

Transport for London

Minutes of the Remuneration Committee

**Paddington Room 11Y1, 11th Floor, Palestra,
197 Blackfriars Road, London SE1 8NJ
3.00pm, Monday 12 June 2023**

Members

Kay Carberry CBE (Chair)
Peter Strachan (Vice-Chair)

Executive Committee

Andy Lord	Commissioner
Fiona Brunskill	Interim Chief People Officer
Howard Carter	General Counsel

Staff

Stephen Field	Director of Pensions and Reward
Shamus Kenny	Head of Secretariat

11/06/23 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Seb Dance and Dr Nelson Ogunshakin OBE. The meeting was quorate.

The Chair welcomed everyone to the meeting. The meeting was also being broadcast live to TfL's YouTube channel to ensure the public and press could observe the proceedings and decision making.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with the appropriate member of the Executive Committee after the meeting.

12/06/23 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date. It was noted that there had been one update since the last meeting. Peter Strachan has been appointed as the Chair of the National Transport Authority, Ireland.

There were no interests declared that related specifically to items on the agenda.

The exempt information on Part 2 of the agenda related to the performance awards and salary reviews of Chief Officers. All non-essential staff would leave the meeting for the discussion of those items, with the Commissioner and Interim Chief People Officer also leaving the meeting for any discussion of their individual performance or salary.

13/06/23 Minutes of the Meeting of the Committee held on 2 March 2023

The minutes of the meeting of the Committee held on 2 March 2023 were approved as a correct record and the Chair was authorised to sign them.

14/06/23 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. The Committee noted that there had been five uses of Chair's Action since the last meeting of the Committee on 2 March 2023, four in relation to the approval of salaries of £100,000 or more. The other use of Chair's Action was 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.

The Committee noted the updated Actions List and use of delegated authority.

15/06/23 2022/23 Scorecards

Andy Lord introduced the item, which set out the business performance results as measured by the TfL Scorecard and three delivery business scorecards (Operations, Capital and TTL Properties Limited (TTLP)) for the year ended 31 March 2023.

A number of small mitigations had been applied to the TfL Scorecard, as set out in the paper. The Commissioner had also agreed mitigations against the Operations and Capital scorecards and 50 per cent of the mitigations against the TTLP scorecard.

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.

Members noted the good performance by staff and the business in another challenging year. The Committee also commended the publication of the scorecards and mitigations as a good example of TfL's commitment to transparency.

The Committee noted the delivery against scorecards for 2022/23.

16/06/23 Performance Awards 2022/23

Andy Lord introduced the paper, and the exempt supplementary information on Part 2 of the agenda. The paper sought approval for performance ratings in respect of the Commissioner, Chief Officers and specific Director roles in relation to the overall performance delivery for the year ended 31 March 2023, as measured against the TfL and divisional scorecards.

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 agreed that the financial overlay trigger had been met and, therefore, payment of performance awards for 2021/22 and 2022/23 could be considered.

Following the exclusion of the press and public and non-essential staff, the Committee considered in detail with the Commissioner his individual performance assessments of the staff within the remit of the Committee. The Committee then considered the Commissioner's performance, while he left the room for that discussion.

The Committee noted the paper and the supplementary information on Part 2 of the agenda and:

- 1 agreed the individual performance rating for the Commissioner;**
- 2 agreed the individual performance ratings for the Chief Officers and Directors specified under the Committee's Terms of Reference against the 2022/23 performance delivery outturn;**
- 3 noted the potential awards payable to the Commissioner, Chief Officers and Directors specified under the Committee's Terms of reference; and**
- 4 noted that the same principles would apply in relation to performance awards for other eligible TfL staff.**

17/06/23 Senior Management Performance Awards 2023/24

Fiona Brunskill and Stephen Field introduced the paper, which set out a proposal to operate performance award schemes for senior management (Commissioner, Chief Officer, Director and payband 4 and 5 Senior Managers) for the performance year 2023/24 with the continuation of a financial criteria. No other changes were proposed to the design or operation of the schemes.

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 had an important role to play in delivering high performance across TfL. Through the direct relationship with business performance (as captured in TfL's 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.

Members supported the operation of the scheme and the continued inclusion of a financial element. The confirmation of the scheme and the financial criteria would be communicated to all staff covered by the scheme in due course.

The Committee noted the paper and:

- 1 endorsed the proposal to operate performance award schemes for senior management for 2023/24 with the continuation of a financial criteria; and**

- 2 noted the proposal to operate performance award schemes for the performance year 2023/24 for TfL payband 2 and 3 employees under the TfL Pay for Performance framework with the continuation of a financial criteria.**

18/06/23 Chief Officer Salary Reviews 2023

Fiona Brunskill and Stephen Field introduced the paper and the exempt supplementary information on Part 2 of the agenda.

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.

In addition to the proposals for adjustments on Part 2 of the agenda, the Commissioner tabled further proposals for adjustments. The proposals and justifications were discussed in detail.

The Committee noted the paper and the supplementary information on Part 2 of the agenda and:

- 1 agreed the salary increase proposals for Chief Officers, as set out in the paper on Part 2 of the agenda and to the supplementary proposals tabled at the meeting, with effect from 1 April 2023;**
- 2 noted the salary increase awarded for the Directors specified under the Committee's Terms of Reference; and**
- 3 noted the decision to apply the same principles to other eligible Directors.**

19/06/23 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item.

The Committee noted the forward plan.

20/06/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

21/06/23 Date of Next Meeting

The Committee agreed that the meeting scheduled for Wednesday 5 July 2023 was not required and would be cancelled. The next scheduled meeting of the Committee was, therefore, Thursday 9 November 2023 at 10.00am.

22/06/23 Exclusion of the Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 1, 3 and 5 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: Performance Awards 2022/23; and Chief Officer Salary Reviews 2023.

The meeting closed at 4.45pm.

Chair: _____

Date: _____