

Remuneration Committee

Date: 2 March 2023

Item: Executive Remuneration Benchmarking

This paper will be considered public

1 Summary

- 1.1 Following on from paper on Executive Remuneration Benchmarking discussed by the Committee at its meeting on 6 July 2022, this paper provides an update to the Committee on progress.
- 1.2 We now are now planning to have the benchmarking reports for 2023 ready for discussion at the Committee's meeting on 15 June 2023.

2 Recommendation

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

3 Background

- 3.1 In late 2021, our previous executive remuneration benchmarking provider advised TfL that it would be unable to fulfil the contract in future years due to a reorganisation of its survey and benchmarking activities.
- 3.2 As advised to the Committee at its meeting on 6 July 2022, to obtain similar consultant sourced executive benchmarking for 2023 and beyond TfL needed to undertake a competitive procurement process to contract with a new provider.
- 3.3 Work commenced on the retender in July 2022 with tender documents issued to the market in September 2022. Unfortunately, the tender process was unsuccessful due to a poor response from the market.
- 3.4 Following the unsuccessful tender process, we adopted an alternative 'route to market' and have commenced discussions with a provider that can meet the requirements in full. We are currently in the final stages of the internal governance process and agreeing contractual terms with the provider.
- 3.5 This delay in the procurement process means that executive benchmarking for 2023 is not available for this meeting, as initially planned.
- 3.6 However, once the new contract is in place work between TfL Reward and the provider will commence immediately to provide the reports for 2023. We anticipate that a report will be submitted to the meeting of the Committee on 15 June 2023.

- 3.7 On 6 July 2022, the Committee agreed that future executive remuneration benchmarking reports should use the current methodology and comparator groups and present the information in a similar format, with the provider able to comment on wider remuneration trends.
- 3.8 Having discussed the Committee's requirements with the intended provider we are confident that they can be met. However, as with any change of benchmarking provider, there are likely to be some adjustments to the data sources and peer groups because not every benchmarking provider has access to the same companies and information.

List of appendices to this report:

None

List of Background Papers:

Executive Committee Remuneration Benchmarking – Remuneration Committee 6 July 2022.

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