People and Remuneration Committee

Date: **15 September 2025**

Item: **TfL Remuneration 2022/23 and 2023/24**

This paper will be considered in public

1 Summary

1.1 This paper provides the Committee with an update on annual remuneration processes pan-TfL, including both base pay and performance awards. This information has previously been summarised in TfL's Annual Report and Accounts for the financial years ending 31 March 2024 and 31 March 2025.

2 Recommendation

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

3 Background

Pay

3.1 This paper contains details of the base pay annual pay reviews effective 1 April or 1 July 2023 and 1 April or 1 July 2024 (both paid in the 2023/24 financial year).

Performance Awards

3.2 This paper contains details of performance awards that relate to both the 2022/23 and the 2023/24 performance years, as TfL achieved the associated scorecard performance and financial criterion to pay performance awards.

TfL Pay Frameworks

3.3 This includes employees covered by its TfL Pay for Performance, Senior Manager Reward Framework, London Transport Museum (LTM), Rail for London Infrastructure (RfLI) and TfL Operations pay frameworks. To note, pay for Senior Managers is not subject to negotiation or consultation with the recognised trade unions.

Outcomes 2023

3.4 In January 2023 TfL implemented both the first and second years of a two-year pay offer, pertaining to 2022 and 2023 respectively, the pay award for the second year of this offer was as follows: 4.4 per cent increase with colleagues earning a full time equivalent (FTE) salary below £30,125 receiving a minimum increase of £1,326.

3.5 Subsequent to this, when pay talks concluded within London Underground resulting in a higher offer, a commitment made to re-open discussion if this occurred was honoured resulting in an additional pay award being agreed in March 2024 aligning the 2023 TfL award to that of London Underground. The

initial pay offer outlined above was then superseded as follows: 5.0 per cent plus a consolidated payment of £1,000, with an additional consolidated payment of £200 for those earning a FTE salary of between £35,000 and £40,000, £400 for those earning a FTE salary of less than £35,000 and £630 for those earning a FTE salary of less than £30,125.

Outcomes 2024

3.6 Following the culmination of the 2024 TfL pay negotiation process in November 2024, TfL implemented a pay award commencing 1 April 2024 for colleagues covered by its TfL Pay for Performance, Senior Manager Reward Framework, LTM, RfLI and TfL Operations pay frameworks. The pay award for this period was as follows: 4.0 per cent plus an additional flat rate consolidated payment of £400 to all employees, with a minimum increase of £2,000 for employees covered by the TfL Operations and RfLI pay frameworks.

London Underground Pay Frameworks

3.7 Includes employees covered by London Underground's Performance Related Pay (PRP) and general increase pay frameworks.

Outcomes 2023

3.8 Following the culmination of the 2023 pay talks with recognised trades unions in February 2024, a pay award was implemented as follows: 5.0 per cent plus a consolidated payment of £1,000, with an additional consolidated payment of £200 for those on a FTE salary of between £35,000 and £40,000 and an additional consolidated payment of £400 for those on a FTE salary of less than £35,000.

Outcomes 2024

3.9 Following the culmination of the 2024 pay talks with recognised trades unions in December 2024, a pay deal was implemented across London Underground's PRP and general increase pay frameworks of 3.8 per cent plus an additional flat rate consolidated payment of £450, with an underpin of £1,970 for employees earning below a FTE salary of £40,000.

Chief Officers and Directors

3.10 At the meeting of the previous Remuneration Committee on 12 June 2023, the Committee agreed to apply the principle previously set out in November 2022 for the application of a percentage increase equivalent to the second year of the pay award for employees in the negotiated grades 1 to 3 (and also applied to Senior Managers). This principle was considered for 2023 pay for Chief Officers and Directors, unless they already had alternative pay review arrangements in place. For Chief Officers this was at 4.4 per cent and for Directors was 5.0 per cent.

3.11 At the meetings of the previous Remuneration Committee on 29 February 2024 and 24 July 2024, the Committee agreed to make adjustments to base pay for select Chief Officer roles. For Directors, the Executive Committee agreed a budget of 3.8 per cent to be allocated on a discretionary basis.

4 Commissioner, Chief Officer and Directors

Base Pay

4.1 Prior to 2022, base pay for the Commissioner, Chief Officers and Directors had been frozen since 2016. However from this date forward, the Committee reviews and makes adjustments to salaries annually for selected Chief Officers and Directors. These are reflected in the below tables.

Table 1: Commissioner

Year	Base Pay Pre Pay Review	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023*	-	-	-	-
2024	£395,000	£408,430	£13,430	3.4

*2023 – no one substantive in role, current Commissioner appointed June 2023

Table 2: Chief Officers

Year	Base Pay Pre Pay Review	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£1,521,843	£1,542,960	£21,117	1.39
2024	£1,936,183	£2,014,626	£78,443	4.05

Figures based on those substantive in role

Table 3: Directors

Year	Base Pay Pre Pay Review	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£4,982,620	£5,189,188	£206,568	4.15
2024	£7,323,255	£7,540,622	£217,367	3.00

Figures based on those substantive in role

Performance Awards for Commissioner, Chief Officers and Directors

4.2 The Performance Award schemes for all senior management are determined using a combination of business scorecard outturn, individual performance rating and an overarching financial criterion – the requirement for TfL to achieve an operating surplus of greater than £0 before any performance awards could be paid in respect of 2022/23 or 2023/24.

