

Agenda

Meeting: Remuneration Committee

Date: Wednesday 11 March 2020

Time: 2.00pm

**Place: Boardroom, Floor 11, Yellow
Zone (11Y8) - Palestra, 197
Blackfriars Road, London, SE1
8NJ**

Members

Ben Story (Chair)

Kay Carberry CBE (Vice-Chair)

Heidi Alexander

Ron Kalifa OBE

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public, except for where exempt information is being discussed as noted on the agenda. There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat; telephone: 020 7983 4913 email: ShamusKenny@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0845 604 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Tuesday 3 March 2020

**Agenda
Remuneration Committee
Wednesday 11 March 2020**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

**3 Minutes of the Meeting of the Committee held on 5 February 2020
(Pages 1 - 4)**

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 5 February 2020 and authorise the Chair to sign them.

4 Matters Arising, Actions List and Use of Delegated Authority (Pages 5 - 6)

General Counsel

The Committee is asked to note the updated actions list and the use of Chair's Action.

5 Performance Awards 2019/20 (Pages 7 - 18)

Commissioner

The Committee is asked to: agree the individual performance ratings proposed for the Commissioner; Managing Directors and Directors specified under the Committee's Terms of Reference; note the delivery against the 2019/20 TfL and delivery business scorecards to date and the indicative level of performance awards for the Commissioner, Managing Directors and Directors specified under the Committee's Terms of Reference; and note the performance award arrangements for other staff.

6 2020/21 TfL Scorecard and Performance Award Thresholds (Pages 19 - 24)

Chief People Officer

The Committee is asked to approve the 2020/21 reward thresholds in respect of the TfL and delivery business Scorecard set out in this paper.

7 Salaries of £100,000 or More (Pages 25 - 28)

Chief People Officer

The Committee is asked to approve the salaries for four positions (six individuals) and to note the pipeline of current applications, which may be submitted to the Committee (including through Chair's Action) for approval.

8 Member suggestions for future agenda discussions (Pages 29 - 32)

General Counsel

The Committee is asked to note the forward programme and is invited to raise any suggestions for future discussion items for the forward programme and for informal briefings.

9 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

10 Date of Next Meeting

Wednesday 17 June 2020 at 10am

11 Exclusion of Press and Public

The Committee is recommended to agree to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

Agenda Part 2

Papers containing supplemental confidential or exempt information not included in the related item on Part 1 of the agenda.

12 Performance Awards 2019/20 (Pages 33 - 52)

Exempt supplementary information relating to the item on Part 1 of the agenda.

13 Salaries of £100,000 or More (Pages 53 - 74)

Exempt supplementary information relating to the item on Part 1 of the agenda.

Transport for London

Minutes of the Remuneration Committee

**Boardroom 11Y8, Palestra, 197 Blackfriars Road, London SE1 8NJ
10.00am, Wednesday 5 February 2020**

Members

Ben Story (Chair)
Kay Carberry CBE (Vice-Chair)
Heidi Alexander
Ron Kalifa OBE

Executive Committee

Mike Brown MVO	Commissioner
Howard Carter	General Counsel
Tricia Wright	Chief People Officer

Staff

Stephen Field	Director of Compensation and Benefits
Shamus Kenny	Head of Secretariat

01/02/20 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting. There were no apologies for absence.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. There were no specific issues raised at the meeting.

02/02/20 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no other interests to declare that related specifically to items on the agenda.

03/02/20 Minutes of the Meeting of the Committee held on 6 November 2019

Members noted that the published draft minutes had been updated to include Staynton Brown in the attendance list.

Subject to minute 35/11/19 on Talent Management and Succession Planning being amended to reflect the proactive approach requested by the Committee, the minutes of the meeting held on 6 November 2019 were approved as a correct record and the Chair was authorised to sign them.

04/02/20 Matters Arising, Actions List and Use of Delegated Authority

The Committee noted the use of Chair's Actions to approve salaries of £100,000 or more. Proposed revisions to the process and threshold for non-permanent labour approvals had been shared with Members for discussion before being implemented. Members requested a forward plan of roles that may be submitted to the Committee, arising from the Transformation programme, recognising that some requests would be ad hoc. This would be included on the forward programme for the Committee.

The Committee noted the use of Chair's Action since the last meeting and the updated Actions List.

05/02/20 Amendment to Terms of Reference

Howard Carter introduced the item. The Committee's terms of reference included, under section 3: "The Committee will review from time to time the remuneration of the Commissioner and senior direct reports to the Commissioner". The role of Chief Safety, Health and Environment Officer has been established, which reported directly to the Commissioner. Consequently, Members supported the proposal that this role be added to the list of named officers under section 3 of the Committee's terms of reference.

The Committee recommended that the Board approve a change to the Committee's terms of reference to add under list of officers in section 3, the Chief Safety, Health & Environment Officer.

06/02/20 Performance Award Scheme for Senior Managers Review

Tricia Wright and Stephen Field introduced the item. The Committee had requested a review of the Scheme to ensure that there was a permanent solution to the issue of alignment between scorecard results and performance award thresholds. It wanted to ensure that this was sufficiently robust and reliable to be implemented at the start of the 2020/21 performance year, to negate the need for a significant re-calibration of the thresholds versus actual results at the year-end.

The paper set out two broad options to achieve an alignment between scorecard results and performance award thresholds.

The 2020/21 Scorecard refined the current framework through clearer alignment to the Business Plan and the setting of floor targets. The approval of the Scorecard in March 2020 would enable the Committee to approve the Performance Award Scheme in March 2020 and for it to be communicated to staff at the start of the performance year.

Members noted the strengths and weaknesses of both options set out in the paper and discussed their experiences of the relationship between scorecards and performance schemes at other high performing organisations. While many organisations focused on a small number of key objectives, it was recognised that this was difficult for a public facing organisation where removing specific targets may be seen as deprioritising them.

On balance, the Committee supported option one in the paper. This used the existing balanced Scorecard and calibrated all individual scorecard measures (including

implementing a sliding scale approach) to ensure reward outcomes were aligned to an appropriate level of performance delivery. The worked-up proposal would need to justify the proposed thresholds through evidence of trend data. The paper would set out how the potential disadvantages identified in the paper would be mitigated. The staff responsible for developing the Scorecard would be invited to attend the meeting.

The Committee noted the paper and:

- (a) supported the use of Option One in the paper; and**
- (b) agreed that the proposed Performance Award Scheme for Senior Managers be considered and agreed by the Committee in March 2020, whereby full details of the measures and their weightings and associated scoring mechanisms to be used in the Scheme are set out based on the finalised Business Plan for 2020.**

07/02/20 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item. Members discussed the forward plan and agreed the following changes:

11 March 2020: Agenda to focus on

- 1. Performance Awards; and
- 2. Performance Award Scheme for Senior Managers Review.

