

Transport for London

Minutes of the Remuneration Committee

Committee Room 4, City Hall, The Queen's Walk, London, SE1
5.00pm, Monday 3 June 2013

Members

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

Also in Attendance

Isabel Dedring	Deputy Chair of TfL
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Staff

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

01/06/13 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from the Mayor, Boris Johnson.

02/06/13 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 non-executive director of the Berkeley Group Plc.

03/06/13 Minutes of the Meeting held on 22 November 2012

The public and exempt minutes of the meeting held on 22 November 2012 were approved as a correct record and signed by the Chair.

04/06/13 Matters Arising and Actions List

TfL Scorecards – Future Years

Sir Peter Hendy was in discussion with the Mayor on the 2013/14 TfL Scorecard, which would be considered by the Committee in July 2013.

Members were informed that Scorecards were prepared in late February, once the results from the preceding Scorecard were emerging, to ensure that targets were at least equal to, if not better than, the previous year. A schedule would be drawn up to ensure that the draft

Scorecard was submitted to the Mayor for review by early March and considered by the Committee in late March each year. **[Action: Sir Peter Hendy]**

Outstanding Crossrail papers

Sir Peter Hendy clarified that Crossrail Limited (CRL) was required to inform TfL of the base pay award (if any) and to consult on any performance award for its Chief Executive, with the ultimate decision being for CRL's Remuneration Committee. TfL's approval was required for any changes to the CRL Remuneration Framework, which included the performance measures for the CRL Long Term Incentive Plan.

Isabel Dedring, Sir Peter Hendy and Terry Morgan were due to meet to discuss the papers to be considered by the Committee in July 2013. A separate note would be provided to Members on the governance arrangements between TfL and CRL in relation to the remuneration of the CRL Chief Executive and in relation to delivering the project within budget, including the trigger points for TfL intervention. **[Action: Howard Carter]**

Chief Officer Benchmarking and Peer Group Selection – Long Term Measures

Discussions with the Mayor on the potential use of long term measures were ongoing. It was likely that issues would be captured in annual scorecards rather than through the use of a separate Long Term Incentive Plan.

Future meetings

The next meeting of the Committee would be scheduled for July 2013. If possible it would be scheduled for the same date as the meeting of the Board. **[Action: Howard Carter]**

Members requested that dates for meetings of the Committee be included in the 2014/15 meeting calendar. **[Action: Howard Carter]**

The Committee noted the Actions List.

05/06/13 Chief Officer Benchmarking

Sir Peter Hendy introduced the paper on Chief Officer Benchmarking, which had been undertaken in conjunction with Towers Watson. The paper outlined the methodology followed, provided a summary remuneration data analysis for the Commissioner and each of the Commissioner's direct reports and made some general observations.

The benchmarking process provided a transparent comparison of remuneration levels and mix for senior executives within the peer group organisations against the remuneration of incumbent TfL executives.

The Committee acknowledged that the comparator organisations used reflected where existing staff may move to or future staff be recruited from. However, it requested that consideration be given to adding other public sector comparator organisations for the next benchmarking exercise. Comparator organisations might include the BBC, Network Rail, NHS/London Ambulance Service, Post Office and regulatory authorities such as the Civil Aviation Authority. **[Action: Sir Peter Hendy]**

The Committee noted the market remuneration benchmarking of TfL's executive roles.

06/06/13 TfL Performance Awards for 2012/13

Sir Peter Hendy introduced the paper, which sought agreement to the overall delivery for the year ended 31 March 2013 against the TfL and individual business or specialist services scorecards for 2012/13 for the Commissioner and Chief Officers. The Committee also considered the related paper on Part 2 of the agenda, which contained exempt supplemental information.

Sir Peter Hendy said that 2012/13 had seen an excellent overall performance for TfL, including the work to develop a strong Business Plan and that TfL had made good progress in being a far more integrated organisation. This had been delivered in addition to meeting all of TfL's London 2012 Games commitments.

For 2013/14, TfL's scorecards would seek to set stretching but realistic targets of equal importance for each operational and specialist service.

The Committee:

- 1 agreed the delivery against scorecards for 2012/13; and**
- 2 agreed the 2012/13 performance awards for the Commissioner and for Chief Officers, as proposed in the paper on Part 2 of the agenda.**

07/06/13 Leadership and Succession Planning in TfL

Sir Peter Hendy informed the Committee that he had regular individual discussions with Chief Officers about their development and there was a programme in place to develop directors.

Chief Officers were encouraged to attend leadership development programmes such as the Windsor Leadership Trust and CASS and to look at non-executive directorships to broaden their experience. Members also suggested that consideration be given to the Top Management Programme run by the Cabinet Office. **[Action: Sir Peter Hendy]**

Sir Peter Hendy, Mike Brown and Leon Daniels had discussed the availability of talent able to replace Chief Officers from the current TfL directors and externally from the military and transport and logistics industries.

A leadership development programme was being implemented for directors. Sir John Armitt had been a guest speaker at one of the 'catalyst briefings' and Daniel Moylan would be invited to speak on the political environment in local government. **[Action: Sir Peter Hendy]**

Further work was required to provide directors and graduates with private sector experience. Sir Peter Hendy was looking for opportunities to develop mutual secondment programmes and was in advanced discussions with Network Rail on this.

HR was putting in place arrangements for talent management throughout TfL. A pilot had been started in London Rail and Underground and the process was expected to be complete by the end of 2013.

The Committee noted the verbal update.

08/06/13 Any Other Business the Chair Considers Urgent

There was no urgent business to discuss.

There being no further business, the meeting closed at 6.10pm.

Chair: _____

Date: _____