

Minutes

OFFICIAL-SENSITIVE: STAFF/MANAGEMENT (UNLESS REDACTED)

May 15 BM D 1.1

Remuneration Committee

Date: Thursday 5 March 2015

Location: St Brides Foundation
Salisbury Square
London EC4

Start time: 13.30 hrs

Present

Committee Members

Dr Stuart Burgess CBE
Isabel Liu

SB Chairman
IL

Executive in attendance

Anthony Smith
Nigel Holden
Jon Carter
Louise Casserley-Gore

AS Chief executive & Accounting Officer
NH Resources director
JC Head of business services
LCG HR executive

Apologies

Diane McCrea

DM

1 Chairmans opening remarks

The Chairman welcomed everyone to the meeting.

2 Minutes of meeting held on 9 October 2014

The committee **approved** the minutes of the meeting held on 9 October 2014 and **authorised** the Chairman to sign them.

3 Action Matrix

- RC22 Salary sacrifice: NH reported that the staff forum was content with the situation as previously discussed. Post April shared parental leave would come into force and we would monitor any notified problems with childcare arrangements. **Complete. Delete.**
- RC23 Long hours: No major issues. AS and NH would continue to monitor.
- RC24 Service length: LCG presented details, as requested. IL believed these to be consistent with other data provided, although they illustrated the trajectory from a 'young' organisation to one that was getting a little older. NH considered the data useful for succession planning purposes; everyone found it interesting and useful. **Complete. Delete.**
- RC26 Bonus scheme: agreed at agenda item 8. **Complete. Delete.**
- RC27 Staff Forum minutes: LCG will routinely circulate to Committee. **Complete. Delete.**

Principal civil service pension scheme

4 Pension scheme update

The committee **noted** the update in respect of the move towards the new 'alpha' scheme, and in particular the financial risks (the increase in employer contributions from 1 April 2015) and the operational risks (the complexity of checking and validating career earnings records). IL pointed to the extraordinary situation of an organisation of circa 40 staff having (currently) five different pension schemes.

Pay remit

5 Pay proposals 2015-16

NH introduced his paper noting that, as usual, the pay remit guidance for 2015-16 has not yet been received. Assuming the guidance, when it appeared, was not materially different, the committee **agreed** to a submission to the Department for Transport along the following lines:

- A pay increase of 1% from 1 April 2015 for all staff who joined Passenger Focus before 1 January 2015, with staff below £25,000 receiving a minimum rise of £250
- Increase in allowances of 1% from 1 April 2015
- Retain the existing non-consolidated performance related pay scheme at 0.7% of the paybill which will provide a total allocation of £16,500 and increase of £1,500 over 2014-15 reflecting the extension of our remit and increase in headcount and paybill.
- No change to the current paybands

Other staff issues

6 **Staff absence report**

[REDACTED]

In terms of profile, AS commented that it was unfortunate that there were a high number of 'prefer not to say' responses in the original data on which the report was based, but the male / female ratio was good and we should try and keep it that way.

7 **Road User Director**

The committee discussed and **reconfirmed** its previous agreement to the terms of appointment of the Road User Director.

8 **Performance related pay**

NH explained how management were proposing to address the headline difficulties the performance related pay arrangements had suffered in previous years. It was accepted that the scheme was probably the 'least worse' option for Passenger Focus and there was no ideal. The total PRP fund in 2015-16 would be £16,500.

Key changes over the previous year would include an opportunity for line managers to comment on peer to peer nominations and the introduction of spot awards. IL wondered how this element of the scheme would work. NH proposed:

- Up to one third of the PRP fund (up to £5,500) would be earmarked for spot awards.
- Nominations for spot awards would be made by line managers
- Spot awards would be agreed (or otherwise) by the Chief Executive after discussion with the Resources Director.
- The Bonus Panel would only convene for end of year bonus nominations which followed the annual performance reviews.

The committee **agreed** with these proposals to take effect from April 2015.

Minutes

9 Staff forum / other staff issues

AS updated the committee on the progress of the staff consultation on proposed structural changes to the organisation. Generally, feedback was positive, and he stressed that it was evolutionary, rather than revolutionary, change. This would minimise the risk to both individuals and the delivery of the workplan. High level issues included the management of the passenger contact team, developing an accurate description for the research team, and the number of direct reports to the Chief Executive. IL wondered what progress had been made on the RUD appointment; AS said he hoped to be able to announce an appointment imminently, although there could be a significant difference in start dates depending on which individual was appointed.

10 Any other business

There being no other business the meeting closed at 1415 hrs

Signed as an accurate record of the meeting

Dr Stuart Burgess CBE, Chairman

Date