

Agenda

Meeting: Remuneration Committee

Date: Wednesday 7 July 2021

Time: 14:00

Place: Teams Virtual Meeting

Members

Ben Story (Chair)

Heidi Alexander

Kay Carberry CBE (Vice-Chair)

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed)

How decisions will be taken during the current social distancing measures

The 2020 regulations that provided the flexibility to hold and take decisions by meetings held using videoconference expired on 6 May 2021.

While social distancing measures remain in place to manage the coronavirus pandemic, Members will attend a videoconference briefing held in lieu of a meeting of the Committee. Any decisions that need to be taken within the remit of the Committee will be discussed at the briefing and, in consultation with available Members, will be taken by the Chair using Chair's Action. A note of the decisions taken, including the key issues discussed, will be published on tfl.gov.uk.

As far as possible, TfL will run the briefing as if it were a meeting but without physical attendance at a specified venue by Members, staff, the public or press.

- Papers will be published in advance on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed)
- Apart from any discussion of exempt information, the briefing will be webcast live for the public and press on [TfL's YouTube channel](https://www.youtube.com/channel/UCtfl).
- A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat; telephone: 020 7983 4913 email: ShamusKenny@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Tuesday 29 June 2021

**Agenda
Remuneration Committee
Wednesday 7 July 2021**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

**3 Minutes of the Meeting of the Committee held on 11 March 2021
(Pages 1 - 6)**

General Counsel

The Chair, in consultation with the Committee, is asked to approve the minutes of the meeting of the Committee held on 11 March 2021.

4 Matters Arising, Actions List and Use of Delegated Authority (Pages 7 - 10)

General Counsel

The Committee is asked to note the updated actions list and the use of Chair's Action.

5 Senior Management Performance Awards (Pages 11 - 14)

Commissioner

The Committee is asked to note the paper and to decide whether senior management performance award schemes (both individual and collective) should recommence for the 2021/22 performance year in a way that would be consistent with the terms of the funding settlement.

6 2020/21 Scorecards (Pages 15 - 24)

Commissioner

The Committee is asked to note the delivery against scorecards for 2020/21.

7 Performance Assessments 2020/21 (Pages 25 - 26)

Commissioner

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda on the individual performance commentary for the Commissioner, Managing Directors and Directors specified under the Committee's Terms of Reference.

8 Members' Suggestions for Future Discussion Items (Pages 27 - 30)

General Counsel

The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.

9 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

10 Date of Next Meeting

Wednesday 10 November 2021 at 10am

11 Exclusion of Press and Public

The Committee is recommended to agree 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 following items of business.

Agenda Part 2

12 Performance Assessments 2020/21 (Pages 31 - 62)

Exempt supplementary information relating to the item on Part 1 of the agenda.

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Transport for London

Minutes of the Remuneration Committee

Teams Virtual Meeting 10.00am, Thursday 11 March 2021

Members

Ben Story (Chair)
Kay Carberry CBE (Vice-Chair)
Heidi Alexander

Executive Committee

Staynton Brown	Director of Diversity, Inclusion and Talent
Andy Byford	Commissioner
Howard Carter	General Counsel
Tricia Wright	Chief People Officer

Staff

Stephen Field	Director of Compensation and Benefits
Shamus Kenny	Head of Secretariat

01/03/21 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting. The meeting was being broadcast live on YouTube. While the information on Part 2 of the agenda remained exempt from publication, the Committee agreed that it did not need to discuss the data and so there would be no need to exclude the public from the meeting for the discussion of that item.

An apology for absence had been received from Ron Kalifa OBE. All other Members were present. Ron Kalifa OBE had announced that he would step down from the Board in May 2021, due to his other commitments. The Chair thanked him for his significant contribution to the Board and as a member of this Committee, as Chair of the Finance Committee and a former member of the Programmes and Investment Committee. Tricia Wright also thanked Ron Kalifa OBE for his personal counselling, advice and support. A full tribute would be paid at the meeting of the Board on 16 March 2021.

The Chair, Members of the Committee and the Commissioner and Chief People Officer paid tribute to Staynton Brown, who would leave TfL at the end of March 2021 to take up a new role in a global organisation. He had played a key role in making TfL more accessible and inclusive for all, driving the improvements TfL needed to serve London now and in the future. He had led in policy formulation and implementation to make TfL more representative of the diverse city it served and had put in place a clear and compelling strategy to develop the talent of its people our people, which appeared elsewhere on the agenda (see Minute 06/03/21). Staynton Brown was commended for his work supporting the Committee and the Safety, Sustainability and Human Resources Panel, as well as initiatives at City Hall. Members said he should be proud of his contribution and that TfL was proud of him. The Committee wished him every success for the future. Staynton Brown thanked everyone for their comments and said it had been a privilege to work for TfL. Work was underway to appoint a successor.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. There were no specific issues raised at the meeting.

02/03/21 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no other interests to declare that related specifically to items on the agenda.

03/03/21 Minutes of the Meeting of the Committee held on 23 November 2020

The Committee approved the minutes of the meeting held on 23 November 2020 as a correct record. The minutes would be provided to the Chair for signature at a future date.

04/03/21 Matters Arising, Actions List and Use of Delegated Authority

The Committee noted that there had been four uses of Chair's Action approving salaries of £100,000 or more since the last meeting and the update against the outstanding action. A paper elsewhere on the agenda responded to a request for information on the outcomes from Committee approvals for Non-Permanent Labour (see Minute 07/03/21 below).

The Committee noted the updated Actions List and use of delegated authority.

05/03/21 Senior Management Performance Awards Update

Tricia Wright and Stephen Field introduced the item. On 24 June 2020, Members took the difficult and regretful, but necessary, decisions to: defer the payment of the approved Performance Awards for 2019/20 for 12 months; and to suspended the remuneration element of the senior management performance award scheme for 2020/21. The decisions were necessary due to the difficult financial situation TfL was in, as a direct consequence of the loss of revenue from the lockdown to manage the spread of the coronavirus while continuing to run services to support key workers.

