

Board



Date: 7 December 2022

Item: Report of the Meeting of the Remuneration Committee held on 9 November 2022

This paper will be considered in public

1 Summary

- 1.1 This paper provides a summary of the items considered by the Remuneration Committee at its meeting on 9 November 2022.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee held on 9 November 2022 were published on 1 November 2022 and are available on the [TfL website](#) with a link to the video recording of the meeting on [TfL's YouTube channel](#).

- 3.2 The main matters considered by the Committee were:

- (a) Use of Delegated Authority;
- (b) Resourcing at TfL;
- (c) Pay Outcomes of £100,000+ Approvals; and
- (d) Chief Officer and Director Pay Review 2022.

- 3.3 A summary of the items considered and decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 2 March 2023.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

- 4.1 The Committee noted five uses of Chair's Action, in consultation with the Committee, all in relation to the approval of salaries of £100,000 or more.

Resourcing at TfL

- 4.2 The Committee recognised that it was vital that TfL was resourced appropriately to deliver its Business Plan and to ensure the continued safe operation of its network. It noted an update on how TfL was resourced, recent upward trends in the use of non-permanent labour (NPL) and mitigations in place to ensure it could attract, retain and develop its own talent to meet its requirements, including the strategic workforce planning activity in place to ensure this.
- 4.3 An update was also provided on strategic workforce planning activity, including a demonstration of data analysis tools to support decision making.
- 4.4 Members noted the current trends and variability in turnover across the organisation, with high areas of turnover currently in professional services and engineering and how long-term funding uncertainty impacted the ability to have a pipeline of major projects and so many talented specialists involved in projects such as Crossrail, Northern Line Extension and Bank station projects were lost to TfL.
- 4.5 An update would be provided to a future meeting on strategic workforce planning, TfL's Reward Strategy, which included benchmarking roles across the organisation and externally, the future operational model – Our TfL Programme and talent management.

Pay Outcomes of £100,000+ Approvals

- 4.3 A process was in place for the Committee to approve full-time equivalent salaries in excess of £100,000 per annum for permanent and NPL positions. The Committee noted an update that compared the salary approved by the Committee with that given on actual appointment for the period covering September 2020 to July 2022.
- 4.4 The Committee discussed the use and duration of NPL roles and noted that this was the subject of a review.
- 4.5 The Committee supported the need for oversight on the approval of the highest salaries but recognised the need to streamline the current process to avoid unnecessary delays in filling key positions, which saw strong candidates recruited elsewhere and also impacted service and project delivery.

Chief Officer and Director Pay Review 2022

- 4.6 Annual pay review processes for Chief Officer and Director populations had been frozen since 2016. As a result, base pay had remained static for individuals in this population unless a role re-evaluation, structural change or promotion had taken place. The restructure of the Executive Committee in February 2022 had resulted in the Committee approving some remuneration changes made in line with external benchmarking.

- 4.7 The Committee noted the annual pay review for those Chief Officers that had not received a pay adjustment as part of the leadership organisation restructure during 2022. It approved the proposal 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 – which was also intended to be applied to pay bands 4 and 5. It also noted the intention to apply the same approach to any Directors who similarly did not receive pay adjustments as part of the leadership restructure.
- 4.8 The Committee would have an opportunity to engage on the reward and retention strategy for Chief Officers and the wider organisation before any proposals for change were considered at a future meeting.
- 4.9 The Committee was also updated on the process for the appointment of the Commissioner.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Remuneration Committee on 9 November 2022

Contact Officer: Howard Carter, General Counsel
Email: HowardCarter@tfl.gov.uk