17 June 2020: Agenda to focus on:

- 1. Strategic Workforce Planning, to include:
 - a. succession planning and how TfL identified and nurtured talent; and
 - b. the use and management of non-permanent labour for specialist and time limited roles and the impact on pay gaps;
- 2. Pay Gap Analysis; and
- 3. Compliance training – including all mandatory training requirements and how TfL ensures that these are up to date for all relevant staff.

To be scheduled:

- 1. Regular forward plans of roles that will require salary approval by the Committee;
- 2. The Committee's role in future Crossrail Limited pay and performance award decisions; and
- 3. An informal Board briefing on pan-TfL pay as part of future Business Planning discussions. This would provide Members with a clearer understanding of the pay structure, market rates for specific roles and the impact on pay gaps.

08/02/20 Any Other Business the Chair Considers Urgent

There was no urgent business to discuss.

09/02/20 Date of Next Meeting

The next scheduled meeting of the Committee was 11 March 2020 at 2pm.

The meeting closed at 11.35am

Chair: _____

Date: _____

Remuneration Committee



Date: 11 March 2020

Item: **Matters Arising, Actions List and Use of Delegated Authority**

This paper will be considered in public

1 Summary

- 1.1 This paper provides information on any use of Chair's Action and the progress against actions agreed at previous meetings (Appendix 1).
- 1.2 There has been no use of Chair's Action since the last meeting of the Committee on 5 February 2020.

2 Recommendation

- 2.1 **The Committee is asked to note the updated Actions List.**

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Committee

Contact Officer: Howard Carter, General Counsel
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Remuneration Committee Actions List (reported to the meeting on 11 March 2020)

Actions arising from previous meetings.

Minute No.	Description	Action By	Target Date	Status note
14/06/19	<p>Pay Gap Analysis Update: Diversity of Train Drivers TfL would continue to review how it could further increase the diversity of its drivers, including reviewing the recommendations from the ASLEF report. A comprehensive status update would be provided to a future meeting.</p>	Tricia Wright	June 2020	Information will be included in the paper on Pay Gap Analysis to be considered in June 2020.
17/06/19 (1)	<p>Performance Awards 2018-19: The Committee requested that from next year, the performance awards discussion be supported by:</p> <ul style="list-style-type: none"> (a) the paper including information on the performance ratings for the previous two years; and (b) the Committee Chair reporting feedback from the Chairs of the other Committees and Panels, particularly on individuals that were not as well known to the whole Board. 	Stephen Field and Chair	March 2020	Completed. Addressed in the paper on the agenda.

Remuneration Committee

Date: 11 March 2020

Item: Performance Awards 2019-20



This paper will be considered in public

1 Summary

- 1.1 This paper seeks the Committee's approval for performance awards in respect of the Commissioner, Managing Director and specific Director roles in relation to the overall performance delivery for the year ending 31 March 2020 as measured against the TfL and delivery business scorecards. The Committee is asked to note the performance award arrangements for other TfL staff (including Directors and Senior Managers).
- 1.2 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial affairs of a person or authority. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the supplemental information on Part 2 of the agenda:**
 - (a) **agree the individual performance ratings proposed for the Commissioner; Managing Directors and Directors specified under the Committee's Terms of Reference;**
 - (b) **note the delivery against the 2019/20 TfL and delivery business scorecards to date and the indicative level of performance awards for the Commissioner, Managing Directors and Directors specified under the Committee's Terms of Reference; and**
 - (c) **note the performance award arrangements for other staff.**

3 Background and Summary of Scorecard Achievement

- 3.1 The full year forecast made at Period 11 shows the score against the **TfL scorecard is 79.2 per cent**. For the purposes of performance award calculation, we round the actual scorecard score down to the nearest whole number so that the TfL scorecard achievement will be determined as 79 per cent.
- 3.2 Final scorecard results will be known following the performance year-end in April 2020. The finalised scorecard results as agreed by the Audit and Assurance Committee will be used to calculate the actual value of performance awards payable as per an end of year validation process as explained in Section 4.

Summary of Scorecard Achievement Rates

Table 1: A summary of the forecast 2019-20 scorecard achievement

Scorecard	Actual Outcome %	Rounded Outcome % for Performance Award Calculations
London Underground	55-75	65*
Surface Transport	78	86
Commercial Development	59.8	59
Major Projects	99.0	99
TfL	79.2	79

*midpoint of current expected outcome range used for calculations in Part 2

- 3.3 The performance awards for the Commissioner, Managing Directors and Directors are determined via a combination of TfL-wide, delivery business and individual performance measures. This paper is concerned primarily with the calculation of payments for the Commissioner, Managing Directors and Directors specified under the Committee's Terms of Reference, but also sets out the broad performance related payments for other staff across TfL outlined in section 8.

How performance awards are calculated: Commissioner, Managing Directors and Directors

- 3.4 Depending on the business area worked in, either the TfL Scorecard result alone or a combination of the TfL Scorecard and the Delivery Business Scorecard result determines the budget available for performance awards. Individual contribution, measured in the form of a personal performance rating, then determines the actual percentage performance award received from the available budget.
- 3.5 Each level of performance rating has an assigned multiplier. The individual performance award calculation is made by taking the budget percentage figure (as determined by the scorecard result) and then applying the multiplier to it which determines the actual percentage of base salary received as a performance award.
- 3.6 At the start of each performance year, a matrix is used to illustrate the potential level of performance award budget available aligned to each level of performance scorecard result (in increments of one per cent); and in addition, the percentage of individual award that will be delivered according to the relevant performance rating and associated multiplier for each level of budget. Publishing this at the beginning of the year allows a clear line of sight between business performance outturn, individual performance contribution and the potential level of reward. Appendix 1 explains the layout of the Performance Award Matrix.
- 3.7 A separate matrix is drafted at the start of the performance year for each of the three different levels of scheme based on the maximum performance award opportunity (Commissioner, Managing Directors and Directors).
- 3.8 In July 2019, the Remuneration Committee agreed to the matrices that should be used for the 2018/19 and 2019/20 performance years. Appendices 3 to 5 contain the agreed matrices.
- 3.9 Managing Directors who lead one of our four Delivery Businesses have their performance award budget determined by a combination of the TfL scorecard

result and their Delivery Business scorecard result. The calculation method uses the same matrix for both scorecard results to produce a weighted average score 60:40; TfL scorecard: delivery business. The detail of the calculation method using both the single (TfL) scorecard for Professional Services and the dual scorecard approach (delivery businesses) is set out in Appendix 2.

- 3.10 For all three levels of scheme there is currently a minimum TfL scorecard threshold, which was agreed in July 2019 of 60 per cent for all scorecards except London Underground and 55 per cent for London Underground, below which no performance award budget is released. This is regardless of the delivery business scorecard result.
- 3.11 In a situation where the TfL scorecard result is above the minimum threshold but the delivery business scorecard is below that level, those in the delivery businesses will still receive an element of award for the TfL scorecard result.

