

Date: 3 July 2014

Item 12: Report of the meetings of the Remuneration Committee held on 27 March and 3 June 2014

This paper will be considered in public

1 Summary

- 1.1 To report to the Board on the meetings of the Remuneration Committee held on 27 March and 3 June 2014. The meeting of the Committee scheduled for 3 July was cancelled as there was no significant business to be considered.

2 Recommendation

- 2.1 **That the Board notes the report.**

3 Background

- 3.1 The main matters considered by the Committee were:
- (a) TfL Group Scorecard 2014/15;
 - (b) TfL Performance Awards;
 - (c) Individual Choice on Future Pension Provision;
 - (d) Leadership and Succession Planning;
 - (e) TfL Commissioner and Chief Officer Performance Awards 2013/14; and
 - (f) Crossrail Limited Chief Executive's Performance and Pay Review.

4 Issues Discussed

TfL Group Scorecard 2014/15

- 4.1 The Committee discussed the proposed TfL scorecard for 2014/15 and supported the proposed measures. The Committee delegated authority to the Chair, in consultation with the members of the Committee that were available, to approve the TfL scorecard for 2014/15 once a stretch target on the proportion of Business Plan efficiencies that are secured was available. That information will be shared with members of the Committee shortly.

TfL Performance Awards

- 4.2 The Committee noted the performance related reward schemes that were in operation across TfL. These schemes variously rewarded employees below

the level of Director, based on measures of organisational, business area or individual performance.

Individual Choice on Future Pension Provision

- 4.3 The Committee approved TfL offering a facility where an individual Chief Officer would be able to opt out of the TfL Pension Fund and instead be eligible to receive a cash allowance, with effect from 1 April 2014.
- 4.4 The Committee approved TfL offering a facility where an individual would be able to opt out of the TfL Pension Fund and instead be eligible to receive a cash allowance in exceptional circumstances.

Leadership and Succession Planning

- 4.5 The Committee noted an update on the current and proposed future activities for TfL's Leadership and Succession programme. A number of the activities were evolving and were dependent on future organisation design, workforce planning and integration of a new HR technology platform to ensure that all people solutions were linked, tracked and measured more effectively.
- 4.6 Members discussed the need to provide encouragement and opportunities to the most promising directors, senior managers, apprentices and graduates through means such as direct appointments and exchanges with other organisations to broaden their experience. The leadership programme and changes to pay for performance systems were intended to improve people management across TfL.
- 4.7 Securing long-term investment programme funding enabled TfL to let large multi-year contracts, which required the successful provider to use a minimum number of apprentices. TfL's contractors and partners were very keen to engage with apprentices and TfL was committed to supporting all of the University Technical Colleges that it could as this benefitted both TfL and its supply chain in the future.

TfL Commissioner and Chief Officer Performance Awards 2013/14

- 4.8 The Committee agreed the overall delivery for the year ended 31 March 2014 against the TfL and individual business or specialist services scorecards for the Commissioner and Chief Officers.
- 4.9 The Committee agreed the 2013/14 performance awards and the outcome of the salary reviews for the Commissioner and for Chief Officers and noted the overall level of performance awards for other staff.

Crossrail Limited Chief Executive's Performance and Pay Review

- 4.10 The Committee noted the achievements of the Crossrail Limited (CRL) Chief Executive in the 2013/14 performance year. It noted the decision of the CRL Remuneration Committee not to award him a base pay increase for the financial year 2014/15 and supported that Committee's proposal to award him

a performance related payment in recognition of his achievements in the 2013/14 performance year.

- 4.11 The Committee supported the proposal of the CRL Remuneration Committee to make an Long Term Incentive Plan (LTIP) Payment to the CRL Chief Executive in recognition of the project achievements to 2013/14 and to make an LTIP Award in respect of 2014/15.

List of appendices to this report:

None

List of Background Papers:

Papers for the meetings of the Remuneration Committee held on 27 March and 3 June 2014.

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