

# Transport for London

## Minutes of the Remuneration Committee

Committee Room 3, City Hall, The Queen's Walk, London, SE1  
10.00am, Wednesday 3 July 2013

### Members

Baroness Grey-Thompson DBE	Chair
Daniel Moylan	Vice Chairman
Sir John Armitt CBE	Member

### Also in Attendance

Isabel Dedring	Deputy Chair of TfL
Ian Brown	Crossrail Limited Remuneration Committee Chairman
Terry Morgan	Chairman, Crossrail Limited.

### Staff

Howard Carter	General Counsel
Sir Peter Hendy CBE	Commissioner
Shamus Kenny	Head of Secretariat

### 10/07/13 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from the Mayor, Boris Johnson.

### 11/07/13 Declarations of Interests

Baroness Grey-Thompson declared an interest as a member of the London Legacy Development Corporation. Daniel Moylan declared an interest as a Councillor for the Royal Borough of Kensington and Chelsea and as Chairman of Urban Design London. Sir John Armitt declared an interest as Chairman of the Olympic Delivery Authority, Chairman of National Express Group Plc and Deputy Chairman of the Berkeley Group Plc.

### 12/07/13 Minutes of the Meeting held on 3 June 2013

Subject to the inclusion of an additional minute to cover the Committee's resolution to exclude the press and the public from the consideration of the item on Part 2 of the agenda, the minutes of the meeting held on 3 June 2013 were approved as a correct record and signed by the Chair.

### 13/07/13 Matters Arising and Actions List

The Committee noted the Actions List.

## **14/07/13 TfL Group Scorecard 2013/14**

Sir Peter Hendy introduced the paper, which sought agreement to the proposed TfL group scorecard for 2013/14. The targets were focussed on public priorities: customer satisfaction, operational performance, safety, reducing crime and increased efficiency.

The Committee discussed the appropriate balance between measures that met operational priorities and were thus rolled forward each year and the desire to include measures on the delivery of specific capital projects. It also considered the balance between setting measures that were specific rather than generic but of a limited number.

Members requested an additional meeting to discuss the 2013/14 scorecard in more detail. This would enable it to provide a clear steer on the measures and information to be provided when it considered the 2014/15 targets in March 2014. The following information would be provided to aid the discussion:

- the TfL Group Scorecard for 2013/14;
- the rationale behind each measure and the target chosen, if the target was on a sliding scale (including any incentive for outperformance);
- for measures that were rolled forward each year, a table setting out what was achieved over the previous five years and the target trajectory going forward;
- the individual scorecards of Chief Officers so that the Group Scorecard could be viewed in context; and
- the weighting of each scorecard (Group, business area and personal) in calculating performance awards.

**[Sir Peter Hendy]**

The proposed Group Scorecard for 2014/15 would be shared with the Mayor in early March 2014 before being submitted to the Committee in late March 2014 for approval.

Members noted the existing action to include Remuneration Committee dates in the calendar of meetings. They suggested that four meetings be scheduled each year, with the option to cancel them if they were not required.

**[Howard Carter]**

**The Committee approved the proposed TfL group scorecard for 2013/14, as set out in Appendix 1 to the paper.**

## **15/07/13 Crossrail Limited Chief Executive Officer's Performance and Pay Review**

Sir Peter Hendy introduced the paper and the related paper on Part 2 of the agenda, which informed the Committee that the Crossrail Limited (CRL) Remuneration Committee had decided not to award the CRL Chief Executive a base pay increase for 2013/14. The paper also consulted the Committee on the CRL Remuneration Committee's proposal to award a performance related payment in recognition of the CRL Chief Executive's achievements in

the financial year 2012/13 and to ask TfL to note that he would be made a Long Term Incentive Plan Award, subject to targets being agreed by CRL.

**The Committee:**

- 1 noted the achievements of the Crossrail Limited (CRL) Chief Executive in the 2012/13 performance year;**
- 2 noted the decision of the CRL Remuneration Committee not to award the CRL Chief Executive a base pay increase for the financial year 2013/14, as set out in the paper on Part 2 of the agenda;**
- 3 noted the proposal of the CRL Remuneration Committee to award the CRL Chief Executive a performance related payment in recognition of his achievements in the 2012/13 performance year; and**
- 4 noted the proposal of the CRL Remuneration Committee to make an Long Term Incentive Plan Award in respect of 2013/14.**

**16/07/13 Crossrail Limited Long Term Incentive Plan Performance Targets 2012 – 2019**

Sir Peter Hendy confirmed that while TfL approved any changes to the Crossrail Limited (CRL) Remuneration Framework, which included the Long Term Incentive Plan (LTIP), CRL set the targets within the LTIP. He introduced the paper and the related paper on Part 2 of the agenda, which consulted the Committee on the outcome of the review and proposed changes to the CRL LTIP performance targets for 2012 – 2019, for incorporation into the CRL Remuneration Framework.

Having considered the previous feedback from TfL, the CRL Remuneration Committee decided that, subject to consideration of any further feedback from TfL from this meeting, the CRL LTIP Performance Targets (2012 – 2019) would be revised as set out in Appendix 1 of the paper.

Terry Morgan and Ian Brown informed the Committee that, in line with similar LTIP schemes in the market, payments were phased over a number of years to help attract and retain key staff. Although payments would be made from 2014, the largest payment would be made at the completion of the project.

As requested by TfL, a financial and efficiency target linked to the Intervention Points of the project had been included. The scheme required CRL to complete the project below Intervention Point 1 to receive any payment. The annual targets would incentivise completing the project at Intervention Point 0 + £50m.

**The Committee noted the paper.**

**17/07/13 Any Other Business the Chair Considers Urgent**

There was no urgent business to discuss.

### **18/07/13 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 exempt appendices to the papers on the Crossrail Limited Chief Executive Officer's Performance and Pay Review and the Crossrail Limited Long Term Incentive Plan Performance Targets 2012 – 2019, both of which contained information relating to the financial or business affairs of a person or authority.**

There being no further business, the meeting closed at 11.00am.

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

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