The Committee reiterated its previous comments that the decisions were not a reflection on the hard work and commitment of staff, who it recognised had made, and continued to make, an exceptional contribution to London, particularly in response to the pandemic. Members thanked staff for their continued efforts throughout the year and their sacrifice, recognising the negative motivational impact of the 2019/20 payments deferral and 2020/21 scheme suspension. Members reaffirmed that the 2019/20 awards would be paid in June 2021.

While the remuneration element of the senior management performance award scheme was suspended for 2020/21, performance processes continued to operate, with end of year performance reviews scheduled. At its meeting on 16 June 2021, the Committee would review the assessments for those individuals within its remit. In lieu of performance awards, initiatives were in place to recognise the extraordinary contribution staff had made during the year, particularly where the pandemic or funding issues had made jobs even more difficult. Those who had gone above and beyond in their work, at all levels in TfL, were nominated for Covid-19 Special Recognition Awards, with recipients receiving a letter from the Mayor and featuring in a magazine. Consideration would be given to other ways to celebrate, such as holding one or more celebratory online events.

The proposed 2021/22 performance scorecard for TfL, a fundamental component for performance assessment within the senior management performance award scheme, would be discussed by the Board on 16 March 2021. The Committee would consider the operation of the senior management performance award scheme on 16 June 2021.

The Committee noted the paper.

06/03/21 A New Integrated Approach To Talent

Tricia Wright and Staynton Brown introduced the item, which set out the new, integrated strategy for talent identification, performance management and critical roles and succession planning. The approach was developed by reviewing best practice across the UK and had been approved by TfL's Executive Committee to be rolled out in 2021.

The new approach was focused on how TfL would identify talent, develop its people and create a more inclusive culture. As part of this, the Commissioner had started work to get staff to lead on developing a clear statement of TfL's vision and values.

The Committee welcomed and fully endorsed the new approach, which recognised people's strengths to develop a workforce with the skills and experience needed to ensure TfL could deliver its current and future business priorities. The Committee and Commissioner recognised the importance of a motivated, committed and skilled staff, graduates and apprentices that were encouraged to excel. This was critical to delivering a world class service and meeting the immediate priorities of recovering from the impact of the coronavirus pandemic on TfL's finances and delivering the Elizabeth line into service.

The Committee had a thorough discussion on the key changes from the current systems.

On performance management, feedback from training had been very positive on the more regular conversational approach. Members were assured that consideration was being given to how this worked for operational staff and those working from home and using Microsoft Teams videoconference software; videoconference had been successfully used to get engagement on the recent listening sessions. Members recommended a balance between conversations and formal meetings, to ensure discussions were held, that managers stood back and delivered key messages and that outcomes were recorded. The conversations needed to reflect what people were doing well, how that integrated with the strengths and weaknesses of other parts of their team and where improvements were required. The Committee welcomed the training being

provided to managers on holding brave and honest conversations to challenge and test their staff.

The updated performance approach replaced the nine-box model with a more action-based approach that recognised that all staff had talent. The “So What’s” box was important and the compelling range of support programmes to realise talent capability was welcomed. The programmes included secondments, lateral moves, access to mentors, coaches or a shadow leadership board. Incentives and support were also being provided to staff with management roles. Performance discussions would also continue to cover the overall performance of staff as well as development and the conversation model should ensure that any performance issues were communicated as they arose. The Executive Committee would shortly consider a paper on how to manage poor performance as part of the integrated approach to talent management.

Building on the recent work on discussing equalities, Members agreed that managers be aware of different cultural issues that may impact how staff approach discussions on performance, development and progression. The Staff Network Groups were also alive to this and looking at how staff could be supported and confidence building measures.

Members recommended that special attention be given to ensure that staff were empowered to develop themselves and not hindered by managers further down the organisation or by shift patterns; this issue had arisen in the listening sessions with staff and, while in part mitigated by a range of on-line programmes and self-directed learning, further consideration was being given to how to address this.

Members noted that the next paper on strategic workforce planning was scheduled for March 2022 and would include horizon scanning on transport industry trends and digital and data driven workplaces and also identify critical roles and succession planning in the short, medium and long-term.

The Committee noted the paper.

07/03/21 Pay Outcomes of +£100k Approvals

Tricia Wright and Stephen Field introduced the item, including the information on Part 2 of the agenda, which remained exempt from publication.

The current governance process for appointments with a full-time equivalent salary of £100,000 or more per annum required Committee approval for both permanent and non-permanent labour (NPL) positions. At its meeting on 23 November 2020, the Committee considered a paper on the pay outcomes for permanent and fixed term contract roles. That paper compared the salary approved by the Committee with that on actual appointment, from July 2017, when the governance process became operational, to September 2020. This item covered NPL roles, with a day rate of £454 or above, over the same time period.

Members noted that of the 139 applications where an NPL resource was requested as an option: 87 positions were utilised, 44 were not utilised and eight were filled with a permanent resource option under the approved permanent salary thresholds. All but one of the 87 positions utilised were placed in post on day rates at or below the approved

base pay level requested; the exception being due to an administrative error on the day rate figure in the approval documentation.

Where market conditions allowed and it was right to do so, the NPL recruitment consultants sought to hire new roles and extensions below the rate card point to ensure cost saving, while reflecting the need for TfL to be competitive to attract the required talent. This would be strengthened further under the new collaborative approach agreed with other parts of the GLA Group.

The appropriate use of NPL had been a key area of focus for the Committee. Members commended the approach to achieving value for money, which had seen a significant reduction in the number and cost of NPL appointments since 2016. NPL was now targeted at Technology and Data (T&D) and a small core of other specialist roles. As more businesses became digital and data driven, consideration would need to be given to whether more of the T&D roles should be permanent.

The Committee considered that the instances of an approved role not being utilised was high. The attrition rate was attributable to the business area: hiring or allocating an alternative permanent resource during the routing of the application; negotiating a reduction in day rate below the £454 threshold; or choosing to hold or stop specific project work. Members suggested that hiring managers be made aware of the time and resource expended in the internal, City Hall and Committee approval processes, so that submissions were only made where the approval was likely to be utilised.

