

# GREATER LONDON 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 The 2021 Determination made no provision for an increase in salaries in future years and remains in force until superseded.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:



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:

	<b>Current Pay</b>	<b>2022-23 Baseline</b>	<b>% increase</b>
<b>Mayor</b>	£152,734	£154, 963	1.5
<b>Statutory Deputy Mayor</b>	£105,269	£107, 498	2.1
<b>Chair of the London Assembly</b>	£70,225	£72,454	3.2
<b>Assembly Member</b>	£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**

<b>Activity</b>	<b>Timeline</b>
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

**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 or on the defer date.

**Part 1 - Deferral**

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

**Part 2 - Sensitive information**

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

**Is there a part 2 form - NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

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

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

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

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**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:**

*D. Bellamy*

**11/01/2023**

**CHIEF OF STAFF:**

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

**Signature:**

**Date:**

*D. Bellamy*

**09/01/2023**