4 End of year validation process

- 4.1 The payment of the performance awards for Executive Committee members and Directors has been brought forward for 2020 to ensure that appropriate oversight and governance is applied by the existing Remuneration Committee before its dissolution at the point of the Mayoral election (7 May 2020).
- 4.2 This process outlined below mirrors what was followed in 2016 and is what applies in the final year of a mayoralty.
- 4.3 To facilitate an earlier governance process year-end performance scorecard outturn results are being forecast based on P11 actual results. An end of year validation process will then take place based on the final results at year-end to ensure that any dependent performance payments are kept accurate.
- 4.4 The Audit and Assurance Committee Chair will approve the scorecard results by 27 April 2020.
- 4.5 The P11 full-year forecast results have been used to calculate the payments due under the published matrix.
- 4.6 To ensure final Scorecard outturn results are accurate, an end of year validation process will be undertaken immediately at year-end in April.
- 4.7 Any scorecard results that change following this process will result in a recalculation of the performance award value due, in line with the percentage stated in the published matrices.
- 4.8 This process will be managed centrally by the Reward team, with Managing Directors informed of the value they will received when the performance award outcome letters are distributed to them.
- 4.9 Timelines for the true-up process are indicated in Appendix 6.

5 Managing Director Performance Awards 2019-20

- 5.1 The maximum potential performance award that Managing Directors can achieve is **30 per cent** of base salary.

- 5.2 The structure for Managing Director Performance Awards is set out in Table 2 below.

Table 2: Structure for Managing Director Performance Awards 2019-20

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60%*	30%
Professional Services	100%	-	60%	-	30%

*except for London Underground who have a 55 per cent minimum threshold

- 5.3 The Commissioner's commentary for each Managing Director with regard to their individual performance and the proposed performance rating are set out in the supplementary paper on Part 2 of the agenda.
- 5.4 The Managing Director Scheme Performance Award Matrix 2019-20 is set out in Appendix 4.

6 Performance Awards for Directors under the Remuneration Committee's Terms of Reference 2019-20

- 6.1 The maximum potential performance award that Directors can achieve is **20 per cent** of base salary.
- 6.2 The structure for Director Performance Awards is set out in Table 3 below.

Table 3: Structure for Director Performance Awards 2019-20

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60%*	20%
Professional Services	100%	-	60%	-	20%

*except for London Underground who have a 55 per cent minimum threshold

- 6.3 The Commissioner's commentary for Directors under the Remuneration Committee's Terms of Reference with regard to their individual performance and the proposed performance rating is set out in the supplementary paper on Part 2 of the agenda.
- 6.4 The Director Scheme Performance Award Matrix 2019-20 is set out in Appendix 3.

7 Commissioner's Performance Award 2019-20

- 7.1 The maximum potential performance award that the Commissioner can achieve is **50 per cent** of base salary.
- 7.2 The structure for the Commissioner's Performance Award is set out in Table 4 below.

Table 4: Structure for the Commissioner's Performance Award 2019-20

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Professional Services	100%	-	60%	-	50%

- 7.3 The Commissioner's Performance Award Scheme Matrix 2019-20 is set out in Appendix 5.

8 Performance Awards for Directors, Senior Managers and Others

- 8.1 Arrangements for employees below Managing Director level are set out below and are agreed by the Commissioner.
- 8.2 **Directors:** Arrangements for Directors not covered by the Committee's Terms of Reference are the same as for those that are covered, as set out in 5.1 and Table 3 above.
- 8.3 **Senior managers:** Arrangements for Senior Managers (Payband 4 and 5) use exactly the same methodology as for Directors, Managing Directors and the Commissioner described in 3.4 – 3.11 above. However, the maximum performance award opportunity is **15 per cent of base salary**.

Table 5: Structure for Senior Manager (Payband 4 and 5) Performance Awards 2019-20

Business Area	TfL Scorecard Weighting %	Delivery Business Scorecard Weighting %	TfL Scorecard Minimum % Performance Threshold	Delivery Business Scorecard Minimum % Performance Threshold	Maximum Performance Award %
Delivery Business	60%	40%	60%	60%*	15%
Professional Services	100%	-	60%	-	15%

*except for London Underground who have a 55 per cent minimum threshold

8.4 **Non-operational employees in other grades:** performance is reflected by a combination of rises to base salary and/or lump sum performance awards (Performance Related Pay and Pay for Performance).

List of appendices to this report:

- Appendix 1: The performance award matrix explained
- Appendix 2: Performance award calculation method for single scorecard (professional services) and dual scorecard (delivery businesses)
- Appendix 3: Director performance award scheme matrix 2019-20
- Appendix 4: Managing Director performance award scheme matrix 2019-20
- Appendix 5: Commissioner performance award scheme matrix 2019-20
- Appendix 6: End of year validation process timeline

Supplementary information is provided in a paper on Part 2 of the agenda.

List of Background Papers:

None

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Contact Officer: Stephen Field, Director of Compensation & Benefits
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The Performance Award Matrix Explained

The Director Performance Award Matrix is used below to illustrate the underlying principles for how the matrix is used for all levels of senior management (from Payband 4 through to the Commissioner).

1. A minimum scorecard threshold of 60 % is set which delivers the minimum percentage budge, e.g. 12%.

2. Each performance rating has a multiplier associated with it. The multiplier is applied against the budget amount to calculate the individual percentage award.

Director		Percentage Award by Performance Rating				
Scorecard result	% Budget	1	2	3	4	5
		x 0.0	x 0.33	x 0.85	x 1.15	x 1.25
60	12.00	0%	4.0%	10.2%	13.8%	15.0%
61	12.20	0%	4.0%	10.4%	14.0%	15.3%
62	12.40	0%	4.1%	10.5%	14.3%	15.5%
63	12.60	0%	4.2%	10.7%	14.5%	15.8%
64	12.80	0%	4.2%	10.9%	14.7%	16.0%
65	13.00	0%	4.3%	11.1%	15.0%	16.3%
66	13.20	0%	4.4%	11.2%	15.2%	16.5%
67	13.40	0%	4.4%	11.4%	15.4%	16.8%
68	13.60	0%	4.5%	11.6%	15.6%	17.0%
69	13.80	0%	4.6%	11.7%	15.9%	17.3%
70	14.00	0%	4.6%	11.9%	16.1%	17.5%
71	14.20	0%	4.7%	12.1%	16.3%	17.8%
72	14.40	0%	4.8%	12.2%	16.6%	18.0%
73	14.60	0%	4.8%	12.4%	16.8%	18.3%
74	14.80	0%	4.9%	12.6%	17.0%	18.5%
75	15.00	0%	5.0%	12.8%	17.3%	18.8%
76	15.20	0%	5.0%	12.9%	17.5%	19.0%
77	15.40	0%	5.1%	13.1%	17.7%	19.3%
78	15.60	0%	5.1%	13.3%	17.9%	19.5%
79	15.80	0%	5.2%	13.4%	18.2%	19.8%
80	16.00	0%	5.3%	13.6%	18.4%	20.0%
81	16.20	0%	5.3%	13.8%	18.6%	20.0%
82	16.40	0%	5.4%	13.9%	18.9%	20.0%
83	16.60	0%	5.5%	14.1%	19.1%	20.0%
84	16.80	0%	5.5%	14.3%	19.3%	20.0%
85	17.00	0%	5.6%	14.5%	19.6%	20.0%
86	17.20	0%	5.7%	14.6%	19.8%	20.0%
87	17.40	0%	5.7%	14.8%	20.0%	20.0%
88	17.60	0%	5.8%	15.0%	20.0%	20.0%
89	17.80	0%	5.9%	15.1%	20.0%	20.0%
90	18.00	0%	5.9%	15.3%	20.0%	20.0%
91	18.20	0%	6.0%	15.5%	20.0%	20.0%
92	18.40	0%	6.1%	15.6%	20.0%	20.0%
93	18.60	0%	6.1%	15.8%	20.0%	20.0%
94	18.80	0%	6.2%	16.0%	20.0%	20.0%
95	19.00	0%	6.3%	16.2%	20.0%	20.0%
96	19.20	0%	6.3%	16.3%	20.0%	20.0%
97	19.40	0%	6.4%	16.5%	20.0%	20.0%
98	19.60	0%	6.5%	16.7%	20.0%	20.0%
99	19.80	0%	6.5%	16.8%	20.0%	20.0%
100	20.00	0%	6.6%	17.0%	20.0%	20.0%