The Committee noted the paper and the supplementary information on Part 2 of the agenda.

08/03/21 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item. The plan would be updated following consideration of the appropriate body to consider action related to succession planning (see Minute 06/03/21 above).

The Committee noted the forward plan.

09/03/21 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

10/03/21 Date of Next Meeting

The next scheduled meeting of the Committee was 16 June 2021 at 10am.

11/03/21 Exclusion of the Press and Public

The Committee agreed that there was no need to discuss the detailed data on Part 2 of the agenda in relation to Pay Outcomes of +£100k Approvals. Consequently, there was no need to exclude the press and public from the meeting. The information on Part 2 of the agenda remained exempt from publication in accordance with paragraphs 1 and 3 of Schedule 12A to the Local Government Act 1972 (as amended).

The meeting closed at 11.26am

Chair: _____

Date: _____

Remuneration Committee



Date: 7 July 2021

Item: **Matters Arising, Actions List and Use of Delegated Authority**

This paper will be considered in public

1 Summary

- 1.1 This paper provides information on any use of Chair's Action and the progress against actions agreed at previous meetings (Appendix 1).
- 1.2 There have been four uses of Chair's Action, since the last meeting of the Committee on 11 March 2021, in relation to the approval of salaries of £100,000 or more.

2 Recommendation

- 2.1 **The Committee is asked to note the updated Actions List and the use of Chair's Action.**

3 Use of Delegated Authority

Salaries of £100,000 or more

- 3.1 The Terms of Reference for the Committee required it to approve salaries of £100,000 or more. A business case justification is provided to the Committee for each role.
- 3.2 Under TfL's ongoing Transformation programme the overall number of senior roles are being reduced and cost savings achieved. Following consultation with members of the Committee, the Chair approved salaries of £100,000 or more for the following roles:

24 March 2021

- 1) OLE Engineer;
- 2) Senior Software Developer DevOps;
- 3) Senior Software Developer DevOps;
- 4) Senior Software Developer DevOps;
- 5) Senior Project Manager; and
- 6) Treasury Senior Systems Management System Consultant.

1 April 2021

- 7) Director of People & Cultural Change;
- 8) Director of Business Services (an updated business case for a revised remuneration package proposal was circulated and approved by the Chair on 26 April 2021);
- 9) Director of Innovation;
- 10) Head of Profession – Vehicles;
- 11) Head of Network Delivery;
- 12) Head of Procurement – Improvement Programme;
- 13) Head of Procurement – Indirects;
- 14) Improvement Programme Leads x3; and
- 15) Director of Programme Management Office.

9 April 2021

- 16) Group Finance Director;
- 17) Finance Director – Major Projects Directorate; and
- 18) Head of Financial Planning & Analysis.

15 April 2021

- 19) Senior Financial Reporting Manager;
- 20) Senior Solution Architect;
- 21) 2x Senior Product Owner (Future Flexibility project);
- 22) 2x Senior Business Architect (Future Flexibility project);
- 23) 2x Senior Solution Architect (Future Flexibility project);
- 24) Technical Delivery Lead (Future Flexibility project);
- 25) 2x Senior Application Engineer;
- 26) 2x Senior Application Engineer;
- 27) Senior Software Developer – Android; and
- 28) Senior Software Developer – iOS.

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Committee

Chair's Action papers issued on: 22 March, 29 March, 7 April, 13 April 2021

Contact Officer: Howard Carter, General Counsel

Email: HowardCarter@tfl.gov.uk

Remuneration Committee Actions List (reported to the meeting on 7 July 2021)

Actions arising from previous meetings.

Minute No.	Description	Action By	Target Date	Status note
14/06/19	Pay Gap Analysis Update: Diversity of Train Drivers TfL would continue to review how it could further increase the diversity of its drivers, including reviewing the recommendations from the ASLEF report. A comprehensive status update would be provided to a future meeting.	Tricia Wright	November 2021	Information will be included in the paper on Pay Gap Analysis. That item will be available at a future meeting, following completion of the requisite review and approval process.

Remuneration Committee

Date: 7 July 2021

Item: Senior Management Performance Awards

This paper will be considered public

1 Summary

- 1.1 This paper updates the Committee on the current position regarding TfL's performance award schemes for senior management (Commissioner, Managing Director, Director and Payband 4 and 5 Senior Managers) within the context of the recently announced short-term Government funding settlement. The paper asks the Committee to consider the issue of whether TfL should explore opportunities that would permit all senior management performance award schemes to recommence for the 2021/22 financial year (including both individual and collective arrangements as appropriate).

2 Recommendation

- 2.1 **The Committee is asked to note the paper and to decide whether senior management performance award schemes (both individual and collective) should recommence for the 2021/22 performance year in a way that would be consistent with the terms of the funding settlement.**

3 Background

- 3.1 It was agreed at the 24 June 2020 meeting that all senior management performance award schemes (including those for individual arrangements) would be suspended for the 2020/21 financial year. A decision needs to be taken on whether those schemes can recommence for financial year 2021/22.
- 3.2 Whilst the coronavirus pandemic and the resultant 'lockdowns' have lasted longer than many would have predicted at the outset, there are now clear signs after a highly successful vaccination programme that UK business and the economy in general are in the early stages of a recovery.
- 3.3 17 May 2021 saw the lifting of many lockdown sanctions including the reopening of indoor hospitality. A full lifting of sanctions is currently scheduled for 19 July 2021 and it is expected that many will resume commuting and office working from that point. TfL's passenger numbers (and therefore revenues) are starting to increase, reflecting the gradual reopening (although there is still a significant way to go to be near pre-pandemic levels).
- 3.4 Recent statistics from the wider economy also reflect this positive outlook and the reopening of business. The Office of National Statistics reported that job vacancies between March and May 2021 were up by 24 per cent on the previous

quarter. It also reported that unemployment fell by 0.3 per cent compared with the previous quarter to 4.7 per cent. The CIPD's recent 'Labour Market Outlook Report' found that employer job confidence had hit an 'eight-year high' with the poll of over 1,000 employers revealing that 64 per cent had plans to recruit in the quarter to June 2021 and that those planning redundancies had fallen to 12 per cent from 20 per cent in the previous quarter.

