

Remuneration Committee



Date: 8 February 2018

Item: Matters Arising and Actions List

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Committee of progress against actions agreed at previous meetings (Appendix 1).
- 1.2 Following consultation with the members of the Committee, revised Terms of Reference have been approved by the Deputy Chair of TfL under authority delegated by the Board on 9 November 2017, as set out in Appendix 2.
- 1.3 For clarity, paragraphs 10 and 11 of the revised Terms of Reference relate to the Committee receiving regular reports on pay gaps and talent management and succession planning. This is not intended to supersede the broader human resources role of the Safety, Sustainability and Human Resources Panel. To the extent that any overlap arises, the Chairs of this Committee and the Panel will consider and agree which meeting is most appropriate to take the lead.

2 Recommendation

- 2.1 **The Committee is asked to note the Actions List and its revised Terms of Reference.**

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Committee

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Remuneration Committee Actions List (reported to the meeting on 8 February 2018)

Actions arising from the meeting held on 2 October 2017.

Minute No.	Description	Action By	Target Date	Status note
16/10/17	<p>Crossrail Limited – Appointment of Non-executive Chairman</p> <p>The Board and its Programmes and Investment Committee received regular updates on the progress of the project and its transition to TfL, with the Committee also getting updates from the CRL Sponsor Board meetings. Members requested that further consideration be given to providing visibility and assurance to the Board on the key issues and risks with the project and how governance would be transferred from CRL into TfL.</p>	Mike Brown MVO and Howard Carter	January 2018	The Chairs Coordination Group has discussed future reporting on the operational readiness of the Elizabeth Line and transition of Crossrail.
18/10/17	<p>Date of Next Meeting</p> <p>The Committee agreed that a further meeting should be scheduled for January 2018.</p>	Secretariat	Dec 2017	Meeting arranged for 8 February 2018

Actions arising from previous meetings

Minute No.	Description	Action By	Target Date	Status note
07/07/17 (1)	<p>Performance Awards: Attracting and retaining staff</p> <p>The Chair of the Committee would discuss with the Chair of TfL issues with the trade-offs between the need to show pay restraint and to attract and retain key staff in a highly competitive market. TfL's Transformation programme would see the scope and responsibilities of many roles expanded and there was a risk that TfL could lose talent as benchmarking demonstrated that some</p>	Chair	2 October 2017	An update will be provided at the meeting.

Minute No.	Description	Action By	Target Date	Status note
	people were able to command far higher remuneration packages elsewhere.			
07/07/17 (2)	<p>Performance Awards: The Committee asked that its terms of reference be reviewed, so that it considered wider strategic issues around TfL's remuneration structure. This would include benchmarking, skill sets and gaps, talent management, equality and inclusion at senior levels and the ability to attract and retain key staff.</p>	Howard Carter	February 2018	Following consultation with the members of the Committee, the revised Terms of Reference (Appendix 2) were approved by the Deputy Chair of TfL under authority delegated by the Board on 9 November 2017.
07/07/17 (3)	<p>Performance Awards: Going forward, the new performance award regime tied to the TfL Scorecard should ensure that safety metrics were properly incentivised, with anyone falling below the required standard automatically being ineligible for that proportion of their Scorecard performance award.</p>	Tricia Wright		This will be incorporated into the new framework.
07/07/17 (4)	<p>Performance Awards: The Committee requested that the commentary on the performance of the Commissioner and his direct reports in future papers be more tightly focused on their performance and achievements.</p>	Mike Brown MVO	June 2018	This will be implemented for the next relevant report.
09/07/17	<p>Date of Next Meeting The Committee agreed that further meetings should be scheduled for the remainder of the year.</p>	Secretariat	Dec 2017	Completed.

Remuneration Committee

Terms of Reference

1. The Committee will keep an overview of TfL's reward and remuneration policies and its arrangements for talent management and succession planning.
2. The Committee will review from time to time the remuneration of the following Officers:
 - the Commissioner
 - the Chief Finance Officer
 - the General Counsel
 - the Managing Director, Customers, Communication & Technology
 - the Managing Director, Crossrail 2
 - the Managing Director, London Underground
 - the Managing Director, Surface Transport
 - the Director of Commercial Development
 - the Director of City Planning
 - the Human Resources Director
 - the Director of Major Projects
 - the Transformation Director
3. The Committee will exercise TfL's functions related to remuneration in respect of Crossrail Limited.
4. In considering the remuneration of the individuals listed above, the Committee will take into account:
 - (a) the need to remunerate at a level that is competitive in comparison with the external market and peer organisations;
 - (b) the need to remunerate at a level that attracts, motivates and retains high calibre, suitably qualified individuals to manage TfL successfully while also, in a fair and reasonable manner, rewarding them for their individual contributions to TfL's long-term success, without paying more than is necessary; and
 - (c) the context of remuneration levels across TfL, including the level of changes to remuneration across the workforce.
5. The Committee will determine the level of any annual performance award for the Commissioner within the parameters of the performance award arrangements in his contract of employment, taking into account the TfL Group Scorecard outcome as agreed by the Audit and Assurance Committee.
6. The Committee will consider the Commissioner's recommendations for annual performance awards proposed for the individuals listed above.

7. The Committee will receive a report at least once each year addressing remuneration on a pan-TfL basis including base pay and performance awards and will use that report to inform its decisions on senior officer remuneration.
8. The Committee will determine the salary for any person proposed to be appointed as an Officer of TfL with an annual basic salary of £100,000 or more.
9. The Committee will, as appropriate, take into account any views expressed by the Mayor on senior salary levels.
10. The Committee will receive a report at least once each year addressing pay gaps between those within TfL's workforce who may have a protected characteristic and those who do not, including, but not limited to, gender and race.
11. The Committee will receive regular update reports on TfL's approach to talent management and succession planning.