3. A scorecard result of 75% has been set as the 'on-target' level. It delivers a budget of 15%. An individual with a performance rating of 4 would receive a fixed performance award of 17.3% whilst an individual rated as 3 would receive a performance award of 12.8%.

4. Above 75% represents 'stretch performance'. The budget increases in-line with the increased scorecard result to a maximum budget of 20% at 100% out-turn.

Performance Award Calculation Method For Single Scorecard (Professional Services) And Dual Scorecard (Delivery Businesses)

The Director Performance Award Matrix is used below to illustrate the underlying principles for how performance awards are calculated for all levels of senior management (from Payband 4 through to the Commissioner).

Professional Services calculation examples (single scorecard)

All calculations assume a base salary of £150,000

Assumptions

TfL Scorecard result **70%**

Performance rating **3**

Calculation

Salary £150,000 x 11.9% = **£17,850**

Assumptions

TfL Scorecard result **80%**

Performance rating **5**

Calculation

Salary £150,000 x 20.0% = **£30,000**

Director		Percentage Award by Performance Rating				
Scorecard result	% Budget	1	2	3	4	5
		x 0.0	x 0.33	x 0.85	x 1.15	x 1.25
60	12.00	0%	4.0%	10.2%	13.8%	15.0%
61	12.20	0%	4.0%	10.4%	14.0%	15.3%
62	12.40	0%	4.1%	10.5%	14.3%	15.5%
63	12.60	0%	4.2%	10.7%	14.5%	15.8%
64	12.80	0%	4.2%	10.9%	14.7%	16.0%
65	13.00	0%	4.3%	11.1%	15.0%	16.3%
66	13.20	0%	4.4%	11.2%	15.2%	16.5%
67	13.40	0%	4.4%	11.4%	15.4%	16.8%
68	13.60	0%	4.5%	11.6%	15.6%	17.0%
69	13.80	0%	4.6%	11.7%	15.9%	17.3%
70	14.00	0%	4.6%	11.9%	16.1%	17.5%
71	14.20	0%	4.7%	12.1%	16.3%	17.8%
72	14.40	0%	4.8%	12.2%	16.6%	18.0%
73	14.60	0%	4.8%	12.4%	16.8%	18.3%
74	14.80	0%	4.9%	12.6%	17.0%	18.5%
75	15.00	0%	5.0%	12.8%	17.3%	18.8%
76	15.20	0%	5.0%	12.9%	17.5%	19.0%
77	15.40	0%	5.1%	13.1%	17.7%	19.3%
78	15.60	0%	5.1%	13.3%	17.9%	19.5%
79	15.80	0%	5.2%	13.4%	18.2%	19.8%
80	16.00	0%	5.3%	13.6%	18.4%	20.0%
81	16.20	0%	5.3%	13.8%	18.6%	20.0%
82	16.40	0%	5.4%	13.9%	18.9%	20.0%
83	16.60	0%	5.5%	14.1%	19.1%	20.0%
84	16.80	0%	5.5%	14.3%	19.3%	20.0%
85	17.00	0%	5.6%	14.5%	19.6%	20.0%

Delivery Business calculation examples (dual scorecard approach)

All calculations assume a base salary of £150,000.

Assumptions

TfL Scorecard result **80%**

Delivery Business Scorecard result **85%**

Performance rating **3**

60:40 weighting:
(13.6 x 0.6) + (14.5 x 0.4)

13.96%

Calculation

Salary £150,000 x 13.96% =
£20,940

Assumptions

TfL Scorecard result **80%**

Delivery Business Scorecard result **85%**

Performance rating **5**

60:40 weighting:
(20.0 x 0.6) + (20.0 x 0.4)

20.0%

Calculation

Salary £150,000 x 20.0% =
£30,000

Assumptions

TfL Scorecard result **75%**

Delivery Business Scorecard result **85%**

Performance rating **4**

60:40 weighting:
(17.3 x 0.6) + (19.6 x 0.4)

18.22%

Calculation

Salary £150,000 x 18.22% =
£27,330

Director Performance Award Scheme Matrix 2019-20

Director		Percentage Award by Performance Rating				
Scorecard result	% Budget	1	2	3	4	5
		x 0.0	x 0.33	x 0.85	x 1.15	x 1.25
60	12.00	0%	4.0%	10.2%	13.8%	15.0%
61	12.20	0%	4.0%	10.4%	14.0%	15.3%
62	12.40	0%	4.1%	10.5%	14.3%	15.5%
63	12.60	0%	4.2%	10.7%	14.5%	15.8%
64	12.80	0%	4.2%	10.9%	14.7%	16.0%
65	13.00	0%	4.3%	11.1%	15.0%	16.3%
66	13.20	0%	4.4%	11.2%	15.2%	16.5%
67	13.40	0%	4.4%	11.4%	15.4%	16.8%
68	13.60	0%	4.5%	11.6%	15.6%	17.0%
69	13.80	0%	4.6%	11.7%	15.9%	17.3%
70	14.00	0%	4.6%	11.9%	16.1%	17.5%
71	14.20	0%	4.7%	12.1%	16.3%	17.8%
72	14.40	0%	4.8%	12.2%	16.6%	18.0%
73	14.60	0%	4.8%	12.4%	16.8%	18.3%
74	14.80	0%	4.9%	12.6%	17.0%	18.5%
75	15.00	0%	5.0%	12.8%	17.3%	18.8%
76	15.20	0%	5.0%	12.9%	17.5%	19.0%
77	15.40	0%	5.1%	13.1%	17.7%	19.3%
78	15.60	0%	5.1%	13.3%	17.9%	19.5%
79	15.80	0%	5.2%	13.4%	18.2%	19.8%
80	16.00	0%	5.3%	13.6%	18.4%	20.0%
81	16.20	0%	5.3%	13.8%	18.6%	20.0%
82	16.40	0%	5.4%	13.9%	18.9%	20.0%
83	16.60	0%	5.5%	14.1%	19.1%	20.0%
84	16.80	0%	5.5%	14.3%	19.3%	20.0%
85	17.00	0%	5.6%	14.5%	19.6%	20.0%
86	17.20	0%	5.7%	14.6%	19.8%	20.0%
87	17.40	0%	5.7%	14.8%	20.0%	20.0%
88	17.60	0%	5.8%	15.0%	20.0%	20.0%
89	17.80	0%	5.9%	15.1%	20.0%	20.0%
90	18.00	0%	5.9%	15.3%	20.0%	20.0%
91	18.20	0%	6.0%	15.5%	20.0%	20.0%
92	18.40	0%	6.1%	15.6%	20.0%	20.0%
93	18.60	0%	6.1%	15.8%	20.0%	20.0%
94	18.80	0%	6.2%	16.0%	20.0%	20.0%
95	19.00	0%	6.3%	16.2%	20.0%	20.0%
96	19.20	0%	6.3%	16.3%	20.0%	20.0%
97	19.40	0%	6.4%	16.5%	20.0%	20.0%
98	19.60	0%	6.5%	16.7%	20.0%	20.0%
99	19.80	0%	6.5%	16.8%	20.0%	20.0%
100	20.00	0%	6.6%	17.0%	20.0%	20.0%

