Greater London Authority

GLA ELECTED MEMBERS SALARIES DETERMINATION 2024

Notice of Determination

Formal Determination by the Mayor and Assembly

The Mayor of London and the London Assembly acting jointly in exercise of their powers under section 24 of the Greater London Authority Act 1999, have made the following determination ("the Determination") as to the payment of their salaries.

Citation and commencement

- 1. This Determination has been approved in identical terms by the Mayor of London on [DATE OF MD by means of MD XXXX] and by the London Assembly on X 2024 and shall:
 - a) be cited as the GLA Elected Members Salaries Determination 2024;
 - b) come into force on the later of those dates; and
 - c) be deemed to have come into effect from 1 April 2024 to allow for the salary uplift mechanism set out in paragraph 5 to be back-dated to that date.
- 2. The GLA Elected Members Salaries Determination 2022 is revoked.

Interpretation

3. In this Determination -

"the Act" means the Greater London Authority Act 1999;

"the Authority" means the Greater London Authority;

"base salary levels" means the individual amounts of salary for the different office holders specified in paragraph 4 (a) to (d) below;

"financial year" means a period of twelve months ending with 31st March;

"member(s) of the Authority" means (as applicable) the Mayor of London and the members of the London Assembly;

"office holder(s)" means the members of the Authority holding the different elected offices specified in paragraph 4 (a) to (d) below; and

"salary/ies" refers to those set out in paragraph 4 including as increased from time to time under paragraphs 5 and 6 below.

Base salary levels

4. The following annual salaries are payable by the Authority to members of the Authority holding the following offices from the start of each financial year, and increased in accordance with paragraph 5 below:

	Member of the Authority	Annual salary
a)	the Mayor of London;	£160,976
b)	the Statutory Deputy Mayor of London;	£111,669
c)	the Chair of the London Assembly	£75,266
d)	each Assembly Member (other than as listed under (b) and (c) above):	£62,761

Increase in base salary levels for the financial year 2024-2025 and for subsequent financial years.

- 5. Subject to paragraph 6 below, from the start of the financial year beginning on 1 April 2024 the annual gross salaries payable by the Authority to the holders of the offices specified in paragraph 4 (a) to (d) above shall be increased by the same percentage increase (which may be nil) that is determined for local government employees paid on the Outer London local government scale at spine point 51. This method of uprating Member salaries will apply in each financial year and will continue in force until such time as it is superseded by a further determination under section 24 of the Act which has been jointly agreed by the Mayor of London and London Assembly.
- 6. Any increase to the Mayor of London's salary due as a result of the application of paragraph 5 above will be capped to ensure that the salary payable to the Mayor of London does not exceed the total base pay available to (rather than that taken by) the UK Prime Minister in the relevant financial year. It is intended that this is the total salary available to the Prime Minister of the day, including that relating to his or her role as a Member of Parliament.

Duration this determination remains in force

7. This Determination remains in force until such time as it is superseded by a further determination under section 24 of the Act which has been jointly agreed by the Mayor of London and London Assembly.

Mary Harpley

Chief Officer (Head of Paid Service) Greater London Authority

Greater London Authority

SALARIES AND PENSIONS DETERMINATION 2009

Formal Determination by the Mayor and Assembly

The Mayor of London and the London Assembly in exercise of their powers under sections 24 and 26 of the Greater London Authority Act 1999, have made the following determination as to salaries and pensions.

Citation and commencement

1. This Determination shall have effect from 1st April 2009.

Interpretation

2. In this Determination –

"the Act" means the Greater London Authority Act 1999;

"the Authority" means the Greater London Authority; and

"Authority member" means the Mayor of London or a member of the London Assembly;

Salary levels

- **3.** (1) The levels at which salaries are payable to members of the Authority shall be those specified in sub-paragraph (2) below, increased on the 1st April each year by the amount calculated in accordance with sub-paragraph (3) below.
- (2) The levels shall be at the following yearly rates
 - (a) the Mayor of London: £145,350 The Mayor having forgone any increase in 2009/10, his salary for that financial year will be £143,911.
 - (b) the Deputy Mayor of London: £96,092;
 - (c) The Chair of the London Assembly: £64,103;
 - (d) each Assembly Member (other than the Deputy Mayor): £53,439.
- (3) The annual pay increase for elected GLA members will be the same as that applied to Greater London Authority staff so long as that award is in line with local government

settlements nationally. This method of uprating members' salaries will continue in force until the determination which will follow the next review of members' salaries by the SSRB, unless the GLA depart from the national settlement for local government staff, in which event the SSRB should be asked to advise again at that time.

(4) In reviewing salary levels for the Mayor, Deputy Mayor and Assembly Members the Authority seeks the assistance of the Senior Salaries Review Board ("SSRB"), and has regard to its recommendations.

Pensions

4. The Authority shall make such provision for the payment of pension benefits to or in respect of persons who have ceased to be the Mayor or an Assembly member as it may be obliged to make under the Local Government Pensions Scheme.

Suspension from office

- **5.** In the event that an Authority member is fully suspended from office by the Standards Committee or the Adjudication Panel for England (or the Adjudication Panel for England's successor in law), the payment of that member's salary will also be fully suspended for the duration of the suspension from office.
- **6.** In the event that an Authority member is partially suspended from office by the Standards Committee or the Adjudication Panel for England (or the Adjudication Panel for England's successor in law), the payment of that member's salary shall_be reduced pro rata_for the duration of the suspension from office by such a proportion of his salary as reflects the extent of the suspension imposed by the Standards Committee or Adjudication Panel for England (or the Adjudication Panel for England's successor in law).
- **7.** Pension contributions will be suspended for the period of the member's full suspension from office or reduced by such a percentage as is equivalent to the percentage reduction of salary for the period of a partial suspension. The member may, after the suspension, make good the missed employee contributions and the Authority will then make good its corresponding 'employer' contributions.

Dated...21 December 2009

Leo Boland – Chief Executive

GREATERLONDON AUTHORITY

REQUEST FOR MAYORAL DECISION - MD2769

Title: Salary Determination for GLA Elected Members 2021

Executive Summary:

The salaries of the Mayor and Assembly Members ("Elected Members") is a matter they must agree and determine jointly under Section 24 of the GLA Act 1999 ("Salary Determination"). These decisions have since 2009 been taken within the framework provided for by a determination dating from that year, which has as its fundamental principle that the pay increase of Elected Members shall be in line with those given to GLA staff – provided the GLA and national settlements are in alignment.

In 2020/21, the GLA Staff Pay Award and national settlements did not align, the former being a pay freeze (except for staff at grades 1-7) while the National Joint Council for Local Government services (NJC) settlement was for a 2.75 per cent increase. The Mayor and each Assembly Member individually and voluntarily decided not to take any increase to their salaries.

A new determination under section 24 ("the 2021 Salary Determination") is proposed that will confirm Elected Members' salaries at a level reflecting the voluntarily decisions noted above (ie. with no pay increase in 2020/21), formalise provision for Members to voluntarily receive a lower salary than that to which they are entitled, and factually update other aspects of the determination. It will stay in force until superseded by any future jointly agreed determination under section 24, but noting the intention is that the position will be reviewed in 2021/22.

This MD therefore seeks the Mayor's approval to the appended new 2021 Salary Determination under section 24. The Assembly are considering this matter and an identical determination at their Plenary meeting on 4 March 2021.

Decision:

That the Mayor:

Acting jointly with the Assembly, approves the GLA Elected Members Salary Determination 2021, attached at Appendix 1, to replace and supersede the previous determination dating from 2009.

Mayor of London

I confirm that I have received a dispensation from the Monitoring Officer under Paragraph 10 of the GLA Code of Conduct for Elected Members to enable me to take this proposed decision, in which I have an unavoidable disclosable pecuniary interest.

The above request has my approval.

Signature:

8 3 21

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") are a matter they must determine and agree jointly under section 24 of the Greater London Authority ("GLA Act") 1999. The Assembly's approval is determined by a simple majority of Assembly Members voting at the plenary meeting exercising the determination approval power under section 24. Mayoral approval is by means of a Mayoral Decision.
- 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.

Current determination

- 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 lead 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 Pienary approval on 11 November 2009) jointly determined and approved a salary settlement under section 24 ("the 2009 Determination"). The 2009 Determination has remained in force since that time. A copy is at Appendix 2.
- 1.5. The 2009 Determination sets out the "baseline salaries" for the Mayor, Statutory Deputy Mayor, Chair of the Assembly and the other 23 Assembly Members. It also includes a common methodology ("mechanism") for annual increases in their baseline salaries (para 3(3)):

The annual pay increase for elected GLA members will be the same as that applied to Greater London Authority staff so long as that award is in line with local government settlements nationally. This method of uprating members' salaries will continue in force until the determination which will follow the next review of members' salaries by the SSRB, unless the GLA depart from the national settlement for local government staff, in which event the SSRB should be asked to advise again at that time.

1.6. Para 3(4) says:

In reviewing salary levels for the Mayor, Deputy Mayor and Assembly Members the Authority seeks the assistance of the Senior Salaries Review Board ("SSRB"), and has regard to its recommendations.

