

Minutes

OFFICIAL-SENSITIVE: STAFF/MANAGEMENT
Remuneration Committee

Mar 16 BM C 1.2

Date: Thursday 11 February 2016

Location: Fleetbank House
Salisbury Square
London EC4

Start time: 14.20 hrs

Present

Committee Members

Dr Stuart Burgess CBE	SB	Chairman
Isabel Liu	IL	
Diane McCrea	DM	

Executive in attendance

Anthony Smith	AS	Chief executive & Accounting Officer
Jon Carter	JC	Head of business services
Louise Casserley-Gore	LCG	Human resources executive

Apologies

Nigel Holden	NH	Resources director
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1 Chairmans opening remarks

The Chairman welcomed everyone to the meeting.

2 Minutes of meeting held on 5 March 2015

The committee **approved** the minutes of the meeting held on 5 March 2015 and **authorised** the Chairman to sign them.

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3 Action Matrix

There were no items on the action matrix.

Principal civil service pension scheme (MyCSP)

4 Pension scheme update

LCG presented the update on Civil Service Pension arrangements. The committee **noted** the impact on Transport Focus staff as at 1 April 2015, the new auto-enrolment regulations and the changes to the State pension.

The committee reviewed the changes to the compensation scheme, proposed by the Cabinet Office and included in the Enterprise Bill currently before Parliament. Consultation is currently taking place with the main public sector trades unions. The major changes to the current compensation arrangements are likely to be:

- Redundancy terms, currently one month's salary per year of service, may be reduced to three weeks per year of service
- A cap for total payments to be £95,000
- Notice periods of six months may be reduced to three

The changes are likely to be implemented in summer 2016. It was noted that they would have a positive impact on future restructuring costs whatever the negative impact on individuals. The committee expressed its concern with regard to the overall implications of the new pension administration arrangements, in particular the responsibility for record keeping and validation. This now amounted to a considerable amount of Nigel's time.

Pay remit

5 Pay proposals 2015-16

LCG introduced NH's paper noting that the previous year's increment of 1% had only been paid in December 2015 and that, as usual, the pay remit guidance for 2016-17 has not yet been received. It was assumed the guidance, when it appeared, would not be materially different, and on this basis the committee **agreed** to a submission to the Department for Transport as follows:

- A pay increase of 1% from 1 April 2016 for all staff who joined Passenger Focus before 1 January 2016, with staff below £25,000 receiving a minimum rise of £250

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- Increase in allowances of 1% from 1 April 2016
- Retain the existing non-consolidated performance related pay scheme at 0.7% of the paybill which will provide a total allocation of £21,000, an increase of £4,500 over 2015-16 reflecting the extension of our remit and increase in headcount and paybill.
- No change to the current paybands

The committee further **agreed** with the proposal to consult with staff on a two year pay settlement to 2017 so that the 2017 increment could be paid promptly. Paybands would be increased by 1% from 1 April 2017. The committee **asked** to be consulted on any assumptions made in the proposal which turned out to be incorrect.

Other staff issues

6 Staff absence report

LCG presented the staff absence report and profile which the committee **noted**. Transport Focus’s unplanned absence rolling average of 1.5% continued to compare very well with the national average of 3.0% and the public sector average of 3.8 %. Previous long term sickness issues had been resolved [REDACTED]

In terms of staff profile, ethnic diversity was getting better (still not good enough), although gender mix remained good. The committee agreed that gender categories should be modernised. The committee suggested that the forthcoming change programme should be used as an opportunity to address diversity challenges where possible.

RC28	11/02/16	Gender descriptions	Modernise as per current practice (LCG)	NH	Apr 16
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7 Expenses policy

The committee recalled a recent internal audit report on expenses and the need to comply with HMRC guidelines. A general tidy-up was also required.

The committee agreed with the following proposed changes to the expenses policy:

- The existing allowances for lunch and dinner to be replaced by a five hour rate of £5.00, a ten hour rate of £15.00 and an overnight rate of £30.00
- Indicative rates for capital / provincial hotels of £135 and £100 respectively. The upper limits would remain unchanged
- Mileage rates up to 10,000 miles per year increased to 45p per mile, with a 5p per mile supplement for passengers.

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The Staff Forum and ARAC would now be consulted and the board would be asked to approve the new policy in March so that it could be effective from 01/04/2016.

RC29	11/02/16	Expenses policy	Consult ARAC	JC	Feb 16
RC30	11/02/16	Expenses policy	Consult with staff forum (LCG)	NH	Feb 16
RC31	11/02/16	Expenses policy	Get on board agenda	JC	Mar 16

8 Performance related pay

LCG introduced NH's paper on PRP. The proposed total bonus 'pot' remained 0.7% of paybill with one third set aside for spot awards. In the current year only spot 13 awards totalling £1,850 had been made, which the committee considered was unlikely to fully reflect individual performance recognition opportunities. The committee suggested that guidance should be refreshed and promoted, but where peer to peer spot awards are nominated, the line manager must be consulted by HR, and advice provided to AS before he signs it off. The range of values of between £50 and £200 was considered to remain fit for purpose. LCG observed that spot awards are taxable and must be paid via payroll.

Any bonus pot funds not used for spot awards would as always be available for distribution in the end of year bonus process. In noting that it was both line managers and other staff who make the nominations to the bonus panel, the committee advised that these should follow the clear guidance provided. Nominations that were poorly or inadequately drafted should not be considered by the bonus panel and the nominating person advised accordingly. LCG would make this clear to all as the end of the reporting year approached.

RC32	11/02/16	PRP: spot awards	Refresh guidance to promote and control use of scheme (LCG)	NH	Mar 16
RC33	11/02/16	PRP: year end bonuses	Remind all of the importance of well argued and presented nominations (LCG)	NH	Mar 16

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9 Staff forum / other staff issues

LCG briefed the committee on key issues arising from recent meetings of the staff forum.

- A suggestion had been made that staff should be able to buy additional annual leave as well as sell it. This would help balance the books. Maximum of five days in any one year. Administered via Cascade. The committee had **no objection** to the management team pursuing this proposal if they wished.
- Social media policy: there is a disconnect between the policy and its implementation via the guidance. JC confirmed this issue was on the MT's horizon. **Noted.**
- Leave for voluntary work. Civil service employees get three days. The committee believed that in a significantly smaller organisation one day was more appropriate, and had **no objection** to the management team pursuing this proposal **on this basis** if they wished. Administered via Cascade.

10 Any other business

[REDACTED]

There being no other business the meeting closed at 1515 hrs

Signed as an accurate record of the meeting

Dr Stuart Burgess CBE, Chairman

Date