
Review Body on Senior Salaries

REPORT No. 69

Greater London Authority:
Review of pay, pensions
and allowances for the
Mayor of London and
London Assembly Members
2009

Chairman: Bill Cockburn, CBE, TD

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Presented jointly to the Mayor of London and
the Chair of the London Assembly

August 2009

Foreword

Review Body on Senior Salaries

The Review Body on Top Salaries was appointed in May 1971 and renamed the Review Body on Senior Salaries (SSRB) in July 1993, with revised terms of reference. The terms of reference were revised again in 1998 as a consequence of the Government's Comprehensive Spending Review, in 2001 to allow the devolved bodies direct access to the Review Body's advice and in 2007 to add certain National Health Service (NHS) managers to the remit.

Value of our independent process

The SSRB consists of ten individuals from varying walks of life, including business, human resources and economics, and with public, voluntary and community, and private sector experience. It has independent status and is required to be politically impartial. Each member of the SSRB is recruited through an open process based on advertisement in the national press and overseen by the independent Office of the Commissioner for Public Appointments. The SSRB is supported by a secretariat based in the Office of Manpower Economics (OME), an independent Non-Departmental Public Body which does not report to Ministers.

In discharging our remit we insist on an open and transparent process to which stakeholders are invited to contribute. This combination of independent support, a range of professional experience and well-trying process allows us to study the evidence, receive views from all parties and consider all sides of any particular argument. As a result we can make balanced, evidence-based recommendations underpinned by sound rationale and taking into account all relevant factors and information.

The terms of reference of the Review Body on Senior Salaries

The terms of reference are:

The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor, the Secretary of State for Defence and the Secretary of State for Health on the remuneration of holders of judicial office; senior civil servants; senior officers of the armed forces; very senior managers in the NHS¹; and other such public appointments as may from time to time be specified.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975. If asked to do so by the Presiding Officer and the First Minister of the Scottish Parliament jointly; or by the Speaker of the Northern Ireland Assembly; or by the Presiding Officer of the National Assembly for Wales; or by the Mayor of London and the Chair of the Greater London Assembly jointly; the Review Body also from time to time advises those bodies on the pay, pensions and allowances of their members and office holders.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;

¹ NHS Very Senior Managers in England are chief executives, executive directors (except medical directors), and other senior managers with board level responsibility who report directly to the chief executive, in: Strategic Health Authorities, Special Health Authorities, Primary Care Trusts, and Ambulance Trusts.

regional/local variations in labour markets and their effects on the recruitment and retention of staff;

Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;

the funds available to departments as set out in the Government's departmental expenditure limits; and

the Government's inflation target.

In making recommendations, the Review Body shall consider any factors that the Government and other witnesses may draw to its attention. In particular it shall have regard to:

differences in terms and conditions of employment between the public and private sector and between the remit groups, taking account of relative job security and the value of benefits in kind;

changes in national pay systems, including flexibility and the reward of success; and job weight in differentiating the remuneration of particular posts;

the need to maintain broad linkage between the remuneration of the three main remit groups, while allowing sufficient flexibility to take account of the circumstances of each group; and

the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

The Review Body may make other recommendations as it sees fit:

to ensure that, as appropriate, the remuneration of the remit groups relates coherently to that of their subordinates, encourages efficiency and effectiveness, and takes account of the different management and organisational structures that may be in place from time to time;

to relate reward to performance where appropriate;

to maintain the confidence of those covered by the Review Body's remit that its recommendations have been properly and fairly determined; and

to ensure that the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.

The Review Body will take account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Members of the Review Body are:

Bill Cockburn CBE TD, *Chairman*^{2,3}
Professor Richard Disney
Professor David Greenaway
Martin Fish
Mike Langley
Professor David Metcalf CBE
Sir Peter North CBE QC
Chris Stephens
Bruce Warman
Paul Williams²

The Secretariat is provided by the Office of Manpower Economics.

² Members of the Greater London Authority Sub-committee, chaired by Bill Cockburn.

³ Former members of the Review Body, Mary Galbraith, Mei Sim Lai and Richard Pearson were members of the Sub-committee at the beginning of the review.

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Summary of recommendations

Pay

Recommendation 1: We recommend no change to the current level of salary for Assembly Members, that is £52,910 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Recommendation 2: We recommend no change to the current level of the supplement for the post of Chair of the Assembly, currently £10,558 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Recommendation 3: We recommend that:

- the Greater London Authority should collectively agree that Assembly Members who are also Members of the Metropolitan Police Authority should decline to accept the Metropolitan Police Authority supplement; and
- legislation be amended so that Assembly Members who are also members of the Metropolitan Police Authority no longer receive an allowance for their work on the Metropolitan Police Authority.

If neither of these proves possible, then legislation should be amended to enable the salary of Assembly Members who are also Members of the Metropolitan Police Authority to be abated in full by the amount of the allowance they receive for Metropolitan Police Authority membership.

Recommendation 4: We recommend that the total remuneration for the combined roles of Assembly Member, Deputy Mayor for Policing and Vice Chair of Metropolitan Police Authority remain unchanged subject to normal uprating.

Recommendation 5: We recommend that the current Chair of London Fire and Emergency Planning Authority retain his current supplement on a 'mark time' basis (that is with no uprating of the supplement) until the start of the next Assembly.

Recommendation 6: We recommend that future holders of the Chair of London Fire and Emergency Planning Authority receive total remuneration of £72,160 (uprated in line with local government awards) and that from the next Assembly all Assembly Members, including the current incumbent, holding the position of Chair of London Fire and Emergency Planning Authority be paid at that level.

Recommendation 7: We recommend no change to the current level of salary of the statutory Deputy Mayor, that is £95,141 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Recommendation 8: We recommend no change to the current level of salary of the Mayor of London, that is £143,911 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Recommendation 9: We recommend that the Mayor and Assembly conduct a review before the next Assembly election to determine whether it remains appropriate for Assembly Members also to hold any public sector position, for example a position of special responsibility on a council, requiring their attention during the Assembly's usual business hours.

Recommendation 10: We recommend that if, as a result of the proposed review into public sector positions held by Assembly Members, the Greater London Authority decides that it is appropriate for Assembly Members to hold public sector positions requiring their attention during the Assembly's usual business hours, then the Greater London Authority should consider whether to extend the current abatement arrangements to include other public sector positions.

Recommendation 11: We recommend that the Standing Register of Interest be updated to include details of the average time spent, in hours per month, carrying out public and private sector activities, other than membership of the Greater London Authority, and the remuneration received for these roles.

Recommendation 12: We recommend that the salaries of Members of the Greater London Authority continue to be updated each year on 1 April by the local government settlement.

Recommendation 13: We recommend that the Greater London Authority ask the Review Body on Senior Salaries to review the uplift mechanism of Greater London Authority members if the uplift mechanism for Greater London Authority staff changes from the local government rate.

Recommendation 14: We recommend that a review of the remuneration of Members of the Greater London Authority be undertaken once during each Assembly and that the review take place towards the end of the first year of the new Assembly.

Pension, severance payments and allowances

Recommendation 15: We recommend that, with effect from the next election of the Greater London Authority, provisions for the Resettlement Grant be amended to provide payment of one month's salary for each year of service as a member of the Greater London Authority up to a maximum of nine months' salary, to Greater London Authority members who lose their seats at the election of a new Assembly.

Chapter 1

Introduction and context of the review

Introduction

Background and remit of the review

1.1 The Senior Salaries Review Body (SSRB) is asked periodically to review the pay, allowances and pensions of certain devolved authorities in the United Kingdom. Since the Greater London Authority (GLA) was created in 2000 by the Greater London Authority Act 1999¹, the SSRB has conducted three such reviews: in 2000²; 2002³; and 2005⁴. In September 2008 the interim Chief Executive Officer of the GLA invited the SSRB to conduct another review and a copy of that letter, which also highlights specific areas to consider during the review, is at Appendix A.

The review process

1.2 A significant part of our work is carried out through sub-committees of the main SSRB. For this review we formed a sub-committee consisting of the Chairman and four members – those on the sub-committee are identified at the end of the Foreword and a short outline of our professional backgrounds can be found on the OME website⁵. The review began in the Autumn of 2008 and concluded with the submission of our report to the Mayor in July 2009. During that time the sub-committee met on eight occasions to consider evidence and draft the report. The report was then approved by the whole SSRB.

