

Transport for London

Minutes of the Remuneration Committee

Committee Room 3, City Hall, The Queen's Walk, London, SE1 2AA
5.30pm, Monday 27 March 2014

Members

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

Also in Attendance

Isabel Dedring	Deputy Chair of TfL (from 14/03/14)
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Staff

Howard Carter	General Counsel
Sir Peter Hendy CBE	Commissioner
Stephen Field	Director of Reward and Pensions
Tricia Riley	Human Resources Director
Shamus Kenny	Head of Secretariat

08/03/14 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from the Mayor.

09/03/14 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.

10/03/14 Minutes of the Meeting held on 13 January 2014

The minutes of the meeting held on 13 January 2014 were approved as a correct record and signed by the Chair.

11/03/14 Matters Arising, Actions List and Forward Plan

As requested under action 04/01/14, the Commissioner had spoken with the Chairman of Crossrail Limited, who had confirmed there was no proposal to increase base pay awards for 2014/15.

Howard Carter would schedule the meeting for the Chair to meet with the Mayor to test his appetite for introducing a long term incentive plan in addition to annual performance plans.

The Committee noted the Actions List and Forward Plan.

12/03/14 TfL Group Scorecard

Sir Peter Hendy introduced the paper, which sought agreement to the proposed TfL scorecard for 2014/15. Member engagement on the development of the draft scorecard had been beneficial to both the Committee and the Commissioner. The target for the proportion of Business Plan efficiencies that are secured was being refined and would be circulated to Members, along with an explanation as to why it represented a realistic but stretching target. **[Action: Sir Peter Hendy]**

The Committee delegated authority to the Chair, in consultation with the members of the Committee that were available, to approve the TfL scorecard for 2014/15, as set out in Appendix 1 of the paper, subject to the inclusion of a stretch target on the proportion of Business Plan efficiencies that are secured.

13/03/14 TfL Performance Awards

Sir Peter Hendy introduced the paper, which outlined the different performance related reward schemes that were in operation across TfL. These schemes variously rewarded employees below the level of Director, based on measures of organisational, business area or individual performance.

TfL was introducing a robust system of pay for performance for staff in pay bands 1 to 3, which would fairly measure performance and achieve more effective people management.

The Committee noted the paper.

14/03/14 Individual Choice on Future Pension Provision

Sir Peter Hendy introduced the paper, which sought agreement to the introduction of individual choice on pension provision for Chief Officers with effect from April 2014 with provision for death-in-service benefits. The same individual choice on pension provision would also be available for other staff.

While the proposed cash allowance would be on a cost neutral basis to TfL, there was a small cost in respect of the life cover. The Committee asked that the option of self-assurance for life cover be explored. **[Action: Stephen Field]**

Reward and Pensions would review the details of the Chancellor's changes to pension rules, when they became available, to see if the option to transfer to a defined contribution scheme would be attractive to some staff. **[Action: Stephen Field]**

The Committee approved TfL offering a facility where the individual Chief Officer was able to opt out of the TfL Pension Fund and instead was eligible to receive a cash allowance as proposed.

15/03/14 Leadership and Succession Planning

Sir Peter Hendy introduced the paper, which provided an update of the current and proposed future activities for TfL's Leadership and Succession programme. A number of

the activities were evolving and were dependent on future organisation design, workforce planning and integration of a new HR technology platform to ensure that all people solutions were linked, tracked and measured more effectively.

Members discussed the need to provide encouragement and opportunities to the most promising directors, senior managers, apprentices and graduates through means such as direct appointments and exchanges with other organisations to broaden their experience. The leadership programme and changes to pay for performance systems were intended to improve people management across TfL.

Securing long-term investment programme funding enabled TfL to let large multi-year contracts, which required the successful provider to use a minimum number of apprentices. TfL's contractors and partners were very keen to engage with apprentices and TfL was committed to supporting all of the University Technical Colleges that it could as this benefitted both TfL and its supply chain in the future. Further information would be provided to the Committee on the recommendations arising from a review of apprentices that had been undertaken across TfL. **[Action: Sir Peter Hendy]**

The Committee noted the leadership and succession planning actions and activities currently underway and planned.

16/03/14 Any Other Business the Chair Considers Urgent

There was no urgent business to discuss.

There being no further business, the meeting closed at 6.35pm.

Chair: _____

Date: _____