation to approving performance awards, as detailed in section 3.

2 Recommendation

- 2.1 **The Committee is asked to note the updated Actions List and the uses 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 was 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.

Performance Awards Approval

- 3.5 TfL operates performance award schemes for many of its staff, as part of its overall reward arrangements, which are designed to enable the recruitment and retention of staff with the skills and experience required to deliver London's public transport network, while recognising TfL's status as a public body. Decisions on whether to make performance awards, and if so their quantum, depend on TfL's overall financial performance, TfL's wider performance as measured against the TfL and divisional scorecards, and individual contributions.
- 3.6 On 29 February 2024, the Committee considered the provisional assessment of the performance of staff within its remit and noted the process for the verification of the TfL and divisional scorecards, that would take place after 31 March 2024. It authorised its Chair, following consultation with available Committee Members, to approve the performance awards for 2023/24 for the Commissioner, Chief Officers and Directors specified under the Committee's Terms of Reference, subject to the final validated 2023/24 TfL and divisional scorecards outturn. It also noted that the same principles would apply in relation to performance awards for other eligible TfL staff.
- 3.7 On 22 April 2024, the Chair of the Audit and Assurance Committee, following consultation with available Committee Members, noted and endorsed the sign off of the end of year results against the 2023/24 TfL Scorecard. That paper has been published on tfl.gov.uk. The final 2023/24 TfL Scorecard Outturn is attached as Appendix 3.
- 3.8 On 25 April 2024, a paper and exempt appendix was shared with Members of the Committee seeking approval of the proposed performance awards. The consideration and payment of the performance awards for the Commissioner and Chief Officers was brought forward for 2023/24 to ensure that appropriate oversight and governance was applied by the existing Remuneration Committee ahead of the Mayoral election (2 May 2024). This advance consideration was similarly followed in 2020 and is what applies in the final year of a mayoralty.
- 3.9 On 29 April 2024, in accordance with the authority delegated by the Committee, the Chair of the Committee, in consultation with available Members, agreed the individual performance ratings for the Commissioner, Chief Officers and Directors within its remit and noted the associated potential performance award payments. The public paper relating to this request has been published on tfl.gov.uk with the papers for this meeting.

4 Actions List

- 4.1 Appendix 1 sets out the progress against actions agreed at previous meetings.

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

Appendix 3: The final 2023/24 TfL Scorecard Outturn

List of Background Papers:

Minutes of previous meetings of the Committee

Chair's Action papers to approve salaries of £100,000 or more, issued on 21 February, 16 April and 20 June 2024 (exempt from publication)

Use of Delegated Authority paper on Performance Awards Approval, issued on 25 April 2024

Contact Officer: Andrea Clarke, General Counsel

Email: AndreaClarke@tfl.gov.uk

Remuneration Committee Actions List (reported to the meeting on 24 July 2024)

There were no actions from the last meeting, held on 29 February 2024

Actions from previous meetings

Minute No.	Description	Action By	Target Date	Status note
27/11/23 (1)	Resourcing at TfL: Succession Planning Members would be provided with an update on succession planning at a future meeting, which would include details of skills shortages, hard to fill roles and the work to improve representation across TfL.	Fiona Brunskill	November 2024	A paper on Strategic Resource Planning is included on the forward plan.
27/11/23 (2)	Resourcing at TfL: Technology and Data Succession Plan Technology and Data would have its own strategic workforce plan, due to the challenges in filling specialist roles due to market rates, and this would be submitted to a future meeting.	Fiona Brunskill	November 2024	A paper on Strategic Resource Planning is included on the forward plan.

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.

The information contained in the papers remain not for publication to the public or press by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial affairs of TfL.

Request 21 February, approved 26 February 2024 (reported verbally at the last meeting)

- 1) Occupational Health Doctor;
- 2) Head of Talent;
- 3) Head of Finance;
- 4) Head of Programme Delivery;
- 5) Head of Programme Delivery;
- 6) Head of Infrastructure Maintenance;
- 7) Head of Projects and Accommodation;
- 8) Head of Operational Training & Skills Development;
- 9) Head of Financial Planning & Analysis;
- 10) Head of Finance;
- 11) Project Development Director;
- 12) Chief of Staff Finance; and
- 13) Head of Technology Service Operations.

Request 16 April, approved 17 April 2024

- 14) Head of Business Improvement – Elizabeth Line;
- 15) Head of Project Controls Delivery; and
- 16) Head of Technology & Data – Digital.

Request 20 June, approved 24 June 2024 (two papers)

- 17) Director of Business Partnering SHE – TfL Operations;
- 18) Director of People (Non-Ops) and Change;

- 19) Head of Reward and Benefits;
- 20) Head of Enterprise Resource Planning Delivery;
- 21) Head of Asset Planning and Systems; and
- 22) Head of Finance.