The 2020/21 pay award

1.7. The GLA pay award to staff in 2020/21 – being 2 per cent for staff on grades 1-7 and a freeze elsewhere – was not in line with the National Joint Council for Local Government services (NJC) award of 2.75 per cent. Therefore, there was the issue of potentially needing an SSRB review (as per para 1.5); but also, more subjectively, 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.

1.8. The Mayor had already made a decision to temporarily reduce his salary by ten per cent, which took effect from 1 July 2020 (he also froze the salaries of his Mayoral staff appointees). 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 – thereby effectively freezing their pay. As a result, a fundamental review of the 2009 Determination (to override it with a new salary determination and/or to engage the SSRB) was not considered necessary, as there was no salary increase to apply. Had any one or more Elected Members decided not to opt out of receiving an increase, this might not have been the case.

What needs to be addressed immediately

- 1.9. Without a change to the current 2009 Determination, as things stand and because this year's pay freeze for Elected Members was predicated on a personal, voluntary decision specific to 2020/21 salaries will by default revert from 1 April 2021 to a baseline that is 2.75 per cent higher than now. A further round of decisions again by individuals and on a voluntary basis would be required, therefore, to forgo once more this 2.75 per cent increase. While such decision-making could potentially be delayed for the current Mayor and Assembly Members, including those re-elected on 6 May 2021, given the usual lag between the start of the financial year and decisions on the pay award, those who are elected Mayor and Assembly Members for the first time would need to take such a voluntary decision immediately upon taking office.
- 1.10. It is proposed to deal with this issue by agreeing a new "holding" determination ("the 2021 Salary Determination") under section 24 to replace and supersede the 2009 one:
 - this would "reset" the baseline salaries for the office holders of the Mayor, Statutory Deputy
 Mayor, Assembly Chair and the remaining 23 Assembly Members, codifying in a new formal
 salary determination this year's voluntary pay freeze so that the 2020/21 2.75 per cent increase
 is disapplied permanently; i.e. to set base annual salaries at the level they stood at on 31 March
 2020.
 - following joint approval, it would apply to all 26 existing Elected Members including those reelected or newly elected in May 2021, binding all those who hold office as the Mayor or as an Assembly Member.
 - the 2021 Salary Determination will last until any subsequent determination is agreed by the Mayor and Assembly under section 24.
- 1.11. The baseline salaries to be set out in the proposed new 2021 Salary Determination are as follows:
 - the Mayor of London: £152,734
 - the Statutory Deputy Mayor of London: £105,269
 - the Chair of the London Assembly: £70,225
 - each Assembly Member (other than the Statutory Deputy Mayor or Assembly Chair): £58,543.
- 1.12. The opportunity has also been taken to tidy up the outdated references to:
 - pensions, noting pensions are now within the framework set by the Pensions Determination 2017, which remains in force and unaffected; and
 - the standards regime.

1.13. The proposed new determination also recognises the right of any individual Member(s) to take a salary reduction, putting this practice on a formal footing.¹

The Mayor's and Assembly Members' pay in 2021/22

- 1.14. The proposed determination does not retain or propose a new mechanism for the uprating of Elected Members' pay in 2021/22 or future years. Nor is it explicit about the level of increase that might be applied in 2021/22 or beyond. The intention is that the Mayor and Assembly Members will be engaged after the GLA Elections, and once there is further certainty about both the GLA staff and national pay awards, to consider the need for, and shape of a new/replacement determination. The potential options would be to leave the Determination in place (for example if it is confirmed there is a pay freeze for staff and Elected Members wish to freeze their pay also); replace the determination with one providing for different salaries; or devise for inclusion in a replacement determination a revised or new mechanism of calculating future salary increases.
- 1.15. It should, however, be noted (and as per paragraph 1.10) that the default position is that salary determinations remains in force until such time as any new determination is agreed; and therefore Elected Members' salaries will remain fixed at the baselines set out at para 1.11 until such time as a replacement determination under section 24 of the GLA Act is jointly agreed by the Mayor and Assembly.

2. Objectives and expected outcomes

2.1. The objective of the new 2021 Salary Determination is to address issues that have arisen with the previous Determination and provide for clarity in the level of the salaries of the Mayor and Assembly Members, including as a basis any review of remuneration in 2021 or future years.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 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 reviewed the application of the Public Sector Equality Duty to the proposed 2021 Salary 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 Mayor and Assembly Members are perceived as not being the product of fair, objective and transparent decision-making. This risk is mitigated by the fact the 2021 Salary Determination is being approved through a transparent decision-making process and

¹ It should be noted that, as elected Office Holders are not considered employees or workers, the requirement to be paid the National Minimum Wage does not apply, as it would to members of staff.

reflects the 2020/21 pay award for staff at an equivalent salary level, which was a pay freeze. It is in line also with the wider context of public sector pay restraint.

Link to Mayoral strategies and priorities

- 4.2. This salary determination will be published and provides for openness and transparency with respect to the salaries of Elected Members and other remuneration arrangements.
- 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.
- 4.4. 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 determination of their own salaries.

5. Financial comments

- 5.1. This decision requests approval of a new 2021 Salary Determination order. It will address issues arising with the previous 2009 Determination and provide clarity on the salary baselines of Elected Members.
- 5.2. There are no direct financial consequences from the approval of the new Determination since the salaries it sets out for Elected Members reflect the actual payments currently being made to Elected Members. Any changes to salaries in future years will be subject to a future separate Determination and associated decision.

6. Legal comments

- 6.1. The salaries of the Mayor and Assembly Members is a matter that they must determine and agree jointly under Section 24 of the GLA Act 1999. (That section also covers the joint determination of their expenses and allowances.) A salary determination 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 or other mechanism
- 6.2. 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 Authority'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

Activity	Timeline
Approval of 2021 Salary Determination by both Mayor and Assembly	March 2021
Publication of 2021 Salary Determination	March 2021
Next expected pay award	From April 2021 onwards
Engagement with Elected Members on future options leading to possible submission of replacement Order.	During 21/22

Appendices and supporting papers:
Appendix 1: GLA Elected Members Salary Determination 2021
Appendix 2: GLA Salary Determination 2009 (to be superseded)

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

Until what date: (a date is required if deferring)

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:	
Andrew Nathan 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.	✓
Corporate Investment Board	
This decision was agreed by the Corporate Investment Board on 1 March 2021.	

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

D. Gene

1 March 2021

CHIEF OF STAFF:

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

Signature

Date

1 March 2021

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GREATERLONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3075

Title: Salary Determination for GLA Elected Members 2022

Executive Summary:

The salaries of the Mayor and Assembly Members ("Elected Members") is a matter they must agree and determine jointly under Section 24 of the GLA Act 1999.

In 2021, a salary determination ("the 2021 Determination") was agreed by the Assembly at its Plenary meeting of 4 March 2021 and by the Mayor under cover of MD2769. This determination set salary levels for Elected Members (reflecting Elected Members' decision to not take any increase to their salaries in that year). The 2021 Determination made no provision for an increase in salaries in future years and remains in force until superseded. In approving the 2021 Determination, it was agreed that the approach for future years should be reviewed further.

The GLA has agreed a 3.2 per cent pay award for employees at Grades 1-12 (and 2 per cent for those at Grade 13 and above) for the financial year 2022-23. Against this backdrop, in light of the period of pay restraint, it is recommended that a new determination ("2022 Determination") be approved in order to allow a pay award to be made to Elected Members, whilst also granting each of them the ability to decline such an award for themselves.

This MD therefore seeks the Mayor's approval to the appended new 2022 Determination under section 24 of the Act. The London Assembly considered and approved an identical determination at their Plenary meeting on 15 December 2022.

Decision:

That the Mayor, acting jointly with the London Assembly:

- approves the GLA Elected Members Salaries Determination 2022, attached at Appendix 1, to replace and supersede the previous determination dating from 2021
- agrees that an independent review of Elected Member pay should be commissioned, with a view to making recommendations about baseline salaries for Elected Members and the mechanism for determining future pay awards, the recommendations arising from such a review to be put to the Assembly and the Mayor for consideration following the 2024 GLA elections.

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:	
	X. ela 1

Date:

18/1/23

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") are a matter they must determine and agree jointly under section 24 of the Greater London Authority ("GLA Act") 1999. The Assembly's approval is determined by a simple majority of Assembly Members voting at the plenary meeting exercising the determination approval power under section 24. Mayoral approval is by means of a Mayoral Decision. The London Assembly considered and approved a section 24 determination (the GLA Elected Members Salaries Determination 2022: "the 2022 Determination") at its Plenary meeting on 15 December 2022. This 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 lead 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 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 (the 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 settlement. It made no provision for salary uplifts in future years and remains in force.