Managing Director Scheme Performance Award Matrix 2019-20

Managing Directors		Percentage Award by Performance Rating				
Scorecard result	%Budget	1	2	3	4	5
		x0.0	x 0.33	x0.85	x1.15	x1.25
60	18.00	0%	5.9%	15.3%	20.7%	22.5%
61	18.30	0.0%	6.0%	15.6%	21.0%	22.9%
62	18.60	0%	6.1%	15.8%	21.4%	23.3%
63	18.90	0%	6.2%	16.1%	21.7%	23.6%
64	19.20	0%	6.3%	16.3%	22.1%	24.0%
65	19.50	0%	6.4%	16.6%	22.4%	24.4%
66	19.80	0%	6.5%	16.8%	22.8%	24.8%
67	20.10	0%	6.6%	17.1%	23.1%	25.1%
68	20.40	0%	6.7%	17.3%	23.5%	25.5%
69	20.70	0%	6.8%	17.6%	23.8%	25.9%
70	21.00	0%	6.9%	17.9%	24.2%	26.3%
71	21.30	0%	7.0%	18.1%	24.5%	26.6%
72	21.60	0%	7.1%	18.4%	24.8%	27.0%
73	21.90	0%	7.2%	18.6%	25.2%	27.4%
74	22.20	0%	7.3%	18.9%	25.5%	27.8%
75	22.50	0%	7.4%	19.1%	25.9%	28.1%
76	22.80	0%	7.5%	19.4%	26.2%	28.5%
77	23.10	0%	7.6%	19.6%	26.6%	28.9%
78	23.40	0%	7.7%	19.9%	26.9%	29.3%
79	23.70	0%	7.8%	20.1%	27.3%	29.6%
80	24.00	0%	7.9%	20.4%	27.6%	30.0%
81	24.30	0%	8.0%	20.7%	27.9%	30.0%
82	24.60	0%	8.1%	20.9%	28.3%	30.0%
83	24.90	0%	8.2%	21.2%	28.6%	30.0%
84	25.20	0%	8.3%	21.4%	29.0%	30.0%
85	25.50	0%	8.4%	21.7%	29.3%	30.0%
86	25.80	0%	8.5%	21.9%	29.7%	30.0%
87	26.10	0%	8.6%	22.2%	30.0%	30.0%
88	26.40	0%	8.7%	22.4%	30.0%	30.0%
89	26.70	0%	8.8%	22.7%	30.0%	30.0%
90	27.00	0%	8.9%	23.0%	30.0%	30.0%
91	27.30	0%	9.0%	23.2%	30.0%	30.0%
92	27.60	0%	9.1%	23.5%	30.0%	30.0%
93	27.90	0%	9.2%	23.7%	30.0%	30.0%
94	28.20	0%	9.3%	24.0%	30.0%	30.0%
95	28.50	0%	9.4%	24.2%	30.0%	30.0%
96	28.80	0%	9.5%	24.5%	30.0%	30.0%
97	29.10	0%	9.6%	24.7%	30.0%	30.0%
98	29.40	0%	9.7%	25.0%	30.0%	30.0%
99	29.70	0%	9.8%	25.2%	30.0%	30.0%
100	30.00	0%	9.9%	25.5%	30.0%	30.0%

Commissioner's Scheme Performance Award Matrix 2019-20

Commissioner		Percentage Award by Performance Rating				
Scorecard result	% Budget	1	2	3	4	5
		x0.0	x 0.33	x0.85	x1.15	x1.25
60	30.00	0%	9.9%	25.5%	34.5%	37.5%
61	30.50	0%	10.1%	25.9%	35.1%	38.1%
62	31.00	0%	10.2%	26.4%	35.7%	38.8%
63	31.50	0%	10.4%	26.8%	36.2%	39.4%
64	32.00	0%	10.6%	27.2%	36.8%	40.0%
65	32.50	0%	10.7%	27.6%	37.4%	40.6%
66	33.00	0%	10.9%	28.1%	38.0%	41.3%
67	33.50	0%	11.1%	28.5%	38.5%	41.9%
68	34.00	0%	11.2%	28.9%	39.1%	42.5%
69	34.50	0%	11.4%	29.3%	39.7%	43.1%
70	35.00	0%	11.6%	29.8%	40.3%	43.8%
71	35.50	0%	11.7%	30.2%	40.8%	44.4%
72	36.00	0%	11.9%	30.6%	41.4%	45.0%
73	36.50	0%	12.0%	31.0%	42.0%	45.6%
74	37.00	0%	12.2%	31.5%	42.6%	46.3%
75	37.50	0%	12.4%	31.9%	43.1%	46.9%
76	38.00	0%	12.5%	32.3%	43.7%	47.5%
77	38.50	0%	12.7%	32.7%	44.3%	48.1%
78	39.00	0%	12.9%	33.2%	44.9%	48.8%
79	39.50	0%	13.0%	33.6%	45.4%	49.4%
80	40.00	0%	13.2%	34.0%	46.0%	50.0%
81	40.50	0%	13.4%	34.4%	46.6%	50.0%
82	41.00	0%	13.5%	34.9%	47.2%	50.0%
83	41.50	0%	13.7%	35.3%	47.7%	50.0%
84	42.00	0%	13.9%	35.7%	48.3%	50.0%
85	42.50	0%	14.0%	36.1%	48.9%	50.0%
86	43.00	0%	14.2%	36.6%	49.5%	50.0%
87	43.50	0%	14.4%	37.0%	50.0%	50.0%
88	44.00	0%	14.5%	37.4%	50.0%	50.0%
89	44.50	0%	14.7%	37.8%	50.0%	50.0%
90	45.00	0%	14.9%	38.3%	50.0%	50.0%
91	45.50	0%	15.0%	38.7%	50.0%	50.0%
92	46.00	0%	15.2%	39.1%	50.0%	50.0%
93	46.50	0%	15.3%	39.5%	50.0%	50.0%
94	47.00	0%	15.5%	40.0%	50.0%	50.0%
95	47.50	0%	15.7%	40.4%	50.0%	50.0%
96	48.00	0%	15.8%	40.8%	50.0%	50.0%
97	48.50	0%	16.0%	41.2%	50.0%	50.0%
98	49.00	0%	16.2%	41.7%	50.0%	50.0%
99	49.50	0%	16.3%	42.1%	50.0%	50.0%
100	50.00	0%	16.5%	42.5%	50.0%	50.0%