4.3 If the financial criterion is achieved, the business scorecard result determines the level of budget available for performance awards and an individual's performance rating determines the actual percentage award received from that budget. For 2023/24 the budgets for the Commissioner, Chief Officer and Directors were all determined solely by the TfL scorecard result whereas in previous years a

combination of the TfL scorecard and business area specific scorecards for Operations and Capital were used for relevant roles.

4.4 The following tables detail the maximum opportunity as a percentage of base salary, the actual cost of awards and the average percentage performance award received.

Table 4: Commissioner

Performance Year	Max Performance Award %	Performance Award Spend £	Average %
2022/23*	**50**	£54,923	19.55
2023/24	**50**	£167,480	42.40

*Pro rata award for time on secondment to Commissioner role for 158 days

Table 5: Chief Officers

Performance Year	Max Performance Award %	Performance Award Spend £	Average %
2022/23	**30**	£286,068	13.13
2023/24	**30**	£422,878	14.28

Table 6: Directors

Performance Year	Max Performance Award %	Performance Award Spend £	Average %
2022/23	**20**	£608,866	10.79
2023/24	**20**	£750,313	11.96

Directors – Personal Performance Award Arrangements

4.5 A total of six Directors were under personal performance award arrangements in 2022/23 with payments totalling £157,427. A total of two Directors were under personal performance award arrangements in 2023/24 with payments totalling £69,308.

5 Senior Managers (Payband 4 and 5)

Base Pay

5.1 The Senior Manager Reward Framework is TfL's performance-based pay framework for Senior Managers. Under the framework, for the 2023 and 2024 annual pay review cycles, base pay was managed across two separate broad band pay ranges for payband 4 and payband 5 Senior Managers.

5.2 The pay award effective 1 April 2023 applied a flat rate increase to base pay of 5.0 per cent, plus a consolidated £1,000 to align with the pay award for the negotiated

grades. The pay award effective 1 April 2024 applied a flat rate increase to base pay of 4.0 per cent plus a consolidated payment of £400.

Table 7: TfL Senior Manager Base Pay Increase

Year	Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£108,192,752	5.0 + £1,000	£5,409,638	£114,404,390	£6,214,756	5.74
2024	£121,810,951	4.0 + £400	£4,872,438	£126,726,653	£4,915,702	4.04

Performance Awards

5.3 Performance Awards are determined in the same way as described above for the Directors, Chief Officers and the Commissioner by using a combination of business scorecard outturn and individual performance along with the same overarching financial criterion. The following tables detail the budget as a percentage of base salary, the actual cost of awards and the average percentage performance award received.

Table 8: TfL Performance Awards

Performance Year	Budget as a % of base pay	Budget £	Performance Award Spend £	Average %
2022/23	6.58	£6,611,345	£6,342,154	6.30
2023/24	7.72	£9,254,804	£8,610,103	7.36

Senior Manager Personal Performance Award Arrangements

5.4 A total of 12 Senior Managers at payband 5 were under a personal performance award arrangement in 2022/23, with payments totalling £166,208. A total of 16 Senior Managers at payband 5 were under a personal performance award arrangement in 2023/24, with payments totalling £258,316.

6 Places for London (Property Development and Commercial Asset Management Only)

Base Pay

6.1 The annual base pay review process is the same as that operated for all other TfL Senior Managers described above.

Performance Awards

6.2 Distinct roles within Property Development and Commercial Asset Management have a separate Performance Award arrangement for their payband 4 and 5 Senior Managers and one Director. Maximum award opportunities are 30 per cent, 60 per cent and 100 per cent of base salary respectively.

6.3 Beyond the award multiples the scheme design operates in the same as for the other senior management schemes with the level of performance awards determined by combination of business scorecard outturn and individual performance along with the same overarching financial criterion.

Table 9: Places for London Performance Awards

Performance Year	Maximum Potential Pay-out	Total Pay-out	Percentage Pay-out
2022/23	£862,153	£451,272	52.34
2023/24	£897,718	£569,519	63.44

7 London Underground

Base Pay

7.1 There are two separate pay frameworks within London Underground. PRP typically applies to administration staff up to middle management (including some operational managers). PRP provides for consolidated base pay increases that are driven by performance rating from the negotiated general increase budget. Prior to 2023, those with a performance rating of 3 received the negotiated budget percentage, while those with higher ratings of 4 or 5 received slightly higher increases. Since 2023, PRP has been suspended and awards have been flat rated.

7.2 The remainder of colleagues (mainly operational) have pay increased by the negotiated general increase percentage. The majority of these roles are 'spot rate' such that the rate for the role is simply increased.

