

Board



Date: 25 July 2023

Item: Report of the Meeting of the Remuneration Committee held on 12 June 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 12 June 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 12 June 2023 were published on 2 June 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) Matters Arising, Actions List and Use of Delegated Authority;
- (b) 2022/23 Scorecards;
- (c) Performance Awards 2022/23;
- (d) Senior Management Performance Awards 2023/24; and
- (e) Chief Officer Salary Reviews 2023.

- 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 9 November 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 since the last meeting: four approving salaries of £100,000 or more; and one to confirm that TfL had met the financial overlay trigger, applied by the Committee in 2021 on top of the usual Scorecard and

individual performance requirements, to the payment of any performance awards for the years 2021/22 and 2022/23. The decision was required by Chair's Action to enable the paper elsewhere on the agenda on performance awards to be prepared.

2022/23 Scorecards

- 4.3 The Committee noted the delivery against the TfL Scorecard and the three delivery business scorecards (Operations, Capital and TTL Properties Limited) for the year ended 31 March 2023, along with the justification for a small number of mitigations approved by the Commissioner.
- 4.4 Internal Audit had undertaken an assurance review of the scorecard outcomes and this had been rigorously reviewed and accepted by the Audit and Assurance Committee, whose membership included the Chair of this Committee.
- 4.5 Members commended the good performance by staff and the business in another challenging year and the publication of the scorecards and mitigations as a good example of TfL's commitment to transparency.

Performance Awards 2022/23

- 4.6 In November 2021, the Committee agreed the reintroduction of performance award schemes for the 2021/22 and 2022/23 performance years, with the addition of a financial overlay trigger of achieving financial sustainability by April 2023. The Committee had previously agreed by Chair's Action that the financial overlay trigger had been met and therefore awards for performance in 2021/22 and 2022/23 could be considered.
- 4.7 The Committee reviewed the performance ratings in respect of the officers within its remit in relation to the overall performance delivery for the year ended 31 March 2023, as measured against the TfL and divisional scorecards.
- 4.8 The Committee approved the performance rating for the Commissioner and other officers within its remit and noted the potential awards that were payable. It also noted that the same principles would apply in relation to performance awards for other eligible TfL staff.

Senior Management Performance Awards 2023/24

- 4.9 Performance awards were a critical component of TfL's total remuneration proposition for senior management, supporting TfL's ability to attract and retain critical talent within the business. The performance award schemes also played an important role in delivering high performance across TfL. Through the direct relationship with business performance (as captured in scorecards) the schemes serve to highlight the main priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering critical goals. Reward was commensurate with the level of success achieved and therefore provided a fair and value for money approach to reward.

- 4.10 The Committee endorsed the proposal to operate performance award schemes for senior management for the 2023/24 performance year and agreed that it would include the continuation of a financial criteria. The financial criteria would also apply to the performance award schemes operated for TfL payband 2 and 3 employees.

Chief Officer Salary Reviews 2023

- 4.11 On 9 November 2022, the Committee agreed that those Chief Officers and Directors who had not already received an increase during 2022 as part of the restructuring exercise would receive an uplift equivalent to the same pay increase percentage as the first year of the TfL pay deal. It also agreed that application of a percentage increase equivalent to the second year of the pay deal for employees in paybands 1 to 3 (and applied to Senior Managers) would be considered in 2023 for Chief Officers and Directors, unless they already had alternative pay review arrangements in place. The two-year pay offer in TfL was four per cent for 2022 and 4.4 per cent for 2023.
- 4.12 The Committee agreed: the salary increase proposals for specific Chief Officers, with effect from 1 April 2023; noted the salary increase awarded for the Directors specified under the Committee's Terms of Reference; and noted the decision to apply the same principles to other eligible Directors.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Remuneration Committee on 12 June 2023

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