

Board



Date: 29 March 2023

Item: Report of the Meeting of the Remuneration Committee held on 2 March 2023

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 2 March 2023.

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 2 March 2023 were published on 22 February 2023 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) TfL Remuneration;
- (c) Executive Remuneration Benchmarking; and
- (d) Resourcing at TfL.

- 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 12 June 2023.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

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

TfL Remuneration

- 4.3 The Committee noted a comprehensive update on annual remuneration processes pan-TfL, including both base pay and performance awards and pay ratio data, which compared very favourably to other organisations. This reward information had previously been summarised in TfL's Annual Report and Accounts for the financial years ending 31 March 2021 and 31 March 2022.
- 4.4 Members acknowledged the complex collective bargaining arrangements and challenging environment within which TfL operated and that this was a key issue for staff due to pay restraint and pay award disparity across the organisation. Considerable work was underway to review the total reward framework to create a fairer system with job families established against external benchmarking. Progress on this work would be reported to the Committee.

Executive Remuneration Benchmarking

- 4.5 At the meeting of the Committee on 6 July 2022, it was noted that a procurement exercise was underway to secure a new executive remuneration benchmarking provider. The Committee noted that as the competitive tender process had been unsuccessful discussions with a provider that could meet TfL's requirements in full were in the final stages. Once a new contract was in place, work would commence immediately to provide the benchmarking reports for 2023, which were anticipated to be available for the next meeting of the Committee.
- 4.6 As requested by the Committee, the report would 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.

Resourcing at TfL

- 4.7 The Committee had considered Resourcing at TfL at its meeting on 9 November 2022 and was provided with further detail on retention, the future skills requirements of the organisation, the approach to strategic workforce planning and how TfL was addressing its skills challenges. The paper also addressed the action from the meeting of the Board on 7 December 2022, to provide a breakdown of non-permanent labour (NPL) use at TfL and steps to reduce its use.
- 4.8 The Committee welcomed the work in this area and noted the good progress being made on establishing the foundations for data led processes, which would enable TfL to anticipate and predict future skill needs and reduce the impact of staff turnover or internal moves. Work was underway on succession plans, improving individual development plans and developing TfL's leaders to drive inclusion, engagement, and consistent standards.

- 4.9 The Committee discussed the use of NPL, particularly in Engineering and Technology and Data where TfL's work was often world leading, with excellent training and development opportunities. TfL was often unable to attract or retain key individuals in these specialisms due to remuneration constraints. This was being considered as part of the work on establishing job families and external benchmarking to develop a talent pipeline. An overview of TfL's benchmarking processes and methodologies would be provided to a future meeting. Members also requested that the Commissioner consider if the policy on notice periods for the most senior or difficult to fill roles needed to be reviewed.
- 4.10 The various strands of work were expected to show a difference, or in some cases the development of a clear plan, within 12 months. A comprehensive update on Resourcing at TfL would be scheduled for March 2024.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Remuneration Committee on 2 March 2023

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