- 3.5 As we move into recovery and our transport operations ramp up again it is critical that we maintain morale and engagement across our senior management team. We also need to be alert to the competitive pressures for our senior talent that are starting to resume in the wider economy and ensure that we are able to retain people – especially those working in disciplines where skills are scarce and/or demand is high.
- 3.6 In support of this it would therefore be helpful to create certainty for senior management about remuneration arrangements for 2021/22. Whilst the shockwave and intensity of the pandemic, with its obvious and severely debilitating impact on TfL's financial position, brought about an understanding and acceptance in general for the suspension of performance award schemes across senior management, it may present a significant risk to engagement, morale and our capacity to retain senior talent to rely upon this again in 2021/22.
- 3.7 Aligned to this it should also be recognised that pay across senior management levels in TfL has been significantly constrained over several years. There has been no annual pay review for Directors, Managing Directors and the Commissioner between 2016 – 2020. Senior manager pay in that same period has seen budgets of one per cent or lower (significantly below inflation measures and the pay budgets for the negotiated grades below senior manager level). In practice this has meant that on average in any given year only 50 per cent of senior managers have had a pay increase. There are a significant number of cases where pay has not increased for several years previously. With the impact of headcount reduction included, pay for senior managers has decreased by 5.7 per cent in the period 2016 – 2021 and by 11.2 per cent for Directors.
- 3.8 In an environment when pay has been managed with such restraint the performance award element of the remuneration package takes on even greater significance and is a critical component of the total remuneration proposition for senior management supporting TfL's ability to compete and retain critical talent within the business.
- 3.9 TfL's performance award schemes also have a critical role to play in delivering high performance across TfL. Through the direct relationship with business performance (as captured in our scorecards) the schemes serve to highlight the critical priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering our critical goals. They also ensure that reward is only delivered that is commensurate with the level of success achieved and therefore provide a fair and value for money approach to reward. These significant benefits would be lost if the schemes were suspended for a further year.

- 3.10 Counterbalancing the rationale for recommencing senior management performance award schemes is the need for TfL to save money wherever it can, especially with the current uncertainty surrounding TfL finances because of the lack of a long-term funding arrangement with Government which is necessary until TfL resumes financial sustainability.
- 3.11 The total cost of performance awards for senior management in respect of 2019/20 (the last year in which the schemes operated) was around £9.5m (excluding on costs). Whilst those costs reflected a relatively high performing year, based on the 2019/20 scorecard performance of 82.1 per cent, there would be the potential for a similar level of cost to outturn for 2021/22.
- 3.12 In determining whether performance award schemes should be allowed to recommence, the Committee will be mindful of the terms of the recently announced (short-term) funding settlement agreed between TfL and the Government effective for the period 1 June 2021 and 11 December 2021. Paragraph 28 in the terms of the settlement set out in a letter from the Secretary of State for Transport to the Mayor of London on 1 June 2021 states:
- ‘The Government announced that it would pause headline pay awards across the public sector on 25 November 2020. We expect TfL to freeze pay in line with the public sector pay pause and the funding outlined in para 25 above is based on this, while TfL is in receipt of significant extraordinary funding. Any bonus pay awards will not be paid for through extraordinary Government funding and TfL will have to demonstrate prudence in making any such payments. We do not expect TfL to authorise individual bonus pay awards.’*
- 3.13 The critical point from the settlement terms is that while performance award schemes could continue outside of the general pay freeze, they cannot be funded from the extraordinary Government funding. However, there is opportunity to now explore options for how the schemes could be funded outside of the extraordinary Government funding arrangement.
- 3.14 Overall, the Committee needs to weigh up the potential cost (albeit less tangible) that the impact of lower morale and engagement might have, along with the potential loss of those in senior management who may find continued pay restraint through pay freeze and performance award suspension personally unacceptable, versus the direct cost saving of not having to pay out performance award schemes across the business.

List of appendices to this report:

None

List of Background Papers:

None

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Contact Officer: Stephen Field, Director of Compensation and Benefits
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Remuneration Committee

Date: 7 July 2021

Item: 2020/21 Scorecards



This paper will be considered in public

1 Summary

1.1 This paper provides the Committee with the business performance results as measured by the TfL and delivery business scorecards for the year ended 31 March 2021.

2 Recommendation

2.1 **The Committee is asked to note the delivery against scorecards for 2020/21.**

3 2020-21 scorecard outcomes

3.1 The table below summarises the 2020/21 scorecard results against the ambitious targets. A full breakdown is contained in Appendix 1.

Table 1: A summary of the 2020/21 scorecard outcomes

Scorecard	Actual Outcome H1 %	Actual Outcome H2 or Full year %
Commercial Development	n/a	70.00%
London Underground	92.50%	71.75%
Major Projects	n/a	90.00%
Surface Transport	91.00%	94.00%
TfL	98.75%	99.10%

4 Assessing TfL's performance in 2020/21

4.1 The TfL Business Plan sets our long-term objectives driven by the Mayor's Transport Strategy whilst the Budget sets out our activity in 2020/21. The TfL scorecard, whilst being ambitious and stretching, captures the outcomes and milestones required over 2020/21 to deliver this.

4.2 Given the high level of uncertainty and the need to focus on the short term, TfL set out an immediate scorecard (the "H1 TfL scorecard") to cover the first half of the performance year. This was focused on short-term priorities to ramp up our services to support the restart of the economy and was aligned to the requirements of the funding agreement in place at the time. For the second half of the performance year we developed the 'H2 TfL scorecard', which was recovery focused with a return to our core safety and people priorities and an emphasis on active travel and reducing carbon emissions.