TfL and divisional Scorecards

Scores and proposed mitigations for 2023/24

19 April 2024



TfL Scorecard, 2023/24 results to 31 March 2024

					Pre-mitigation full year					Post-mitigation	
					Actual	Target	Floor target	Target weighting	Actual weighting	2023/24 post-mitigation actual	2023/24 post-mitigation weighting
Measure	Action lead	Unit	Desired trajectory								
Safety & Security	Roads - killed or seriously injured (absolutes)	L. Matson	#	L	3,722 (102)	3,541	3,822	6.66%	3.04%	3,722	3.04%
	Customer - killed or seriously injured (absolutes)	L. Matson	#	L	202 (8)	201	218	6.67%	6.28%	202	6.28%
	Colleague - killed or seriously injured (absolutes)	L. Matson	#	L	18 (1)	22	23	6.67%	0.00%	18	0.00%
	Work-related violence and aggression incidents (absolutes)	L. Matson	#	L	10,493	No targets or weighting as this is a shadow measure.				10,493	N/A
Colleague	Total Engagement	F. Brunskill	%	H	60%	61%	59%	7.5%	4.5%	60%	4.5%
	Attendance	F. Brunskill	%	H	93.86%	94.25%	93.75%	7.5%	2.4%	93.86%	2.4%
	Senior Leader Representation – Women	F. Brunskill	%	H	34.0%	34.6%	33.8%	1.0%	0.4%	34.0%	0.4%
	Senior Leader Representation – BAME	F. Brunskill	%	H	20.0%	18.5%	17.3%	1.0%	1.0%	20.0%	1.0%
	Senior Leader Representation – Disability	F. Brunskill	%	H	6.47%	6.45%	5.8%	1.0%	1.0%	6.47%	1.0%
	Senior Leader Representation - Minority faith/belief	F. Brunskill	%	H	12.6%	12.2%	11.6%	1.0%	1.0%	12.6%	1.0%
	Senior Leader Representation – LGB	F. Brunskill	%	H	6.1%	5.5%	5.1%	1.0%	1.0%	6.1%	1.0%
Customer	% of Londoners who agree we care about our customers	A. Williams	%	H	54.0%	55%	51%	5.0%	3.9%	54.0%	3.9%
	Investment programme milestone delivery	S. Harvey	%	H	83%	90%	75%	6.0%	4.0%	87%	5.0%
	Customer Journey Time: LU	G. Barton	mins	L	28.3	27.9	28.9	3.0%	2.1%	28.3	2.1%
	Customer Journey Time: Buses	G. Barton	mins	L	34.1	33.8	35.3	3.0%	2.5%	34.1	2.5%
	Customer Journey Time: Rail	G. Barton	mins	L	25.8	26.9	27.6	3.0%	3.0%	25.8	3.0%
Green	CO2 emissions from TfL operations & buildings (ktonnes CO2e)	L. Matson	ktonnes	L	823	845	879	5.0%	5.0%	827	5.0%
	London-wide ULEZ delivery milestone	A. Williams	date	-	29/08/2023	29/08/2023	29/08/2023	10.0%	10.0%	29/08/2023	10.0%
	No. of colleagues trained in Carbon Literacy	L. Matson	#	H	4,044	3,000	1,500	5.0%	5.0%	4,044	5.0%
Finance	Total income vs budget (excluding ERG)	R. McLean	£m	H	£8,970m	£8,872m	£8,822m	5.0%	5.0%	£8,970m	5.0%
	Operating surplus/deficit vs budget	R. McLean	£m	H	£135m	£79m	£0m	10.0%	10.0%	£135m	10.0%
	Capex vs budget (excluding Crossrail & Places)	R. McLean	£m	L	£1,871m	£1,879m	-/+ 2%	5.0%	5.0%	£1,871m	5.0%
Safety and Security measures: values in brackets and bold indicate the number of fatalities								100%	76.1%	77.1%	

TfL Scorecard has achieved a total post-mitigation score of 77.1%, up from 62% on 2022-23

2023-24 performance Our 2023-24 full year performance has achieved above target on 11 measures, with 10 measures falling below the target. We have achieved a total post-mitigation weighting of 77.1%

Only one of our measures has achieved below the floor target: Colleague KSI's. Although the number of incidents is below our target of 22, sadly, there was one colleague fatality which occurred in P8. This was a third-party contractor.

A further 9 measures have achieved a partial score (between the target and floor target):

Measures that are between floor target and target

- Road KSIs
- Customer KSIs
- Total Engagement
- Attendance
- Senior Leader Representation – Women
- Customer Care %
- Investment Programme milestone delivery
- Customer Journey Time – LU
- Customer Journey Time - Buses

The TfL scorecard result must reach a minimum of **60%** for any performance awards to be paid out at all. For divisional scorecards, this means that, even if the local scorecard exceeds 60 per cent but the TfL scorecard does not, performance awards will **not** be paid. However, if the TfL scorecard exceeds 60 per cent but the relevant divisional scorecard does not, senior managers in that division will still receive the element of their performance award for the TfL scorecard result.

Senior Manager Performance Award

A 60% score results in a 6% award (before adjusting for individual performance); a 75% score results in a 7.5% award. The below sets out each Scorecard contribution to the final result:

Operations, Capital and Places for London	60% TfL Scorecard; 40% respective divisional Scorecard
All other divisions	100% TfL Scorecard



Scorecard summary and proposed mitigations that require approval

2023/24 Scorecard results

Scorecard	2022/23 results	Pre-mitigation result	Mitigations agreed at P12 ExCo	Result after agreed mitigations	New proposed mitigation(s) %	Post-mitigation result (subject to approval)
TfL	64.0%	76.1%	1%	77.1%	-	77.1%
Operations	68.4%	54.2%	0%	54.2%	10%	64.2%
Capital	81.9%	80.9%	5%	85.9%	-	85.9%
Places for London	77.2%	77.2%	-	77.2%	-	77.2%

Scorecard	New proposed mitigations
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An additional £16m reduction to the target (on top of the £32.5m agreed in P12) to reflect the following:

- Additional 0.6% pay offer made to TfL employees to match the LU pay offer (£5m)
 - Passenger fares freeze (£8m)
- Impact of introduction of off-peak Friday fares (£2m)
- Additional Central Line recovery costs (£1m) on top of £2.5m agreed in P12.

Operations Net contribution before renewals

Scorecard	2023/24 Results	2023/24 target	Mitigations to target agreed at P12 ExCo	New proposed mitigation	Post-mitigation target
Net contribution	(£903m)	(£864m)	£32.5m	£16m	(£912.5m)

If this mitigation is not agreed, then Operations will achieve 54.2% overall, and fail their Scorecard.

