

# **Transport for London**

## **Minutes of the Remuneration Committee**

**Conference Rooms 1 and 2, Ground Floor, Palestra,  
197 Blackfriars Road, London SE1 8NJ  
10.00am, Thursday 29 February 2024**

### **Members**

Kay Carberry CBE (Chair)  
Seb Dance

### **Executive Committee**

Andy Lord	Commissioner
Fiona Brunskill	Chief People Officer
Andrea Clarke	Interim General Counsel

### **Staff**

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

## **01/02/24 Apologies for Absence and Chair's Announcements**

Apologies for absence had been received from Peter Strachan (Vice Chair) and Dr Nelson Ogunshakin OBE. The meeting was quorate.

The Chair welcomed everyone to the meeting. While the meeting was broadcast live to TfL's YouTube channel, except for the discussion of the information on Part 2 of the agenda, which was exempt from publication, a technical issue meant there was no audio of the meeting.

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.

## **02/02/24 Declarations of Interests**

Members confirmed that their declarations of interests, as published on [tfl.gov.uk](https://tfl.gov.uk), were up to date.

There were no interests for Members to declare that related specifically to items on the agenda. For the items relating to Performance Awards 2023/24 and Chief Officer Remuneration, all non-essential staff would leave the meeting and the Chief People Officer and the Commissioner would also leave for any discussion of their own performance.

## **03/02/24 Minutes of the Meeting of the Committee held on 9 November 2023**

**The minutes of the meeting of the Committee held on 9 November 2023 were approved as a correct record, and the Chair was authorised to sign them.**

## **04/02/24 Matters Arising, Actions List and Use of Delegated Authority**

Andrea Clarke introduced the item. Since the last meeting of the Committee on 9 November 2023, there had been three uses of Chair's Action approving salaries of £100,000 or more, two of which were referred to in the paper and a further use on 26 February 2024, the details of which would be included in the report to the next meeting.

**The Committee noted the updated actions list and use of Chair's Action.**

## **05/02/24 Performance Awards 2023/24**

Andy Lord introduced the item. TfL operated performance award schemes for many of its staff, as part of its overall reward arrangements. These were designed to enable the recruitment and retention of staff with the skills and experience required to deliver London's public transport network, while recognising TfL's status as a public body. The consideration and payment of the performance awards for the Commissioner and Chief Officers has been brought forward for 2023/24 to ensure that appropriate oversight and governance was applied by the current Committee membership ahead of the Mayoral election on 2 May 2024. This advance consideration was applied in the final year of a mayoralty.

The Committee's decisions on whether to make performance awards, and if so their quantum, depended on TfL's overall financial performance, the overriding financial performance condition for TfL to achieve operating breakeven for 2023/24, TfL's wider performance as measured against the TfL and divisional scorecards and individual contributions. The Audit and Assurance Committee would review the Internal Audit review of the TfL and divisional scorecards outturn to provide assurance to the Remuneration Committee ahead of any decisions on performance awards being taken.

Following the exclusion of the public and non-essential officers, the Committee discussed the current performance assessments of Chief Officers by the Commissioner and the Commissioner by the Deputy Chair of TfL.

As decisions could only be taken after the end of the financial year, ending 31 March 2024, and as no meetings were scheduled during the pre-election period, the Committee was asked to authorise the Chair of the Committee, following consultation with Committee Members, to approve any performance awards. Any payments would only be made in accordance with the criteria previously agreed by the Committee.

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

- 1 authorised the Chair of the Committee, following consultation with available Committee Members, to approve the performance awards for 2023/24 for the**

**Commissioner, Chief Officers and Directors specified under the Committee's Terms of Reference, subject to the final validated 2023/24 TfL and divisional scorecards outturn; and**

- 2 noted that the same principles would apply in relation to performance awards for other eligible TfL staff.**

## **06/02/24 Executive Committee Remuneration Benchmarking**

Fiona Brunskill and Stephen Field introduced the item, which provided an updated benchmarking report, produced by Willis Towers Watson. The report set out the methodology, background and market context and the appendices detailed the private and publicly accountable peer groups and long-term incentive valuation methodology. The unique nature of TfL's role and governance arrangements meant there were no direct comparators, so benchmarking was against a broad range of organisations.