The Greater London Authority

The role of the Greater London Authority

1.3 The GLA provides strategic governance for London and consists of a Mayor and 25 Assembly Members. The Mayor has responsibility for developing strategy for transport, urban development, economic development and the environment. The Assembly Members have no legislative powers, but are required to scrutinise the Mayor's activities, strategies and policy decisions at regular meetings held at City Hall. Assembly Members also vote annually on the level of the GLA budget. Assembly Members have various means of pursuing issues and concerns important to their constituents or Londoners as a whole. The most direct method is by raising issues with the Mayor during question time. The GLA has a number of committees which conduct detailed investigations and publish reports. A list of these committees is at Appendix B. We heard that the work of GLA committees can help to advise and shape policy both on issues specific to London and more widely. Two examples put to us by Assembly Members during our discussions with them were: the work undertaken by Members on the banning of smoking in public places before the Government introduced legislation; and the report into how the emergency services dealt with the 7 July 2005 terrorist attack and lessons learnt from it. Assembly Members can also use their profile to highlight issues and bring them to the media's attention.

¹ Greater London Authority Act 1999, Available at: http://www.opsi.gov.uk/ACTS/acts1999/ukpga_19990029_en_1

² Review Body on Senior Salaries. *The Greater London Authority: initial pay, expenses, pensions and severance arrangements for the Mayor and Assembly Members*. Report no. 44. Cm 4547. The Stationery Office, 2000

³ Review Body on Senior Salaries. *Greater London Authority: review of pay, expenses, pensions and severance arrangements for the Mayor of London and London Assembly Members*. Report no. 53. The Stationery Office, 2002. Available at: <http://www.ome.uk.com/downloads/GLA.pdf>

⁴ Review Body on Senior Salaries. *Greater London Authority: review of pay, expenses, pensions and severance for the Mayor of London and London Assembly Members 2005*. Report no. 61. Available at: <http://www.ome.uk.com/downloads/Senior%20Salaries%20No%2061.pdf>

⁵ Review Body on Senior Salaries. *Members' biographies*. Available at: http://www.ome.uk.com/members_biographies.cfm

1.4 The GLA is represented on a number of functional bodies which have an impact on how London is run:

- the Metropolitan Police Authority (MPA) – there are 23 members of the MPA, of whom 12 must be GLA Members. The Mayor has chosen to chair the MPA;
- the London Fire and Emergency Planning Authority (LFEPA) – there are 17 members of LFEPA, of whom eight must be GLA Members;
- Transport for London (TfL) – the Mayor has chosen to chair TfL; and
- the London Development Agency (LDA) – the LDA currently includes one GLA Member, but it can include up to three.

Composition of the Greater London Authority

1.5 Of the 25 Assembly Members, 14 represent constituencies and 11 are ‘Londonwide’ Members, elected from party lists on a proportional representation basis. Each GLA constituency comprises either two or three London boroughs. A list of Assembly Members is at Appendix C. During our discussions with Assembly Members we heard differing views about the relative workloads of Constituency and Londonwide Members. Some argued that Constituency Members have a heavier workload owing to their local responsibilities, although others suggested Londonwide Members have at least an equal workload because they represent the whole of the capital. Nevertheless, nearly all the Assembly Members we met were agreed that Constituency and Londonwide Members should continue to receive the same salary since it would be divisive to distinguish between them.

Support for the Greater London Authority

1.6 The Mayor can appoint up to 12 members of staff, including two non-statutory Deputy Mayors. We discuss the roles of the two non-statutory Deputy Mayors below in this chapter. The remainder of the staff appointed by the Mayor are policy directors who lead on specific areas, a policy advisor and two special appointments who are unpaid in that capacity. Assembly Members are supported by staff who are recruited and managed, for administrative purposes, by the GLA executive. During our discussions with Assembly Members we heard that this system of centrally-employed staff works well.

1.7 The GLA budget for 2009-10 is £3,203,800,000, comprising the following:

- Mayor of London – £126,600,000;
- London Assembly – £8,700,000;
- MPA – £2,640,300,000;
- LFEPA – £416,200,000; and
- TfL – £12,000,000.

Developments since our last report

Change of Mayor

1.8 In May 2008 a new Mayor was elected. A change of leadership can lead to a change in how business is conducted within the GLA. For example, the current Mayor has chosen to chair the Metropolitan Police Authority, at least for the time being, although this is not necessarily part of the Mayoral role and the previous Mayor did not do so.

Deputy Mayors

- 1.9 There are four posts within the GLA which have the title Deputy Mayor, although they differ significantly. The 'statutory' Deputy Mayor, as stipulated in the Greater London Authority Act 1999⁶, is an elected member of the Assembly. He deputises for the Mayor and acts for him when he is out of the country. The same legislation also makes provision for the elected mayor to appoint two political advisers to help the mayor in his role⁷. The Mayor recruited two non-statutory Deputy Mayors in 2008 to advise on policy matters, lead and take decisions on behalf of the Mayor under delegated authority and deputise for him. Their titles are Deputy Mayor, Government and External Relations; and Deputy Mayor for Policy and Planning. Another Deputy Mayor post, for policing, was created in 2008 and the role is filled by an Assembly Member.
- 1.10 It is not in our remit to advise on the salary levels for the non-statutory Deputy Mayors; they are set by the Mayor. However, we have been asked to look at the salary of the statutory Deputy Mayor and we have also considered the remuneration of the Deputy Mayor, Policing, since he is an Assembly Member, and we discuss these further in Chapter 2. As mentioned above, it is not in our remit to comment on the roles of the non-statutory Deputy Mayors, though we have taken account of their salaries in making our recommendations for those within our scope. During our discussions with Assembly Members we heard that some felt the title of 'Deputy Mayor' for posts not filled by Assembly Members was misleading and could confuse the public as to their roles. We have some sympathy with this view and believe that their titles should be clearly distinguished from those of posts filled by elected members.

The Greater London Authority Act 2007

- 1.11 Since our last review in 2005, the Greater London Authority Act 2007⁸ was enacted, devolving further responsibility to the Mayor and increasing Assembly Members' scrutiny role. The Act's key changes are to:
- devolve decision-making on the planning of and investment in new affordable housing in London from Whitehall to London government;
 - provide a better balance between strategic and local planning issues in London;
 - devolve responsibility from Whitehall to the Mayor to tackle climate change and health inequalities in London;
 - create a new London Waste and Recycling Board;
 - give the Mayor some new powers of appointment; and
 - strengthen the Assembly's scrutiny powers and improve other aspects of GLA governance.
- 1.12 Some Assembly Members suggested to us that their workload had increased as a consequence of the Act. We also heard during our discussions that Assembly Members' profile has increased significantly in recent years and that the people of London are more aware of their responsibilities. One of the consequences is that Assembly Members are receiving more correspondence.

⁶ Greater London Authority Act 1999, s 49 – The Deputy Mayor. Available at: http://www.opsi.gov.uk/acts/acts1999/ukpga_19990029_en_5#pt2-pb6

⁷ Greater London Authority Act 1999, s 67(1)(a) – Appointment. Available at: http://www.opsi.gov.uk/acts/acts1999/ukpga_19990029_en_6#pt2-pb12-l1g67

⁸ Greater London Authority Act 2007, Available at: http://www.opsi.gov.uk/acts/acts2007/pdf/ukpga_20070024_en.pdf

Payments to Assembly Members for Metropolitan Police Authority membership

- 1.13 There are currently ten Assembly Members who are also Members of the MPA, not including the Chair and Vice Chair. At the time of our last review Assembly Members did not receive any remuneration for serving as Members of the MPA, but the Police and Justice Act 2006⁹ made it possible to do so. From 1 October 2008 Assembly Members were able to receive payment for their duties with the MPA. The allowance equates to half that paid to independent Members of the MPA who receive £18,654 a year.
- 1.14 During our discussions with Assembly Members we heard conflicting views on whether the payment was appropriate, with some arguing that MPA duties should not be paid, but considered as part of Assembly Members' overall responsibilities – especially as Assembly Members on the LFEPA receive no additional pay. We discuss this matter further in Chapter 2 of this report.

