

**Date:** 13 October 2016

**Item:** Director Major Projects

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## **This paper will be considered in Public**

### **1 Summary**

- 1.1 It is proposed to appoint a Director of Major Projects, who will report directly to the Commissioner and will be critical to the delivery of the Mayor's Manifesto commitments through a multi-billion pound capital programme to modernise London's public transport and road networks. The paper sets out the scope of the role. The paper on Part 2 of the agenda contains benchmarking information to support the proposed remuneration for the role, which the Committee is asked to approve.
- 1.2 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to an individual and 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 endorse the offer of the proposed remuneration package for the post of Director Major Projects, as set out in the paper on Part 2 of the agenda.**

### **3 Background**

#### **Role responsibilities**

- 3.1 This role, reporting directly to the Commissioner, is critical to the delivery of the Mayor's Manifesto commitments through a multi-billion pound capital programme to modernise London's public transport and road networks. This includes:
- (a) the £16bn upgrade of the Piccadilly, Central, Waterloo & City and Bakerloo lines and enhancing capacity and renewal of trains and signalling on four of London Underground's deep Tube lines;
  - (b) introduction of 192 new trains and the completion of new signalling systems on the District, Circle, Hammersmith & City and Metropolitan lines, delivering an increase in capacity of 33 per cent across all four lines;
  - (c) £1bn tunnelled extension of the Northern line to Battersea Power Station;

- (d) improving transport accessibility across the network, ensuring that wheelchair accessibility is central to all infrastructure development;
  - (e) new river crossings including the new £3bn Silvertown Road tunnel and the Rotherhithe-Canary Wharf cycle and pedestrian bridge;
  - (f) £4bn investment programme to transform London's streets and public places;
  - (g) the extension of London Overground to Barking Riverside and other extensions to the London Overground network;
  - (h) the completion of capacity enhancements to major London Underground stations at Tottenham Court Road, Bond Street and Victoria;
  - (i) a pipeline of similar station capacity enhancement projects;
  - (j) bringing forward the delivery of the Bakerloo line extension to Lewisham and beyond;
  - (k) delivering major efficiencies and cost savings while delivering the full scope of the programme; cutting duplication and waste and overuse of consultants and agency staff; helping to deliver the fares freeze; and
  - (l) negotiation at the most senior level with suppliers to deliver the capital programme while saving millions of pounds over the life of the Business Plan.
- 3.2 The role has total Executive Committee level accountability to the Commissioner for this entire programme and associated financial, commercial, safety and other control.
- 3.3 The role replaces the previous Capital Programmes Director role which only covered London Underground projects. This new role includes accountability for all Surface Transport and London Overground projects too that carry at least £7bn in additional financial responsibility.
- 3.4 In keeping with the review that the Mayor has requested of TfL's organisation and costs, the role will also involve merging functions and removing duplication, saving millions in the major programmes portfolio.

### **Savings in the Major Projects Function**

- 3.5 The proposed package is also in the context of action to significantly reduce the current cost of the Major Programmes function.
- 3.6 Our recent exit programme at Director and senior manager level has seen 14 permanent posts involved in Major Programmes removed with a combined annual base salary saving of £1.5m alone. Twelve of these posts had full-time annual salaries of over £100,000. This saving greatly increases when additional employment costs for performance awards, pensions, benefits and employer's national insurance contributions are taken into account.

3.7 In addition, since the Mayor's election we have reduced non-permanent labour (i.e. contractors) in our Major Programmes function by 152, delivering savings of almost £330,000 per week. This role will ensure further cost savings are delivered beyond these.

### **Market-related benchmarking**

3.8 We compete in a tough global employment market place at this level and have trawled the very limited pool of potential domestic and international candidates with the right expertise and experience to deliver on such a huge scale. We have also undertaken detailed pay benchmarking through our independent advisors.

3.9 We are confident that our preferred candidate, having gone through an extensive selection process, including a final interview by the Commissioner and Terry Morgan (Chair of Crossrail), has the right experience to deliver.

### **List of appendices to this report:**

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

### **List of Background Papers:**

None

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