Timeline

- Due to Mayoral elections, we need to bring forward the 2023/24 scorecard mitigation process to allow time for approval and signoff of the scorecards (TfL and divisional)
- We agreed proposed mitigations in P12
- We need to agree one additional mitigation and approve our final Scorecard results for 2023/24. Our results will be shared with A&AC later today.

Date	Forum	Action
11 Mar – 1 Apr	Internal Audit	Initial testing in progress based on P11
22 Mar	ExCo	Agree proposed mitigations based on P12 forecast
8-12 Apr	Internal Audit	Finalise/approve the draft report within Risk and Assurance
15-19 Apr	Internal Audit	Testing based on P13 actuals (limited to where outturn is different to initial testing)
19 Apr	ExCo	Agree final Scorecard results for 2023/24 (subject to A&AC approval)
19 Apr	A&AC	Scorecard results sent to A&AC by Internal Audit
22-23 Apr	RemCo	Internal Audit discussion with Chairs of A&AC and RemCo
26 Apr		Deadline for Reward & Recognition to notify Payroll
2 May		Chief Officer performance payments

Operations Scorecard, 2023/24 results to 31 March 2024

				Pre-mitigation full year					Post-mitigation		
				Actual	Target	Floor target	Target weighting	Actual weighting	2023/24 post-mitigation actual	2023/24 post-mitigation weighting	
	Measure	Unit	Desired trajectory								
Safety & Security	Operations workforce all injuries	#	L	1,584	1,492	1,592	10%	0.00%	1,584	0.00%	
	Customer all injuries on Operational modes	#	L	8,782	7,897	8,183	10%	0.00%	8,782	0.00%	
	Roads Killed or Seriously Injured	#	L	3,827	No targets or weighting for this measure					3,827	N/A
Colleague	Attendance	%	H	92.4%	92.9%	92.4%	6.66%	0.67%	92.4%	0.67%	
	Senior leader Representation Index	%	H	103.2	No targets or weighting for this measure					103.2	N/A
	Operations People milestone	%	H	87.5%	87.5%	75.0%	6.67%	6.67%	87.5%	6.67%	
	Total Engagement	%	H	55%	57%	55%	6.67%	0.67%	55%	0.67%	
Customer	Customer Journey Time: LU	min	L	28.3	27.9	28.9	5.00%	3.20%	28.3	3.20%	
	Customer Journey Time: Buses	min	L	34.1	33.8	35.3	5.00%	4.10%	34.1	4.10%	
	Customer Journey Time: Rail	min	L	25.8	26.9	27.6	5.00%	5.00%	25.8	5.00%	
	TfL Cares	%	H	54%	55%	51%	5.00%	3.88%	54%	3.88%	
Green	CO2 emissions from Operations and buildings	ktonnes	L	818	834	867	10%	10%	818	10%	
	Number of colleagues trained in Carbon Literacy	#	H	673	90%	75%	10%	10%	673	10%	
Finance	Capex vs Budget	£m	L	£596m	£595m*	-/+ 2%	10%	10%	£596m	10%	
	Net contribution before interest and renewals	£m	H	(£903m)	(£913m)*	on/ better than budget	10%	0%	(£903m)	10%	
							100%	54.2%	64.2%		

* Target changed to reflect the target changes in slide 9

Capital Scorecard, 2023/24 results to 31 March 2024

				Pre-mitigation full year					Post-mitigation			
				Actual	Target	Floor target	Target weighting	Actual weighting	2023/24 actual	2023/24 weighting		
				Measure	Unit	Desired trajectory						
Safety & Security	Workforce/Customer fatality caused by Capital works			#	L	0	0	0	2.0%	2.0%	0	2.0%
	Workforce/Customer seriously injured caused by Capital works			#	L	0	0	2	2.0%	2.0%	0	2.0%
	Workforce all injuries			#	L	22	60	70	3.5%	3.5%	22	3.5%
	Lost time injury Frequency Rate			index	L	0.11	0.20	0.25	3.5%	3.5%	0.11	3.5%
	RIDDOR Accident Frequency Rate			index	L	0.04	0.10	0.15	3.0%	3.0%	0.04	3.0%
	FIR actions closed out within due date			%	H	77%	100%	80%	4.0%	0.0%	77%	0.0%
	Incident close-out rate			%	H	70%	85%	80%	2.0%	0.0%	70%	0.0%
Colleague	Total Engagement			%	H	66%	64%	62%	7.5%	7.5%	76%	7.5%
	Collaborative Supplier Engagement - supply chain strategy published			Date	-	Jul-23	Jul-23	Jul-23	2.5%	2.5%	Jul-23	2.5%
	Attendance			%	H	98.3%	98.0%	94.0%	2.5%	2.5%	98.3%	2.5%
	Senior Leader Rep: Women			%	H	25.7%	25.6%	24.7%	1.88%	1.88%	25.7%	1.88%
	Senior Leader Rep: BAME			%	H	21.1%	21.8%	20.6%	1.88%	0.87%	21.1%	0.87%
	Senior Leader Rep: Disability			%	H	7.8%	6.5%	6.2%	1.88%	1.88%	7.8%	1.88%
	Senior Leader Rep: Faith/Belief			%	H	11.5%	11.8%	11.1%	1.88%	1.17%	11.5%	1.17%
Customer	Strategic Tier 1 milestone delivery			%	H	80%	90%	75%	5.0%	1.7%	86%	3.7%
	Strategic Tier 2 milestone delivery			%	H	82%	90%	75%	3.5%	1.6%	82%	1.6%
	Pathway Compliance			%	H	95%	90%	85%	2.5%	2.5%	95%	2.5%
	Risk Management - % key risks with mitigation actions not exceeding due date			%	H	98%	93%	85%	2.5%	2.5%	98%	2.5%
	Engineering standards are current			%	H	97%	100%	95%	2.5%	1.0%	97%	1.0%
Engineering & Asset Strategy (E&AS) 2023/24 improvement milestones achieved			%	H	88%	100%	72%	4.0%	2.3%	88%	2.3%	
Green	Carbon literacy - number of people trained through the Carbon literacy programme			number	H	966	700	300	5.0%	5.0%	966	5.0%
	Asset Strategy - % of projects by value vs the budget progressing to stage gate 1			%	H	100%	100%	90%	2.5%	2.5%	100%	2.5%
	Green capability upskilling			number	H	158	105	80	2.5%	2.5%	158	2.5%
	Projects' environmental compliance			%	H	100%	100%	75%	4.0%	4.0%	100%	4.0%
Green improvement programme - milestone delivery			%	H	100%	100%	77%	6.0%	6.0%	100%	6.0%	
Finance	CAPEX vs budget			£m	L	£1,076m	£1,070m*	+/- 2%	10.0%	10.0%	£1,076m	10.0%
	OPEX vs budget			£m	L	£91.9m	£98.9m*	£98.9m	2.5%	0.0%	£91.9m	2.5%
	IP VOWD forecast accuracy (full year)			%	H	99%	99%	97%	2.5%	2.5%	99%	2.5%
	Cash forecast accuracy			%	H	94%	95%	90%	2.5%	2.0%	95%	2.5%
	Savings delivered			£m	H	£81.3m	£47.1m	£44.7m	2.5%	2.5%	£81.3m	2.5%
								100%	80.9%	85.9%		

