

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3298

Title: Salary Determination for Greater London Authority Elected Members 2024

Executive Summary:

The salaries of the Mayor and Assembly Members ("Elected Members") must be agreed and determined by them acting jointly under section 24 of the Greater London Authority Act 1999 ("GLA Act").

In 2022, a salary determination ("2022 Determination") was agreed by the Assembly at its Plenary meeting of 15 December 2022 and by the Mayor under cover of MD3075. The 2022 Determination set salary levels for Elected Members in 2022-23 and established a mechanism for the provision of a pay award in 2023-24. In agreeing the 2022 Determination, it was agreed that an independent review of Elected Member pay should be undertaken to determine the approach for future years.

Philippa Hird, a former Chair of the NHS Pay Review Body and former member of the Senior Salaries Review Body, was appointed to undertake a review and was asked to make specific recommendations for a pay uplift mechanism which might apply for the duration of the current Mayoral and Assembly term.

The Mayor's approval is sought of the new Greater London Authority ("GLA") Elected Members Salaries Determination ("2024 Determination"), attached at Appendix 1, under section 24 of the GLA Act. The proposed 2024 Determination reflects the recommendations made by the independent review. The London Assembly considered and approved the 2024 determination at their Plenary meeting on 10 October 2024.

Decision:

That the Mayor, acting jointly with the London Assembly:

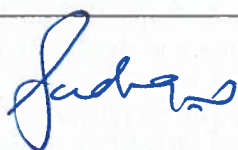
- approves the GLA Elected Members Salaries Determination 2024, attached at Appendix 1, to replace and supersede the 2022 Determination.

Mayor of London

I confirm that I have a disclosable pecuniary interest in the proposed decision, in relation to which I have been granted a dispensation by the Monitoring Officer and so take the decision in compliance with the Code of Conduct for Elected Members of the Authority.

The above request has my approval.

Signature:



Date:

16/10/24

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

Legislation

- 1.1. The salaries of the Mayor and Assembly Members (“Elected Members”) must be determined and agreed by them acting jointly under section 24 of the GLA Act. The Assembly’s approval is determined by a simple majority of Assembly Members voting at their Plenary meeting. Mayoral approval is by means of a Mayoral Decision. The London Assembly considered and approved the Greater London Authority (“GLA”) Elected Members Salaries Determination 2024 (“2024 Determination”) at its Plenary meeting on 10 October 2024. The 2024 Determination is set out at Appendix 1 and the Mayor is asked to approve it in identical terms.
- 1.2. A salary determination under section 24 of the GLA Act is binding on all 26 Elected Members irrespective of their terms of office or the timing of GLA Elections, and a determination continues in force until amended or superseded by a future jointly approved salary determination under section 24.

Previous and current determinations

- 1.3. There has always been a strong desire to ensure that the Mayor and Assembly Members’ pay levels are decided through an objective process. From 2000-2009, the Senior Salaries Review Body (“SSRB”) was engaged to undertake periodic reviews in order to make recommendations for remuneration levels, which in turn led to successive salary determinations.
- 1.4. In 2009, in response to an SSRB recommendation, the then Mayor (via MD493 in December 2009) and Assembly (by Plenary approval on 11 November 2009) jointly determined and approved a salary determination under section 24 (“the 2009 Determination”). A copy is at Appendix 2.
- 1.5. The 2009 Determination set out the “baseline salaries” for the Mayor, Statutory Deputy Mayor, Chair of the Assembly and the other 23 Assembly Members. It also included a mechanism for annual increases in their baseline salaries. This mechanism determined that annual pay increases for Elected Members would be the same as that applied to GLA staff so long as that award was in line with local government settlements nationally. Where divergence between those settlements occurred, the SSRB would be asked to give advice.
- 1.6. In 2020-21, there was divergence between the GLA pay award (2 per cent for staff on grades 1-7 and a freeze elsewhere) and that set by the National Joint Council for Local Government Services (“NJC”) (2.75 per cent). This raised the issue of potentially needing an SSRB review; but also an issue of fairness given the disparity that would have arisen between the pay award for GLA staff and for the Mayor and Assembly Members. The Mayor had already made a decision to temporarily reduce his salary by ten per cent, which took effect from 1 July 2020. Following individual consultations between Human Resources and each of the 25 Assembly Members, every Assembly Member also voluntarily agreed to opt out of receiving the salary increases they would have been entitled to in 2020-21, effectively freezing their pay. Whilst this decision meant consultation with the SSRB was not considered necessary, it did necessitate a change to the 2009 Determination.
- 1.7. The Mayor (via MD2769 in March 2021) and Assembly (by Plenary approval on 4 March 2021) jointly determined and approved a new salary settlement (“2021 Determination”). A copy is at Appendix 3. The 2021 Determination re-confirmed baseline salaries and froze Elected Member pay in line with the 0 per cent increase for GLA employees at Grade 8 and above in the 2020-21 GLA settlement.
- 1.8. The Mayor (via MD3075 in January 2023) and Assembly (by Plenary approval on 15 December 2022) jointly determined and approved a new salary settlement (“2022 Determination”). A copy is at Appendix 4. The 2022 Determination established new baseline salaries for 2022-23, providing an uplift to Elected Members linked to the NJC local government settlement for that year and 2023-24 only. Elected Member pay was increased by 3.88 per cent in 2023-24 in line with the NJC settlement.