Annual increases

- 1.15 In our initial 2000 report¹⁰ we recommended that the salaries of GLA Members be increased between reviews by the same percentage uplift as that applied to Members of Parliament. This uplift, in turn, was based on the average increases in senior civil service pay bands. In 2007 the GLA decided to do away with this linkage in favour of one that gave them the same annual uplift as that applied to their staff, namely the uplift awarded to staff in local authorities. As part of this review we have been asked by the GLA to look at the appropriateness of this linkage and we discuss this further in Chapter 2.

Olympics

- 1.16 Staging the 2012 Olympics in London will have an impact on the workload of the Mayor and Assembly Members in the planning and publicising of the Games. However, this temporary increase in the Assembly's workload is difficult to quantify and in any case we consider that such temporary increases to workload should not be included when considering overall job weight and long-term salaries.

Sources of evidence

- 1.17 Below we list the sources of evidence used to inform our recommendations.

Written evidence

- 1.18 On 26 January 2009 we wrote to all Assembly Members and the Mayor, inviting them to submit their views to us in writing. We received two responses, one from the Mayor and the other from the Leader of the Conservative group within the Assembly on behalf of that group. The Conservative group is the largest in the Assembly and comprises 11 out of the 25 Assembly Members. Copies of both submissions are on the OME website¹¹.

Oral evidence

- 1.19 We feel it is important to meet those we report on to hear their views on pay and related matters. To that end we spent two days at City Hall on 17 and 19 March 2009 and held sessions with the Mayor, statutory Deputy Mayor, Chair of the Assembly and other Assembly Members to listen to their views. A full list of those we met is at Appendix D. We found the sessions informative and thank those who came to see us as well as those involved in making the arrangements.

⁹ Police and Justice Act 2006. Available at: http://www.opsi.gov.uk/acts/acts2006/ukpga_20060048_en_1

¹⁰ Review Body on Senior Salaries. *The Greater London Authority: initial pay, expenses, pensions and severance arrangements for the Mayor and Assembly Members*. Report no. 44. Cm 4547. The Stationery Office, 2000

¹¹ Greater London Authority: Review of Pay and Allowances, Evidence, GLA Members 2009. Available at: <http://www.ome.uk.com/review.cfm?body=4>

PricewaterhouseCoopers

- 1.20 As in previous reviews, we used management consultants to advise us on GLA salaries, allowances and pensions, and for this report we commissioned *PricewaterhouseCoopers* (PwC). Their report is on the OME website¹². As part of their review PwC conducted a job evaluation exercise and held 13 interviews with Members of the GLA including the statutory Deputy Mayor and Chair of the Assembly, and with one of the non-statutory Deputy Mayors.
- 1.21 Job evaluation is a useful tool when assessing pay levels and is used widely in both the private and public sectors. In essence, it measures various skills needed for a particular role and produces an overall score or weighting. The scores can then be matched to jobs of a similar weighting and their salaries compared. The job evaluation data produced for us by PwC is only one piece of evidence we take into consideration and is by no means conclusive, although it does help to inform our deliberations.

¹² PricewaterhouseCoopers. *Mayor of London and London Assembly Members: review of pay, pension scheme and allowances*. PwC, 2009. Available at: <http://www.ome.uk.com/downloads/Mayor%20of%20London%20and%20London%20Assembly%20Members%20Review%20of%20pay%20pensions%20scheme%20and%20allowances%205%20June%202009.pdf>

Chapter 2

Pay

Comparability with Westminster and the devolved bodies

- 2.1 Our recommendations on GLA pay in previous reports have taken into consideration pay levels in the UK's devolved parliament and assemblies. Those levels are in turn derived from the benchmark of pay for Westminster Members of Parliament. In our 2005 report¹³ we recommended that the pay of London Assembly Members should remain at 83.4 per cent of the MPs' salary. We believe that it is important to maintain a coherent structure across these political bodies and in this chapter we consider the pay of Members of the GLA within this wider pay framework.
- 2.2 This report has been informed by recent reviews we have undertaken: of the pay, pensions and allowances of MPs, Ministers, and office holders at Westminster, in 2007¹⁴, and more recently of the pay, pensions and allowances of the Northern Ireland Assembly, in 2008¹⁵. While conducting these reviews we updated our knowledge of the salary levels of public sector comparators.
- 2.3 We have continued our practice of seeking advice from consultants on suitable comparators. As mentioned in Chapter 1, for this report we commissioned PwC to carry out a job evaluation of a sample of GLA Members to compare salaries and total reward with that of similarly weighted jobs in the public sector. PwC carried out interviews with a representative sample of 13 Assembly Members and attended a number of GLA meetings. They also drew on earlier evaluations of roles within the Westminster Parliament, the Northern Ireland and Welsh Assemblies, and the Scottish Parliament. They then used their Monks Job Evaluation System¹⁶ to assess GLA roles and calculate job scores to compare with similarly weighted roles in the public sector, using the following skills and areas of competence:
- knowledge;
 - specialist skills;
 - people skills;
 - external impact;
 - decision making; and
 - creative thinking.

¹³ Review Body on Senior Salaries. *Greater London Authority: review of pay, expenses, pensions and severance for the Mayor of London and London Assembly Members 2005*. Report no. 61. Available at: <http://www.ome.uk.com/downloads/Senior%20Salaries%20No%2061.pdf>

¹⁴ Review Body on Senior Salaries. *Review of parliamentary pay, pensions and allowances*. Report no. 64. Cm 7270. TSO, 2007. Available at <http://www.ome.uk.com/downloads/Review%20of%20Parliamentary%20pay%202007%20volume%201.pdf.pdf>

¹⁵ Review Body on Senior Salaries. *Northern Ireland Assembly: review of pay, pensions and allowances 2008*. Report no. 67. Available at: <http://www.ome.uk.com/downloads/Northern%20Ireland%20Assembly%20Review%20of%20Pay%20Pensions%20and%20Allowances%202008.pdf>

¹⁶ Further details of the Monks Job Evaluation System are at Annex A of PwC's report. PricewaterhouseCoopers. *Mayor of London and London Assembly Members: review of pay, pension scheme and allowances*. PwC, 2009. Available at: <http://www.ome.uk.com/downloads/Mayor%20of%20London%20and%20London%20Assembly%20Members%20Review%20of%20pay%20pensions%20scheme%20and%20allowances%205%20June%202009.pdf>

Current salaries

2.4 Our remit letter (attached at Appendix A) asked us to review the salaries of the Mayor of London, the statutory Deputy Mayor, the Chair of the London Assembly and Members of the London Assembly and make recommendations for each, to be effective from 15 May 2008 and 1 April 2009. Current salaries for members of the GLA are:

Table 2.1: Greater London Authority salaries

Post	Current Salary from 1 April 2008
Assembly Member	£52,910
Assembly Members who are also Members of Parliament or Members of the European Parliament ¹	£17,636
Mayor	£143,911

1. Assembly Members who are also MPs or MEPs receive an Assembly Member's salary abated by two-thirds. Currently there are no Assembly Members in this category.

Assembly Members

2.5 As set out in Chapter 1, the main role of Assembly Members is to scrutinise the Mayor's policies, decisions and actions. The Assembly can also amend the Mayor's budget, provided there is a two-thirds majority, and has a role in investigating issues of importance to Londoners. Assembly Members we talked to said that these responsibilities had increased as a result of the 2007 Greater London Authority Act which extended the role and influence of Assembly Members by increasing their scrutiny and investigation powers. We also heard that they now have more interaction with constituents and Assembly Members reported that their higher profile has helped them to exercise influence through the media.

2.6 Londonwide and Constituency Members in the Assembly receive the same salary, currently £52,910, which is 81.7 per cent of that of an MP at Westminster (£64,766), slightly lower than when we last looked at comparators. However, MPs with London constituencies receive a London supplement of £7,500 and, taking this into account, an Assembly Member's salary is 73.2 per cent of a London MP's. Some GLA posts attract supplements in addition to the basic Assembly Member's salary and these are shown in Table 2.2 below:

Table 2.2: Current additional supplements

Post	Supplement from 1 April 2008
Statutory Deputy Mayor	£42,231
Chair of the Assembly	£10,558
Chair or appointed Vice Chair of Metropolitan Police Authority ¹	£55,000
Member of the MPA	£9,327
Chair of London Fire and Emergency Planning Authority	£25,613

1. The Chairman of the MPA is currently the Mayor and it is his Vice Chairman, the Deputy Mayor for Policing, who receives this supplement.