- 4.3 The scorecards of our four delivery businesses captured how the TfL scorecard translated into what each individual business needed to achieve, focusing more on leading measures.
- 4.4 The assurance and approval of the TfL scorecard result is managed via the Audit and Assurance Committee based on and Assurance Review undertaken by TfL's Risk and Assurance Directorate.
- 4.5 The Audit and Assurance Committee's Assurance Review was completed on 27 May 2021 and the scorecard results were therefore deemed as being formally approved at that point.

List of appendices to this report:

Appendix 1: 2020/21 scorecards

List of Background Papers:

None

Contact Officer: Tricia Wright, Chief People Officer
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H1 TfL Scorecard

TfL H1 Scorecard

	Measure	Measured	Unit	Desired trajectory	Full half			Weighting	YTD weighting	Forecast weighting
					Full Half I forecast*	H1 Target*	H1 Floor *			
Safety	Roads KSIs per million journey stages	Periodic	# per m	L	0.44	0.78	0.83	10.0%	10.0%	10.0%
	Customer & workforce KSIs per million passenger journeys	Periodic	# per m	L	0.09	0.20	0.21	10.0%	10.0%	10.0%
Operations	Bus - % normal service operated	Periodic	%	H	99.00%	94.0%	87.0%	7.5%	7.5%	7.5%
	All Rail - % normal service operated	Periodic	%	H	96.00%	98.0%	90.0%	5.0%	3.75%	3.75%
	LU - % scheduled trips operated	Periodic	%	H	90.00%	83.0%	75.0%	7.5%	7.5%	7.5%
People	Wellbeing survey	Twice a year	%pts	H	3.00%pts	3.00%pts	0.00%pts	7.5%	7.5%	7.5%
	Wellbeing equality - BAME	Twice a year	%pts	L	2.00%pts	3.00%pts	5.00%pts	3.75%	3.75%	3.75%
	Wellbeing equality - gender	Twice a year	%pts	L	0.00%pts	3.00%pts	5.00%pts	3.75%	3.75%	3.75%
Finance	Closing cash balance	Periodic	£m	H	£1,223m	£1,200m	£1,200m	12.5%	12.5%	12.5%
	Total OPEX cost	Periodic	£m	L	£3,450m	£3,450m	£3,450m	2.5%	2.5%	2.5%
	Total CAPEX cost (Incl Renewals)	Periodic	£m	L	£551m	£552m	£552m	2.5%	2.5%	2.5%
Customer	TfL Cares about its customers	Periodic	%	H	57%	53%	47%	10.0%	10.0%	10.0%
Delivery	Milestones	Periodic	%	H	98%	90%	0%	10.0%	10.0%	10.0%
	EL milestone: commence use of signalling and train software configuration for dynamic testing in the tunnels	Once a year	dd/mm/yyyy	L	03/09/2020	25/09/2020	16/10/2020	2.5%	2.5%	2.5%
	Highway reallocation to pedestrians/traffic reduction	Periodic	m ²	H	22,516	22,000	18,000	2.5%	2.5%	2.5%
	Improved cycling infrastructure	Periodic	km ²	H	61	57	47	2.5%	2.5%	2.5%
								100%	98.75%	98.75%

Note: "N/A" indicates measures that are not measured on a periodic basis i.e Wellbeing survey or where phased targets are pending approval i.e Rail % service operated.

* All Targets for Finance measures represent Revised Budget, Full Half I forecast for Finance measures represents Revised Budget.

H2 TfL Scorecard

TfL H2 Scorecard

	Measure	Measured	Unit	Desired trajectory	Full H2 Actual	H2 Target	H2 Floor Target	Forecast weighting - pre mitigation	Business recommend	Post-mitigation	Target Weighting	
Safety	Roads KSIs per million journey stages	Periodic	# per m	L	0.44	0.45	0.45	10.0%	10.0%	10.0%	10.0%	
	Customer & workforce KSIs per million passenger journeys	Periodic	# per m	L	0.09	0.14	0.14	10.0%	10.0%	10.0%	10.0%	
Operations	Bus - % normal service operated	Periodic	%	H	102.00%	95.0%	93.0%	10.0%	10.0%	10.0%	10.0%	
	LU - % scheduled trips operated	Periodic	%	H	89.10%	79.0%	72.0%	10.0%	10.0%	10.0%	10.0%	
	CO2 emissions from TfL Operations & Buildings *	Annually	tonnes	L	410,704	409,000	430,000	2.3%	2.3%	2.3%	2.5%	
People	Total Engagement	Viewpoint	%pts	H	+5%pt	+1%pt	0%pts	10.0%	10.0%	10.0%	10.0%	
	Inclusion Index	Viewpoint	%pts	H	+5%pt	+0.5%pts	0%pts	5.0%	5.0%	5.0%	5.0%	
	Inclusion disparity (reduction)	Viewpoint	%	H	30%	50%	25%	0.5%	2.5%	2.5%	2.5%	
Finance	Closing cash balance	Periodic	£m	H	£1,620m	£1,517m	£1,200m	7.5%	7.5%	7.5%	7.5%	
	Total OPEX cost**	Periodic	£m	H	(£2,928m)	(£3,249m)	(£3,249m)	5.0%	5.0%	5.0%	5.0%	
	Total CAPEX cost	Periodic	£m	H	(£725m)	(£771m)	(£771m)	5.0%	5.0%	5.0%	5.0%	
Customer	TfL Cares about its customers	Periodic	%	H	54%	53%	47%	5.0%	5.0%	5.0%	5.0%	
	Active, efficient, sustainable mode share %	Quarterly	%	H	56%	53%	50%	5.0%	5.0%	5.0%	5.0%	
Delivery	Milestones***	Periodic	%	H	81%	90%	0%	8.9%	9.6%	9.3%	10.0%	
	EL milestone - Start of Systems Integration Dynamic Testing	Annually	dd/mm/yyyy	L	03/12/2020	31/12/2020	31/12/2020	2.5%	2.5%	2.5%	2.5%	
								Total:	96.7%	99.4%	99.1%	100.0%

*Emissions actuals are provisional - final results will be available in late May.