What needs to be addressed

- 1.8. Without a change to the current 2021 Determination, there can be no change to the salaries of Elected Members. The GLA has provided a 3.2 per cent pay award for employees at Grades 1-12 (and 2 per cent for those at Grade 13 and above), and which took effect from 1 April 2022. Against this backdrop, in light of the period of pay restraint, and inflation-linked pay increases for some elected members in other comparable institutions, it is recommended that a new determination be agreed to allow a pay award to be made to Elected Members.
- 1.9. The question of how to determine any such increase then needs to be addressed and reconsidered. There has been no substantive consideration of Elected Member pay since 2009. It is proposed that it would be appropriate to undertake an independent review of Elected Member pay, and which could consider baseline salaries, and whether they are appropriately set for the nature of the roles in scope. Such a review could also make recommendations for a new mechanism for determining future pay awards. Building on the approach taken in 2009, it is considered that any approach must be:
 - impartial: so that annual salary awards are set in a way that is independent of the Mayor and Assembly Members
 - 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
- 1.10. It is recommended that such a review is commissioned jointly by the Mayor and the London Assembly ahead of the next GLA elections in May 2024, and with a view to making recommendations to the Mayor and the London Assembly following those elections. Such a review might support the establishment of a new framework for the duration of that Mayoral term.
- 1.11. Ahead of a more substantive review, consideration has been given to what mechanism might be used to provide for any pay awards in 2022-23 and 2023-24, and in line with the principles set out above.
- 1.12. In order to support impartiality, the proposed new 2022 Determination ties any Elected Member pay increase in 2022-23 and 2023-24 to any annual pay equivalent (outer London weighted) award made by the NJC, as was the case under the 2009 Determination. The NJC mechanism ensures that Elected Members are not involved in or perceived to be involved in decisions determining their own pay award and remains in step with the broader local government sector. The determination does also recognise the importance of ensuring any pay award is in line with and capped at that given to GLA staff, stating that any award made to an Elected Member cannot be greater than that made to GLA staff in receipt of an equivalent salary. It is considered that this additional provision deals with the question of divergence that was foreseen by the 2009 Determination (and which arose in practice in 2021), but without the need for further recourse to the SSRB. Under the proposed provisions, if a GLA award exceeds an NJC award in 2023-24, Elected Members would only be entitled to the lower NJC award.
- 1.13. The NJC has recommended an increase of £1925 across all spinal points for 2022-23, with additional weighting for London (bringing the increase to £2229 for outer London and £2335 for inner London). It is recommended that the 2022 Determination reflects the outer London weighting in 2022-23, recognising Elected Members' role in representing all Londoners. In most cases, this would equate to an increase for Elected Members in line with or just below that for GLA staff on equivalent salaries. If the proposed 2022 Determination is agreed, Assembly Members (other than Statutory Deputy Mayor and the Chair of the London Assembly) would receive a 3.2 per cent increase (£1873), in line with the equivalent GLA offer, and slightly below the 3.8 per cent available to them if the NJC award were applied in full.
- 1.14. If the 2022 Determination is agreed as proposed, baseline salaries would change as follows, with the increased salary backdated to 1 April 2022:

	Current Pay	2022-23 Baseline	% increase
Mayor	£152,734	£154, 963	1.5
Statutory Deputy Mayor	£105,269	£107, 498	2.1
Chair of the London Assembly	£70,225	£72,454	3.2
Assembly Member	£58,543	£60,416	3.2

- 1.16 The proposed new 2022 Determination will continue to recognise the right of any individual Member(s) to take a salary reduction (forgoing any proposed increase) and agreeing this determination does not therefore define the salary actually received by each Elected Member.
- 1.17. A salary determination provides the legal basis which allows Elected Members to receive salaries. Whilst the wider determination will remain in force until it is replaced by a new determination to ensure salaries can continue to be paid, the proposed NJC mechanism governing pay awards is time limited and will apply only in 2022-23 and 2023-24. No further pay award will be made in 2024-25 or beyond under the NJC system or otherwise unless a new determination is brought forward and agreed jointly. Elected Members' pay levels will remain fixed at the increased 2023-24 level. This would ensure that no award could be made before the recommendations of an independent review are brought forward, should such a review be commissioned.

2. Objectives and expected outcomes

2.1. The objective of the new 2022 Salary Determination is to provide a mechanism for pay awards to Elected Members in 2022–23 and 2023–24 ahead of an independent review of remuneration in 2024– 25 and future years.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 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 Public Sector Equality Duty"). 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 reviewed the application of the Public Sector Equality Duty to the proposed 2022 Salary 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 Mayor and Assembly Members are perceived as not being the product of fair, objective and transparent decision-making. This risk is mitigated by the fact the 2022 Determination is being approved through a transparent decision-making process, is time limited, ties pay awards to those determined by an external body, and ensures any award reflects awards provided to GLA staff at an equivalent salary level.

Link to Mayoral strategies and priorities

4.2. This salary 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 determination of their own salaries given that this is a decision that 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 2022 Salary Determination order.
- 5.2. The total cost of this change in 2022-23 is £49,766. Provision for a possible uplift to Elected Member salaries, in line with the wider local Government and GLA picture, was made in the 2022-23 GLA budgets and similar provision has been made in draft budgets for 2023-24. The costs of any independent review of remuneration for Elected Members will be met jointly by the Mayor and the Assembly with equal contributions from each. It is not possible at this stage to predict the outcome from the proposed review, but any financial implications flowing from the review will be assessed and managed through the usual budget setting processes.

6. Legal comments

- 6.1. The salaries of the Mayor and Assembly Members are a matter that they must determine and agree jointly under Section 24 of the GLA Act 1999. (That section also covers the joint determination of their expenses and allowances.) A salary determination 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 or other mechanism
- 6.2. 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 Authority'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

Activity	Timeline
Mayoral Agreement of the 2022 Determination	January 2023
Publication of the 2022 Determination	January 2023
Payment of new baseline salaries	February 2023 (backdated to 1 April 2022)
Next Expected Pay Award	From 1 April 2023 onwards

Engagement with Elected Members on the terms of re	ference
for an independent review of remuneration	

From March 2023

Appendices and supporting papers:
Appendix 1: Proposed 2022 Determination
Appendix 2: 2009 Determination
Appendix 3: 2021 Determination

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 <u>or</u> 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.	√		
Corporate Investment Board	✓		
This decision was agreed by the Corporate Investment Board on 9 January 2023.			

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature:

Date:

11/01/2023

D. Beng

CHIEF OF STAFF:

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

Signature:

Date:

09/01/2023

A. Belleny

Independent Review	of the pay	uplift mech	anism apı	plied to G	LA Elected
<u>Members</u>					

Philippa Hird 4 July 2024

Summary of recommendations

Recommendation 1: That, for the duration of the current London Mayoral and Assembly terms, the pay of London Assembly Members, the Chair of the London Assembly, the statutory Deputy Mayor and the Mayor of London is aligned with the pay uplift agreed for local government employees – specifically, the pay increase for local government employees paid on the Outer London local government scale at spine point 51.

<u>Recommendation 2:</u> That, **in addition**, the rate or level of any annual increase to the pay of the Mayor of London should not exceed the rate or level of any annual increase to the total base pay of the UK Prime Minister.

Recommendation 3: That the method by which the pay of GLA Elected Members is set is reviewed at the end of the current London Mayoral and Assembly terms.

Chapter 1 – Introduction

- 1. This review was carried out on an independent basis by Philippa Hird with secretariat support from the Greater London Authority (GLA) Reward team.
- 2. The recommendations and views provided in this report are based on the author's best understanding of the information available at the time of writing. While reasonable steps have been made to ensure accuracy and comprehensiveness, the author cannot guarantee that all information is complete, current, or free from errors.

Joint request from the London Assembly and the Mayor of London

- 3. The London Assembly ("the Assembly") and the Mayor of London ("the Mayor") jointly requested:
 - 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 Order under Section 24 of the GLA Act 1999 ("the GLA Act") and with a view to such a Determination Order being in place for (at least) the duration of a Mayoral and Assembly term¹
 - c. that this work may include consideration of the frequency with which such a Determination should be reviewed and could begin to apply in 2024-25.
- 4. The process for the review included:
 - a. discussions with representatives of the Mayor, and with Assembly
 Members, about the criteria for this mechanism, potential options, and
 their advantages and disadvantages
 - b. the provision of a short report to the Mayor and the Assembly jointly

¹ A Determination Order is a joint decision by the Mayor and the Assembly that remains in force until amended or superseded by a future jointly approved determination.

 c. possible presentation of recommendations following the Mayoral and Assembly elections in May 2024, to the Mayor, the statutory Deputy Mayor and/or Assembly Members (or their representatives) if required.

Limits of the review

5. The review covers GLA Elected Members only, and does not cover pay for GLA employees. The Mayor and the Assembly did not ask for the review to assess whether current levels of pay are appropriate for the scope and complexity of the roles.

Structure of the report

- 6. The report is in three sections:
 - a. Chapter One contains the outline of the review, and the background
 - b. Chapter Two sets out the key issues for GLA Elected Members affected by the review
 - c. Chapter Three assesses the uplift-mechanism options in the context of those issues, before setting out observations and recommendations.