End of year validation process timelines

Activity	Date	Accountability
Confirmation of performance ratings for Directors	1 to 31 March	Managing Directors
Final scorecard results confirmed	By 27 April	Audit & Assurance Committee
Recalculate performance awards in line with matrix	27 April	Reward
Mail merge and distribute pay review letters	27 – 29 April	Reward
Payment by BACS transfer	By 4 May	Payroll

Remuneration Committee

Date: 11 March 2020



Item: 2020/21 TfL Scorecard and Performance Award Thresholds

This paper will be considered in public

1 Summary

- 1.1 The TfL Scorecard provides information to track business performance against the in-year objectives derived from the Mayor's Transport Strategy (MTS), the Business Plan and the Budget.
- 1.2 The Scorecard performance is used in the calculation of all performance awards for Senior Management across TfL and its delivery businesses.
- 1.3 The paper seeks approval of the proposed thresholds for performance awards for the performance year 2020/21.

2 Recommendation

- 2.1 **The Committee is asked to approve the 2020/21 reward thresholds in respect of the TfL and delivery business Scorecards set out in this paper.**

3 Background

- 3.1 The Scorecard for 2020/21 has been presented to the Finance Committee for review and agreement.
- 3.2 The Scorecard remains focused on the critical success factors for the year ahead; keeping the organisation on track to deliver its plans and providing an objective measure of success.
- 3.3 Appendix 1 provides the draft TfL Scorecard for 2020/21, which will be considered by the Finance Committee.
- 3.4 On 5 February 2020, the Committee considered two options for the setting of thresholds. It determined that using the existing methodology was appropriate but that the thresholds adjusted for 2018/19 and 2019/20 should be reviewed to ensure that they are fully calibrated with the 2020/21 Scorecard.

4 Using the Scorecard to drive performance and calibration

- 4.1 Scorecards are a tool to drive performance, enabling us to set out to our people the required level of improvement and where our focus lies for the year ahead.

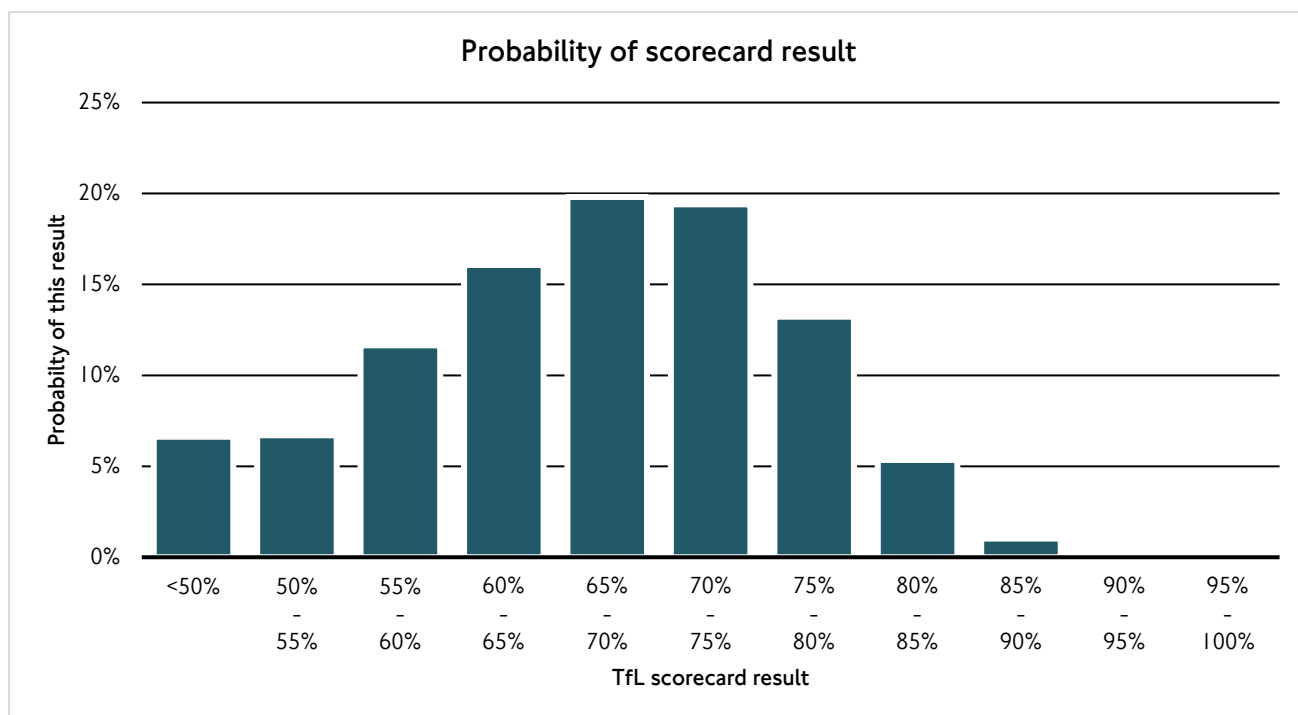
- 4.2 A key principle for the new performance award arrangement was to ‘drive business performance’ by setting a clear threshold for the minimum level of performance required for the award budget to be made available (i.e. Scorecard at 70 per cent); and raising the bar higher for expected or ‘on target’ performance (i.e. Scorecard at 85 per cent).
- 4.3 These targets were set in October 2017, against previous Scorecard delivery for the period 2012-17. Table 1 shows how, under the previous Scorecard methodology, the targets were calibrated such that performance was typically between 80–90 per cent (the exception being 2016/17 where performance was lower for several reasons, including the effect of launching a TfL-wide organisational change programme).

