

Date: 3 June 2014

Item 7: **Crossrail Limited Chief Executive's Performance and Pay Review**

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to inform Transport for London (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, to consult TfL on its proposal to award a performance related payment in recognition of his achievements in the financial year 2013/14, to consult TfL on its proposal to make a Long Term Incentive Plan (LTIP) Payment in recognition of achievements to the end of 2013/14, and to ask TfL to note that he will be made a LTIP Award for 2014/15 in line with the agreed targets.
- 1.2 A paper is included on Part 2 of the agenda, which contains exempt supplemental information and documentation. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to 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 Recommendations

- 2.1 **The Committee is asked to:**
- (a) note the achievements of the Crossrail Limited (CRL) Chief Executive in the 2013/14 performance year;**
 - (b) note the decision of the CRL Remuneration Committee not to award the CRL Chief Executive a base pay increase for the financial year 2014/15, as set out in the paper on Part 2 of the agenda;**
 - (c) consider 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 and to provide a consultation response;**
 - (d) consider the proposal of the CRL Remuneration Committee to make an LTIP Payment to the CRL Chief Executive in recognition of the project achievements to 2013/14;**
 - (e) consider the proposal of the CRL Remuneration Committee to make an LTIP Award in respect of 2014/15, and**
 - (f) to provide a consultation response.**

3 Background

- 3.1 At its meeting of 22 May 2014, the CRL Remuneration Committee considered the past year's performance of the Chief Executive, Andrew Wolstenholme.
- 3.2 The CRL Remuneration Committee noted the findings of the National Audit Office's (NAO) report on Crossrail published on 24 January 2014 which noted positively that the project was on track to achieve value for money and that *'the governance arrangements and oversight of the project have ensured tight management of the programme so that delivery to both cost and schedule are well managed'*. The Chief Executive is a member of the Board and Chairs the executive committee.
- 3.3 The CRL Chairman had undertaken a review of the Chief Executive's performance and provided the CRL Remuneration Committee with his assessment of the Chief Executive's performance. Details are provided in the paper on Part 2 of the agenda.
- 3.4 The Committee also noted that no base pay increase would be made.

4 Performance Related Pay and Base Pay Increase

- 4.1 Details of the proposed performance award for 2013/14 are set out in the paper on Part 2 of the agenda.

5 Long Term Incentive Plan (LTIP)

- 5.1 In 2010, TfL approved the CRL Executive Remuneration Framework ("the Framework") and LTIP Rules. There have been no changes to the approved Framework and Rules. All decisions made regarding changes to the Chief Executive remuneration package are consistent with the Framework and Rules.
- 5.2 The CRL Remuneration Committee approved the Chief Executive's LTIP Payment for 2014. The LTIP payment is due September 2014.
- 5.3 The CRL Remuneration Committee approved the Chief Executive's admission to the LTIP Scheme for 2014/15.

List of appendices to this report:

A paper on Part 2 of the agenda contains exempt supplemental information.

List of Background Papers:

Crossrail Remuneration Committee paper, May 2014 and associated appendices

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