Background to Elected Members' pay uplifts

- 7. The salaries of the GLA Elected Members are a matter that the Mayor and the Assembly must agree jointly under section 24 of the GLA Act.² The Assembly's approval is determined by a simple majority of Assembly Members voting at the plenary meeting, exercising the determination approval power under section 24. Mayoral approval is provided through a Mayoral Decision.
- 8. A salary determination under section 24 of the GLA Act is binding on all 26 GLA Elected Members, irrespective of their terms of office or the timing of GLA elections. A determination remains in force until amended or superseded by a future jointly approved salary determination under section 24.

² The National Archives, Greater London Authority Act 1999, 1999

- 9. From 2000 to 2009, the Senior Salaries Review Body (SSRB) undertook reviews of, and provided recommendations for, remuneration levels of GLA Elected Members. These were subsequently considered by the Mayor and the Assembly, and led to successive salary determinations.
- 10. In its 2000 report, the SSRB made the recommendation (which was accepted) that GLA Elected Members' salaries should be increased by the same percentage uplift as that applied to Members of the UK Parliament (MPs). At the time, this increase was linked to the increase applied to the Senior Civil Service (SCS).
- 11. In 2007, the GLA decided to stop linking the pay increases of Elected Members to those of MPs. Instead, the GLA decided to apply a link to the increases provided to GLA employees. At the time, these were aligned to the increase provided to employees in local authorities.
- 12. The pay uplift for local government employees (excluding employees of local government organisations that conduct local pay award negotiations) is determined by the annual Local Government Pay Settlement. This process is governed by the National Joint Council for Local Government Services (the NJC). This consists of 70 members: 12 representing employers, and 58 representing the recognised trade unions (Unison, GMB and Unite). The Local Government Pay Settlement has been considered part of the uplift process for GLA Elected Members since at least 2009.
- 13. As part of the development of a 2009 report, the SSRB commissioned PricewaterhouseCoopers to provide advice; hold interviews with GLA Elected Members; and conduct a job evaluation exercise of GLA Elected Members' roles. This exercise assessed the responsibility and complexity of these positions.
- 14. In its 2009 report, the SSRB recommended that GLA Elected Members' salaries should continue to reflect increases provided to GLA employees as long as GLA employees' salaries continued to be uprated by the Local

Government Settlement.³ Should that arrangement vary, the SSRB recommended that it should carry out a review to consider a new uprating mechanism for GLA Elected Members.

- 15. In 2009, in response to this first SSRB recommendation, the then Mayor and the Assembly jointly determined and approved a Determination setting salaries for the Mayor and Assembly Members under section 24 ("the 2009 Determination").⁴
- 16. The 2009 Determination established salary levels for the Mayor, statutory Deputy Mayor, Chair of the London Assembly ("the Chair of the Assembly") and the other 23 Assembly Members. It also included a common methodology for annual increases in their salaries as follows:

"The annual pay increase for elected GLA members will be the same as that applied to Greater London Authority staff so long as that award is in line with local government settlements nationally. This method of uprating members' salaries will continue in force until the determination which will follow the next review of members' salaries by the SSRB, unless the GLA depart from the national settlement for local government staff, in which event the SSRB should be asked to advise again at that time."

- 17. In 2016-17, in response to a tapered pay claim from Unison, which requested a higher percentage increase to lower-paid employees, the GLA employee pay award varied from that provided to local government employees. This did not lead to SSRB providing further advice at this time.
- 18. The 2009 Determination was revoked in 2021 by the GLA Elected Members Salary Determination 2021 ("the 2021 Determination").⁵ The decision to replace the 2009 Determination was driven by the non-alignment, in 2020-21, of the

³ SSRB, <u>Greater London Authority: Review of pay, pensions and allowances for the Mayor of London and London Assembly Members 2009</u>, August 2009

⁴ GLA, MD493: SSRB 2009 Review of Remuneration for Elected Members of the GLA, 11 December 2009

⁵ GLA, MD2769: Salary Determination for GLA Elected Members 2021, 8 March 2021

GLA employee and local government pay settlements. During this year, the local government pay settlement provided a pay award of 2.75 per cent; and comparator GLA employees did not receive an increase. That year, to reflect the lack of an increase provided to comparator GLA employees, the Mayor received a reduction in salary and every Assembly Member agreed not to receive a salary increase.

- 19. This decision was driven by the impact of the COVID-19 pandemic on the GLA's short and medium-term financial positions at the time; and by the need to consider the wider approach to pay in the GLA.
- 20. The 2021 Determination, in effect, created a new baseline for the salary levels of GLA Elected Members, reflecting the voluntary decisions to freeze their own pay in 2020-21.
- 21. The subsequent determination in 2022 ("the 2022 Determination") set out that any pay increase for a GLA Elected Member in 2022-23 and 2023-24 would continue to reflect the local government pay settlement; and would, therefore, use the local government Outer London pay spine as a reference to reflect the role of Assembly Members in relation to London.⁶
- 22. At the same time, the 2022 Determination set out that GLA Elected Members, in 2022-23, would align their pay increases with those of GLA employees. This is because, by the time the 2022 Determination was considered, it was already clear that the GLA employees would receive a lower pay award than that determined in the local government pay settlement that year.
- 23. Under the 2022 Determination, the pay uplift for GLA Elected Members for 2023-24 was determined. This was in line with the local government pay settlement that year, which was lower than the pay settlement provided to GLA employees.

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⁶ GLA, MD3075: Salary Determination for GLA Elected Members 2022, 19 January 2023

GLA Elected Member pension provision

- 24. Section 26 of the GLA Act provides for the Mayor and the Assembly jointly to make determinations in provision for the payment of pensions to GLA Elected Members. Under this provision, the GLA Elected Members were, from 2000 to 2016, within the Local Government Pension Scheme (LGPS), alongside GLA employees, other local authority employees and local councillors. The LGPS is a Defined Benefit pension scheme.
- 25. Following government reform of the LGPS, the Mayor and Assembly Members lost eligibility as members of the LGPS in May 2016.
- 26. In 2017, the GLA established a Defined Contribution pension arrangement for GLA Elected Members. At the time, this recognised that an Elected Member at the GLA, whilst not being a GLA employee, has a full-time role and, therefore, it was "appropriate for suitable pension provision to be made". The rate of employer contribution was set at 12 per cent of pensionable pay, where it remains.

Description of the roles impacted by the mechanism in scope of this review

27. The roles to be covered by this review are set out below.

Scale and responsibility of the GLA

28. Since the last SSRB review of GLA Elected Member pay in 2009, both the scale and scope of the work of the GLA Group have changed significantly. This largely results from the devolution of additional powers (such as responsibility for the Adult Education Budget, and some health and care powers) from government to the Mayor. It has led to increased funding to the GLA Group, which is reflected in successive increases to the GLA Group annual budgets since 2009.

⁷ GLA, MD2215: GLA Members' Pension Scheme, 18 December 2017

- 29. Since the last SSRB review in 2009, the GLA Group's annual budget has increased from £3.2 billion (2009-10) to £21.9 billion (2024-25).⁸⁹ The annual budget of the GLA (excluding the Assembly) has increased from £127 million (2009-10) to £717 million (2024-25). During the same period, the Assembly's annual budget increased from £8.7 million (2009-10) to £9 million (2024-25).
- 30. The GLA's workforce has also increased during this period from approximately 600 employees in 2009-10 to 1,474 full-time equivalent employees in September 2023.^{10,11}

Mayor of London – current salary: £160,976

- The Mayor provides an overall vision for Greater London and has a duty to create plans and policies for London that cover: art and culture; business and economy; environment; fire; health; housing and land; planning; policing and crime; regeneration; sport; transport; and young people.
- The Mayor sets the approximately £22 billion budget for the GLA Group.¹²
- The Mayor is the Police and Crime Commissioner (PCC) for Greater London, and the chair of Transport for London (TfL).

Statutory Deputy Mayor of London – current salary: £111,669

Deputy Mayors have responsibilities in relation to specific policy areas;
 the statutory Deputy Mayor is a distinct role which may also have specific areas of responsibility and must also be an Assembly Member. Should the Mayor be unable to carry out his responsibilities, the statutory Deputy
 Mayor would act as Mayor until there is a election to appoint a new Mayor.

⁸ Mayor of London, <u>The Greater London Authority's Consolidated Budget and Component Budgets for</u> 2009-10, February 2009

⁹ Mayor of London, <u>The Greater London Authority Consolidated Budget and Component Budgets for</u> 2024-25, March 2024

¹⁰ London Datastore, GLA Staff Turnover 2009, 30 September 2009

¹¹ London Assembly, GLA Workforce Report, September 2023

¹² The GLA Group comprises the GLA, TfL, the Mayor's Office for Policing and Crime, the London Fire Commissioner, the Old Oak and Park Royal Development Corporation, and the London Legacy Development Corporation.

Chair of the London Assembly – current salary: £75,266

- The Chair of the Assembly is elected from and by Assembly Members, to serve a one-year term as Chair (with another member acting as Deputy Chair). The Chair plays a crucial role in the procedural operation of Assembly business, such as chairing Mayor's Question Time and Plenary sessions of the whole Assembly. The Chair also represents and speaks on behalf of the Assembly in a range of external settings.
- The role of Chair is held alongside their standing role as an Assembly Member.

