

**Board**



**Date: 3 July 2013**

**Item 13: Report of the meetings of the Remuneration Committee held on 3 June and 3 July 2013**

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**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 3 June and 3 July 2013.

**2 Recommendation**

2.1 **That the Board note the report.**

**3 Background**

3.1 The main matters considered by the Committee were:

**3 June 2013**

- (a) TfL Scorecards;
- (b) Crossrail;
- (c) Long Term Measures;
- (d) Chief Officer Benchmarking;
- (e) TfL Performance Awards for 2012/13;
- (f) Leadership and Succession Planning in TfL;

**3 July 2013 (a verbal update will be provided on these items)**

- (g) TfL Scorecard 2013/14;
- (h) Crossrail Limited Chief Executive's Performance Awards and Base Pay;  
and
- (i) Crossrail Limited Long Term Incentive Plan Performance Target.

## **4 Issues Discussed**

### **Matters Arising**

- 4.1 **TfL Scorecards.** The 2013/14 Scorecard was being discussed with the Mayor and would be considered by the Committee on 3 July 2013.
- 4.2 **Crossrail.** A note would be provided to Members on the governance arrangements between TfL and Crossrail Limited (CRL) in relation to remuneration and in relation to delivering the project within budget, including the trigger points for TfL intervention. The outstanding papers would be considered by the Committee on 3 July 2013.
- 4.3 **Long Term Measures.** Discussions with the Mayor on the potential use of long term measures were ongoing. It was likely that issues would be captured in annual scorecards rather than through the use of a separate Long Term Incentive Plan.

### **Chief Officer Benchmarking**

- 4.4 The Committee noted the market remuneration benchmarking of TfL's executive roles, which had been undertaken in conjunction with Towers Watson. The benchmarking process provided a transparent comparison of remuneration levels and mix for senior executives within the peer group organisations against the remuneration of incumbent TfL executives.
- 4.5 The peer group reflected where existing staff may move to or future staff be recruited from. The Committee requested that consideration be given to additional public sector comparator organisations for the next benchmarking exercise.

### **TfL Performance Awards for 2012/13**

- 4.6 The Committee agreed the delivery against scorecards for 2012/13 and the 2012/13 performance awards for the Commissioner and for Chief Officers.
- 4.7 2012/13 had seen an excellent overall performance for TfL, including the work to develop a strong Business Plan and good progress toward being a far more integrated organisation. This had been delivered in addition to meeting all of TfL's London 2012 Games commitments.
- 4.8 For 2013/14, TfL's scorecards would seek to set stretching but realistic targets of equal importance for each operational and specialist service.

### **Leadership and Succession Planning in TfL**

- 4.9 The Committee noted a verbal update from Sir Peter Hendy. He had regular individual discussions with Chief Officers about their development and they were encouraged to attend leadership development programmes and to look at non-executive directorships to broaden their experience. Members discussed the programmes used.

- 4.10 A leadership development programme was being implemented for directors. Some Members had already spoken or had been invited to speak at the 'catalyst briefings'. Further work was required to provide directors and graduates with private sector experience. Sir Peter Hendy was looking for opportunities to develop mutual secondment programmes.
- 4.11 HR was putting in place arrangements for talent management throughout TfL. A pilot had been started in London Rail and Underground and the process was expected to be complete by the end of 2013.

**The meeting of the Remuneration Committee on 3 July 2013**

- 4.12 The Committee is being asked to approve the proposed Group TfL scorecard for 2013/14. It is also being consulted on the CRL Chief Executive's Performance Awards, asked to note his Base Pay and asked to agree the CRL Long Term Incentive Plan Performance Targets.
- 4.13 A verbal update on the decisions and any pertinent issues raised will be given at this meeting.

**List of appendices to this report:**

None

**List of Background Papers:**

Papers for the meetings of the Remuneration Committee held on 3 June and 3 July 2013.

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