There is **no** supplement for Assembly Members who are members of London Fire and Emergency Planning Authority. These posts are examined in more detail later.

2.7 PwC's evaluation of the Assembly Members' role indicates that the job weight is similar to that of Members of the National Assembly for Wales and the Northern Ireland Assembly but less than that of Members of the Scottish Parliament. PwC's findings indicate that the basic pay of Assembly Members is ahead of that of comparators in other devolved bodies. However, PwC suggest that the total remuneration for Assembly Members is broadly in line with that of their political comparators when the higher cost of living and working in London and the value of pension provision are taken into account.

2.8 We agree with Assembly Members who felt that a link with the salary of MPs is appropriate. However, we do not believe that the link should be fixed at a specific percentage while the role is still developing. PwC's findings support that conclusion. Instead we think it better to maintain the Assembly Member's salary within a percentage range of the MP's salary. As the Assembly role develops, it is likely that we will be in a better position to specify the linkage more precisely at our next review. We therefore recommend that the salary for an Assembly Member remain unchanged at £52,910 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009. We discuss the uprating mechanism in paragraphs 2.36 and 2.37.

Recommendation 1: We recommend no change to the current level of salary for Assembly Members, that is £52,910 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Additional roles in the Greater London Authority

2.9 In our earlier reports we set salary levels taking account of the fact that Assembly Members would take on multiple roles. However, we also recognised that some roles would involve greater responsibility and in our last report we recommended salary supplements for the Chairs of the Assembly, the Metropolitan Police Authority (MPA) and the London Fire and Emergency Planning Authority (LFEPA). The salary supplement for the Chair of the Assembly has increased annually by the same percentage as applied to Assembly Members' salaries but the salary supplements for the Chairs of the MPA and LFEPA are set by those authorities following recommendations made by independent reviews.

Chair of the Assembly

- 2.10 The Chair of the Assembly receives £63,468 (comprising the Assembly Member salary of £52,910 and a supplement of £10,558) while in office and holds the position for one year. The role is rotated between political parties in the Assembly.
- 2.11 We heard evidence that this is a full-time position comprising representational work and chairing sessions of Mayor's Question Time. PwC advised that the role involves significant preparation. During our last review our consultants advised that the role was equivalent in job size to that of an MP. PwC evaluated the role for this review and found that it remains broadly at the same level as an MP. We agree with this and we recommend no change to the current supplement, currently £10,558 from 1 April 2008, and that it be uplifted by the existing uprating mechanism from 1 April 2009. Our recommendations on the uprating mechanism are at paragraph 2.37.

Recommendation 2: We recommend no change to the current level of the supplement for the post of Chair of the Assembly, currently £10,558 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Members of the Metropolitan Police Authority

- 2.12 The MPA was created by the Greater London Authority Act 1999. The Act stated that payment could be made to Members of the MPA if they were not also Members of the Assembly. The Police and Justice Act 2006 changed this arrangement and enabled Assembly Members serving on the MPA to receive an allowance. In 2008 an independent review of MPA allowances¹⁷ recommended paying the ten Assembly Members who are Members of the MPA (excluding the Vice Chair) a supplement of £9,327 from 1 October 2008 based on a time commitment of one working day a week.
- 2.13 We heard concerns expressed during oral evidence sessions with Assembly Members that Members of the MPA receive additional payment while Assembly Members who are Members of LFEPA do not. Although some argued that the work of being a Member of the MPA is more demanding and weightier, others were of the opinion that the work of LFEPA is just as challenging. PwC heard similar views expressed by Assembly Members they interviewed: "the majority view was that the separate payment for membership of the MPA is not appropriate". They proposed that the payment should stop or that the salaries of Assembly Members who are Members of the MPA be abated.
- 2.14 Membership of the functional bodies is part of the core duties of Assembly Members and thus remuneration for these responsibilities is covered already in the basic salary of an Assembly Member. We therefore recommend that some form of abatement takes place so that Assembly Members who are also members of the MPA receive remuneration equal to an Assembly Member's basic salary. We believe there are three ways in which this could be achieved: one is by Assembly Members collectively declining the supplement offered by the MPA. Indeed we understand that Police authorities have been instructed to make provision for their members to decline payment of the supplement if they so wish¹⁸. A better long-term solution would be to change MPA legislation to allow only MPA Members who are not Assembly Members to receive the MPA membership allowance. This is the cleaner and most transparent means of dealing with this issue but we understand it would require the Home Office to amend the secondary legislation governing the MPA. It is not within the GLA's power to make the necessary change. The third way would be to abate the GLA salary by the supplement paid by the MPA. This is the least attractive option because it could result in a reduction

¹⁷ Association of Police Authorities. *Report of the Independent Panel on Police Authority Members' Allowances*. APA, 2008

¹⁸ Paragraph 69 of the Report on the Independent Panel on Police Authority Members' Allowances

in the pensions of Assembly Members who are MPA Members because their GLA pay would be reduced but the MPA supplement would not be pensionable. Moreover, the 1999 Greater London Authority Act makes no provision for the GLA to increase or abate the salaries of Members, so again this would require legislation.

- 2.15 We therefore recommend that while the current MPA remuneration arrangements continue, Assembly Members collectively agree to forgo the supplement paid by the MPA to Assembly Members who are also Members of the MPA. In the longer term, the MPA legislation should be amended to remove the supplement for Assembly Members who sit on the MPA. If neither of these prove possible we recommend that the relevant legislation be amended so that the salaries of Assembly Members who are also Members of the MPA are abated in full by the amount of the allowance they receive for MPA membership. (We deal separately with the Vice Chair of the MPA below.)

Recommendation 3: We recommend that:

- **the Greater London Authority should collectively agree that Assembly Members who are also Members of the Metropolitan Police Authority should decline to accept the Metropolitan Police Authority supplement; and**
- **legislation be amended so that Assembly Members who are also members of the Metropolitan Police Authority no longer receive an allowance for their work on the Metropolitan Police Authority.**

If neither of these proves possible, then legislation should be amended to enable the salary of Assembly Members who are also Members of the Metropolitan Police Authority to be abated in full by the amount of the allowance they receive for Metropolitan Police Authority membership.

Chair and Vice Chair of the Metropolitan Police Authority/Deputy Mayor for Policing

- 2.16 The Mayor chairs the MPA but does not receive any additional payment for this role. However, the Mayor has appointed an Assembly Member to the roles of Deputy Mayor responsible for policing and Vice Chair of the MPA. We understand from PwC that both posts have similar levels of responsibilities and although they are separate roles, there can be times when their responsibilities overlap. We note that the role of Vice Chair to the MPA receives a supplement of £55,000, paid by the MPA. When added to the Assembly Member's salary, this provides total remuneration of £107,910. We also note that the role of Deputy Mayor for Policing is not paid. PwC carried out a job evaluation of the combined posts of Assembly Member, Deputy Mayor for Policing and Vice Chair of the MPA – and found that the total salary of £107,910 is broadly in line with the remuneration of the role of the Lord Speaker (remunerated at £106,653) which has a similar weighting. We note that the Vice Chair of the MPA considers his role to be full-time¹⁹. The roles of Assembly Member and Deputy Mayor for Policing also demand a substantial time commitment. We wonder whether one individual can carry out these three roles simultaneously and suggest that the GLA review whether one person should do all three. In addition we suggest that if an Assembly Member holds just one of these extra roles (i.e. Deputy Mayor for Policing or Chair/appointed Vice Chair), the total salary of the combined roles should be re-evaluated.
- 2.17 We agree with PwC's evaluation that the combined salary is broadly in line with roles of a similar weight and we recommend that it remain unchanged on the basis that it covers the responsibilities of Assembly Member, Deputy Mayor for Policing and Vice Chair MPA.

¹⁹ Letter from the Independent Panel on Members' Remuneration to Metropolitan Police Authority, 2008. Paragraph 14. Available at: <http://www.mpa.gov.uk/downloads/committees/mpa/081006-06c-appendix03.pdf>

Recommendation 4: We recommend that the total remuneration for the combined roles of Assembly Member, Deputy Mayor for Policing and Vice Chair of Metropolitan Police Authority remain unchanged subject to normal uprating.