In parallel, the Mayor and Assembly agreed that an independent review of Elected Member pay should be undertaken, in order to determine any pay uplift mechanism for 2024-25 onwards.

2024 Determination

- 1.9. Without a change to the current 2022 Determination, there can be no further change to the salaries of Elected Members. Further consideration needs to be given to the appropriate mechanism for determining pay uplift for Elected Members from 2024-25 onwards. In February 2023, the Mayor and Assembly jointly agreed to commission an independent review of Elected Member pay. Philippa Hird, a former Chair of the NHS Pay Review Body and former member of the Senior Salaries Review Body, was appointed to undertake the review. It was jointly agreed that the review should include:
 - an independent review of options for an appropriate standard uplift mechanism to be applied to the pay of GLA Elected Members (the Mayor, the statutory Deputy Mayor and Assembly Members) each financial year.
 - a recommended approach, which can be used by the GLA to issue a determination under section 24 of the GLA Act and with a view to such a determination being in place for (at least) the duration of the current Mayoral and Assembly term.
 - consideration of the frequency with which such a determination should be reviewed.
- 1.10. The review was not asked to make an assessment of current levels of pay, pension provision or weighting of the roles. The process for the review included discussions with representatives of the Mayor, and with Assembly Members, about the criteria for this mechanism, potential options, and their advantages and disadvantages. A copy of the final report and recommendations is at Appendix 5. The draft 2024 Determination attached to this report reflects the recommendations put forward.
- 1.11. The aim of an independent review was to ensure that decisions regarding Elected Member pay could be taken in a way that is:
 - impartial: so that annual salary awards are set in a way that is independent of the Mayor and Assembly Members (noting that both the Mayor and Assembly have a role in respect of GLA pay).
 - fair: so that salary awards are reflective of the wider context for public sector pay and for officials within the GLA and consistently applied to GLA Elected Members.
 - simple: so that salary awards are transparent, easy to understand and unambiguous and consistently applied over time.
- 1.12. The review provides an analysis of the potential mechanisms that could be used to determine uplifts to Elected Member pay and the most appropriate indices for automatically determining the level of any award (without requiring decision making by the Elected Members themselves). This includes the use of an independent panel to determine uplift, consideration of alignment with particular Office of National Statistics ("ONS") datasets (e.g. RPI/CPI or the Annual Surveys of Hours and Earnings) or the scope to establish an appropriate alternative workforce to index to (by mirroring arrangements in a range of other comparable parts of the public sector).
- 1.13. The review concludes that maintaining a link to the local government pay settlement remains the most logical approach, noting the broadly similar nature of the workforce to that at the GLA, the fact that it operates in broadly similar labour markets and has shown a level of stability in its approach to pay awards over recent years. The review concludes that this provides the best available balance of independence, efficiency, transparency and fairness to GLA Elected Members and their constituents.
- 1.14. The review acknowledges that there are some drawbacks to this approach. The local government settlement is a negotiated settlement. As such it might in any given year reflect wider considerations such as the level of affordability or workforce changes. The timing of its publication would also not be in the GLA's control. This potential divergence from local GLA approaches could, however, be said of

any particular workforce, and would be an element that would need to be accepted as part of any index-led mechanism.

- 1.15. The review does not recommend that a cap is maintained and tied to equivalent GLA staff pay. This means that there could be some divergence in future years. This does, however, strengthen the independent nature of the approach, avoiding any difficulty (either real or perceived) arising from the fact that GLA Elected Members have a role in pay setting within the GLA (they have to be consulted on staff terms and conditions including as to remuneration).
- 1.16. The review recommends that the link to the local government settlement is specifically tied to any award given to those on the Outer London local government scale (spine point 51), and which most closely reflects the current salary of Assembly Members. This reflects the approach taken in the 2022 Determination and ensures that the awards reflect the position of London as a whole (noting that a number of Members have responsibilities across London Boroughs or specific outer London constituencies). In practice the percentage level of awards given to those on inner and outer London weightings have been the same over time (Appendix 6). Making a link to a specific weighting and spinal point aids transparency and consistency, and avoids the need for further in-year decision making.
- 1.17. If the proposed 2024 Determination is approved by the Mayor and the Assembly, it would come into force with immediate effect. Negotiations regarding a local government pay settlement for 2024-25 are ongoing. Once a settlement is reached, Elected Member pay will be adjusted, with any pay changes reflected and backdated to 1 April 2024.