** Opex numbers excludes Crossrail coronavirus related costs.

Note: Opex/Capex H2 forecast represents latest budget submission. Opex targets also represent latest submission. Capex targets measures represent GLA Budget.

Total available weighting per category

Commercially Astute Weighted Score: 20% / 30% Total

Measure	Full Year (£m)			RAG	Weighting	Score	
	Actual	GLA Budget	Variance				
Net operating surplus	Devco	3	4	(1)	R	10%	10%
	Estates	(57)	(61)	4	G		
Property capital receipts	Devco	12	17	(5)	R	10%	0%
	Estates	5	5	(0)	G		
	Crossrail	48	88	(40)	R		
Capital expenditure	Devco	(37)	(59)	23	G	10%	10%
	Estates	(1)	(3)	2	G		
	Crossrail	(1)	(5)	4	G		
Operating margin %	Devco	20%	34%	-15%	R	N/A	N/A
Rent loss due to commercial voids (annually)		10	4	(6)	R	N/A	N/A
Tenant rent arrears		23	6	(17)	R	N/A	N/A

Socially useful and sustainable Weighted Score: 20% / 35% Total

Measure	Life to date Actual	Target by Mar 2021	Var to Target	RAG	Weighting	Score
Number of cumulative start on sites of homes	1,567	3,500	-1,933	R	10%	0%

Measure	YTD Actual	FY Target	Variance to Target	RAG	Weighting	Score
% Affordable start on Sites	56%	50%	6%	G	10%	10%
Urban Greening Factor	0.3	0.5	(0.2)	R	5%	0%
Carbon Emissions	60%	55%	5%	G	10%	10%

Customer Weighted Score: 10% / 10% Total

Measure	YTD Actual	FY Target	Variance to Target	RAG	Weighting	Score
Overall Customer Satisfaction	71%	58%	13%	G	10%	10%

People Weighted Score: 10% / 10% Total

Measure	YTD Actual	FY Target	Variance to Target	RAG	Weighting	Score
Total Engagement	66%	66%	0%	G	5%	5%
GLA Diversity Assessment	COMPLETED	COMPLETED	-	-	5%	5%

Measure	Result	Comparator	Variance to Target	RAG	Weighting	Score	
% all staff diversity	Gender	43.6%	46.0%	1.1%	G	N/A	N/A
	Ethnicity	20.3%	36.0%	-0.5%	R	N/A	N/A
	Sexual Orientation	8.0%	5.1%				
	Faith or belief	13.6%	22.0%				
	Disability	6.3%	11.0%				

Staff Diversity: displaying data for the minority group in each of the characteristics
: Comparator = Economically Active London population

Safety & Risk Weighted Score: 10% / 15% Total

Measure	YTD Actual	FY Target	Variance to Target	RAG	Weighting	Score	
Total number of Killed and Seriously Injured (KSI)	0	0	0	G	5%	5%	
Documentary evidence complete for Statutory testing undertaken by TfL	Facilities Operations	94%	100%	-6%	R	5%	0%
	Commercial Estate	84%		-16%	R		

Measure	YTD Actual	FY Target	Variance to Target	RAG	Weighting	Predicted Score
Lost work time due to injury, sickness or mental health (hours) as a %	1%	5%	-4%	G	5%	5%

Final result 70%

LU HI Scorecard Summary: P03 to P07 (FINAL)

	Scorecard Measure	Unit	Actual	HI Target (Floor)	HI Target (Ceiling)	Target Weighting	HI Score	Comments
Safety	Colleague Seriously Injured	No. injuries	2	7	5	12.5%	12.5%	Target achieved
	Customer Seriously Injured	No. injuries	16	10	9	7.5%	0%	Performance regularly reviewed by SHE in order to influence our future plans
Operations	Service Operated (LU) - Weekday	%	93%	88%	91%	15%	15%	Target achieved
	Service Operated (LU) - Weekend	%	76%	50%	68%	7.5%	7.5%	Target achieved
	Service Operated (TfL Rail)	%	92%	86%	91%	2.5%	2.5%	Target achieved
People	LU Frontline Absence (Incl: AO, LO and CS)	%	6.9%	12%	10%	10%	10%	Target achieved
Financial	LU Opex vs GLA Budget (inc. TfL Engineering)	£m	(£699m)	n/a	-699	11.5%	11.5%	Target achieved. Numbers reflect GLA Budget actuals (as per CFO external reporting guidance)
	LU Capex vs GLA Budget	£m	(£68m)	n/a	-68	5%	5%	Target achieved. Numbers reflect GLA Budget actuals (as per CFO external reporting guidance)
	TfL Rail Opex vs GLA Budget	£m	(£112m)	n/a	-112	2%	2%	Target achieved. Numbers reflect GLA Budget actuals (as per CFO external reporting guidance)
	TfL Rail Capex vs GLA Budget	£m	(£14m)	n/a	-14	1.5%	2%	Target achieved. Numbers reflect GLA Budget actuals (as per CFO external reporting guidance)
Customer	LU Cares about its customers	%	53%	48%	52%	10%	10%	Target achieved
	Capital Milestone Delivery	%	99.5%	0%	90%	15%	15%	Target achieved
						100%	92.5%	

Note: There were a number of contextual measures included on the LU PowerBi Scorecard report that were used by the LU Executive for reporting purposes but were not officially part of the LU Scorecard. These include: Average Headways, Demand (LU), Attendance, Engagement with Leadership Calls, Furlough Financial Benefit, Covid 19 Cost Centre Tracking. We have not added the performance o+C1f these KPIs to this summary.