Table 1

	Year	TfL Scorecard	Tube & EL	Surface
Previous approach	2012/13	89.0%	95.0%	92.0%
	2013/14	83.4%	92.6%	82.0%
	2014/15	86.6%	86.9%	81.7%
	2015/16	88.9%	96.3%	90.9%
	2016/17	64.4%	67.5%	67.1%
New approach	2017/18	73.4%	66.5%	79.9%
	2018/19	71.3%	57.8%	85.9%
	2019/20 forecast	c79%	55-75%	c78%

- 4.4 However, since the introduction of the new methodology, including its more stretching targets, overall performance is now typically between 65-75 per cent.
- 4.5 The Committee took the decision to lower the thresholds for 2018/19 and 2019/20. At the time the performance year had already started and based on 2018/19 outturn it looked like corrective action would be required for both 2018/19 and 2019/20.
- 4.6 The thresholds were lowered for both TfL and LU Scorecards as follows:
- (a) TfL; floor of 60 per cent, with on target performance at 75 per cent; and
 - (b) LU; floor of 55 per cent, with on target performance at 70 per cent.
- 4.7 These new thresholds countered the ‘all or nothing’ nature of some measures. We have now applied floor/ceiling targets to most measures and believe targets are appropriate.
- 4.8 For 2020/21 we have simulated 20,000 possible TfL Scorecard outcomes and the most likely result, with a probability of around 20 per cent, is an overall score between 65-70 per cent (see Table 2).

Table 2



- 4.9 If our 2019/20 forecast performance of c79.2 per cent is achieved, this would be the highest result since 2015/16. Our analysis suggests there is a low probability of this happening again. The distribution is heavily influenced by achievement (or not) of the highest weighted measures - we are unlikely to meet all these measures in the same year which means that achieving a very high score is challenging.
- 4.10 To further illustrate why achieving a high score is less likely in future Table 3 below sets out the key groups of Scorecard metrics that have resulted in Scorecard 'losses' over the last 3 performance years.

Table 3

Type of metric	17/18 losses	18/19 losses	19/20 losses
Injury metrics	-4.9%	-2.5%	-8.5%
Reliability metrics	-3.0%	0.0%	-3.0%
Customer metrics	-7.1%	-1.9%	-1.8%
Investment delivery metrics	-1.4%	-4.0%	0.0%
People metrics	-10.2%	-20.3%	0.0%
Financial metrics	0.0%	0.0%	-7.5%
Lost score	-26.6%	-28.7%	-20.8%
Scorecard result	73.4%	71.3%	79.2%

- 4.11 These results show the consistent historical challenge TfL has had with these metric areas. In particular the considerable losses experienced in the People metrics across 2017/18 and 2018/19 show how the result in this area for 2019/20 can be deemed exceptional and therefore difficult to achieve again.

- 4.12 Therefore, given the anticipated challenge presented by the current Scorecard metrics based on TfL's historical performance and combining this with our probability modelling to estimate the range of likely future performance, it is recommended that the minimum threshold for TfL, Commercial Development, MPD and Surface Scorecard should be maintained at 60 per cent to trigger performance awards with an on-target performance of 75 per cent.
- 4.13 LU Scorecard performance has typically been lower and forecast performance for 2019/20 is between 55 – 68 per cent so a lower threshold could be considered. It is recommended that the lower threshold of recent years is maintained – 55 per cent to trigger a performance award, with on target performance of 70 per cent.
- 4.14 The Committee requested that the disadvantages outlined in the paper considered at the 5 February meeting should be addressed or noted in this paper. The following considers each of the identified points.
- 4.15 The potential disadvantages of this approach are:
- (a) given the quantity and range of measures, calibration will be a complex task that requires considerable effort to deliver: **This is overcome with additional effort and resource applied to ensuring greater accuracy in calibration.**
 - (b) the quantity and range of measures leads to an increased margin for error, compared with Option 2 in getting the calibration wrong: **This risk remains but can be mitigated with increased resource and effort in calibration.**
 - (c) some measures on the Scorecard can be more directly impacted by senior management focus and effort than others. Including those that are less attributable to direct control dilutes the incentive impact: **This has been the case since the current Scorecards were introduced and therefore maintaining the current approach will not make the situation worse.**
 - (d) whilst all Scorecard measures are important and help provide an overarching overview of TfL's performance some areas of business performance might be prioritised more highly than others in the annual business plan. Incentivising against the full set of Scorecard measures could potentially reduce focus on the most critical areas of performance in any given year. In this respect adjusting weightings of measures can only go so far – greater clarity and focus comes from only having the most critical measures aligned to the reward outcome: **To mitigate this disadvantage our most critical measures will need to be effectively communicated outside of the Scorecard.**

List of appendices to this paper

Appendix 1: TfL Scorecard for 2020/21

List of Background Papers

2020/21 Scorecard paper to Finance Committee

Performance Award Scheme for Senior Managers Review Item 6 5 February 2020 meeting

Contact Officer: Simon Kilonback, Chief Finance Officer
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Contact Officer: Tricia Wright, Chief People Officer
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Contact Officer: Stephen Field, Director of Compensation & Benefits
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Appendix 1

	Theme	Outcome	Measure	Target	Weighting	
Mayor's Transport Strategy	Healthy streets and healthy people	London's public transport will accelerate the trajectory to be zero carbon by 2030 ¹ NEW	Reduction in CO ₂ e emissions from TfL Operations (including fleet) & Buildings (from 19/20). <i>Being energy efficient is embedded into all aspects of our work</i>	-3 %	Safety & Operations 25%	
		London's streets will be used more efficiently and have less traffic on them	Additional time saved for pedestrians, cyclists and buses at Traffic Lights	16,500 Additional (50,985 hours cumulative)		
		London's streets will be healthy, and more Londoners will travel actively	Healthy Streets Check for Designers (<i>average improvement delivered by schemes against the 10 Healthy Streets indicators</i>)	10 %		
		London's streets will be safe and secure	Reduction in people killed and seriously injured on roads including by buses, from 05-09 baseline	286 fewer people this year		
	Reduction in customers and workforce killed and seriously injured (across all our services)		81 fewer people this year			
	A good public transport experience	Public transport will be safe, affordable and accessible to all	Additional time to make step-free journeys (<i>average additional time to make a step free journey between any two points</i>)	1.2 min reduction on 19/20 7.6 mins		Customer 25%
		Journeys by public transport will be pleasant, fast and reliable	Tube excess journey time	4.90 mins		
			Bus journey time	33.2 mins		
		Journeys by public transport will be pleasant, fast and reliable	Percentage of Londoners who agree we care about our customers	54 %		
	New homes and jobs	Transport investment will unlock the delivery of new homes and jobs NEW	Elizabeth line – start trial running	Autumn 2020		Customer 25%
			Start on sites of new homes by March 2021	10,000		
	Mode Share	80% of trips will be made by active, efficient and sustainable modes by 2041	Public transport trips	4,024 m		Customer 25%
Average kilometres cycled per day			560 k *			
Corporate	People	A capable and engaged workforce representative of London	Representativeness – all staff	71.9 % ^	People 25%	
			Representativeness – director / band 5	39.3 % ^		
			Inclusion index	50 % *		
			Total engagement	58 % ^		
	Financial	We cover our costs and we are prudent	Net operating surplus	£430m	Finance 25%	
<i>Investment programme</i> Deliver key milestones on time Deliver programmes to budget			90 % £1,865m			