The Mayor's salary

- 1.18. The review recommends that the Mayor's salary should not exceed the total base pay of the UK Prime Minister (incorporating that of the Prime Minister's role as a Member of Parliament). This recommendation reflected feedback provided during consultation and a broader view that this was an appropriate reflection of relative accountabilities and responsibilities. This means that any increase to Mayoral pay would be capped in the event that a pay award would increase the Mayor's salary above that of the Prime Minister.

Duration

- 1.19. The review recommends that a further review of the appropriateness of this mechanism should be undertaken at the start of the next Mayoral and Assembly term in 2028. The further review should include consideration of whether a link to the local government settlement has produced any perverse outcomes in the intervening period. The proposed 2024 Determination is not time limited and will therefore remain in place and continue to be applied unless and until any such review is undertaken or a new determination is jointly agreed.

Discretion

- 1.20. The 2022 Determination included provision to allow individual Members to forgo a proposed uplift if they wished to do so. The review does not make a formal recommendation regarding the retention of this individual discretion, but does highlight that this creates some risk that those with more substantial resources may be tempted to opt out of pay rises, creating pressure on those with fewer resources and potentially acting as a barrier to participation. On this basis, the 2024 Determination does not include explicit provision regarding individual Member discretion. It is open to any individual Member to participate in a payroll charity giving scheme should they wish to do so.

2. Objectives and expected outcomes

- 2.1. The objective of the proposed 2024 Determination is to provide a mechanism for pay awards to Elected Members.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 (the Public Sector Equality Duty) provides that, in the exercise of their functions, public authorities must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under Section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. Officers have considered the application of the Public Sector Equality Duty to the proposed 2024 Determination and consider that there are no adverse impacts on any specific group with protected characteristics.

4. Other considerations

Key risks and issues

- 4.1. There is a risk that the salaries of the Elected Members are perceived as not being the product of fair, objective and transparent decision-making. This risk is mitigated by the fact the proposed 2024 Determination is being approved through a transparent decision-making process, and reflects the recommendations of an independent review and a pay setting process that is not within Elected Members' control.

Link to Mayoral strategies and priorities

- 4.2. The proposed 2024 Determination will be published and provides for openness and transparency with respect to the salaries of Elected Members and other remuneration arrangements.

Conflicts of interest

- 4.3. There are no conflicts of interest to declare from all those involved in the drafting and officer-level clearance of this Mayoral Decision. A dispensation has been granted by the Monitoring Officer to the Mayor and all 25 members of the Assembly to enable them to discharge their functions under section 24 of the GLA Act as regards the proposed 2024 Determination of their own salaries given that this is a decision that by law must be taken by them jointly and could not be discharged without such a dispensation.

5. Financial comments

- 5.1. This form requests approval of a new 2024 determination.
- 5.2. Provision for a possible uplift to Elected Member salaries was made in the 2024-25 GLA budgets and similar provision will be made in draft budgets for future years.

6. Legal comments

- 6.1. Section 24 of the GLA Act provides that the GLA shall pay to Elected Members salaries at such levels as the GLA from time to time determines. Section 24(7) provides that making determinations under section 24 are functions of the GLA which are exercisable by the Mayor and Assembly acting jointly on behalf of the GLA. The salaries of Elected Members must therefore be determined and agreed jointly by the Mayor and Assembly.

6.2. A salary determination under section 24 of the GLA Act may provide:

- for a higher level of salary to be payable to the Mayor than to any Assembly member
- for higher levels of salaries to be payable to Assembly members holding the offices of statutory Deputy Mayor and Chair of the Assembly (and for them to be at different levels)
- for levels of salaries to change from time to time by reference to a specified formula.

6.3. In accordance with Standing Order 13.1B(4) and section 24(8) of the GLA Act every determination as to the Mayor's and Assembly Members' salaries under section 24 must be published by the Head of Paid Service as soon as practicable thereafter by being posted on the GLA's website and the Executive Director of Assembly Secretariat must maintain copies available for public inspection during normal office hours.

7. Planned delivery approach and next steps

7.1. The terms of the proposed 2024 Determination will be applied with immediate effect should they be approved by the Mayor. Changes to Elected Member salaries will be made once a local government pay settlement is reached for 2024-25.

Appendices and supporting papers:

Appendix 1: Proposed 2024 Determination

Appendix 2: 2009 Determination

Appendix 3: 2021 Determination

Appendix 4: 2022 Determination

Appendix 5: Independent Review of Elected Member Pay

Appendix 6: Local Government Pay Scales – Inner and Outer London comparison

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Helen Ewen has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Mary Harpley has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 14 October 2024.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Fay Hammond

Date:

14/10/2024

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature:

D. Bellamy

Date:

14/10/2024