Chair of the London Fire and Emergency Planning Authority

- 2.18 Until the Greater London Authority Act 2007, legislation precluded Assembly Members from receiving basic or special responsibility allowances (SRAs) from LFEPA. However, the 2007 Act allows the payment of SRAs to Assembly Members who act as Chair or Vice Chair of LFEPA. A review carried out by the Independent Panel to London Councils in 2008 looked at comparators in other Fire Authorities and judged that the SRA for the Chair should be £25,000. When added to the salary of an Assembly Member, this gives a total comparable to the remuneration of the three elected mayors of London boroughs whom the independent panel also considered appropriate comparators. In addition, the Panel recommended uprating the SRA each year by the local government pay settlement.
- 2.19 However, in our last report²⁰ on the GLA we recommended that there should be a salary supplement of around £17,500 paid to Chairs of LFEPA and the MPA. PwC's job evaluation of the LFEPA post for this review scored it in the same band as (although slightly higher than) the Chair of Assembly's post and suggested that a salary differential of £5,000 would be appropriate. This would point to a supplement of around £15,000 for the LFEPA Chair, some £10,000 less than he currently receives.
- 2.20 If our original recommendation of £17,500 in 2005 had been uprated by inflation, the supplement today would stand at around £19,250, about £6,350 less than the current supplement. On balance and taking account of two rounds of job evaluation, we think this is the most appropriate level and we therefore recommend that in future the Chair of LFEPA should receive total remuneration of £72,160 (uprated annually in line with the local government settlement) comprising the Assembly Member's salary and a supplement of £19,250. However, the current Chair of LFEPA should 'mark time' and his supplement should be frozen until that total amount is overtaken by the uprated Assembly Member's salary plus the supplement of £19,250 also uprated annually. This arrangement should remain in place until the end of the current Assembly. If a different Assembly Member is appointed Chair of LFEPA, he or she should immediately receive total remuneration equal to the Assembly Member's salary plus a supplement of £19,250 (uprated as appropriate). In any event, the supplement should be £19,250 (plus any normal uprating) from the start of the next Assembly.
- 2.21 Again there are options in the way this new level of pay could be achieved – by abating either the current LFEPA allowance or Assembly Member pay. It is not appropriate for us to make recommendations here on the level of salary supplements paid by LFEPA, although we understand that the Mayor has the authority to direct LFEPA over salary levels. If so, we recommend that the Mayor direct LFEPA to pay their Chair a supplement of £19,250 (uprated as appropriate) when the current Chair is replaced. Alternatively, the legislation should be amended to allow the Chair of LFEPA's Assembly Member salary to be abated by £6,350, being the difference between the current LFEPA Chair supplement and the level we recommended in our last report, uprated in line with inflation. As we discuss in paragraph 2.14, abatement of GLA pay would reduce the level of pension entitlement. However, we understand that the Chair of LFEPA does not have the same opportunity as Assembly Members of the MPA to reject the allowance – even in part. We therefore suggest that for the purposes of the GLA pension calculation the full Assembly Member salary for the Chair of LFEPA be used.

²⁰ Review Body on Senior Salaries. *Greater London Authority: review of pay, expenses, pensions and severance for the Mayor of London and London Assembly Members 2005*. Report no. 61. Available at: <http://www.ome.uk.com/downloads/Senior%20Salaries%20No%2061.pdf>

Recommendation 5: We recommend that the current Chair of London Fire and Emergency Planning Authority retain his current supplement on a 'mark time' basis (that is with no uprating of the supplement) until the start of the next Assembly.

Recommendation 6: We recommend that future holders of the Chair of London Fire and Emergency Planning Authority receive total remuneration of £72,160 (uprated in line with local government awards) and that from the next Assembly all Assembly Members, including the current incumbent, holding the position of Chair of London Fire and Emergency Planning Authority be paid at that level.

Statutory Deputy Mayor

- 2.22 The statutory Deputy Mayor (see paragraph 1.9) is a Member of the Assembly and is paid £95,141. He is appointed by the Mayor of London and the main role of this post is to stand in for the Mayor in his absence. In addition to this representational role, the current post holder is responsible for health, social inclusion, and diversity issues and also has a ceremonial role. The Greater London Authority Acts of 1999 and 2007 did not assign specific duties to the post and in our last report we noted that the role is defined by the Mayor.
- 2.23 PwC evaluated the role of statutory Deputy Mayor at the same level as a Parliamentary Under Secretary but noted that the job weight was at the bottom of the range in which both roles appeared and concluded that the statutory Deputy Mayor's salary is ahead of most of its comparators. The salary is therefore higher than the job weight would tend to suggest but we believe that there is capacity for the role to expand in the future and we therefore recommend that it remain at its current level and be uplifted by the existing uprating mechanism from 1 April 2009.

Recommendation 7: We recommend no change to the current level of salary of the statutory Deputy Mayor, that is £95,141 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

The Mayor of London

- 2.24 The Greater London Authority Act 2007 gave the Mayor new powers and responsibilities in the areas of planning, housing, health and the environment. Decision-making powers, such as responsibility for London's housing strategy, were devolved from Whitehall to the Mayor and the Mayor also received new remits from Whitehall to tackle climate change and health inequalities in London. The Mayor's core responsibilities are now to:
- set strategies for London covering transport, policing, economic and social development, and the environment;
 - promote culture and tourism in London;
 - appoint certain members and chairs of Functional Bodies;
 - drive preparations for the Olympic Games in 2012;
 - set the budget for the GLA and the four Functional Bodies;
 - promote learning and skills in London; and
 - tackle climate change, health inequalities and affordable housing strategies.

- 2.25 When we last reviewed the role of the Mayor we heard evidence that the role was the equivalent to that of a Cabinet Minister at Westminster with a medium job size. Since then the Mayor has gained new responsibilities and the role has grown.
- 2.26 The evidence we received from the Mayor indicated that he is satisfied with the level of his salary; he felt that recent increases in responsibility did not warrant an increase in salary.
- 2.27 The Mayor declined an interview with PwC but they were able to job evaluate the role using other sources of information. Their findings indicated that the job size is broadly equivalent to that of a Cabinet Minister at Westminster in one of the larger departments, e.g. the Justice Secretary, and on the same level as the First Minister of Scotland.
- 2.28 The Mayor's current salary (£143,911) is higher than that of a Cabinet Minister (£141,866) and the First Minister of Scotland (£135,605). The Mayor pointed out to us the high degree of responsibility attached to the role; he has no Cabinet to take collective responsibility for and support policy decisions. The local government pension scheme is less generous than the Parliamentary Contributory Pension Fund, so the Mayor's total reward is close to that of a Cabinet Minister. We received no evidence that the Mayor's salary is out of line with comparators and we recommend no change to the current salary level.

Recommendation 8: We recommend no change to the current level of salary of the Mayor of London, that is £143,911 from 1 April 2008 and that it be uplifted by the existing uprating mechanism from 1 April 2009.

Multiple mandates

- 2.29 In our last report we recommended an increase in the level of abatement of salary from one-third to two-thirds for Assembly Members who are also MPs at Westminster, MEPs, or salaried office holders in the House of Lords. This was accepted and Assembly Members with dual mandates now receive an abated salary of £17,636, equivalent to one-third of the Assembly Member salary. We said then that this level of abatement was appropriate because posts in the Assembly are generally considered to be full-time and that it was likely that GLA Members would hold dual mandates only for short periods of time.
- 2.30 There are currently no Assembly Members with these forms of dual mandate arrangements. However, 12 Assembly Members have councillor roles for which they are entitled to receive additional remuneration, on average around £10,000. This number includes some Assembly Members with extra responsibility on councils (for which they receive an additional payment known as a Special Responsibility Allowance) or with roles on one of the GLA's functional bodies, some of which are also remunerated.
- 2.31 During the oral evidence sessions we heard mixed views about Assembly Members also being councillors. Some felt, as we state in our earlier reports on GLA remuneration, that being an Assembly Member is a full-time job, and that those with dual roles should have their salary abated. Other Assembly Members suggested to us that the roles are complementary to the work they do with the GLA and that the responsibilities and work of one informs the other. Another point made to us was that council work tends to take place outside the normal working day and therefore GLA Members have sufficient time to undertake the roles concurrently.

