

Board

Date: 4 December 2024

**Item: Report of the Meeting of the People and Remuneration
Committee held on 20 November 2024**

This paper will be considered in public

1 Summary

- 1.1 This paper provides a summary of the items considered by the People and Remuneration Committee at its meeting on 20 November 2024.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee held on 20 November 2024 were published on 12 November 2024 and are available on the [TfL website](#) with a link to the video recordings of the meeting on [TfL's YouTube channel](#).
- 3.2 The main matters considered by the Committee were:
- (a) Matters Arising, Actions List and Use of Delegated Authority;
 - (b) TfL Change Landscape;
 - (c) Action on Inclusion – 12 Months On;
 - (d) Approach to Reward;
 - (e) TfL Savings for Retirement Plan;
 - (f) £100,000 or more Process and Pay Outcomes of £100,000 or more Approvals;
 - (g) Our Colleague Quarterly Report;
 - (h) Risk and Assurance Report Quarter 2 2024/25; and
 - (i) Director Salary Reviews 2024.
- 3.3 A summary of the items considered and decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 24 February 2025.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

- 4.1 The Committee noted details of the exercise of Chair's Action by the former Remuneration Committee, and by this Committee, in relation to the approval of salaries of £100,000 or more and one approval of an exit payment. A paper elsewhere on the agenda provided information on the £100,000 or more process and the outcome from previous Remuneration Committee approvals.

TfL Change Landscape

- 4.2 The Committee received an update on the different change activity taking place across TfL.
- 4.3 The 'Our TfL' Programme (OTP) initiated in June 2022 had set the foundations for TfL to meet the challenges of today and face those of the future. OTP had helped to embed the value chain which, along with the revised Chief Officer structure, enabled TfL to take a more holistic approach to change and work collaboratively across the organisation to deliver its Vision of being a strong, green heartbeat for London. OTP had served its primary purpose over the expected two-year timeframe. As TfL's future pipeline continued to develop and mature, the OTP was being wound down as a programme.
- 4.4 The Committee discussed the Operational Change programme, a suite of projects to deliver TfL's strategic objectives and improve cost efficiency in the Operational part of the organisation. It also discussed the Enterprise Resource Planning programme, a suite of systems and associated processes used to run an organisation. These covered Finance, HR, Procurement and, for TfL, deployment of its Operational employees. Members noted the good progress that was being made and the challenges ahead.

Action on Inclusion – 12 Months On

- 4.5 The Committee discussed the update on the delivery of the Action on Inclusion Strategy, from its launch at the end of June 2023. The aim of the strategy was to create an inclusive workplace where everyone could belong, supporting the delivery of the 'creating an inclusive culture' pillar of the Colleague Strategy.
- 4.6 Members noted the update on progress to-date, future commitments, and the next steps. The approach to monitoring the actions was noted and future updates would include input from the Chief Operating Officer and the Chief Capital Officer to highlight progress within their directorates.
- 4.7 The Committee welcomed the holistic and coherent approach taken in the strategy and the action already taken. It noted the work on training and culture change, particularly on improving the experience of disabled colleagues, which staff surveys showed were the least engaged. The launch of TfL's Strategic Workforce Plan would be compatible with the Action on Inclusion work.

Approach to Reward

- 4.8 The Committee noted the importance of ensuring that TfL provided a fair and attractive employee offer as an integral part of its Colleague Strategy, balancing fairness and affordability with meeting the competitive challenge of attracting and retaining talent. In response to that challenge, TfL was reviewing its approach to pay management.
- 4.9 The Committee noted the current progress on pay talks and work on pay structures, frameworks, processes, and mechanisms used to set, manage and progress pay. It also noted the development of the Job Families concept and its benefits for attracting and retaining staff. They were being discussed with staff and trade unions ahead of a consultation, with the aim of implementing the concept for non-operational roles in 2025.

TfL Savings for Retirement Plan

- 4.10 The Committee noted the new 'Supplementary Section' of the TfL Savings for Retirement Plan (SfR Plan). This had been set up by the TfL Pension team and trustees of the SfR Plan at the request of TfL. The change was intended to help retain colleagues and was cost neutral to TfL. It would impact a small number of colleagues, particularly those with long service, though the number was expected to increase over time.

£100,000 or more Process and Pay Outcomes of £100,000 or more Approvals

- 4.11 The Committee approved the remuneration for appointments with a full-time equivalent salary of £100,000 or more per annum. The Committee noted changes to the process and the regular update that provided a comparison of salaries approved by the Committee with that on actual appointment.
- 4.12 Members discussed the rationale for the process and the robust internal governance applied before proposals were submitted to the Committee. The Chair and Chief People Officer would discuss the criteria for what was submitted to the Committee and the reporting mechanisms to ensure Board oversight, ahead of a further discussion at the next meeting.

Our Colleague Quarterly Report

- 4.13 The Committee noted the update on key activities across the Chief People Office area for the period September to November 2024, demonstrating progress against the Colleague Strategy.
- 4.14 Highlights from the report included: the work to improve the workplace adjustments process; the preparation for the annual colleague survey (to be launched in January 2025); and the development of the Strategic Workforce Plan. TfL had welcomed 271 new graduates (88), apprentices (163) and interns (21) in September 2024 across 65 different development programmes. The cohort was the most representative TfL had attracted and TfL was recognised by The Times as a top graduate employer.

Risk and Assurance Report Quarter 2 2024/25

- 4.15 The Committee noted an overview of the status of and changes to Enterprise Risk 02 (ER02) – ‘Attraction, retention, wellbeing and health of our employees’. The report summarised the findings from the assurance activity undertaken by teams within TfL’s Risk and Assurance Directorate associated with this risk. The paper covered the work during Quarter 2 of 2024/25 (23 June to 14 September 2024).
- 4.16 ER02 had moved from requires improvement to adequately controlled. Members discussed the governance and processes in place to investigate allegations of staff-related fraud.

Director Salary Reviews 2024

- 4.17 The terms of reference of the Committee required it to review from time to time the remuneration of the Commissioner, Chief Officers and Directors reporting to the Commissioner. The Committee approved the Commissioner’s recommended adjustments to base pay for a Director role.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the meeting of the People and Remuneration Committee held on 20 November 2024

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