London Assembly Members – current salary: £62,761

- There are 25 Assembly Members. Of these, 11 are elected to represent the Greater London region as a whole, and 14 are elected to represent specific constituencies.
- The Assembly holds the Mayor to account by examining policies and programmes through committee meetings, plenary sessions, site visits and investigations. Assembly Members also directly question the Mayor ten times a year.
- The Mayor must also consult Assembly Members before producing statutory strategies and the budget for the GLA Group. Assembly Members have the power to reject a statutory strategy and, with a twothirds majority, to amend the council tax levels in the Mayor's annual budget.
- Assembly Members respond to constituent enquiries and undertake casework on their behalf. This often involves liaising with the GLA Group and other organisations to resolve issues.

Chapter 2 – Views of stakeholders

- 1. As part of this report, those GLA Elected Members directly impacted, and their representatives, were offered the opportunity to share their views on what they would consider an appropriate uplift mechanism, in relation to GLA Elected Member pay. Through these conversations, a small number of GLA employees were identified as potential contributors to the review. Their views are reflected below.
- 2. Here we set out the key themes of those conversations.

Roles of GLA Elected Members

- 3. The role of an Assembly Member was seen by stakeholders as unusual in elected politics. It involves the scrutiny of an approximately £22 billion budget and associated programmes on behalf of 9 million Londoners, reflecting all aspects of the GLA Group's delivery. The workload is significant, but with variations depending on the type and number of committees on which Assembly Members serve. The lead Assembly Member for each political group also undertakes additional workload.
- 4. The essential role of an Assembly Member remains to provide scrutiny of the Mayor's activity and budget approval. The work is largely self-directed; and members are committed to developing the breadth and depth of understanding of the broad range of issues required to deliver effective challenge and scrutiny.
- 5. The general consensus, albeit not a unanimous one, appeared to be that remuneration was generally in the correct place. Some interviewees felt, however, that the increasing weight of the roles meant the pay did not match the responsibilities, and future applicants for office might be put off.
- 6. It was the clear view of all interviewees that these roles require their holders to work on a full-time basis, and that the role should continue to be renumerated

on this basis. Many interviewees reinforced the point that the pension provision was important to them.

- 7. The general view was that it was difficult to compare the jobs of Assembly Members to other roles with no direct parallels or obvious comparators. There was felt to be clear accountability for undertaking scrutiny of the Mayor's work on behalf of Londoners and for budget approval. Other elected representatives, such as those in the UK Parliament, the Scottish Parliament and the Senedd Cymru have scrutiny responsibilities but it was recognised that these are combined with legislative responsibilities. At the same time, attendees considered that the roles of Assembly Members uniquely reflected the large, dynamic city of London. It was universally felt that local councillors would not constitute a good comparator.
- 8. The remit of the statutory Deputy Mayor was not considered to have changed over time. The statutory Deputy Mayor is required to be an Assembly Member, and currently takes the lead on a particular policy area unlike non-statutory GLA Deputy Mayors which are appointed in executive roles by the Mayor to lead on specific briefs, such as transport, environment or business.
- 9. Many interviewees reported increased pressure on GLA Elected Members as a result of changing expectations on response times. These changes were seen to be as a result of the growth of social media, and to have placed significant pressure on members given the breadth and depth of their responsibilities.
- 10. It was generally the view of interviewees that the weight of responsibility would continue to increase gradually going forward, with the possibility of further devolution of powers.
- 11. It was the view of some interviewees that Assembly Member pay had at one point reflected a position around two-thirds up the GLA pay structure; and that it was now around the halfway point. Some interviewees, therefore, felt that GLA employees have been better insulated from the impacts of cost-of-living increases than GLA Elected Members. Reference was made to the work

evaluating the relative weight of job roles within the GLA; and suggestions were made about whether a similar exercise should be undertaken in relation to Assembly Members.

12. The remuneration of the statutory Deputy Mayor was considered to have two components: the pay attached to their role as an Assembly Member, and the work they undertake as a Deputy Mayor. It was suggested that these elements should reflect the increases in pay attributed to Assembly Members and Deputy Mayors respectively.

Mayor of London

- 13. Interviewees generally viewed the Mayor as holding one of the top five political roles in the country. The current remuneration of the Mayor, which sits between that of UK Cabinet Ministers and the UK Prime Minister, felt right to most interviewees. In general, they saw a salary close to that of the UK Prime Minister effectively acting as a cap of the Mayor's salary.
- 14. While the Mayor plays an important political role, it was generally recognised that it is the nature of public sector and political roles that their remuneration is unlikely to be at the same level that might be provided in the private sector for an equivalent level of accountability and responsibility.
- 15. Some viewed Metropolitan Mayors, elected in their own right, as a possible comparison. However, the nature of their roles was considered to be very different.

Independence and transparency

16. GLA Elected Members were uncomfortable making decisions regarding their own pay; and they did not feel that time should be spent determining their pay, when it could be better spent serving their constituents. It was viewed as important by all the stakeholders that any mechanism should be transparent to the public, and viewed as legitimate; and that any outcome should be easy to understand.

- 17. It was important to interviewees that any outcome should be seen as fair both to the GLA Elected Members, in relation to the roles they undertake, and to the public and taxpayers whom they represent.
- 18. Stakeholders expressed the importance of setting pay at the right level, so that no one would be put off full-time office because the pay was set too low. Conversely, it was also considered important that pay was not set so high that GLA Elected Members might feel they should repudiate an uplift. It was the general view of stakeholders that the flexibility to repudiate an uplift created undue pressure on other office holders, and should not be permitted.

Possible indices

- 19. Interviewees generally thought that, whatever indicator was chosen, it should reflect best practice, and be understood as relevant. They did not have specific suggestions about an appropriate indicator.
- 20. There were varying views on a possible link to the pay increase for GLA employees. GLA Elected Members work in close proximity to GLA employees; live in the same area; and are subject to the same cost-of-living pressures and budgetary constraints.
- 21. However, it was broadly recognised that GLA employees' pay was an issue over which GLA Elected Members provided scrutiny and budgetary approval. Further, it was determined by the GLA Chief Officer after consultation with GLA Elected Members, who are in turn responsible for setting the Chief Officer's pay. Therefore it was considered that any mechanism should be distinct from GLA employee pay settlements; and an approach that reflects the nature of GLA Elected Members' work would be a good fit.

- 22. Interviewees suggested that a relationship with the pay of Westminster comparators could be considered or that it would be worth examining the paysetting practice for elected representatives in Scotland and Wales.
- 23. Some interviewees were concerned that a pay uplift mechanism should be able to accommodate future changes to the roles; and to adapt to these changes, if necessary.

Chapter 3 – Analysis of options

Introduction

- 1. There are various options available to the GLA in setting an appropriate standard uplift mechanism for the pay of its Elected Members. Different mechanisms are used across the public sector, and in setting pay on an annual basis for elected representatives. Within this range of options, there are broadly two types of approach.
- 2. One approach is to establish an independent body and process most typically a committee or panel that meets to agree a recommendation. This committee can meet regularly and consider a broad range of issues; or can be a task-and-finish group, which meets only once a year to consider one question. This would usually be supported by some form of secretariat. Again, the workload will depend on the questions to be answered and the breadth of the remit. Examples of such a body include the Independent Parliamentary Standards Authority (IPSA), which determines the pay awards for MPs; and Pay Review Bodies, which make recommendations on public sector pay that may or may not be accepted by the government. Another example is the independent body (comprising just three people) that meets on a much more limited basis, to make recommendations on pay for the Elected Members of the Greater Manchester Combined Authority (GMCA).
- 3. A second approach is to fix the pay award to align with another indicator, which is either determined as a matter of collective bargaining or independently collected from relevant statistical data.
- 4. This chapter will explore the available options; and highlight the main merits and implications of these possible approaches.

<u>Inflation levels</u>

- 5. Given that the current increase in salary is (at least in part) provided so that GLA Elected Members' salaries continue to reflect increases in the cost-of-living, linking salaries to an inflation index would provide a straightforward measure. It would make sense to attach any inflationary measure to an implementation date of 1 April, which would be the effective date of any increase.
- 6. The Office for National Statistics (ONS) publishes two main types of consumer inflation: the Retail Price Index (RPI) and the Consumer Price Index (CPI). The RPI tracks changes in the cost of a fixed basket of goods over time. Although it is still used to measure certain price increases (such as national rail fares) and legacy benefits (such as closed Defined Benefit occupational pension schemes), in 2003 the government stopped using it as the measure for the Bank of England's inflation target; it was replaced by the CPI. The ONS ceased recognising the RPI as a national statistic in 2013, citing several shortcomings in the index. The CPI tracks most spending by households. It is the main index used by public and private institutions to measure inflation.
- 7. The ONS also publishes a variant of the CPI, known as the CPI including owner occupiers' housing costs (CPIH). While it is favoured by the ONS, the CPIH is much less widely used than either the CPI or the RPI.¹³ This information is widely understood and is provided monthly though publication usually occurs about five weeks after the data is collected.
- 8. Inflation measures are a clear and timely reflection of changes in the cost of living in the UK. The CPIH is the most relevant measure for pay-setting purposes, as it most closely mirrors the cost increases that individuals see and feel although it is used infrequently for this purpose.