- 2.32 We also heard evidence of a growth in workload. Constituency Members, for example, had seen the volume of their work increase over time through increased correspondence with constituents. We heard similar views from MPs when we conducted our review of parliamentary remuneration; they had also seen their constituency workload increase. As pointed out to us, Assembly Members' constituencies are much larger than those of London MPs. Clearly it is becoming increasingly difficult to hold more than one public role. We accept that work as a councillor can be accommodated in addition to the workload of some Assembly Members and indeed can be complementary to their work as Assembly Members. However, we have reservations whether additional positions on local government councils, e.g. that of a cabinet member, can also be accommodated during Assembly business time. We therefore do not believe that it is possible for Assembly Members to hold additional public sector roles during the working day, such as positions of responsibility on councils, other than those directly connected to the work of the Assembly, without reducing the time spent on Assembly business.
- 2.33 When reviewing the remuneration of Members of the Northern Ireland Assembly we found that around two-thirds of Members of the Legislative Assembly also held councillor roles. We commented then on the difficulties in fulfilling the responsibilities of more than one public role at a time when workload is increasing and we recommended that a review be conducted into whether it is appropriate for Members to hold other office simultaneously as MPs at Westminster, MEPs or councillors. We believe that the Assembly would benefit from a similar but more far-reaching review to reassure themselves that Assembly Members have sufficient time to deal with their Assembly duties. In addition to considering the appropriateness of Assembly Members holding roles as MPs, MEPs or councillors, the review should also include all other public sector roles not directly related to Assembly membership. We therefore recommend that the Mayor and Assembly conduct a review before the next Assembly election to determine whether it remains appropriate for Assembly Members also to hold any public sector position requiring their attention during the Assembly's usual business hours.

Recommendation 9: We recommend that the Mayor and Assembly conduct a review before the next Assembly election to determine whether it remains appropriate for Assembly Members also to hold any public sector position, for example a position of special responsibility on a council, requiring their attention during the Assembly's usual business hours.

- 2.34 As mentioned earlier, the Assembly Member's salary of those who are also MPs or MEPs is abated. If, as a result of the proposed review, the Assembly decides that it is appropriate for Assembly Members to hold public sector positions requiring their attention during the Assembly's usual business hours, it follows that a judgement will need to be made on the appropriateness of receiving additional public remuneration during Assembly hours. We therefore recommend that the Assembly consider whether the current arrangements that exist for abating the pay of Assembly Members who are MPs or MEPs should be extended to include other public sector positions.

Recommendation 10: We recommend that if, as a result of the proposed review into public sector positions held by Assembly Members, the Greater London Authority decides that it is appropriate for Assembly Members to hold public sector positions requiring their attention during the Assembly's usual business hours, then the Greater London Authority should consider whether to extend the current abatement arrangements to include other public sector positions.

2.35 The Government published proposals on 21 April 2009 to improve transparency of MPs' second incomes including a declaration of the hours worked and the payment received²¹. The Committee on Standards in Public Life is, at the time of writing, reviewing MPs' expenses and will consider "whether there is a need for additional regulation or guidance to improve transparency"²² in respect of MPs undertaking second jobs as part of their review. The Committee will report later this year and we advise the GLA to take account of their recommendations in respect of second incomes. Although there is a register of Assembly Members' interests which includes a record of membership of public bodies and positions held, known as the *Standing Register of Interest*, it is unclear how much time Assembly Members spend on public and private sector activities. We believe that there should be public disclosure of this information and we recommend that the Standing Register of Interest be updated to include details of the average time spent, in hours per month, carrying out roles other than membership of the GLA, and the remuneration received for these roles.

Recommendation 11: We recommend that the Standing Register of Interest be updated to include details of the average time spent, in hours per month, carrying out public and private sector activities, other than membership of the Greater London Authority, and the remuneration received for these roles.

Uprating mechanism

- 2.36 When we last conducted a review of remuneration of the GLA, members' salaries were uprated each year using the same mechanism as that employed by Westminster and the devolved bodies, i.e. in line with movements in the mid-point of the Senior Civil Service pay bands. The GLA felt this mechanism had become increasingly inappropriate because pay increases for the Senior Civil Service had come to be based on individual performance rather than uprating of the pay bands. The Mayor therefore considered other mechanisms and proposed that the pay of GLA members should be uprated by the nationally agreed annual local government rate of increase, the same salary uplift received by the staff of the GLA. The proposed new uplift mechanism was then ratified by the Assembly.
- 2.37 PwC considered a number of options for uprating GLA Members' salaries including the use of average earnings and cost of living indices, but came down in favour of continuing to use the local government settlement. Assembly Members also suggested to us that any uplift in their salary should be in line with that for GLA staff. We therefore recommend that as long as the salaries of GLA staff are uprated by the local government rate, the current mechanism to uprate salaries of Members of the GLA should continue to apply. We further recommend that we carry out a review into a new uprating mechanism for Members of the GLA if a different uprating mechanism is introduced for GLA staff.

²¹ Written Ministerial Statement, Tuesday 21 April 2009. Available at: <http://www.commonleader.gov.uk/output/page2786.asp>

²² Committee on Standards in Public Life. *Review of MPs' expenses, issues and questions April 2009*. Available at: http://www.public-standards.gov.uk/Library/I_Q_paper_13th_Inquiry_Final_copy.pdf

Recommendation 12: We recommend that the salaries of Members of the Greater London Authority continue to be uprated each year on 1 April by the local government settlement.

Recommendation 13: We recommend that the Greater London Authority ask the Review Body on Senior Salaries to review the uplift mechanism of Greater London Authority members if the uplift mechanism for Greater London Authority staff changes from the local government rate.

Next periodic review

2.38 Our previous reports have recommended that remuneration of the GLA be reviewed every three years. However, we judge that the GLA has matured sufficiently for review to take place henceforth once during each Assembly, which will lengthen the gap between reviews to four years. We recommend that such reviews take place towards the end of the first year of the new Assembly so that they can take account of any changes introduced following the election.

Recommendation 14: We recommend that a review of the remuneration of Members of the Greater London Authority be undertaken once during each Assembly and that the review take place towards the end of the first year of the new Assembly.

Chapter 3

Pension, severance payments and allowances

Pension

- 3.1 In our 2000 report we recommended that pension arrangements for the GLA should be provided through the Local Government Pensions Scheme. Our recommendation was accepted by the Mayor and Assembly Members and in our subsequent reviews we saw no reason to change these arrangements.
- 3.2 The scheme is a defined benefit statutory scheme where the benefits are defined independently of the contributions payable and are not directly related to the investments of the scheme.
- 3.3 The contribution rate is determined by the Pension Fund's Actuary based on triennial actuarial valuations, the last review being 31 March 2007 which maintained the employer contribution rate at 14.8 per cent for the period 1 April 2008 to 31 March 2011. GLA members contribute 7.2 per cent of their salary to the pension scheme which provides 1/60th of final salary for each year of membership. GLA staff are also members of this scheme.
- 3.4 As discussed in Chapter 2, PwC valued the pension scheme and found that its value as part of total reward is somewhat lower than schemes for elected members at Westminster and in the devolved assemblies and parliament. However, PwC reported that Assembly Members raised no issues about the value or structure of the pension scheme during interviews, and those we met were satisfied with the scheme.
- 3.5 We have been asked to review MPs' pensions in the light of the increasing cost of the Westminster parliamentary pension scheme. Any recommendations made as a result of our parliamentary pension review may change the value of this scheme to members and also the comparative value of other schemes including the Local Government Pensions Scheme. We will consider pension provision again at the next review of GLA remuneration when changes in the parliamentary pension scheme will have been made as a result of our review. Meanwhile, as Assembly Members are generally content with the current pension arrangements which seem reasonable, not least since they are the same as those of their staff, we recommend no change to the current pension arrangements.