* Target changed to reflect the changes in slide 9

Places for London Scorecard, 2023/24 results to 31 March 2024

				Pre-mitigation full year					Post-mitigation		
Measure		Unit	Desired trajectory	Actual	Target	Floor target	Target weighting	Actual weighting	2023/24 post-mitigation actual	2023/24 post-mitigation weighting	
Safety & Risk	Inspections Completed vs Planned		%	H	106%	95%	90%	10%	10%	106%	10%
	Killed or Seriously Injured (KSI)		#	L	0	0	0	10%	10%	0	10%
Colleague	Total Engagement		%	H	61%	64%	61%	10%	1.00%	61%	1.00%
	All Staff Representativeness: Gender		%	H	49.3%	45.3%	45.0%	1.25%	1.25%	49.3%	1.25%
	All Staff Representativeness: BAME		%	H	28.8%	27.9%	25.1%	1.25%	1.25%	28.8%	1.25%
	All Staff Representativeness: Disability		%	H	7.5%	9.4%	8.9%	1.25%	0.0%	7.5%	0.0%
	All Staff Representativeness: Faith/ Belief		%	H	14.7%	15.8%	13.8%	1.25%	1.11%	14.7%	1.11%
Homes	% Affordable Start on Sites		%	H	47%	47%	47%	10%	10%	47%	10%
	Start on Sites (Cumulative)		#	H	4,349	4,407	4,314	5%	2.2%	4,349	2.2%
	Housing Completions (Cumulative)		#	H	946	1,258	915	5%	0.9%	946	0.9%
ESG	Complete carbon literacy training (Band 4 and above)		%	H	100%	100%	75%	5%	5.0%	100%	5.0%
	Customer Satisfaction Survey		%	H	58%	70%	65%	5%	0.0%	58%	0.0%
	Milestones - Complete EPCs by Mar 24		%	H	100%	100%	100%	1%	1.0%	100%	1.0%
	Milestones - GRESB 5* Rating		date	-	Achieved	31/03/2024	31/03/2024	1%	1.0%	Achieved	1.0%
	Milestones - Publication of BBP compliant NZC roadmap		date	-	Achieved	31/12/2023	31/03/2024	1%	1.0%	Achieved	1.0%
	Milestones - TCFD (Task force on climate related financial disclosures)		date	-	Achieved	30/08/2023	30/08/2023	1%	1.0%	Achieved	1.0%
	Milestones - EV out to tender		date	-	Achieved	30/09/2023	31/03/2024	1%	0.5%	Achieved	0.5%
Finance	Total Revenue		£m	H	£90.1m	£82.9m	£74.6m	10%	10%	£90.1m	10%
	Operating Surplus		£m	H	£36.2m	£24.3m	£21.9m	5%	5.0%	£36.2m	5.0%
	Asset Disposals		£m	H	£37.0m	£23.5m	£18.8m	5%	5.0%	£37.0m	5.0%
	Asset Investment		£m	H	£(40.8)m	£(40.0)m	£(32.0)m	5%	5.0%	£(40.8)m	5.0%
	Dividend		£m	H	£21.0m	9.4m	9.4m	5%	5.0%	£21.0m	5.0%
								100%	77.2%	77.2%	

TfL and divisional Scorecards

Appendix – Mitigations agreed at P 12 Executive Committee



Approved mitigations

Measures that have approved mitigations have been emboldened within the Scorecard scoresheets.

TfL

Strategic milestones: Silvertown Tunnel – target of 29/06/2023 to submit to Secretary of State (SoS) for approval of wider highway improvements to support Silvertown Tunnel objectives. This was not submitted till 28/11/2023 as on review of the programme and it's interaction with wider plans, notably LW-ULEZ, delaying the SoS submission was deemed to be the best balance of risk to the business.

Additional 1% awarded

Senior Leader Representation (SLR): the proposal to recall the decision made by the Board that we automatically fail all of our SLR measures if we achieve below the floor target on one or more, is no longer required, as we have achieved above the floor target on all five of these measures.

Operations

1. **Net contribution vs Budget:** Proposal to adjust target by £32.5m, to £(896.5m) for below items.

Additional 10% awarded

- £30.0m costs for agreed LU pay increase as funded by GLA (accounted for in in Group) but not included in target.
- £2.5m Central line recovery costs.