The benchmarking results showed that all TfL Executive Committee roles remained below the market when compared to both peer groups. From a base salary perspective, all roles sat below the lower quartile or were positioned between the lower quartile and the median when looking across the peer groups. The comparison of Total Target Remuneration was even less favourable. This pattern of relativity was similar across all TfL senior management roles, from payband 4 through to Director level, although more marked at the highest levels.

Members recognised that individuals did move between the public sector and private sector as it was a single and active executive jobs market. TfL was fortunate to have attracted and retained the talent that it had, despite the remuneration position, due to their strong public sector ethos. The relatively short notice periods for key roles, compared to other organisations, remained a concern and this was being reviewed.

Benchmarking reports would be provided to the Committee annually, usually at the March meeting.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.**

## **07/02/24 Performance Awards 2024/25**

Andy Lord and Fiona Brunskill introduced the item. 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. They also had an important role to play in delivering high performance across TfL. Through the direct relationship with business performance (as captured by scorecards) the schemes served to highlight the main priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering TfL's critical goals. They also ensured that reward was only delivered that was commensurate with the level of success achieved and therefore provided a fair and value for money approach.

The Committee considered the proposal to continue to operate performance award schemes for senior management (Commissioner, Chief Officer, Director and payband 4

and 5 Senior Managers) for the performance year 2024/25. The scheme would continue to have a financial criterion and Chief Officer and Director performance awards would be aligned to a single scorecard approach (TfL scorecard) to ensure a single focus for delivery. As it was no longer proposed to consider performance against divisional scorecards, the recommendation in the published paper was amended to ask the Committee to endorse that change.

**The Committee noted the paper and:**

- 1 endorsed the proposal to continue to operate performance award schemes for senior management for 2024/25 with the continuation of a financial criterion;**
- 2 endorsed how Chief Officer and Director performance awards would be aligned to a single scorecard approach (TfL scorecard) for the performance year 2024/25; and**
- 3 noted the proposal to continue to operate performance award schemes for the performance year 2024/25 under the TfL Pay for Performance framework with the continuation of a financial criterion.**

## **08/02/24 Chief Officer Remuneration 2024**

Andy Lord introduced the item, which sought approval to proposals in relation to Chief Officer remuneration roles, based on the executive benchmarking exercise elsewhere on the agenda for the meeting, while also considering internal relativities. If approved, the remuneration proposals would still be below the external benchmark.

Members unable to attend the meeting had been consulted on the proposals and had confirmed their agreement. If approved, the details would be published in TfL's annual remuneration report in due course.

**The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and approved the proposals as set out in the paper on Part 2 of the agenda.**

## **09/02/24 Approach to Reward**

Fiona Brunskill introduced the item. A similar paper, and a paper on TfL's approach to talent, had been considered at the meeting of the Safety, Sustainability and Human Resources Panel held on 21 February 2024. Kay Carberry CBE was also a member of the Panel and confirmed that it had supported the direction of travel in both papers.

Ensuring TfL provided a fair and attractive employee offer was an integral part of its Colleague Strategy, with the need to balance fairness and affordability with meeting the competitive challenge of attracting and retaining talent. TfL's banding was currently very different to the wider employment market. TfL had looked at segmentation and the use of job families to better align activity into job families. This would also result in a better approach to pay setting. Discussions would be held with the trade unions in the coming months.

The Committee welcomed the work and noted the expectation that the implementation of the approach would reduce current discontent across TfL on the different pay structures and reduce the reliance on non-permanent labour.

**The Committee noted the paper.**

## **10/02/24 Members' Suggestions for Future Discussion Items**

Andrea Clarke introduced the item.

**The Committee noted the forward plan.**

## **11/02/24 Any Other Business the Chair Considers Urgent**

There was no other urgent business to discuss.

## **12/02/24 Date of Next Meeting**

The date for the next meeting of the Committee would be confirmed shortly.

## **13/02/24 Exclusion of the Press and Public**

**The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 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 2023/24; Executive Committee Remuneration Benchmarking; and Chief Officer Remuneration 2024.**

The meeting closed at 12.30pm.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_