¹³ ONS, Consumer Prices Index including owner occupiers' housing costs (CPIH), 14 February 2024

9. However, a pay-setting process typically considers many other factors, and changes in the cost of living is just one. Given the variation and unpredictability of inflation levels, and the vulnerability of inflation as a measure to economic shocks, it is unusual for employers to guarantee that pay uplifts will be fixed by reference to inflation in anything other than the very short term. In addition, it may not always reflect the pay settlements that are being provided to comparator employee groups or to the members of the public that GLA Elected Members represent.

Average Weekly Earnings

- 10. The Average Weekly Earnings (AWE) measure of pay is a monthly estimate of the average weekly earnings for employees on payrolls. It divides the estimated total pay for the whole economy by the total number of employees. The measure is produced by the ONS, and is derived from a survey of approximately 9,000 employers in Great Britain.¹⁴
- 11. The measure can be broken down to show growth in regular earnings (excluding bonuses); total earnings (including bonuses); and growth in real terms (adjusted for inflation using the CPIH). The measure tracks pay by sector, including the public sector.
- 12. The ONS acknowledges that, due to the nature of the measure, AWE does not measure rates of pay; and can be impacted by changes to the composition of a workforce. For example, AWE could increase substantially if (as happened during the early days of COVID-19) there are significantly fewer lower-paid workers as a proportion of the total.
- 13. This dataset is not without its limitations, and there are concerns about its use on an annual basis without any further checks being considered. Where it is used by independent remuneration panels, work is typically undertaken to provide an assessment of its relevance and suitability.

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¹⁴ ONS, Average weekly earnings in Great Britain: April 2024, 16 April 2024

14. As with other forms of official statistics, a time lag is built into AWE publication (April-June data is published in August). This means a delay before it can be considered – unless using a dataset that does not relate to the period for which the pay is being set.

Annual Survey of Hours and Earnings

- 15. The Annual Survey of Hours and Earnings (ASHE) measures pay and the distribution of earnings. 15 The measure, produced by the ONS, is derived from a sample (1 per cent) of employee jobs taken from HM Revenue and Customs Pay As You Earn data.
- 16. The ASHE data is published annually and contains information regarding the levels, distribution and make-up of earnings for employees across all industries and occupations. It includes breakdowns by region and sector. For example, the data can be used to measure median weekly earnings in the public sector, or in London. The most recent data (relating to pay as of April 2023) was published in November 2023.
- 17. This would be viewed as a more reliable dataset than AWE for the purpose of setting pay for GLA Elected Members. This is because there is less variability; it is more stable; and it draws from a wider dataset.
- 18. Since the data is published annually, its timeliness would be a concern. In recent years, data relating to April has not been released until autumn or winter. This would make it impossible to apply an uplift until six months after it was due; alternatively, the uplift would need to be applied based on data that was a year or so out of date.
- 19. In addition, most employers would be concerned about committing in the medium term to match the growth in earnings – even by sector and location. There have recently been occasions when the rises for GLA Elected Members

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¹⁵ ONS, <u>Annual Survey of Hours and Earnings (ASHE)</u>, 21 March 2024

have been lower than would have been provided by ASHE data, for reasons specific to their setting.

Alignment with local government employees

- 20. As set out in Chapter 1, the pay uplift for local government employees (excluding employees of local government organisations that conduct local pay award negotiations) is determined by the annual local government pay settlement. This process is governed by the NJC,¹⁶ which consists of 70 members: 12 representing employers, and 58 representing the recognised trade unions (Unison, GMB and Unite). The local government pay settlement has been considered part of the uplift process for GLA Elected Members since at least 2009.
- 21. The most recent local government pay-settlement process relating to the pay uplift for 2023-24, which was due in April 2023 was protracted and concluded in November 2023, following a pay claim in February 2023.¹⁷ On this occasion, the pay uplift was differentiated, providing a higher pay uplift, in percentage terms, to lower-paid employees.
- 22. There are benefits of indexation to a relevant workforce, such as local government employees. Applying a link to local government employees allows increases in salaries for elected representatives on an annual basis with minimal further work. This is a priority for GLA Elected Members, who are keen to use their time for other important issues.
- 23. Alignment with the local government pay settlement process was originally chosen as an index to set the pay of GLA Elected Members, as it was also used to provide GLA employees with an annual pay uplift. This is no longer the case; the GLA has provided a locally negotiated pay settlement since 2016-17.

¹⁶ Local Government Association, <u>Local government serviceshttps://www.local.gov.uk/oursupport/workforce-and-hr-support/local-government-services</u>

¹⁷ Local Government Association, Local government pay 2023-24, 1 November 2023

24. There are concerns regarding the timeliness of the local government pay settlement process if it is used to set pay for GLA Elected Members. For the 2023-24 pay settlement, it took approximately eight months to agree the local government pay settlement.

Alignment with GLA employees

- 25. GLA Elected Members (the Mayor and Assembly Members) are supported in their work by the circa 1,500 employees of the GLA. The GLA negotiates an annual cost-of-living pay award for its employees with its recognised trade union, Unison. The uplift is due in April of each year.
- 26. In addition to the cost-of-living pay award, eligible GLA employees are entitled to receive incremental progression within the pay band for their grade, until they reach the maximum pay for that grade. Therefore, for some GLA employees, the cost-of-living pay award is not the only pay increase they will receive in that year.
- 27. The most recent GLA pay award (relating to 2024-25 pay) was 4.5 per cent for all employees. 19 Negotiations on the pay award began in November 2023 and concluded in February 2024. The previous pay award (relating to 2023-24 pay) was differentiated, providing a higher pay uplift (in percentage terms) to lower-paid employees.
- 28. GLA employees represent the group of employees with whom GLA Elected Members work most closely. Historically, GLA Elected Members' pay was linked to GLA employees' pay increases through the local government pay settlement process; this is no longer the case. It is natural for to compare the pay awards for this group of employees and for GLA Elected Members.

¹⁸ Qualifying GLA employees must not be at the top of the pay band for their grade and must have passed their probation (where relevant).

¹⁹ London Assembly, GLA Oversight Committee, GLA Pay Award 2024-25, 28 February 2024

29. However, one factor that influences the negotiation between the GLA (as the employer) and Unison (as the trade union) is the GLA: Mayor budget, which is set by the Mayor; the total funding available in the proposed budget can be changed by Assembly Members as part of the GLA Group budget process. Individual members would not have direct influence on their own pay uplift. In practice, however, if the GLA Elected Members' pay uplift was aligned with that of GLA employees, the GLA Elected Members, as a collective body, would have influence over the budget set aside for the award. GLA Elected Members are also consulted on GLA employee pay increases by the Chief Officer, who is the decision-maker, while Elected Members in turn decide the Chief Officer's pay increase. There are, therefore, instances where GLA Elected Members could be perceived to have indirect influence over what might happen to their pay.

Alignment with recommendations made by the Senior Salaries Review Body for Police and Crime Commissioners

- 30. PCCs are elected politicians with responsibility for securing an 'efficient and effective police force for their area'.²⁰ The PCC role was created in 2012, with the first PCC elections taking place in November 2012, following Royal Assent of the Police Reform and Social Responsibility Act 2011.²¹ Prior to this legislation, a directly elected position within policing did not exist.
- 31. The SSRB reviews the pay of PCCs, and provides recommendations to the government. Between 2012 and 2022, there was a single pay uplift of 2 per cent for PCCs, provided by the government, which was significantly below the recommendations made by the SSRB over the same period. In making its pay recommendations, the SSRB has referenced the growth in size and strategic character of the PCC role.²² In its 2022 report, the SSRB recommended uplifting PCC pay and aligning the PCC pay bands with the proposed Chief Police Officer (CPO) grading structure. In response, the government uplifted

²⁰ UK Parliament, House of Commons Library, Research Briefing, <u>Police and Crime Commissioners</u>, 1 October 2021https://commonslibrary.parliament.uk/research-briefings/sn06104/

²¹ Police Reform and Social Responsibility Act 2011 – Explanatory Notes (legislation.gov.uk)

²² The National Archives, Police Reform and Social Responsibility Act 2011

PCC pay bands by £1,900, in line with the national CPO pay award. Assembly Members did see sensible comparisons between their roles and those of PCCs. Both have a role as scrutineers of public service planning and delivery. However, it is challenging to see how the pay uplift process for PCCs provides an example of an approach that could be taken to determine pay awards for GLA Elected Members. Recommendations from the SSRB have not been consistently applied by the government; and so the members are unlikely to feel that process would be reliable and able to deliver the desired outcome of a regular mechanism.