Severance arrangements

- 3.6 As part of this review, we were asked to look at the resettlement grant scheme. In our 2002 and 2005 reports we recommended that a severance scheme should be introduced in recognition of the fact that Assembly posts are in the main full-time and therefore Assembly Members are unable to follow a full-time career elsewhere. We suggested then that the structure of the grant scheme should be similar to that of the scheme for MPs at Westminster. At the time, there was no provision in legislation for the GLA to introduce such a scheme but this was changed in the Greater London Authority Act 2007 which introduced a new power for the GLA to "establish and administer such schemes as it may from time to time determine for the making of payments to or in respect of persons on their ceasing to hold office as the Mayor or as an Assembly member"²³. As a result, the GLA introduced a scheme in March 2008 which broadly follows the Westminster model and is based on age and years of completed service.

²³ Greater London Authority Act 2007, Pt 1 s 1(1). Available at: http://www.opsi.gov.uk/acts/acts2007/pdf/ukpga_20070024_en.pdf

- 3.7 If a GLA Authority member retires from office for ill-health reasons, an Ill-health Retirement Grant is payable, calculated in the same way as the Resettlement Grant. The Table at Appendix E sets out the percentages of salary payable according to office holder age and length of service.
- 3.8 GLA members we spoke to supported the introduction of the Resettlement Grant but expressed no strong views about its structure. Most agreed that the Grant should not be available to those who resign their seat and also that the Grant should comply with age discrimination legislation, even though Assembly Members, as office holders rather than employees, are not covered by age discrimination legislation. PwC reported that the general level of the Resettlement Grant is reasonable, with payments rising in line with length of service, but could find no rationale for linking the level of grant to the age of the office holder.
- 3.9 In our last reports on the pay, pension and allowances of office holders in Westminster and Stormont, we considered that the purpose of the Resettlement Grant is analogous to redundancy payments and we recommended that it should no longer be paid to office holders who retire or resign. We also recommended that it should be linked only to length of service, so removing the age element from the payment calculation. However, the House of Commons did not accept our proposals but instead simply adjusted the proportions of salary payable for different combinations of age and length of service.
- 3.10 We continue to believe that the Resettlement Grant should be payable only to elected members who lose their seats and that it should be proportionate to length of service, not age. We understand that the 2007 Act provides for the GLA to make different provision for different cases. We therefore recommend that the Resettlement Grant be paid only to GLA members who lose their seats at the election of a new Assembly and be calculated at one month's salary for each full year of GLA member's service, up to a maximum of nine months' salary.

Recommendation 15: We recommend that, with effect from the next election of the Greater London Authority, provisions for the Resettlement Grant be amended to provide payment of one month's salary for each year of service as a member of the Greater London Authority up to a maximum of nine months' salary, to Greater London Authority members who lose their seats at the election of a new Assembly.

Expenses

- 3.11 Our remit required us to consider the costs of living, working and travelling in Greater London. We have taken into account that these are London jobs when looking at the total remuneration package and now turn our attention to travel.
- 3.12 Assembly Members are expected to use public transport for most journeys and for travel in Greater London they are issued with an annual travelcard covering up to six zones, which is classed as a taxable benefit. Mileage rates are set in line with approved HMRC rates²⁴ and the cost of travelling by other transport is reimbursed. The rates are shown in Table 3.1 below:

²⁴ HMRC mileage rates are available at: <http://www.hmrc.gov.uk/rates/travel.htm>

Table 3.1: Travel expenses for the Greater London Authority

Expenditure	Rate
Car mileage (first 10,000 miles)	40p per mile
Car Mileage (above 10,000 miles)	25p per mile
Motorcycle mileage	24p per mile
Cycle mileage	20p per mile
Public transport in Greater London	Cost of a six-zone annual travelcard
Rail fares	Actual reimbursed
Taxi fares	Actual reimbursed
Air fares	Actual reimbursed

3.13 We heard no evidence about travel expenses from Assembly Members and believe that the HMRC rates remain appropriate.

Audit Regime

3.14 Business expenses, including travel expenses, incurred while carrying out GLA duties are reimbursed in accordance with an approved Expenses and Benefits Framework. Receipts are required for all expense claims and the GLA's Audit Panel, which is responsible for monitoring expenses incurred by the Mayor and Assembly Members, presents reports on expenditure at public meetings during the year. Hitherto Assembly Members have not been required to state the purpose of their claims, but we understand that new arrangements will require Assembly Members to specify the purpose of expenditure. It is important that Assembly Members should be required to confirm that expenses reclaimed have been incurred wholly, exclusively and necessarily on Assembly business. We are also informed that a periodic audit of a sample of Assembly Members claims will take place as part of the accounting procedure.

3.15 At a time when there is increasing focus on the way in which taxpayers' money is spent by the UK's elected representatives, the evidence we have received suggests to us that the GLA's auditing regime is more transparent and rigorous than most, providing value for money and ensuring reimbursement is only for expenses incurred. We therefore recommend no change to the current regime.

3.16 Recent media stories have highlighted abuse of expenses, including misuse of a credit card, by a GLA official who resigned as a consequence; however, we understand that no elected member of the GLA has been issued with a credit card. Moreover, the checking of expenses appears to have functioned effectively. This incident did not involve any of the elected members who are the subject of this review, but the fact that it was quickly discovered and publicised tends in our view to confirm the effectiveness of the monitoring of expenses.

Appendix A

Letter from the Interim Chief Executive of the Greater London Authority

GREATER LONDON AUTHORITY

Interim Chief Executive
Jeff Jacobs

City Hall
The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk

Keith Masson
Director, DDRB and SSRB Secretariats
Office of Manpower Economics
Bay 644
Kingsgate House
66-74 Victoria Street
London
SW1E 6SW

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See Mr Masson

THE GREATER LONDON AUTHORITY: REMUNERATION FOR THE MAYOR OF LONDON AND MEMBERS OF THE LONDON ASSEMBLY

The Greater London Authority Act 1999 provides for the Mayor and Assembly to make joint determinations to vary the salaries, allowances and pension arrangements of elected members of the Authority, and the 2007 GLA Act introduced provision for the Authority to implement a resettlement grant scheme, also by joint determination, which came into effect from 1 March 2008.

The SSRB advised the Secretary of State on the initial remuneration packages for the Mayor and Assembly Members in February 2000 (Report Number 44), and the Authority on the first and second reviews of these salaries in May 2002 (Report Number 53) and July 2005 (Report Number 61). In adopting your recommendations, so far as the Authority could, in 2005 the Mayor of London and London Assembly accepted the need for a further review by 2008. In discussion over last winter, the Mayor and Assembly concluded that the review due this year should be delayed beyond the elections in May, both to allow the new Authority to determine any changes to be introduced, and also so as to reflect the extension of the Authority's powers through the provisions of the GLA Act 2007, some of which were implemented only in the spring. It is in this context that our respective officers have had preliminary discussions regarding the scope and timing of the next review.

Direct telephone: 020 7983 4121 Fax: 020 7983 4191 Email: Jeff.Jacobs@london.gov.uk

The Mayor (by a decision form dated 3 September) and the London Assembly (at its meeting on 10 September) have now agreed to invite you and your colleagues to consider and make recommendations on the salaries, pension arrangements and resettlement grant provisions for elected members of the GLA.

Following the 2005 report, the Mayor and the Assembly adopted the recommended formula to apply annual increases to cover inflation from 1st April each year but found that that arrangement for indexation resulted, over time, in a slippage from the initial percentage of Parliamentary salaries and so the Authority decided last year to substitute in its place the annual up-rating of members' salaries, both last year and in future, by the same percentage awarded to GLA staff.

