

# Transport for London

## Minutes of the Remuneration Committee

Committee Room 1, City Hall, The Queen's Walk, London, SE1

3.30pm, Thursday 19 July 2012

Reconvened in Committee Room 3 at 4.00pm, Friday 20 July 2012

### Members

Baroness Grey-Thompson	Chair
Daniel Moylan	Vice Chair (by telephone on 19 July 2012)
Christopher Garnett	Member (by telephone)
Boris Johnson	Chairman of TfL (on 20 July 2012 only)

### Staff

Howard Carter	General Counsel
Peter Hendy	Commissioner (on 20 July 2012 only)
Tricia Riley	Human Resources Director (on 20 July 2012 only)

Shamus Kenny                                      Head of Secretariat

### **01/07/12    Apologies for Absence, Chair's Announcements and Declarations of Interests**

Apologies for absence were received from the Mayor, Boris Johnson.

Baroness Grey-Thompson declared an interest as Vice Chair of the Athletes' Committee for the London Organising Committee of the Olympic Games. Daniel Moylan declared an interest as a Councillor for the Royal Borough of Kensington and Chelsea, as Chairman of the London Legacy Development Corporation and as Chairman of Urban Design London. Christopher Garnett declared an interest as a member of the Olympic Delivery Authority and a non-executive director of Aggregate Industries Limited.

### **02/07/12    Adjournment of Meeting**

The Mayor had indicated his desire to participate in the meeting, but had been called away to attend an urgent meeting. Therefore, he had requested that the meeting be adjourned to enable him to attend.

**The Committee agreed to adjourn the meeting until 4.00pm on Friday 20 July 2012, in Committee Room 3, City Hall.**

The meeting closed at 4.30pm.

### **03/07/12    Continuation of Meeting**

The meeting reconvened at 4.00pm on Friday 20 July 2012, in Committee Room 3, City Hall. There were no apologies for absence and no further interests to declare.

## **04/07/12 Minutes of the Meeting held on 29 September 2011**

The minutes of the meeting held on 29 September 2011 were approved as a correct record and signed by the Chair.

## **05/07/12 Matters Arising and Actions List**

**The Committee noted the Actions List.**

## **06/07/12 Hutton Review of Fair Pay in the Public Sector**

Peter Hendy introduced the paper, which set out the 12 recommendations from the Hutton Review of Fair Pay in the Public Sector, published in March 2011. The paper sought the Committee's agreement to the suggested approach to each of the recommendations.

**The Committee approved the approach under each of the 12 recommendations of the Hutton Report, as set out in section 4 of the paper.**

## **07/07/12 London 2012 Games Measurement of Transport Network Performance for the Deferred Incentive Plan**

Peter Hendy introduced the paper, which recommended a means of measuring the Games Performance for the purposes of the Deferred Incentive Plan (DIP) that was consistent with previous statements on the DIP.

A paper would be submitted to the Committee after the Games on the general success of the Games taking into account the performance of the transport network during the Games based on available measures including those set out in Appendix 2 of the paper. For the Chief Officer DIP, the performance adjustment in relation to the Games would be applied to the whole of the performance that had already been delivered for the two previous performance years. **[Action: Peter Hendy]**

An additional performance indicator on pre-Games planning and preparation would be included in the measures set out in Appendix 2 of the paper. **[Action: Peter Hendy]**

**The Committee approved the approach proposed to the measurement of London 2012 Olympic Games performance, as set out in the paper, subject to the addition of a performance indicator on pre-Games planning and preparation.**

## **08/07/12 Chief Officer Benchmarking and Peer Group Selection**

Peter Hendy introduced the paper, which recommended an appropriate 'peer group' of comparator organisations that would facilitate external market remuneration benchmarking of TfL's executive roles. The benchmarking process would provide a transparent comparison of remuneration levels and mix for senior executives within the peer group organisations against the remuneration of incumbent TfL executives.

Members suggested that the remuneration of the Commissioner and the Chief Officers should include some long-term performance objectives. A paper would be submitted to a future meeting with proposals for long term objectives for the Commissioner and the Chief

Officers relating to the delivery of the Mayor's transport priorities. **[Action: Peter Hendy]**

**The Committee approved a recommendation for an appropriate 'peer group' of carefully selected comparator organisations that would facilitate external market remuneration benchmarking of TfL's executive roles.**

### **09/07/12 Any Other Business the Chair Considers Urgent**

There was no urgent business to discuss.

### **10/07/12 Exclusion of Press and Public**

**The Committee agreed 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, which contained information relating to the financial or business affairs of a person or authority and contained issues where a claim to legal professional privilege could be made.**

### **11/07/12 Arrangements for the Chief Finance Officer**

Peter Hendy introduced the paper, which sought approval for arrangements concerning the Chief Finance Officer.

#### **The Committee:**

- 1. approved the arrangements for the Chief Finance Officer to take voluntary severance, as outlined in the paper; and**
- 2. authorised General Counsel to agree final terms and for a Compromise Agreement to be entered into with Stephen Critchley.**

### **12/07/12 Crossrail Limited – Chief Executive Performance and Remuneration**

Peter Hendy introduced the paper, which set out details of the 2010/11 performance review of the former Crossrail Limited (CRL) Chief Executive and the package and performance objectives of the current Chief Executive.

A paper would be submitted to a future meeting on the performance of CRL. The paper would confirm whether the Chief Executive's salary had been benchmarked with external organisations and the nature of his long-term incentives. **[Action: Peter Hendy]**

**The Committee noted the paper.**

The meeting closed at 4.30pm.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_