

Transport for London

Minutes of the Remuneration Committee

Teams Virtual Meeting 2.00pm, Wednesday 7 July 2021

Members

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

Executive Committee

Andy Byford	Commissioner
Howard Carter	General Counsel
Tricia Wright	Chief People Officer

Staff

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

12/07/21 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting. The meeting was being held using Teams and was also broadcast live on YouTube (except for the discussion of the information on Part 2 of the agenda, which was exempt from publication) to ensure the public and press could observe the proceedings and decision making.

The flexibility of meetings regulations, which applied to TfL from August 2020 and enabled decisions to be taken via videoconference, expired on 6 May 2021. As Members were not able to meet in person due to social distancing measures, any decisions required would be taken by the Chair, exercising Chair's Action, following the discussion of the item with Members.

The Chair welcomed the appointment of Marcia Williams as the new Director of Diversity, Inclusion and Talent. Marcia had over 25 years of experience in diversity and inclusion, most recently from her time at Thames Tideway as Head of Development and Inclusivity. Members looked forward to working with her at future meetings.

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

13/07/21 Declarations of Interests

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

14/07/21 Minutes of the Meeting of the Committee held on 11 March 2021

The Chair, following consultation with the Committee, approved the minutes of the meeting held on 11 March 2021 as a correct record.

15/07/21 Matters Arising, Actions List and Use of Delegated Authority

The Committee noted that there had been five uses of Chair's Action approving salaries of £100,000 or more since the last meeting. In addition to the four listed in the paper, a further approval had been agreed in relation to Procurement and Supply Chain roles since the publication of the meeting papers. The Chair thanked Members for the prompt responses to these requests, which enabled recruitment processes to be progressed as quickly as possible.

The one outstanding action would be addressed in a paper scheduled for the next meeting.

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

16/07/21 Senior Management Performance Awards

Tricia Wright and Stephen Field introduced the item, which updated the Committee on the current position regarding TfL's performance award schemes for senior management (Commissioner, Managing Directors, Directors and Payband 4 and 5 Senior Managers) within the context of the recently announced short-term Government funding settlement.

The measures to reduce the spread of the coronavirus pandemic had a significant impact on TfL's finances from March 2020. On 24 June 2020, the Committee had agreed to suspend the performance awards element of the scheme for 2020/21, to defer payment of the 2019/20 awards for 12 months and to consider its position on the scheme for 2021/22 in 2021, due to the uncertainty of TfL's financial position at the time. The Committee had recognised, and reconfirmed at this meeting, that the decision was regretful and impacted staff but was the right thing to do in the circumstances.

Members recognised that the scheme was an integral part of the remuneration package for senior staff. It supported TfL's goals and, being linked to scorecards, ensured that rewards were linked to achievement. The staff covered by the scheme had also been subject to a pay freeze since 2016 and the conditions related to the latest funding settlement sought continued pay restraint. Most senior staff accepted that their remuneration was less than they could achieve in the private sector, as they saw other benefits to working in the public sector.

The pay freezes and withdrawal of performance awards in 2020/21 meant there was significant competitive pressure for senior staff, particularly those with scarce or transferable skills. There had been an increasing exodus of senior talent in recent months, which was causing concern in relation to the ability of TfL to retain and attract staff. There had been six resignations to date in 2021 of staff at Director level and above, compared to seven in 2016-20 along with a higher rate of Band 4 and 5 staff. Many staff were leaving for roles where the remuneration offered was significantly higher than was

possible at TfL. The Commissioner was also concerned that a lot of the talent leaving were from diverse backgrounds.

The Committee recognised the need for pay restraint given TfL's financial position, but that benchmarking showed that pay for many staff was significantly below its competitors. Attraction and retention would continue to be a significant issue if staff were going above and beyond to deliver but were again asked to forgo part of their remuneration package.

Staff were asked to develop options for the performance award scheme for 2021/22. All options would be linked to performance and out-performance against the scorecard and attaining financial sustainability, with payments deferred until TfL no longer required temporary support from government for operational costs. The future paper would include information on competitor organisations and the views of the Department for Transport in relation to meeting the spirit of the current funding conditions on pay.

[Action: Tricia Wright / Stephen Field]

A paper would be submitted to the Committee in November 2021 on how TfL would continue to attract and retain diverse talent.

[Action: Marcia Williams]

The Committee noted the paper.

17/07/21 2020/21 Scorecards

Andy Byford and Tricia Wright introduced the paper, which provided the business performance results as measured by the TfL and delivery business scorecards for the year ended 31 March 2021.