2. **Capex vs. Budget:** P12 forecast reflects the IG approved £10m increased spend in renewals, resulting in an amended target of £595m, which we would be within 0.1% of (target is within 2% range). We have already achieved our Capex measure, so this mitigation has not awarded us any additional weighting.

1. **Opex vs Budget:** adjustment to the full year target (increase of £7.5m) to reflect the increase in scope not budgeted related to LW-ULEZ vandalism.

Additional 2.5% awarded

2. **Capex vs Budget:** adjustment to the full year target (reduction of £7.5m) to reflect the increase in scope not budgeted related to LW-ULEZ vandalism. The target has been met for this measure, so this mitigation is not required.

3. **Cash forecasting accuracy:** two payments and one receipt made later than was forecasted due to supplier errors. If approved, the full year forecast will increase from 93.8% to 94.9%

Capital

- £4.3m payment (4LM Thales) missed in P8 due to supplier quoting the wrong purchase order, paid in P9
- £1.6m payment (ELL HIF) missed in P10 due to delay in supplier sending through the invoice
- £1.5m receipt (S106 Blackwall Reach payment) was delayed due to staff absence caused by their local restructure.

Additional 0.5% awarded

Strategic milestones: Silvertown Tunnel – target of 29/06/2023 to submit to Secretary of State (SoS) for approval of wider highway improvements to support Silvertown Tunnel objectives. This was not submitted till 28/11/2023 as on review of the programme and it's interaction with wider plans, notably LW-ULEZ, delaying the SoS submission was deemed to be the best balance of risk to the business.

Additional 2% awarded

Remuneration Committee



Issued: 24 July 2024

Item: Reward Strategy – Job Families and Pay Management

This paper will be considered in public

1 Summary

- 1.1 At the meeting of the Committee in February 2024, we updated the Committee that we were reviewing TfL's approach to 'pay management' and introduced the concept of a job families pay structure.
- 1.2 This is part of an ongoing review of Reward Strategy intended to align with the Priorities set out in our Colleague Strategy.
- 1.3 This paper provides a further update on the progress with this work.

2 Recommendation

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

3 Background

- 3.1 Our Reward Strategy focuses on improving 'pay management' across TfL, introducing job family pay ranges, aligning with the Colleague Strategy priority to: 'Provide a fair and attractive employee offer'.
- 3.2 A key theme of that priority is to 'Improve how we manage pay, balancing fairness with affordability to meet the competitive challenge of attracting and retaining talent'.
- 3.3 There are three core components of our pay management that we are proposing to introduce and/or change:
 - (a) introduce new pay ranges for 21 individual job families at each of the existing five payband levels that replace the current five broad band pay ranges in our non-Operations environment. Within the Operations environment 11 job families have been identified so far. The purpose of the overarching job family pay range will be to define the minimum and maximum level of pay that spot rates or individual job-based ranges must fall within;
 - (b) review the link between individual performance (rating) and pay progression at annual pay review currently established in the Pay for Performance framework for TfL paybands 1-3. The proposal we are consulting on is to reward individual performance solely using variable pay in the form of non-consolidated performance awards in future; and

- (c) as a direct impact of the changes proposed in (a) and (b) above, establish new principles for how the negotiated annual pay review budget is distributed in future for paybands 1-3 if the direct link with individual performance rating is removed.

3.4 There are several anticipated advantages that support the Colleague Strategy priority with the proposed changes outlined in paragraph 3.3 above including:

- (a) a segmented job families pay structure will ensure that we can build pay ranges that are more closely aligned to the external market for the job roles in a given family. This will support more accurate pay setting and better attraction and retention through pay that is more aligned in this way;
- (b) having a single pay range that applies to all jobs across the organisation that are mapped to a given family and payband level will ensure greater consistency in pay setting and pay progression and help reduce internal pay disparity over time. This will also ensure that pay is made fairer for colleagues;
- (c) delinking base pay increases from performance rating will ensure that individual pay can be managed better in alignment with internal relativities of peers and external market rates and thus reduce the dispersion in pay that occurs when performance-based increases are applied in a way that overrides internal/external relativity factors; and
- (d) this separation of reward for performance from base pay will provide greater clarity for colleagues concerning their base pay and variable compensation elements and will support fairer pay overall.

4 Scope

- 4.1 Earlier in the year a decision was taken to separate implementation between the TfL and London Underground business areas. Consequently, the first phase of delivery of the pay management and job families changes in 2024 will apply in TfL only across all Operations and non-Operations business areas. This will impact around 10,000 TfL colleagues.
- 4.2 The reason for the decision to separate implementation was twofold. Firstly, there are a significantly greater number of individuals in TfL who are paid below the market range for their role than there are in London Underground and hence we want to attend to this as our highest priority.
- 4.3 Secondly, there is far greater complexity concerning pay in the London Underground environment necessitating a longer time period and wider resources to be able to develop the job families concept into the right solution. Issues such as the sheer weight of different jobs and individual grades in London Underground (in excess of 900); how base pay and spot rates in London Underground include consolidated shift allowances which need to be separated out; and the greater challenge we have in obtaining relevant industry benchmarking data are all examples of this complexity.

- 4.4 Within TfL non-Operations all jobs below Director level will be mapped to a job family and discipline (i.e. covering paybands 1-5). Similarly, within TfL Operations all jobs below Director level will be mapped to one of the TfL Operations job families.

5 Design Work

- 5.1 High level design in the form of mapping of all jobs to their relevant job discipline (e.g. Compensation and Benefits), and via this mapping to a TfL job family (e.g. Human Resources), has been completed for TfL's non-Operations environment including the build of initial job family pay ranges.
- 5.2 Another example is mapping different project manager roles such as a Project Manager in Capital and a Change Project Manager under the one Project Management job family.
- 5.3 Modelling of financial impact has been undertaken to ensure affordability at implementation alongside pay gap analysis for gender and ethnicity as an indicator of a positive diversity impact.
- 5.4 High level design in TfL Operations areas (excluding those in London Underground) is anticipated to be fully completed by the end of July 2024.

