

Board



Date: 1 July 2015

Item: Report of the meeting of the Remuneration Committee held on 3 June 2015

This paper will be considered in public

1 Summary

- 1.1 To report to the Board on the meeting of the Remuneration Committee held on 3 July 2015.

2 Recommendation

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

3 Background

- 3.1 The main matters considered by the Committee were:

- (a) TfL Scorecard 2015/16 – Update;
- (b) Crossrail Limited Chief Executive's Performance and Pay Review;
- (c) TfL Performance Delivery 2014-15 and Performance Awards;
- (d) Chief Officer Salary Reviews 2015;
- (e) Commissioner's Salary Review 2015; and
- (f) Pensions Update.

4 Issues Discussed

TfL Scorecard 2015/16

- 4.1 The Committee approved the TfL Scorecard for 2015/16, had updated targets in light of the actual full year results for 2014/15.

Crossrail Limited Chief Executive's Performance and Pay Review

- 4.2 The Committee noted the achievements of the Crossrail Limited (CRL) Chief Executive in the 2014/15 performance year. It noted the decision of the CRL Remuneration Committee to award the CRL Chief Executive a base pay increase for the financial year 2015/16.
- 4.3 The Committee supported the proposals of the CRL Remuneration Committee to: award a performance related payment in recognition of his achievements in the 2014/15 performance year, to release for payment a deferred Long

Term Incentive Plan (LTIP) Payment deferred in 2014/15; and the proposal to make a LTIP Award in respect of 2015/16.

TfL Performance Delivery 2014-15 and Performance Awards

- 4.4 The Committee agreed the delivery for the year ended 31 March 2015 against the TfL and individual business or specialist services scorecards and agreed the 2014/15 performance awards for the Commissioner and for the Chief Officers. The Committee also noted the overall level of performance awards for other staff.

14/06/15 Chief Officer Salary Reviews 2015

- 4.5 The Committee recognised that TfL needed to balance the impact of restraining pay against the potential risk to the retention and potential future hiring of critical talent if salaries were allowed to drift too far below market norms. It was the view of the Commissioner that TfL had reached the point where the risk caused by the imbalance between the salary position for some of the Chief Officers compared to the external market benchmark was no longer sustainable and base pay adjustments were required.
- 4.6 The Committee agreed salary reviews for three of the Chief Officer group in light of the 2015 bespoke market benchmarking review for the Commissioner and Chief Officer roles undertaken by the external remuneration advisors, New Bridge Street, reported to the previous meeting.

Commissioner's Salary Review 2015

- 4.7 The Committee noted the benchmarking information and performance of the Commissioner in 2014/15. The Committee decided to defer a decision to a future meeting but agreed that the Chairman would write to the Mayor, setting out the Committee's views

Pensions Update

- 4.8 The Committee noted the update and requested that a further update be provided at the end of the 2015/16 financial year.

List of appendices to this report:

None

List of Background Papers:

Papers for the meeting of the Remuneration Committee held on 3 June 2015

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