

Date: 9 November 2022

Item: Chief Officer and Director Pay Review 2022

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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