6 Consultation and Engagement

- 6.1 Consultation with the TfL Company Council on the proposed pay management and job families changes commenced on 9 July 2024, and is being held in conjunction with the TfL pay talks for 2024.
- 6.2 TfL's intention is to keep colleagues updated throughout the consultation and implementation process using a mix of established communications channels to create awareness and reinforce messages.
- 6.3 People leaders (payband 4 and above) will be updated before teams at key milestones to equip them to keep their teams engaged and respond to questions arising.
- 6.4 A dedicated Reward Strategy SharePoint site will host all relevant information for our colleagues to access including detailed Q&As.

List of appendices to this report:

None

List of Background Papers:

None

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Remuneration Committee

Date: 24 July 2024



Item: TfL Remuneration Outcomes 2021/22

This paper will be considered in public

1 Summary

- 1.1 This paper provides the Committee with an update on annual remuneration outcomes pan-TfL, including both base pay and performance awards. Updates are shared with the Committee once the information is available in TfL's Annual Report and Accounts.
- 1.2 This paper summarises details of the base pay annual pay reviews effective 1 April or 1 July 2022. This paper also provides details of performance awards that relate to the 2021/22 performance year and were paid in the 2023/24 financial year as TfL achieved the financial overlay trigger to pay performance awards. This information is summarised in TfL's draft Annual Report and Accounts for the financial year ending and 31 March 2024.

2 Recommendation

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

3 Background

- 3.1 Following the culmination of the 2022 TfL pay negotiation process in January 2023 without agreement, TfL implemented the first year of the two-year pay deal commencing 1 April 2022 for employees covered by its TfL Pay for Performance, Senior Manager Reward Framework, London Transport Museum, Rail for London Infrastructure and TfL Operations. The pay deal for this period was: 4.0 per cent with a minimum increase of £1,180 for those on a full-time equivalent (FTE) salary of £29,000 or below and a £500 non-consolidated payment for those on a FTE salary of £31,250 or below. Payments were made in February and March 2023.
- 3.2 At its meeting on 9 November 2022, the Committee agreed to apply an annual pay review for 2022 that matched the same percentage increase applied in TfL for those Chief Officers that did not receive a pay increase as part of the TfL leadership restructure during 2022.
- 3.3 The Committee also noted the intention that the same approach would be applied to Directors effective 1 April 2022 who similarly did not receive a pay adjustment as part of the TfL leadership restructure (as also set out in a previous paper presented on the Director restructure).
- 3.4 In relation to performance awards, on 15 May 2023, the Chair of the Committee, in consultation with its members, confirmed that the 'financial overlay trigger' had been met meaning any performance awards for 2021/22 and 2022/23 could be paid in August 2023.

4 Commissioner, Chief Officer and Directors

Base Pay

- 4.1 Previously, base pay for the Commissioner, Chief Officers and Directors had been frozen for the duration of the Mayor's term in office. However, at its meeting in November 2022, the Committee agreed to make adjustments to selected Chief Officers and Directors.

Chief Officers

Table 1

Base Pay Pre Pay Review	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£1,252,777	£1,271,288	£18,511	1.48%

Directors

Table 2

Base Pay Pre Pay Review	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£5,506,000	£5,627,320	£130,320	2.20%

Performance Awards

- 4.2 The Performance Award schemes for senior management are determined by a matrix using a combination of business scorecard outturn, individual performance rating and the 'financial overly trigger' – the requirement for TfL to achieve financial sustainability by 1 April 2023 before any performance awards could be paid in respect of 2021/22 or 2022/23.
- 4.3 The business scorecard achievement determines the level of budget available for performance awards and individual performance ratings determine the actual percentage award received from that budget.
- 4.4 The following tables detail the maximum opportunity as a percentage of base salary, the actual cost of awards and the average percentage performance award received.

Commissioner

Table 3

Performance Year	Max Performance Award %	Performance Award Spend £	Actual %
2021/22	50%	£0	0%

No performance award paid due to resignation of Commissioner on 29 October 2022.

Chief Officers

Table 4

Performance Year	Max Performance Award %	Performance Award Spend £	Actual %
2021/22	30%	£129,015	13.83%

Directors

Table 5

Performance Year	Max Performance Award %	Performance Award Spend £	Actual %
2021/22	20%	£710,810	13.44%

Directors – Personal Performance Arrangements

- 4.5 A total of eight Directors were under personal performance award arrangements in respect of 2021/22, with payments totalling £219,652.

5 Senior Managers (Paybands 4 and 5) – Pan-TfL

Base Pay

- 5.1 The Senior Manager Reward Framework is TfL's performance-based pay framework for Senior Managers. Under the framework, base pay is managed across two separate broad band pay ranges for payband 4 and payband 5 Senior Managers.
- 5.2 The two-year pay offer effective 1 April 2022 and 1 April 2023 applied a flat rate increase to base pay for all paybands 4 and 5 employees and base pay awards were not allocated on a discretionary basis. The pay award for the first year of the two-year pay offer was 4.0 per cent.

Table 6

Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£34,099,626	4.0%	£1,363,985	£35,483,465	£1,415,599	4.15%

5.3 The overspend against the budget is due to additional sweep to pay range minimum payments.

Performance Awards

5.4 Performance awards are determined in the same way as described above for the Directors, Chief Officers and the Commissioner by using a matrix utilising a combination of business scorecard outturn and individual performance. The following tables detail the maximum opportunity as a percentage of base salary, the actual cost of awards and the average percentage performance award received.

Table 7

Performance Year	Budget as a % of base pay	Budget £	Performance Award Spend £	Average %
2021/22	8.1%	£7,457,575	£5,965,394	7.1%

Senior Manager Personal Performance Award Arrangements

5.5 A total of five Senior Managers at payband 5 were under a personal performance award arrangements in 2021/22, with payments totalling £93,000.