Alignment with decisions made by IPSA for MPs

- 32. IPSA has had responsibility for annually setting MPs' pay since 2011. The GLA Elected Members saw a natural comparator with the role of MPs as elected representatives, while understanding the differences between their roles and those of MPs, who have legislative responsibilities. IPSA's approach is a sensible and transparent process that considers the interests of the taxpayer, and those of the elected representatives.
- 33. Since 2015, IPSA has taken the view that MPs' pay should increase at the same rate as public sector pay increases; and that decisions should be made in time for the pay uplifts to be implemented in April each year. Most recently, IPSA has made provision for departing from this approach, if it would be considered fair for both MPs and taxpayers, and having considered information relating to 'wage settlements, earnings statistics and trends and the outlook for the UK economy and wider public sector pay policy'.²³ Its increase for 2024-25 was 5.5 per cent.
- 34. MPs receive support that is not available to GLA Elected Members, such as London Area Living Payments and financial support for MPs with caring responsibilities. In addition, MPs have access to a Defined Benefit pension

²³ IPSA, Consultation report: mechanism for updating MPs' salaries (pdf), September 2021, Annex 3

23

scheme; this is no longer the case for GLA Elected Members, who moved to a Defined Contribution pension scheme in 2018.

35. IPSA does not have a role in setting the pay for UK Government Ministers or the UK Prime Minister.²⁴ The entitlements to additional Ministerial pay have been linked to the increases in the pay of Senior Civil Servants, as set out in the Ministerial and other Salaries Act 1975.²⁵ In practice, Ministers claim a lower salary than they are entitled to as, over recent years, successive governments have taken decisions to freeze ministerial salaries.

Mirroring arrangements in place for Combined Authority Mayors

- 36. Six directly elected Combined Authority Mayors ("Metro Mayors") had their roles created in 2017, with the first mayoral elections taking place in May 2017. The government has since created other Metro Mayor roles alongside new regional and metropolitan devolution deals.
- 37. The arrangements for reviewing the pay of Metro Mayors vary depending on the Combined Authority. Given the scale, maturity and complexity of the GLA, the approaches of the largest Combined Authorities are assessed below.

Greater Manchester

- 38. The salary of the elected mayor of the GMCA was originally set in reference to the remuneration of the Greater Manchester PCC.
- 39. Since the creation of the Mayor's role, the Greater Manchester Independent Remuneration Panel has provided recommendations on the remuneration (and associated uplifts) of the Mayor and the GMCA independent members in two reviews over the seven years. The panel comprises: an independent chair who is a consultant (with an academic background) specialising in members'

²⁴ UK Parliament, House of Commons Library, Research Briefing, <u>Members' pay and expenses and ministerial salaries 2022/23</u>, 30 March 2023

²⁵ The National Archives, Ministerial and other Salaries Act 1975

- allowances; the chief executive of the local Chamber of Commerce; and a regional representative of a major trade union.
- 40. The first review took place in 2017. This was followed by a review in 2020, which was considered in 2021.^{26,27} The 2020 review recommended that the next review takes place in early 2024, before the start of the next mayoral term.
- 41. In 2020, the panel recommended that the remuneration of the Mayor and independent members should be indexed with the remuneration of independent members being indexed to the annual percentage increase that is applied to local government services employees' salaries through the annual local government pay settlement.
- 42. The panel considered that indexation was widely accepted across local government, and therefore apply to these roles also.

West Midlands

- 43. The remuneration of the directly elected Mayor, appointed Deputy Mayor and other members of the West Midlands Combined Authority (WMCA) is determined by the WMCA Board, following recommendations by its Independent Remuneration Panel.²⁸ Until recommendations were made, the allowance of the West Midlands Mayor had remained the same since the role was created in 2017.
- 44. In 2022, the panel recommended that the WMCA introduces a system of uplifting WMCA allowances annually based on the regional data for the

²⁶ GMCA, A Review For the Elected Mayor Of the Greater Manchester Combined Authority (GMCA)

And the Independent Members/Person Appointed to the GMCA Audit and Standards Committees By
the Independent Remuneration Panel, March 2020

²⁷ GMCA, A Review For the Elected Mayor Of the Greater Manchester Combined Authority (GMCA)

And the Independent Members/Person Appointed to the GMCA Audit and Standards Committees By
the Independent Remuneration Panel, 26 March 2021

²⁸ WMCA, Governance and Decision Making

previous financial year within the ASHE, held by the ONS.^{29,30} In practice, this means that uplifts made in a financial year are based on data published in the previous autumn. This reflects the average increase in salaries in the previous financial year in the West Midlands.

West Yorkshire

- 45. The remuneration of the directly elected Mayor of the West Yorkshire Combined Authority (WYCA) is determined by the WYCA Board, following recommendations by its Independent Remuneration Panel. The panel comprises an independent chair who is a consultant (with an academic background) specialising in members' allowances, a solicitor and a faith leader.
- 46. In 2021, the panel recommended that WYCA introduced a system of uplifting the West Yorkshire Mayor remuneration annually, aligning with the local government pay settlement.³¹ The panel provided several reasons for reaching this position. The panel noted that routinely indexing the remuneration would ensure it did not lose relative value; and that aligning with the local government pay settlement would enable the mayoral and employee remuneration uplifts to be 'treated equally'.

Mirroring arrangements in place for National Legislatures

Senedd Cymru/Welsh Parliament

47. The Senedd is a national parliament in Wales comprising 60 Members of the Senedd and an executive government (of which there is a First Minister and Cabinet). The remuneration of Members of the Senedd is determined by the Independent Remuneration Board of the Senedd.³²

²⁹ The data in respect of 2022-23 was published in November 2023.

³⁰ WMCA, Report of the Independent Remuneration Panel 2022: A review of Allowances at West Midlands Combined Authority

³¹ WYCA, Elected Mayor Remuneration 2021, March 2021

³² Senedd Cymru, Independent Remuneration Board of the Senedd

48. In December 2023, the Board published its remuneration determination for 2023-24. This included a determination that 2023-24 Member pay uplift would be based on data drawn from the ASHE, reflecting the changes in pay for employees in Wales in the previous year.³³ The Board also identified specific parameters on the pay award level, determining that any increase would be no lower than zero per cent and no higher than 3 per cent. This has followed the approach taken by the Board for several years.

Scottish Parliament

- 49. The Scottish Parliament is a national parliament in Scotland comprising 129 Members of Scottish Parliament (MSPs) and an executive government (of which there is a First Minister and Cabinet). The remuneration of MSPs and Scottish Government ministers is determined by the Scottish Parliamentary Corporate Body (SPCB).
- 50. Until 2016, the pay of MSPs was linked to that of MPs.³⁴ Between 2016 and 2024, the Scottish Parliament based its pay uplift mechanism on the ASHE. This led to pay uplifts of zero per cent in 2020-21; 3.4 per cent in 2022-23; and 1.5 per cent in 2023-24.^{35,36} At the time of the 2023-24 uplift announcement, the SPCB noted that the ASHE index 'normally ... lags behind increases in public sector pay'.³⁷
- 51. In January 2024, the SPCB announced it would provide a 6.7 per cent uplift to MSP pay, following a change to the measure of its uplift mechanism to AWE. At the time of the change, the Scottish Parliament argued that the ASHE index had been increasingly 'out of sync with other wage inflation indices'.

³³ The Independent Remuneration Board of the Senedd, <u>Determination on Members' Pay and Allowances 2023-24</u>, March 2023https://remunerationboard.wales/media/zezos3oz/gen-ld15775-e.pdf
34 The Scottish Parliament, Finance and Public Administration Committee, <u>Budget Scrutiny 2023-24</u>, 10 January 2023<a href="https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-committees/official-report/search-w

¹⁰ January 2023https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-in-parliament/FPA-10-01-2023?meeting=14082&iob=127535

³⁵ The Scottish Parliament, MSP

salarieshttps://webarchive.nrscotland.gov.uk/20240309173422/https://www.parliament.scot/msps/msp-salaries

36 The Scottish Parliament, MSP Salaries and Pensions

³⁷ The Scottish Parliament, Finance and Public Administration Committee, <u>Budget Scrutiny 2023-24</u>, 10 January 2023

Northern Ireland Assembly

- 52. The Northern Ireland Assembly is a legislature in Northern Ireland comprising 90 Assembly Members and an executive government (of which there is a First Minister and Cabinet). Determinations about pay uplifts are made by the Independent Financial Review Panel, with reference to measures of inflation.
- 53. Since 2017, the Northern Ireland Assembly has made annual pay uplifts of £500 where the CPI for the previous September was 1 per cent or higher.³⁸ This decision was re-ratified in 2020.
- 54. The nature of these roles, as elected representatives of nations and regions, provides a useful parallel and lessons on which to draw. Two major regions have Remuneration Panels, which have recommended the use of the local government pay settlement. The use of ASHE and AWE data to set the pay of elected representative roles demonstrates a desire to reflect the reality for constituents when setting pay for elected representatives. In each case, however, a decision has been made that there should be an independent review of the data to inform its suitability in any one year.