Table 10: London Underground Base Pay

Pay Review Framework	Total Base Pay Pre Pay Review	Budget %	Budget £	Total Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
LU PRP 2023	£277,594,218	5.0 +£1,000	£13,879,711	£295,643,139	£18,048,921	6.50
LU Operational 2023	£637,697,804	5.0 +£1,000	£31,884,890	£681,855,834	£44,158,030	6.92
LU PRP 2024*	£283,061,929	3.8 +£450	£10,756,353	£295,616,269	£12,554,340	4.44
LU Operational 2024*	£677,768,905	3.8 +£450	£25,755,218	£708,722,395	£30,953,490	4.57

*Note that the lower starting paybill in 2024 is due to a reduction in headcount of approximately 250 colleagues.

Performance Awards

7.3 There were no performance award arrangements in operation in London Underground during 2022/23 and 2023/24.

8 TfL (Pay for Performance)

Base Pay

8.1 Below Senior Manager level TfL operates its Pay for Performance framework across paybands 1 to 3.

Table 11: TfL Paybands 1 – 3 Base Pay

Year	Base Pay Pre-Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£293,310,368	5.0 +£1,000	£21,040,928	£313,418,735	£20,108,367	6.90
2024	£366,849,334	4.0 + £400	£14,673,973	£382,916,681	£16,067,347	4.38

Performance Awards

8.2 Under Pay for Performance, paybands 2 and 3 were eligible for a performance award which is determined by an individual's performance rating, the level of budget made available within the financial plan, and for 2022/23 and 2023/24, the same overarching financial criterion as described for Senior Managers above.

Table 12: TfL Paybands 1 – 3 Performance Awards

Performance Year	Budget as a % of total base pay	Budget £	Performance Award Spend £	Actual %
2022/23	2.25	£7,561,396	£7,334,739	2.23
2023/24	2.25	£8,080,797	£8,053,408	2.24

9 TfL Operational (former Surface Transport Operations)

Base Pay

9.1 The TfL Operational pay framework includes those working in: Dial-a-Ride; Bus Station Controllers; Network and Night Traffic Controllers; Pier Controllers; Compliance, Policing, Operations and Security; Victoria Coach Station; Woolwich Ferry; and from 2024 certain roles within Trams. Pay is negotiated with a separate local bargaining group.

Table 13: TfL Operational (former Surface Transport Operations) Base Pay

Year	Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£31,470,173	5.0 +£1,000	£1,573,509	£34,151,031	£2,680,858	8.52*
2024	£35,448,796	4.0 +£400	£1,417,952	£37,381,745	£1,932,948	5.45

*The actual percentage spend is high against budget is due a high proportion of colleagues being awarded the higher consolidated payment

Performance Awards

9.2 There were no performance award arrangements in TfL Operations roles.

10 RfLI (Elizabeth Line)

Base Pay

10.1 Below Senior Manager level, RfLI Operations and Maintenance areas negotiate their annual base pay budgets separately with local bargaining groups TSSA and Prospect. At the conclusion of negotiations, the same percentage award is applied across RfLI.

Table 14: RfLI Base Pay

Year	Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£10,176,658	5.0 +£1,000	£508,831	£10,966,049	£789,431	7.76
2024	£12,629,299	4.0 +£400	£503,630	£13,209,989	£619,230	4.90

11 LTM (non-Senior Managers)

11.1 The LTM remains subject to the same collective bargaining arrangements as TfL Pay for Performance.

Base Pay

11.2 The annual base pay budget was the same as the negotiated budget for TfL Pay for Performance. Within LTM there are two different arrangements at payband 1. Those employees on the Customer Service Assistant/Operations Resourcing Assistant grade are paid a spot rate for the role. Their salary is reviewed on an annual basis taking into account increases in the London Living Wage. For all other Band 1 employees, base pay is increased by the negotiated percentage up to the pay range maximum, thereafter it is paid as a non-consolidated award.

Table 15: LTM Base Pay

Year	Base Pay Pre Pay Review	Budget %	Budget £	Base Pay Post Pay Review	Cost of Base Pay Review £	Actual %
2023	£4,545,209	5.0 +£1,000	£227,260	£4,817,927	£272,718	6.00
2024	£5,612,706	4.0 +£400	£224,508	£5,882,116	£269,409	4.80

Performance Awards

11.3 Under LTM Pay for Performance, paybands 2 and 3 were eligible for a performance award which is determined by an individual's performance rating, the level of budget made available within the financial plan, and for 2022/23 and 2023/24, the same overarching financial criterion as described for Senior Managers above.

11.4 The LTM Executive made the decision to distribute performance awards aligned to the TfL performance award matrix which resulted in a small overspend against the

budget due to the variation in performance rating distribution versus TfL in both 2023 and 2024.

Table 15: LTM Performance Awards

Performance Year	Budget as a % of total base pay	Budget £	Performance Award Spend £	Actual %
2022/23	2.25	£79,737	£79,746	2.30
2023/24	2.25	£96,527	£106,619	2.49

List of appendices to this report:

None

List of Background Papers:

None

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