

**Date: 20 November 2024**

**Item: Approach to Reward**

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**This paper will be considered in public**

**1 Summary**

- 1.1 Ensuring TfL provides 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.

**2 Recommendation**

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

**3 Latest on our Pay Talks**

- 3.1 As at 5 November 2024, the best offer has been made to all our recognised trade unions covering all collective bargaining groups. We are waiting on formal responses to the offer.
  - (a) For London Underground collective bargaining the offer is 3.8 per cent + £450 with a minimum increase of £1,970 for those earning less than £40,000. The average award value across this group is 4.6 per cent.
  - (b) For TfL collective bargaining the offer is 4.0 per cent + £400 with a minimum increase of £2,000 for those on operational contracts. The average award value across this group is 4.9 per cent.
  - (c) For Rail for London Infrastructure collective bargaining the offer is 4.0 per cent + £400 with a minimum increase of £2,000 for those on operational contracts. The average award value within Maintenance is 5.0 per cent and within Operations is 4.9 per cent.

**4 Improving Pay Management at TfL**

- 4.1 Pay Management is the collective term we use for pay structures, frameworks, processes and mechanisms that we use to set, manage and progress pay.
- 4.2 Feedback from our colleagues via our employee engagement Viewpoint survey, and our trade unions, coupled with data analytics show that we have fundamental issues to address. These issues include internal pay disparity, external market relativity and the increasing perception of unfairness from our colleagues.

- 4.3 Our aim is to make pay internally fair, competitive against external industry and markets; while ensuring it is financially sustainable for the long-term.

## **5 Job Families**

- 5.1 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.
- 5.2 We have identified 27 Job Families across TfL Non-Operational areas and are now in the process of consulting with the TfL Company Council on Job Families. Further detail is provided in Appendix 1.
- 5.3 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) reduced need for ad hoc arrangements; and
  - (g) positive impact on our pay gaps.

### **List of appendices to this report:**

Appendix 1: Approach to Reward slide deck.

### **List of Background Papers:**

None.

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