

Transport for London

Minutes of the Remuneration Committee

Meeting Room 1.2w, City Hall, The Queen's Walk, London, SE1 2AA
11.30am, Tuesday 3 June 2014

Members

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

Also in Attendance

Isabel Dedring	Deputy Chair of TfL
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Staff

Howard Carter	General Counsel
Sir Peter Hendy CBE	Commissioner
Terry Morgan	Chairman, Crossrail Limited
Tricia Riley	Human Resources Director
Peter Robinson	Reward and Recognition Manager, Reward and Pensions
Shamus Kenny	Head of Secretariat

17/06/14 Apologies for Absence and Chair's Announcements

There were no apologies for absence.

18/06/14 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, as a Non Executive Director of Crossrail Limited (appointed by TfL) and as Chairman of Urban Design London; as a TfL appointed Non Executive Director, he did not have a declarable interest in the Crossrail related item on the agenda. 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.

19/06/14 Minutes of the Meeting held on 27 March 2014

The minutes of the meeting held on 27 March 2014 were approved as a correct record and signed by the Chair.

20/06/14 Matters Arising, Actions List and Forward Plan

TfL Group Scorecard – Efficiencies secured (12/03/14). Peter Hendy informed Members that the calculation was being undertaken and would be circulated prior to, and discussed at, the next meeting.

Leadership and Succession Planning (15/03/14). The Committee requested an update on this topic in November 2014.

Remuneration of the Commissioner and Chief Officers – Long Term Incentives (06/01/14): The Committee agreed no further action on this proposal.

The Committee noted the Actions List and Forward Plan.

21/06/14 Individual Choice

Sir Peter Hendy introduced the paper, which sought agreement to one consequential matter in relation to the Committee's decision on 27 March 2014 on individual choice in pension provision.

It was confirmed that the proposed unfunded pension promise was intended to ensure the retention of key members of staff and its future use would be strictly limited. The Commissioner would circulate a policy on unfunded pension promises that he proposed to use when determining future requests. **[Sir Peter Hendy CBE]**

The Committee approved an unfunded pension promise for future service on an unfunded basis, with effect from 1 April 2014, as described in the paper on Part 2 of the agenda, and agreed that the Commissioner would determine future requests based on criteria to be agreed by the Remuneration Committee.

22/06/14 TfL Commissioner and Chief Officer Performance Awards 2013/14

Sir Peter Hendy introduced the paper, which sought approval to the overall delivery for the year ended 31 March 2014 against the TfL and individual business or specialist services scorecards for the Commissioner and Chief Officers. The Committee was also asked to note the eligible performance awards for all other TfL staff (including Directors and Senior Managers).

The Committee discussed the Scorecard result for Surface Transport. The result had been affected by the upturn in economic activity, which had led to an increase in traffic congestion on the TfL Road Network (TLRN) and consequently a reduction in the customer satisfaction score. Surface Transport had a programme of action to improve customer satisfaction on the TLRN.

The Committee noted the paper and the related paper on Part 2 of the agenda and:

- 1 agreed the delivery against scorecards for 2013/14;**
- 2 agreed the 2013/14 performance awards and the outcome of the salary reviews for the Commissioner and for Chief Officers, as proposed in the paper on Part 2 of the agenda; and**
- 3 noted the overall level of performance awards for other staff.**

23/06/14 Crossrail Limited Chief Executive's Performance and Pay Review

Sir Peter Hendy and Terry Morgan introduced the paper, which informed TfL of the decision made by the Crossrail Limited (CRL) Remuneration Committee not to award the CRL Chief Executive a base pay increase for 2014/15. The paper also consulted TfL on that Committee's proposal to award its Chief Executive a performance related payment in recognition of the CRL's achievements in the financial year 2013/14 and to make a Long Term Incentive Plan (LTIP) Payment in recognition of his achievements to the end of 2013/14. The Chief Executive would also be made a LTIP Award for 2014/15 in line with the agreed targets.

The Committee was advised that LTIP was a retention policy that was limited to five key individuals and only paid out at the completion of the project. If any member of the LTIP programme left CRL they forfeited their entire accrued LTIP payments. The LTIP was particularly important given the risk of losing key staff to major infrastructure projects like HS2.

The Committee discussed how the recent fatality on a Crossrail site had impacted upon the proposed performance award for the CRL Chief Executive. The Committee supported the decision of the CRL Remuneration Committee.

The Committee noted the paper and the related paper on Part 2 of the agenda and:

- 1 noted the achievements of the Crossrail Limited (CRL) Chief Executive in the 2013/14 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 2014/15;**
- 3 supported the proposal of the CRL Remuneration Committee to award the CRL Chief Executive a performance related payment in recognition of his achievements in the 2013/14 performance year;**
- 4 supported the proposal of the CRL Remuneration Committee to make an Long Term Incentive Plan (LTIP) Payment to the CRL Chief Executive in recognition of the project achievements to 2013/14; and**
- 5 supported the proposal of the CRL Remuneration Committee to make an LTIP Award in respect of 2014/15.**

24/06/14 Any Other Business the Chair Considers Urgent

There was no urgent business to discuss.

25/06/14 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: Individual Choice; TfL Commissioner and Chief Officer Performance Awards 2013/14; and

Crossrail Limited Chief Executive's Performance and Pay Review.

There being no further business, the meeting closed at 12.25pm.

The next meeting would be held on Tuesday 1 July 2014 at 11.00am.

Chair: _____

Date: _____