LU H2 Scorecard Summary: P08 to P13 (FINAL)

Priority	Scorecard Measure	Unit	Actual	H2 Target (Floor)	H2 Target (Ceiling)	Target Weighting	H2 Score (based on P13)	Comments
Safety	Colleague Seriously Injured	No. injuries	7	5	5	15%	0%	Performance regularly reviewed by SHE in order to influence our future plans
	Customer Seriously Injured	No. injuries	17	14	14	10%	0%	Performance regularly reviewed by SHE in order to influence our future plans
Operations	Service Operated (LU) - Weekday	%	91%	77%	83%	10%	10%	Target achieved
	Service Operated (LU) - Weekend	%	83.2%	61%	69%	5%	5%	Target achieved
	Service Operated (TfL Rail)	%	97.5%	88%	92%	2.5%	2.5%	Target achieved
People	LU Absence - All	%	10.6%	19%	15%	7.5%	7.5%	Target achieved
	Inclusion Index (Annual)	%	46%	44%	45%	2.5%	2.5%	Target achieved
	Total Engagement (Annual)	%	59%	55%	56.0%	7.5%	7.5%	Target achieved
	Workforce Representative Index	%	66.8	66.8	67.2	2.5%	1.25%	Floor target achieved only - 50% weighting assumed
Financial	Opex vs GLA Budget	£m	(£1070m)	n/a	-1073	12.5%	12.5%	Target achieved
	Capex vs GLA Budget	£m	(£167m)	n/a	-179	7.5%	7.5%	Target achieved
	Capital Milestone Delivery	%	72%	0	90%	10%	8%	Target partially achieved. Milestones missed include: (i) MPD led milestones on Bank, 4LM and Railway System Enhancements; and (ii) R&E milestones on step-free access projects (safe-stop/contractor issues), power system testing and transplant crane and switch wagons.
Customer	LU Cares about its customers	%	55%	46%	50%	7.5%	7.5%	Target achieved
						100%	71.75%	

Note: Average Headways was added onto the LU Scorecard as a contextual measures to be used by the LU Executive for reporting purposes only. We have not added the performance for this KPI on this summary.

MPD Scorecard 2020/21

	MTS	TFL Objective	MPD Scorecard measure	Target 2020
1	Healthy streets and healthy people	London's transport system will be a safe place	Workforce Killed or seriously injured KSI	1
2			Accident Frequency Rate (AFR) - RIDDOR injuries per 100,000 hours worked.	0.12
3			Workforce Injuries Reduction - the number of workforce injuries reported in MPD.	5%
4	A good public transport	Journeys by public transport will be fast and reliable	Deliver key strategic investment milestones on time	90%
5	A capable and engaged workforce	Inclusion Index	Inclusion index - Viewpoint Survey 2020	61.0%
6		Wellbeing Index	Wellbeing index - Viewpoint survey 2020	63.0%
7		Engagement Index	Engagement index Viewpoint Survey 2020	66.0%
8	Financial	We cover our costs and we are prudent	Capex actual spend vs emergency budget	under budget
9			Net Opex spend versus emergency budget	under budget

Full year P1 to P13

Full year weighting		Actual	Floor	% target achieved	achieved weighting
	10%	2	1	0%	0.0
25%	7.5%	0.12	0.15	100%	7.5
	7.5%	44%	10%	100%	7.5
25%	25%	95.2%	0%	100%	25.0
	7.5%	65%	60%	100%	7.5
25%	10.0%	67%	60%	100%	10.0
	7.5%	70%	63%	100%	7.5
25%	20.0%	546.9		100%	20.0
	5.0%	26.8		100%	5.0

100.0% 100% Total weighted scorecard achieved **90.0**

SURFACE HI SCORECARD 2020/21

Full HI Period 2020/21

				Better	Full HI Period 2020/21			Target weighting	Pre-mitigated	Business recommend	Post-mitigation
					Forecast	Target	Floor target				
Mayor's Transport Strategy	Safety	Roads KSIs per million journey stages	P	↓	0.44	0.78	0.83	10%	10.0%	10.0%	10.0%
		Customer - all injuries***	P	↓	1,195	959	978	5%	0.0%	5.0%	2.5%
		Workforce - all injuries***	P	↓	204	195	199	5%	0.0%	5.0%	2.5%
	Operations	Bus - % normal service operated	P	↑	99%	94%	87%	12%	12.0%	12.0%	12.0%
		ST Rail - % normal service operated***	P	↑	95%	98%	90%	8%	5.0%	8.0%	6.5%
		Time saved by pedestrians at traffic lights	P	↑	190	170	150	5%	5.0%	5.0%	5.0%
	Customer	Bus Care	P	↑	53%	49%	45%	5%	5.0%	5.0%	5.0%
	Delivery	ST Milestones	P	↑	93%	90%	0%	10%	10.0%	10.0%	10.0%
		Highway reallocation to pedestrians/traffic reduction	P	↑	22,516	22,000	18,000	5%	5.0%	5.0%	5.0%
		Improved cycling infrastructure	P	↑	61	57	47	10%	10.0%	10.0%	10.0%
Corporate	People	ST Wellbeing survey*	HI	↑	N/A	3%	0%	5%	5.0%	5.0%	5.0%
	Financial	ST Capital Expenditure	P	↓	(£130m)	£(139)	£(139)	10%	10.0%	10.0%	10.0%
		ST Gross Operating Expenditure**	P	↓	(£1740m)	£(1,728)	£(1,728)	10%	0.0%	10.0%	7.5%
								100%	77.0%	100.0%	91.0%

Note:

Wellbeing wave 2 results were 61% in Surface, 6% above the wave 1 score taken in June/July of 55%. Target of wave 2 being 3% better than wave 1 was achieved. Please note when comparing wave 1 and wave 2 that the methodologies differed – the wave 1 wellbeing questionnaire could be answered multiple times over the period, the wave 2 wellbeing questionnaire could only be answered once during viewpoint, and wave 2 received a far higher response rate.