6 Places for London (Property Development and Commercial Asset Management only)

Base Pay

6.1 The annual base pay review process is the same as that operated for all other TfL Senior Managers described above.

Performance Awards

6.2 Property Development and Commercial Asset Management have a separate performance award arrangement for their paybands 4 and 5 Senior Managers and one Director. Maximum award opportunities are 30 per cent, 60 per cent and 100 per cent of base salary respectively. Beyond the award multiples the scheme design operates in the same as for the other senior management schemes with the level of performance awards determined using a matrix based on a combination of business scorecard outturn and individual performance.

Table 8

Performance Year	Maximum Potential Pay-out	Total Pay-out	Percentage Pay-out
2021/22	£842,950	£458,762	54.42%

7 London Underground

Base Pay

- 7.1 Below Senior Manager level, there are two separate pay frameworks within London Underground. Performance Related Pay (PRP) typically applies to administration staff up to middle management (including some operational managers). PRP provides for consolidated base pay increases that are driven by performance rating from the negotiated general increase budget. Those with a performance rating of 3 receive the negotiated budget percentage, while those with higher ratings of 4 or 5 receive slightly higher increases.
- 7.2 The remainder of staff (mainly operational) have pay increased by the negotiated 'general increase' percentage. The vast majority of these roles are 'spot rate' such that the rate for the role is simply increased.
- 7.3 2022 marked the fourth year of the four-year pay deal in London Underground. The pay deal determined that pay would be increased by the value of the February Retail Prices Index (RPI) + 0.2 per cent. February 2022 RPI was 8.2 per cent.

Table 9 – 2021/22

Pay Review Framework	Total Base Pay Pre Pay Review	Budget %	Budget £	Total Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
LU PRP	£260,366,789	8.4%	£21,870,810	£282,237,599	£21,870,810	8.4%
LU Operational	£594,462,903	8.4%	£49,934,884	£644,397,787	£49,934,884	8.4%

- 7.4 The four-year pay deal was: Year 1 (1 April 2019) RPI + 0.2 per cent with minimum increase of £750, Year 2 (1 April 2020) RPI + 0.2 per cent, Year 3 (1 April 2021) RPI + 0.2 per cent (minimum increase of one per cent), Year 4 (1 April 2022) RPI + 0.2 per cent (minimum increase of two per cent).

Performance Awards

- 7.5 Below Senior Manger level, there were no non-consolidated performance award arrangements in operation in London Underground during 2021/22.

8 Transport for London (Pay for Performance)

Base Pay

- 8.1 Below Senior Manager level, TfL operates its Pay for Performance framework across paybands 1-3. For the two-year pay offer effective 1 April 2022 and 1 April 2023, the percentage increase determined following negotiations with the trade unions was applied to base pay consistently to all eligible employees on paybands 1-3. The pay award for the first year of the two-year pay offer was: 4.0 per cent with a minimum increase of £1,180 for those on a FTE salary of £29,000 or below and a £500 non-consolidated payment for those on a FTE salary of £31,250 or below.

Table 10

Base Pay Pre-Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£295,013,840	4.0%	£11,800,554	£305,050,722	£11,219,860	3.8%

- 8.2 The underspend against the budget is due to the business rules pertaining to leavers.

Performance Awards

- 8.3 Under Pay for Performance, paybands 2 and 3 are eligible for a performance award, which is determined by an individual's performance rating, the level of budget available, and for 2021/22 and 2022/23, the 'financial overlay trigger' as described above. The Executive Committee decided to distribute performance awards using a 2.25 per cent budget for 2021/22.

Table 11

Performance Year	Budget as a % of total base pay	Budget £	Performance Award Spend £	Actual %
2021/22	2.25%	£6,527,478	£6,526,281	2.25%

9 TfL Operational (former Surface Transport Operations)

Base Pay

- 9.1 In 2022 Surface Operations became subject to the same single collective bargaining arrangements as TfL Pay for Performance. As such, Surface Operations colleagues received the first of the two-year pay offer as: 4.0 per cent with a minimum increase of £1,180 for those on a FTE salary of £29,000 or below and a £500 non-consolidated payment for those on a FTE salary of £31,250 or below.

Table 12

Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£29,594,467	4.0%	£1,183,779	£30,778,245	£1,323,516	4.5%

- 9.2 The overspend against the budget is caused by the additional minimum uplifts outlined in the pay offer and the non-consolidated payments.

Performance Awards

- 9.3 There are no non-consolidated performance award arrangements in TfL Operations roles.

10 Rail for London Infrastructure (RfLI) Limited (Elizabeth line)

Base Pay

- 10.1 Below Senior Manager level, RfLI Operations and Maintenance teams negotiate the annual base pay budget with local bargaining groups TSSA and Prospect.
- 10.2 2021/22 was the first year of a two-year pay deal within RfLI, with the 2022 pay deal as: 4.0 per cent with a minimum increase of £1,180 for those on a FTE salary of £29,000 or below and a £500 non-consolidated payment for those on a FTE salary of £31,250 or below.
- 10.3 In November 2020 the RfLI pay framework was reviewed and a decision taken in consultation with the relevant trade unions to move away from RfLI Pay for Performance to a simpler proposition more usual in an operational environment.
- 10.4 The separate performance award element and base pay matrix were removed entirely. Under the revised framework, the negotiated budget is applied to individuals' base pay irrespective of performance rating.

Table 13

Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£13,783,382	4.0%	£387,310	£14,177,671	£405,045	4.07%

10.5 The overspend against the budget is due to additional sweep to pay range minimum payments as well as the non-consolidated payments.

