

GREATER LONDON 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 It will stay in force until superseded by any future jointly agreed determination under section 24, but noting the intention is that the position will be reviewed in 2021/22.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:



Date:

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 Plenary 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 re-elected 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

D. Gene

Date

1 March 2021

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

1 March 2021