H2 SURFACE SCORECARD 2020/21

				H2-to-date	H2 2020/21 With Lockdown								
Measure	TfL Card?	Better		Actual	Target	Floor target	HI	Target weighting	Pre mitigated	Business recommend	Post-mitigation		
Mayor's Transport Strategy	Safety	Roads KSIs per million journey stages	*	↓	0.44	0.45	0.45		8%	8%	8%	8%	
		Roads KSIs absolute number		↓	1,103	1,291	1,291		0%	0%	0%	0%	
		Customer - all injuries	P	↓	1,020	776	776		6%	0%	6%	3%	
		Workforce - all injuries	P	↓	172	156	156		6%	0%	6%	3%	
	Customer	Time Saved for Pedestrians, Cyclists & Bus Passengers at Traffic Lights	P	↑	4,533	4,445	3,780		5%	5%	5%	5%	
		Total Patronage - Bus, LO, Trams and DLR (million trips)	P	↑	470.0	346.4	264.5		5%	5%	5%	5%	
		Bus Care (score)	P	*	↑	54%	49%	45%		5%	5%	5%	
	Operations	Bus - % normal service operated	P	*	↑	102%	95%	93%		8%	8%	8%	8%
		Surface Rail - % normal service operated	P		↑	101.3%	81.7%	81.1%		6%	6%	6%	6%
		Roads Disruption	P		↓	-11%	-2%	5%		6%	6%	6%	6%
Delivery	Surface Milestone Delivery (% delivered)	P	*	↑	100%	90%	0%		10%	10%	10%	10%	
Corporate	People	Workforce Representativeness Index	P	↑	76.29%	75.8%	75.7%		6%	6%	6%	6%	
		Surface Total Engagement (score)	A	*	↑	64%	59%	58%		8%	8%	8%	8%
		Inclusion Index (score)	A	*	↑	53%	49%	48%		6%	6%	6%	6%
	Financial	Surface Gross Operating Expenditure £m	P	*	↓	£(1,511)	£(1,552)	£(1,552)		10%	10%	10%	10.0%
		Surface Capital Expenditure £m	P	*	↓	£(174)	£(224)	£(224)		5%	5%	5%	5%

Key:

*

Surface measure appearing on TfL Scorecard

100%	88.0%	100.0%	94.0%
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Remuneration Committee



Date: 7 July 2021

Item: Performance Assessments 2020/21

This paper will be considered in public

1 Summary

- 1.1 At its meeting on 24 June 2020, the Committee agreed that all senior management performance award schemes would be suspended for the 2020/21 financial year.
- 1.2 Despite this suspension it was critical that TfL continued to manage performance effectively. The end of year performance reviews for the 2020/21 performance year have been undertaken and whilst there are no performance awards to be decided, the Committee is asked to review the performance assessments for those individuals under its direct accountability.
- 1.3 A paper is included on the Part 2 agenda which contains supplementary information that is exempt from publication by virtue of paragraphs 1, 3 and 5 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to individuals, the business affairs of TfL and where a claim to legal professional privilege could be made. 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 note the paper and the supplemental information on Part 2 of the agenda.**

List of appendices to this report:

Exempt supplementary information is included on Part 2 of the agenda

List of background papers:

None

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Remuneration Committee



Date: 7 July 2021

Item: **Members' Suggestions for Future Discussion Items**

This paper will be considered in public

1 Summary

- 1.1 This paper presents the current forward plan for the Committee and explains how this is put together. Members are invited to suggest additional future discussion items for the forward plan. Members are also invited to suggest items for future informal briefings.

2 Recommendation

- 2.1 **The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.**

3 Forward Plan Development

- 3.1 The Board and its Committees and Panels have forward plans. The content of the plans arise from a number of sources:
- (a) Standing items for each meeting: Minutes; Matters Arising and Actions List.
 - (b) Regular items (annual, half-year or quarterly) which are for review and approval or noting as specified in the Terms of Reference: Examples include the annual consideration of pay and performance awards for the staff listed in the terms of reference and regular reports on remuneration on a pan-TfL basis, pay gaps and TfL's approach to talent management and succession planning.
 - (c) Items requested by Members: The Deputy Chair of TfL and the Chair of this Committee will regularly review the forward plan and may suggest items. Other items will arise out of actions from previous meetings (including meetings of the Board or other Committees and Panels) and any issues suggested under this agenda item.

4 Current Plan

- 4.1 The current plan is attached as Appendix 1. Like all plans, it is a snapshot in time and items may be added, removed or deferred to a later date.

List of appendices to this report:

Appendix 1: Remuneration Committee Forward Plan.

List of Background Papers:

None

Contact Officer: Howard Carter, General Counsel
Email: HowardCarter@tfl.gov.uk

Remuneration Committee Forward Planner 2021/22

Membership: Ben Story (Chair), Kay Carberry CBE (Vice-Chair) and Heidi Alexander

Key: CPO (Chief People Officer), DCB (Director of Compensation and Benefits), DDIT (Director of Diversity, Inclusion and Talent)

10 November 2021		
Graduate and Apprentice Programmes	CPO	Annual update.
TfL Remuneration	CPO & DCB	Annual update on the overall remuneration policy for TfL.
Pay Gap Analysis	DDIT	Current data and progress against actions and the performance indicators that the Committee should keep under review.

3 March 2022		
Pay Gap Analysis	DDIT	Current data and progress against actions and the performance indicators that the Committee should keep under review.
Talent Management and Workforce Planning Update	DDIT	To note the approach to workforce planning and assessing our current capabilities and how we will map these to our emerging business priorities.

Regular items each year

- Salaries of £100,000 or more (approvals and analysis)
- TfL Performance Delivery and Performance Awards (annual approval)
- TfL Remuneration (annual, noting of overall remuneration policy)
- Pay Gap Analysis (annual, noting of gap and actions to address)
- Talent Management and Succession Planning (as required)

Items approved by Chair's Action if the decision needs to be taken urgently (reported to next meeting)

- Salary for any person proposed to be appointed as an Officer of TfL with an annual basic salary of £100,000 or more
- Exit payments for any officer listed in the Terms of Reference or if over £100,000k (excluding statutory notice period)

As at 29 June 2021

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