11 London Transport Museum (LTM)

11.1 The LTM remains subject to the same collective bargaining arrangements as TfL Pay for Performance.

Base Pay

11.2 The annual base pay budget is the same as the negotiated budget for TfL Pay for Performance. Within LTM there are two different arrangements at payband 1. Those employees on the Customer Service Assistant/Operations Resourcing Assistant grade are paid a spot rate for the role. Their salary is reviewed on an annual basis taking into account increases in the London Living Wage. For all other payband 1 employees, base pay is increased by the negotiated percentage up to the pay range maximum, thereafter it is paid as a non-consolidated award.

11.3 In line with TfL, the pay award for employees not paid a spot rate was: 4.0 per cent with a minimum increase of £1,180 for those on a FTE salary of £29,000 or below and a £500 non-consolidated payment for those on a FTE salary of £31,250 or below.

Table 14

Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
£3,817,579	4.0%	£152,703	£3,912,721	£188,162	4.93%

11.4 The overspend against the budget is due to additional sweep to pay range minimum payments, the significant uplift in the London Living Wage in November 2021 and the non-consolidated payments.

Performance Awards

11.5 Under Pay for Performance, paybands 2 and 3 are eligible for a performance award directly driven by an individual's performance rating. For 2021/22 and 2022/23, the 'financial overlay trigger', as described above, was also a factor.

11.6 The LTM Remuneration Committee decided to distribute performance awards aligned to the TfL performance award matrix, which represented an overspend against the budget due to a skew of performance ratings towards the higher-end of the rating scale.

Table 15

Performance Year	Budget as a % of total base pay	Budget £	Performance Award Spend £	Actual %
2021/22	2.25%	£66,490	£80,851	2.74%

List of appendices to this report:

None

List of Background Papers:

None

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Remuneration Committee

Date: 24 July 2024

Item: Pay Outcomes of £100,000 or more Approvals

This paper will be considered public

1 Summary

- 1.1 The current governance process for appointments with a full-time equivalent salary of £100,000 or more per annum requires that Committee approval should be sought for such appointments for both permanent and non-permanent labour (NPL) positions.
- 1.2 A comparison of salaries approved by the Committee with that on actual appointment is set out in the paper on Part 2 of the agenda.
- 1.3 This is the fourth £100,000 or more pay outcomes paper submitted. It covers the period from October 2023 to May 2024 for permanent and NPL positions.
- 1.4 A paper is included on Part 2 of the agenda, which contains exempt supplemental information setting out the relevant information for permanent and non-permanent labour 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 financial affairs of a person or authority. 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.**

List of appendices to this report:

Exempt supplemental information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

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Remuneration Committee

Date: 24 July 2024



Item: Performance Awards 2024/25 – Financial Criteria

This paper will be considered in public

1 Summary

- 1.1 A paper was presented to the meeting of the Committee in February 2024, outlining the performance award scheme for 2024/25, including the continuation of a financial criterion. This paper informs the Committee that the financial criterion for the performance year 2024/25 is for TfL to achieve an operating surplus (i.e. a TfL operating surplus greater than £0).

2 Recommendation

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

3 Background

- 3.1 TfL's annual performance award schemes continue with performance award budgets assessed for a one-year performance period determined by annual business scorecard results and with individual awards calculated by linking performance ratings to a multiplier used against the calculated budget.
- 3.2 For the performance year 2024/25 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 criterion'.
- 3.3 The 'financial criterion' is a separate overriding financial performance condition (independent of the annual scorecard and individual performance rating conditions) built into our performance award schemes going forward.
- 3.4 The 'financial criterion' has no bearing on the quantum of the annual performance award budgets, but acts as a trigger that determines whether performance awards can be paid.
- 3.5 If TfL achieves the 'financial criterion' by 1 April 2025 and has successfully delivered against the TfL scorecard then we would pay performance awards for the performance year during 2025/26.

3.6 The financial criterion for 2024/25 is for TfL to achieve an operating surplus (i.e. a TfL operating surplus greater than £0).

List of appendices to this report:

None

List of Background Papers:

Performance Awards 2024/25 – Remuneration Committee paper February 2024

Contact Officer: Fiona Brunskill, Chief People Officer

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Remuneration Committee

Date: 24 July 2024

Item: Chief Officer Salary Reviews 2024

This paper will be considered in public

1 Summary

- 1.1 The Chief People Officer proposes to make adjustments to base pay for select Chief Officer roles based on the latest executive benchmarking exercise, presented at the 29 February meeting, while also considering internal relativities.
- 1.2 Proposals for adjustments will be tabled in Part 2 of the meeting by the Chief People Officer, for the Committee's approval.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. 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 financial affairs of a person or authority. 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 and agree the salary increase proposals for Chief Officers, as set out in the paper on Part 2 of the agenda, with effect from 1 April 2024.**

List of appendices to this report:

Exempt supplemental information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

Executive Committee Remuneration Benchmarking – Remuneration Committee paper February 2024

Contact Officer Fiona Brunskill, Chief People Officer
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Remuneration Committee



Date: 24 July 2024

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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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), DPR (Director of Pensions and Reward)

November 2024		
Strategic Resource Planning	CPO	To note.
February 2025		
Senior Management Performance Awards Scheme 2025/26	CPO and DPR	To consider the operation of the Performance Awards Scheme for 2024/25.
Pay Outcomes of £100,000 or more Approvals	CPO and DPR	To note.

Regular items each year

- Pay Outcomes of £100,000 or more Approvals (twice a year)
- TfL Performance Delivery and Performance Awards (annual approval)
- Senior Management Performance Awards Scheme
- TfL Remuneration (annual, noting of overall remuneration policy)
- Pay Gap Analysis (annual, noting of gap and actions to address)
- Resourcing at TfL (as required)

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

- Approval of base Salaries of £100,000 or more
- Approval of exit payments for any officer listed in the Terms of Reference or if over £100,000 (excluding statutory notice period)

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