

**This paper will be considered in public**

**1 Summary**

- 1.1 A paper was presented to the meeting of the Committee in February 2024, outlining the performance award scheme for 2024/25, including the continuation of a financial criterion. This paper informs the Committee that the financial criterion for the performance year 2024/25 is for TfL to achieve an operating surplus (i.e. a TfL operating surplus greater than £0).

**2 Recommendation**

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

**3 Background**

- 3.1 TfL's annual performance award schemes continue with performance award budgets assessed for a one-year performance period determined by annual business scorecard results and with individual awards calculated by linking performance ratings to a multiplier used against the calculated budget.
- 3.2 For the performance year 2024/25 there are three performance elements being used to determine performance award outcomes:
- (a) how TfL performs against the critical priorities set out in the business scorecards;
  - (b) how individuals personally contribute to these, as defined by a performance rating; and
  - (c) the 'financial criterion'.
- 3.3 The 'financial criterion' is a separate overriding financial performance condition (independent of the annual scorecard and individual performance rating conditions) built into our performance award schemes going forward.
- 3.4 The 'financial criterion' has no bearing on the quantum of the annual performance award budgets, but acts as a trigger that determines whether performance awards can be paid.
- 3.5 If TfL achieves the 'financial criterion' by 1 April 2025 and has successfully delivered against the TfL scorecard then we would pay performance awards for the performance year during 2025/26.

3.6 The financial criterion for 2024/25 is for TfL to achieve an operating surplus (i.e. a TfL operating surplus greater than £0).

**List of appendices to this report:**

None

**List of Background Papers:**

Performance Awards 2024/25 – Remuneration Committee paper February 2024

Contact Officer: Fiona Brunskill, Chief People Officer

Email: [fionabrunskill@tfl.gov.uk](mailto:fionabrunskill@tfl.gov.uk)