Ability to forgo a pay increase

55. It has been the case, from time to time, that some GLA Elected Members have chosen not to take pay increases. Whilst this mirrored decisions taken in a broad range of settings during COVID-19, it is important that pay for GLA Elected Members is set at a level that GLA Elected Members feel is appropriate for their full-time roles. If members consider that it is too high, those with more substantial resources may be tempted to opt out of pay rises. This creates pressure on those with fewer resources and acts as a barrier to participation in the same way as pay that is set too low may discourage potential Assembly Members from putting themselves forward for public service.

³⁸ Northern Ireland Assembly, <u>Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 as amended by the Assembly Members (Salaries and Expenses) (Amendment) Determination (Northern Ireland) 2020</u>

Conclusions and recommendations

- 56. I will now set out my conclusions and recommendations following consideration of the views of those I spoke to; and my reflections of the different approaches used elsewhere. I appreciate the time that those I spoke with took out of their busy schedules to provide me with their views.
- 57. The role of GLA Elected Members has changed significantly in nature since their pay was last reviewed in 2009. Two main factors have driven this change: the growth in the volume and variety of work to be scrutinised; and the growth in the volume and pace of constituency casework and correspondence.
- 58. The Mayor and Assembly Members asked for a recommendation for a mechanism to be applied to a pay uplift for GLA Elected Members annually. It was important that it was transparent; felt fair to GLA Elected Members and their constituents; insulated GLA Elected Members from decisions relating to their own pay; and did not take up too much time and effort that was better spent serving London.
- 59. I was not asked to review the weight and complexity of GLA Elected Members' roles, to assess whether their current pay reflects these full-time roles. However, it is clearly important that any mechanism does not act to undermine the relative value of current levels.
- 60. As set out at the beginning of this chapter, there are two main options available to the Assembly Members and the Mayor in setting a pay uplift mechanism. The first involves using an independent committee of some type, on an annual basis, to reach a decision; the second involves linking the uplift to an appropriate index.
- 61. The first option reflects the approach taken by comparator organisations, including the Combined Authorities and the Senedd Cymru. These organisations have established governance arrangements and processes, albeit with varying degrees of complexity, to determine the appropriate uplift.

- Ordinarily this requires a standing committee or panel to conduct the end-toend review process. It was clear in feedback meetings with GLA Elected Members that any process should not be overly resource-intensive and costly.
- 62. The second option brings both advantages and disadvantages, which have been explored earlier in this report. Aligning with an external process will always have drawbacks primarily lack of control over outcome and timing. On balance, however, it is clear that this type of process would be less time-intensive and costly.
- 63. Many of the Independent Remuneration Panels for other bodies assess such metrics for example, ASHE and AWE. This is chiefly to understand the levels of pay increases in the respective regions; and to align Elected Members' pay increases with those of their constituents.
- 64. ASHE is generally viewed as the more relevant and reliable dataset of the two, but it is unlikely to be published until autumn or winter each year. Data from the previous November, which in fact relates to the previous April, is not a solid basis on which to commit to a pay uplift in April. Nor is it sensible to wait for the following November for a pay uplift due in April. Organisations using these datasets have needed to make a judgement about their suitability. This would either require an independent panel or judgement by GLA Elected Members.
- 65. CPIH is another option, and would make a clear link between GLA Elected Members' pay and cost-of-living increases. However, a pay-setting process typically considers many factors; a change in the cost of living is just one. Given the variation and unpredictability of inflation levels, and the vulnerability of inflation as a measure to economic shocks, it is unusual for employers to guarantee that pay uplifts will be fixed by reference to inflation in anything other than the very short term. In addition, it does not always reflect the pay settlements that are being provided to comparator employee groups, or to the members of the public that GLA Elected Members represent.

- 66. A link to the pay award of a workforce would be the most straightforward mechanism, and would negate the need for further consideration of the data, as might be the case with ASHE or AWE.
- 67. The clearest link that GLA Elected Members have to a workforce is with that of the GLA itself. GLA Elected Members work closely with GLA employees; the original link of GLA Elected Members' pay to the local government pay settlement was agreed because GLA employees' pay was historically set in relation to the local government pay settlement.
- 68. However, the role that GLA Elected Members have in pay setting within the GLA albeit indirect could lead to the perception that GLA Elected Members were involved in setting their own pay. It therefore fails the test of independence.
- 69. The annual IPSA decision in relation to MPs, as elected representatives working in the same geography, is another option. This was also a historical reference point that was raised in interviews with GLA Elected Members. In reaching its decision, IPSA's consideration of public sector pay, while considering fairness in relation to the wider electorate, would be a similar approach to that which would apply to the GLA Elected Members.
- 70. However, the political considerations, which are a factor in determining the IPSA decision, risk becoming too detached from the GLA workforce with which Elected Members work most closely. For example, if this approach was followed for 2024-25, GLA employees would receive a 4.5 per cent increase in their pay (excluding incremental pay progression) and GLA Elected Members would receive a 5.5 per cent increase. More generally, over the last 10 years, the difference in pay uplift between GLA employees and GLA Elected Members would be such that Elected Members would not have been comfortable that the IPSA pay recommendations were sufficiently consistent with the approach taken for GLA employees.

- 71. In seeking an appropriate workforce to index GLA Elected Members' pay to, the local government pay settlement remains the most logical one. It is not a dissimilar workforce to the GLA, in that it operates in broadly similar labour markets; and it has shown a level of stability in its approach to pay awards over recent years. Given that it is a negotiated settlement, the timing of its publication would not be in the GLA's control, which remains a disadvantage.
- 72. It is possible that the pay award, in any given year, provided to local government employees could reflect wider considerations as a negotiated settlement such as the level of affordability or workforce changes which may make it look different to other pay awards seen at that time. That could be said of any particular workforce, and would be an element that would need to be accepted as part of any index-led mechanism.
- 73. On balance, however, indexing with the local government pay settlement offers the best available balance of independence, efficiency, transparency and fairness to GLA Elected Members and their constituents. In doing so, this should continue to recognise the previous decision made by the Mayor and the Assembly, through the 2022 Determination, of using the local government Outer London pay spine as a reference point to reflect the role of Assembly Members in relation to London.³⁹
- 74. It was the clear view of those consulted that the Mayor's salary should not reach the total base pay of the UK Prime Minister.⁴⁰ While the Mayor's role is clearly very important, it is the nature of political roles at the highest level that their relative accountabilities and responsibilities are often not reflected in the nature of the salary provided. Other limits and comparators are taken into consideration when deciding pay for these roles.

³⁹ GLA, MD3075: Salary Determination for GLA Elected Members 2022, 19 January 2023

⁴⁰ The total base pay of the UK Prime Minister comprises two elements: the MP salary and the Prime Minister allowance.

75. As set out earlier, aligning with an external process will always have drawbacks. These are primarily lack of control over outcome and timing. It will be important to monitor an index-led mechanism to ensure that, over time, it does not deliver perverse outcomes. If there is a broadly held view that this is the case, it may be necessary to review earlier than the end of the current London Mayoral and Assembly term.

Recommendations and observation

Recommendation 1 – GLA Elected Member salary

76. That, for the duration of the current London Mayoral and Assembly terms, the pay of London Assembly Members, the Chair of the London Assembly, the statutory Deputy Mayor and the Mayor of London is aligned with the pay uplift agreed for local government employees. This should reflect the pay increase for local government employees whose pay, on the Outer London local government scale (spine point 51), most closely reflects the salary of Assembly Members.⁴¹

Recommendation 2 – Mayoral salary

77. That, **in addition**, the rate or level of any annual increase to the pay of the Mayor of London should not exceed the rate or level of any annual increase to the total base pay of the UK Prime Minister.

Recommendation 3 – Frequency of review

78. That the method by which the pay of GLA Elected Members is set is reviewed at the latest at the end of the current London Mayoral and Assembly terms.

⁴¹ Greater London Provincial Council, <u>GLPC Circular – November 2023</u>, 1 November 2023

Observation

79. I have noted that GLA Elected Members have varying views regarding whether or not the weight and complexity of the roles is adequately reflected in the pay attached to the roles. Given the weighting of these roles was last examined by the SSRB in 2009, and the GLA has seen a great deal of growth in size and complexity since then, at some point GLA Elected Members may wish to consider whether a review into the job size of the roles should be undertaken.

Appendix 6

Financial Year	_	r London ne Point 50	Inner London Increase		er London ne Point 51	Outer London Increase	Difference
2023/24	£	62,457	3.91%	£	62,748	3.88%	0.03%
2022/23	£	60,105	4.08%	£	60,402	3.83%	0.25%
2021/22	£	57,750	1.75%	£	58,173	1.75%	0.00%
2020/21	£	56,754	2.75%	£	57,171	2.75%	0.00%
2019/20	£	55,233	2.00%	£	55,638	2.00%	0.00%
2018/19	£	54,150	2.00%	£	54,549	2.00%	0.00%
2017/18	£	53,088	1.00%	£	53,478	1.00%	0.00%
2016/17	£	52,560	1.00%	£	52,950	1.00%	0.00%
2015/16	£	52,041	2.20%	£	52,425	2.20%	0.00%
2014/15	£	50,922	0.00%	£	51,297	0.00%	0.00%
2013/14	£	50,922		£	51,297		

Difference 2013-2023/24

22.65%

22.32%