The TfL scorecard, whilst being ambitious and stretching, captured the outcomes and milestones required over 2020/21 to deliver the Business Plan and Budget. Given the high level of uncertainty and the need to focus on the short term, TfL set out an immediate scorecard (H1) to cover the first half of the performance year. The H1 scorecard was focused on short-term priorities to ramp up services to support the restart of the economy and was aligned to the requirements of the funding agreement in place at the time. The H2 scorecard covered the second half of the performance year, which was recovery focused with a return to core safety and people priorities and an emphasis on active travel and reducing carbon emissions.

The scorecards of the four delivery businesses captured how the TfL scorecard translated into what each individual business needed to achieve, focusing more on leading measures.

On 27 May 2021, following consultation with its members, the Chair of the Audit and Assurance Committee considered and signed-off an Assurance Review on the scorecard results undertaken by TfL's Risk and Assurance Directorate.

The Committee noted the significant amount of work undertaken over the last year, which had been severely impacted by the coronavirus pandemic. TfL had continued to operate services and deliver projects, with enhanced cleaning regimes and other Covid-safe measures, while managing the impact on staff, many of whom had contracted Covid-19 or had to self-isolate. There had also been 90 staff and contractor fatalities due to Covid-19, which impacted their colleagues as well as their families and friends. TfL

also had to manage the impact of the coronavirus pandemic on its finances, including the use of resource to facilitate discussions with government on funding and meeting the conditions of the funding settlements.

The Commissioner was pleased with the scorecard outturn in an extraordinary year, which had seen customer confidence maintained. TfL continued to have a good safety record and delivered on capital project milestones despite a temporary Safe Stop at the early stages of the coronavirus pandemic to reconfigure working arrangements to reduce the risks to staff.

The Committee noted that the scorecards showed some reds against safety metrics, such as the rise in cycle and motorcycle fatalities and an increase in falls on buses, which had also occurred for other transport operators. The increase in assaults on staff were a concern and were being followed up. The safety metrics were considered at the recent meeting of the Safety, Sustainability and Human Resources Panel, which acknowledged the good performance in the circumstances but cautioned against any complacency. Safety was the top priority for TfL and the Executive Committee kept all safety metrics under close review.

The Committee noted the delivery against scorecards for 2020/21.

18/07/21 Performance Assessments 2020/21

Andy Byford introduced the item, including the information on Part 2 of the agenda, which summarised the performance assessments for those staff within the remit of the Committee. On 24 June 2020, the Committee had agreed that the senior management performance award schemes would be suspended for the 2020/21 financial year but that it was critical that TfL continued to manage performance effectively.

The Commissioner had set out two key priorities when he joined TfL, which had been accepted and adapted by the Executive Committee:

- (a) to lead TfL through and beyond the coronavirus pandemic, by rebuilding ridership, finances and the capability and morale of staff. This now included a commitment to a more diverse organisation with a clear vision; and
- (b) to complete the Crossrail project and deliver the Elizabeth line into full service as soon as possible. This had been expanded to include delivery of the following major projects the extension of the Northern line, the Bank station capacity project and Barking Riverside, along with commitments to a focus on a green organisation.

The organisation had made good progress in all areas, while taking on additional workload as a result of the coronavirus pandemic, initially to manage the crisis, including operational delivery and in securing additional funding for TfL and Crossrail. Across TfL and its contractors, people had gone above and beyond their day jobs, working outside of their comfort zones to look after their teams and deliver for London. The Committee expressed its thanks to the Commissioner and his leadership team for their professionalism and ability to deliver services and make key decisions in such a novel situation.

The Committee reviewed the performance assessments for those individuals under its direct accountability. The General Counsel and Head of Secretariat left the meeting for the discussion of the individual performance assessments and the Chief People Officer and Commissioner left the meeting for the discussion on their performance.

The Committee supported the assessments made against individual staff and again acknowledged the significant contribution each had made during an extraordinary and challenging year.

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

19/07/21 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item.

The Committee agreed that the meeting on 10 November 2021 would consider the attraction and retention of a diverse workforce, as requested earlier in the meeting, and bring forward the wider update paper on workforce and talent, currently scheduled for March 2022.

The Committee noted the forward plan.

20/07/21 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

21/07/21 Date of Next Meeting

The next scheduled meeting of the Committee was Wednesday 10 November 2021 at 10am.

Arrangements would be made for the Committee to consider options in relation to Senior Management Performance Awards for 2021/22 (Minute 16/07/21).

22/07/21 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), in order to consider the exempt information on Performance Assessments 2020/21 which contained information relating to individuals, the business affairs of TfL and where a claim to legal professional privilege could be made.

The meeting closed at 16.00

Chair: _____

Date: _____