

Date: 21 February 2024

Item: Approach to Reward

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**This paper will be considered in public.**

## **1 Summary**

- 1.1 Ensuring TfL provide a fair and attractive employee offer is an integral part of our Colleague Strategy, where we need to balance fairness and affordability with meeting the competitive challenge of attracting and retaining talent.
- 1.2 In response to this challenge, we are reviewing our approach to pay management, with this paper introducing the Job Families concept and their benefits.
- 1.3 Appendix 1 sets out how the Job Families approach relates to the approach to reward.

## **2 Recommendation**

- 2.1 **The Panel is asked to note the paper.**

## **3 Improving Pay Management at TfL**

- 3.1 Pay Management is the collective term we use for pay structures, frameworks, processes and mechanisms that we use to set, manage and progress pay.
- 3.2 Feedback from our colleagues via Viewpoint and our trade unions, coupled with data analytics show that we have fundamental issues to address, including internal pay disparity, external market relativity and the increasing perception of unfairness from our colleagues.
- 3.3 Our aim is to make pay internally fair, competitive against external industry and markets; whilst ensuring it is financially sustainable for the long-term.

## **4 Job Families**

- 4.1 One component of our Pay Management is the Job Family concept and is our current area of focus. Job Families are a group of roles with common features, such as output, skills, knowledge or experiences which are consistent across the organisation.
- 4.2 We have identified 20 Job Families across TfL and 12 across our Operational areas and are now in the process of mapping roles against these Job Families.
- 4.3 The benefits of a Job Family approach include:

- (a) A consistent approach to pay setting.
- (b) Reduced pay disparities over time.
- (c) A closer market alignment in base pay that strongly supports attraction and retention.
- (d) Pay becomes easier to segment and made more specific to the work being done.
- (e) Better control of costs.
- (f) Reduce the need for ad hoc arrangements.
- (g) Positive impact on our pay gaps.

**List of appendices to this report:**

Appendix 1 – Approach to Reward presentation.

**List of Background Papers:**

None.

Contact Officer: Peter Robinson, Head of Reward  
Email: [Peterrobinson@tfl.gov.uk](mailto:Peterrobinson@tfl.gov.uk)

Contact Officer: Fiona Brunskill, Chief People Officer  
Email: [Fionabrunskill@tfl.gov.uk](mailto:Fionabrunskill@tfl.gov.uk)