Table 1: Proposed 2020/21 TfL Scorecard

NB: ^ target is +1% on 19/20 outturn, * target is +3% on 19/20 outturn. Figures in table based on 19/20 forecast

¹ Our plans to reduce our emissions include bus electrification, energy efficiency measures (such as LED lighting), and generating our own renewable energy (such as introducing solar panels). Further expansion of ULEZ to the North and South circular by October 2021 will help reduce London-wide emissions, as will further investment in intensifying and extending public transport capacity and connectivity

Remuneration Committee

Date: 11 March 2020

Item: Salaries of £100,000 or More

This paper will be considered public

1 Background and Purpose

- 1.1 The Terms of Reference for the Remuneration Committee include the approval of salaries of £100,000 per annum or higher (+£100k).
- 1.2 This paper sets out individual business cases for review for four positions (six individuals) and seeks the Committee's approval of the proposed salary for each position. It also provides the pipeline of current applications, which may be submitted to the Committee (including through Chair's Action) for approval.
- 1.3 Under TfL's ongoing Transformation programme the overall number of senior roles are being reduced and cost savings achieved.
- 1.4 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial affairs of a person or authority. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and to approve the proposed salaries for the following roles:**
 - (a) **Group Finance Director;**
 - (b) **Divisional Finance Director – Commercial Development;**
 - (c) **Director, Road Transport;**
 - (d) **Rail Devolution Manager; and**
 - (e) **Head of Business Partnering – x3.**

3 Applications of Salaries over £100,000

- 3.1 Under the current process, +£100k applications are referred for permanent or fixed term contract (FTC) roles with a salary of £100,000 or higher; or, for non-permanent labour (NPL) a day rate of £454.54 or higher, equivalent to a full-time salary of £100,000. NPL applications are referred for both new roles and the extension of existing NPL contracts.

3.2 Prior to submission to the Committee, +£100k applications are referred internally, requiring review by Director of Compensation & Benefits, Chief People Officer, Chief Finance Officer and the Commissioner; before being referred to the Mayor's Office for consideration.

3.3 Applications for the following positions are currently being referred in the +£100k process:

Role	Business Area	Grade	Request Type	Contract
Head of Property Development	Commercial Development	Band 5	Existing role above £100k (replacement of leaver)	Perm
Lead BI Architect	Tech & Data	Band 3	Extension of NPL contract above £100k	NPL
Utilities & Logistics Lead	Engineering	Band 4	Extension of NPL contract above £100k	NPL

4 Approval of Salaries over £100,000

4.1 Approval is being sought for the following roles:

Role	Business Area	Grade	Request Type	Contract
Group Finance Director	Finance	Director	Existing role above £100k	Perm
Divisional Finance Director – Commercial Development	Finance	Director	Existing role above £100k (FTC to Perm)	FTC to Perm
Director, Road Transport	Surface	Director	New role above £100k	Perm
Rail Devolution Manager	Surface	Band 5	New role above £100k	FTC / Secondment

Head of Business Partnering – x3	Safety Health & Environment	Band 5	New role above £100k	Perm
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4.2 The exempt appendix to this paper sets out the business case for each request, including as appropriate/available:

- (a) high level Job descriptor – including key accountabilities and areas of delivery; direct reports and budget responsibility; Hay job evaluation score for role.
- (b) position in organisation structure and reporting relationships (including structure charts);
- (c) narrative – why the role is critical to TfL and how it contributes to the Mayor’s Transport Strategy and TfL Business Plan;
- (d) proposed base pay range and performance award opportunity;
- (e) remuneration benchmarking considered as part of proposal and relevant commentary from Reward & Recognition;
- (f) diversity impact in terms of gender and ethnicity (if this information is known about a preferred candidate);
- (g) if preferred candidate is known specific information that is relevant to pay positioning e.g. personal skills and experience, current remuneration package etc; and
- (h) if relevant / available remuneration evidence from recruitment activity already undertaken (e.g. candidate current remuneration information; anecdotal information from candidate ‘sounding’ conversations on remuneration).

List of appendices to this report:

The exempt business cases are in an appendix on Part 2 of the agenda.

List of Background Papers:

None

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Remuneration Committee



Date: 11 March 2020

Item: **Members' Suggestions for Future Discussion Items**

This paper will be considered in public

1 Summary

1.1 This paper presents the current forward programme for the Committee and explains how this is put together. Members are invited to suggest additional future discussion items for the forward plan. Members are also invited to suggest items for the Committee's induction session and for future informal briefings.

2 Recommendation

2.1 **The Committee is asked to note the forward programme and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.**

3 Forward Plan Development

3.1 The Board and its Committees and Panels have forward plans. The content of the plans arise from a number of sources:

- (a) Standing items for each meeting: Minutes; Matters Arising and Actions List.
- (b) Regular items (annual, half-year or quarterly) which are for review and approval or noting as specified in the Terms of Reference: Examples include the annual consideration of pay and performance awards for the staff listed in the terms of reference and regular reports on remuneration on a pan-TfL basis, pay gaps and TfL's approach to talent management and succession planning.
- (c) Items requested by Members: The Chairs Coordination Group will regularly review the forward plans and may suggest items. Other items will arise out of actions from previous meetings (including meetings of the Board or other Committees and Panels) and any issues suggested under this agenda item.

4 Current Plan

4.1 The current plan is attached as Appendix 1. Like all plans, it is a snapshot in time and items may be added, removed or deferred to a later date.

List of appendices to this report:

Appendix 1: Remuneration Committee Forward Plan.

List of Background Papers:

None

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Remuneration Committee Forward Planner 2019/20

Membership: Ben Story (Chair), Kay Carberry CBE (Vice Chair), Heidi Alexander and Ron Kalifa OBE

17 June 2020		
Strategic Workforce Planning	Chief People Officer	To note the staff talent and specialisms that TfL requires now and in the future, including through contractors and temporary staff. Succession planning and how TfL identified and nurtured talent; and the use and management of non-permanent labour for specialist and time limited roles and the impact on pay gaps.
Pay Gap Analysis	Director Diversity, Inclusion and Talent	Progress against actions and the performance indicators that the Committee should keep under review.
Compliance training	Chief People Officer	To note benchmarking data on the completion of mandatory training on compliance issues across TfL (e.g. Health and Safety, Diversity and Inclusion, Fraud Awareness) and how TfL ensures that these are up to date for all relevant staff.

8 July 2020		

11 November 2020		

11 March 2021		

Regular items each year

- TfL Performance Delivery and Performance Awards
- TfL Remuneration
- Pay Gap Analysis
- Talent Management
- Succession Planning

Items often approved by Chair's Action due to the need for decisions between meetings

- Salary for any person proposed to be appointed as an Officer of TfL with an annual basic salary of £100,000 or more.
- Exit payments for any officer listed in the ToR or if over £100,000k (excluding statutory notice period)