



Date: 22 November 2012

Item 8: **Crossrail Long Term Incentive Plan Performance Target  
2012 – 2019**

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**This paper will be considered in public**

**1 Summary**

1.1 The purpose of this paper is to seek approval for changes proposed by the Crossrail Limited (CRL) Remuneration Committee to the Long Term Incentive Plan (LTIP) performance targets for 2012-2019, for incorporation into the CRL Remuneration Framework.

**2 Recommendation**

2.1 **The Committee is asked to approve the Long Term Incentive Plan performance targets for 2012-2019, for incorporation into the CRL Remuneration Framework.**

**3 Background**

3.1 In 2009/10, Crossrail Ltd (CRL) consulted extensively with Sponsors on the introduction of its Executive Remuneration Framework. At that time CRL was unable to commit to Performance Targets for the period beyond 2011/12 as the project had not yet proceeded beyond RP4 and the master control schedule was still under development.

3.2 The CRL Remuneration Committee agreed to bring LTIP performance targets for 2012-2019 to the TfL Remuneration Committee by September 2012. At its meeting of 24 May 2012, the CRL Remuneration Committee considered a set of LTIP performance targets for 2012-2019 based on the Master Control Schedule for the project.

3.3 The LTIP performance targets for 2012-2019 are appended. These represent a series of targets that meet the requirements to both retain members of the LTIP Scheme while ensuring that there are clear Performance Targets linked to any LTIP Award and Payment.

**4 LTIP Scheme**

4.1 The arrangements governing the LTIP are set out in the LTIP Rules which are also appended.

4.2 Unlike the annual incentives which are based on the achievement of programme related performance objectives, the LTIP is primarily focused on retention and successful progress through key milestones. These milestones are challenging yet also support the LTIP as a retention tool. In addition, the

LTIP also strongly incentivises the achievement of Crossrail's Health and Safety targets – Target Zero: A State of Mind.

- 4.3 The LTIP is essential part of the CRL retention strategy for key individuals. The need for an LTIP was set out in the Shareholder Agreement entered into by both Sponsors.
- 4.4 There are currently only five employees in receipt of an LTIP.
- 4.5 The Master Control Schedule was used to determine the milestones, ensuring these reflect key project deliverables. The Crossrail Remuneration Committee will keep the milestones under review to ensure they remain relevant and appropriate. TfL will be consulted on any substantive changes to the LTIP milestones.
- 4.6 The LTIP payments are weighted towards the end of the project, with the largest payment due at project completion. This will aid the retention of key individuals through the life of the project. The first LTIP payment is due in September 2012. The final LTIP payment will only be due once the requirements for a fully operating railway, as set out in the sponsors agreements, are met.

**List of appendices to this report:**

Appendix 1: LTIP performance targets 2012-2019

**List of Background Papers:**

Crossrail Remuneration Committee paper, May 2012

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## Appendix 1: LTIP Performance Targets 2012-2019

Performance Period	Performance Targets	Completion Date	Target Date for LTIP Payment
2012/13 and 2013/14	<ol style="list-style-type: none"> <li>1. TBM launch at Plumstead</li> <li>2. C610 contract placed (system wide)</li> <li>3. Wallasea Island ready to accept soil/operational</li> <li>4. Award final station (Bond Street) contract</li> </ol>	March 2014	September 2014
2014/15 and 2015/16	<ol style="list-style-type: none"> <li>1. Rolling stock and depot contract awarded</li> <li>2. Completion of all civil engineering works</li> <li>3. Pudding Mill Lane portal handed over</li> <li>4. Thames Tunnel eastbound TBM dismantled and removed</li> </ol>	March 2016	September 2016
2016/17 and 2017/18	<ol style="list-style-type: none"> <li>1. Woolwich ready for system wide installation</li> <li>2. Track installation completed – X+Y drives</li> <li>3. Stage 1 opening Liverpool St H/L Shenfield</li> <li>4. First train delivered to OOC for Heathrow to Paddington H/L</li> <li>5. Energise Permanent Power C610</li> </ol>	May 2018	September 2018
2018/19	<ol style="list-style-type: none"> <li>1. Stage 2 opening Paddington H/L to Heathrow</li> <li>2. Stage 3 opening Paddington L/L to Abbey Wood</li> <li>3. Stage 4 opening Paddington L/L to Abbey Wood &amp; Shenfield</li> <li>4. Stage 5 opening Maidenhead/Heathrow to Abbey Wood &amp; Shenfield</li> </ol>	December 2019	End of Programme