The current salaries are –

- Mayor £137,579
- Deputy Mayor £90,954
- Chair of the Assembly £60,675
- Assembly Members £50,582

In asking you to undertake the 2008 independent review of the remuneration of elected members of the Authority - comprising salary levels, annual up-rating mechanism, pensions and resettlement grant scheme - the Authority asks that regard be had to –

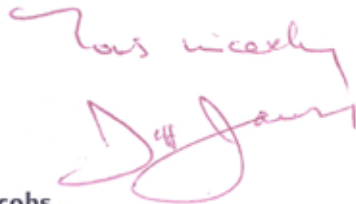
- a) the respective roles and responsibilities of the Mayor of London and Members of the London Assembly, which together form the Greater London Authority, following the extension of the Authority's powers under the Greater London Authority Act 2007,
 - b) the strategic London-wide role of the GLA in the context of its regional responsibilities in relation to a world class city,
 - c) the statutory provisions for abatement by two-thirds of the Mayor's and Assembly Members' salaries where they receive a salary as a member of either of the Houses of Parliament
 - d) the composition of the current remuneration package for the Mayor of London and Members of the London Assembly and how it was arrived at,
 - e) the costs of living, working and travelling in Greater London, and
 - f) the Authority's decision in 2007 to apply cost of living adjustments to elected members' salaries in line with staff salary awards, and, in the light of these considerations, to –
1. To review the salary and pension provisions for the –
 - o Mayor of London
 - o Deputy Mayor
 - o Chair of the London Assembly
 - o Members of the London Assembly

2. To consider the application of relevant comparators for similar roles and responsibilities within the elected / public sector,
3. To make alternate recommendations to the Head of Paid Service of the Greater London Authority for revised remuneration packages for those office holders to take effect on 5 May 2008 and 1 April 2009; and
4. To comment on –
 - o the appropriate review cycle for these remuneration packages, and
 - o the appropriate cost of living mechanism for elected members' salaries in order to ensure that, between reviews, they track the salaries of the preferred comparator group identified under 2 above.
5. To review the Authority's resettlement grant scheme for the Mayor and Assembly Members, having regard to the SSRB's previous recommendations that an Authority scheme should be modelled on the Parliamentary scheme.

In addition to the desk research to be undertaken by such consultants as you may appoint, you will no doubt want to take evidence from a selection of members and officers. Will you want us, as in 2005, to assemble a summary of material and individual members' written views for submission to you and, if agreed, to your consultants as a basic body of evidence before you and they start work?

I appreciate that your work programme for the coming year is a full one, and that it may not be possible to report until the summer 2009. I trust that, as previously, we will have the opportunity to see and comment on the draft report from a factual aspect in advance of its publication.

It will be helpful to receive confirmation of the team from your side who will be dealing with this review. From our side, the main contact will be John Bennett, Head of Special Projects and Elections (7983 4203), and we will be putting together a small team to work with your Secretariat in preparation for and through the review.



Jeff Jacobs
Interim Chief Executive

Appendix B

List of current Greater London Authority committees

- Audit Panel
- Budget and Performance Committee
- Budget Monitoring Sub-Committee
- Business Management and Administration Committee – formerly the Business Management and Appointments Committee
- Confirmation Hearings Committee
- Economic Development, Culture, Sport and Tourism Committee
- Environment Committee
- Health and Public Services Committee
- London Assembly: Mayor’s Question Time and Plenary meetings
- Planning and Housing Committee
- Standards Committee
 - Standards Committee Sub-Committees:
 - Assessment Sub-Committee
 - Review Sub-Committee
 - Hearing Sub-Committee
- Transport Committee
- Youth Strategy Response Panel

Appendix C

List of Assembly Members as at July 2009

List of constituencies

- Barnet and Camden – Brian Coleman (Conservative)
- Bexley and Bromley – James Cleverly (Conservative)
- Brent and Harrow – Navin Shah (Labour)
- City and East – John Biggs (Labour)
(Barking and Dagenham, City of London, Newham, Tower Hamlets)
- Croydon and Sutton – Steve O’Connell (Conservative)
- Ealing and Hillingdon – Richard Barnes (Conservative)
- Enfield and Haringey – Joanne McCartney (Labour)
- Greenwich and Lewisham – Len Duvall (Labour)
- Havering and Redbridge – Roger Evans (Conservative)
- Lambeth and Southwark – Valerie Shawcross (Labour)
- Merton and Wandsworth – Richard Tracey (Conservative)
- North East – Jennette Arnold (Labour)
(Hackney, Islington, Waltham Forest)
- South West – Tony Arbour (Conservative)
(Hounslow, Kingston-upon-Thames, Richmond-upon-Thames)
- West Central – Kit Malthouse (Conservative)
(Hammersmith and Fulham, Kensington and Chelsea, Westminster)

London wide Members

- Gareth Bacon (Conservative)
- Richard Barnbrook (BNP)
- Andrew Boff (Conservative)
- Victoria Borwick (Conservative)
- Dee Doocey (Liberal Democrat)
- Nicky Gavron (Labour)
- Darren Johnson (Green)
- Jenny Jones (Green)
- Caroline Pidgeon (Liberal Democrat)
- Murad Qureshi (Labour)
- Mike Tuffrey (Liberal Democrat)

Appendix D

List of Members of the Greater London Authority who gave oral evidence to the Review Body on Senior Salaries either on 17 or 19 March 2009 listed in order of appearance

- Len Duvall (Labour) (Leader of the Labour Group)
- Richard Barnes (Conservative) (Statutory Deputy Mayor)
- Roger Evans (Conservative) (Leader of the Conservative Group)
- Darren Johnson (Green Group) (Deputy Chair of the London Assembly)
- Boris Johnson (Conservative) (Mayor)
- Dee Doocey (Lib Dem) (Chair of the Economic Development, Culture, Sport and Tourism Committee)
- Jenny Jones (Green Group) (Leader of the Green Group)
- Brian Coleman (Conservative) (Chairman of the London Fire and Emergency Planning Authority)
- Mike Tuffrey (Lib Dem) (Leader of the Liberal Democrat Group)
- Jennette Arnold (Labour) (Chair of the London Assembly)

Appendix E

Calculation of Resettlement Grant

Percentages of annual salary

Age (years)	Number of completed years service						
	Under 10	10	11	12	13	14	15 or over
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76
68	50	52	55	58	62	65	68
69	50	50	52	54	56	58	60
70 or over	50	50	50	50	50	50	50

Appendix F

List of recommendations made by the Review Body on Senior Salaries in their 2005 report of the Greater London Authority²⁵

Pay

Recommendation 1: We recommend no change to the salary of Assembly Members, namely £49,265 at 1 April 2005.

Recommendation 2: We recommend that a salary supplement of the order of £17,500 would be appropriate for the Chairs of the Metropolitan Police Authority (MPA) and the London Fire and Emergency Planning Authority (LFEPA), if legislation is amended to allow it.

Recommendation 3: We recommend that the salary of an Assembly Member who is the Chair of the Assembly should be increased to £59,095 from 1 April 2005, for the period he or she is in the chair.

Recommendation 4: We recommend that the salary of the Deputy Mayor should be increased to £88,586 with effect from 1 April 2005. We also recommend that the evaluation of the Deputy Mayor's post should be reviewed if a change of Mayor or Deputy Mayor leads to a substantial change in the Deputy Mayor's responsibilities.

Recommendation 5: We recommend that the salary of the Mayor should be increased to £133,997 from 1 April 2005.

Recommendation 6: We recommend that, subject to amending legislation, a Mayor of London or Assembly Member who is also a Member of the Westminster Parliament or the European Parliament or who is a salaried Office-holder in the House of Lords should receive an abated salary in respect of his or her GLA role equal to one third of the relevant GLA salary.

Recommendation 7: We recommend that pay levels in the Assembly should be independently reviewed again not later than 2008. In the meantime the salaries of the Mayor, Deputy Mayor, and Assembly Members should be up-rated annually in accordance with the usual mechanism, commencing on 1 April 2006.

Pensions, Severance and Allowances

Recommendation 8: We recommend that, subject to new legislation, it would be appropriate to introduce a severance scheme for the Mayor and Assembly Members including the Deputy Mayor.

Recommendation 9: We recommend no change to the current rates of reimbursement for travel expenses.

²⁵ We understand from the GLA that all recommendations were accepted.

Appendix G

Glossary of abbreviations

GLA	Greater London Authority
HMRC	Her Majesty's Revenue and Customs
LFEPA	London Fire and Emergency Planning Authority
LDA	London Development Agency
MEPs	Members of the European Parliament
MPA	Metropolitan Police Authority
MP	Member of Parliament
OME	Office of Manpower Economics
PwC	PricewaterhouseCoopers
SRAs	Special Responsibility Allowances
SSRB	Senior Salaries Review Body
TfL	Transport for London

Appendix H

Previous reports of the Review Body on Senior Salaries on relevant matters

First Report:	Ministers of the Crown and Members of Parliament	Cmnd. 4836, December 1971
No. 5:	Members of Parliament: Allowances	Cmnd. 5701, July 1974
No. 7:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I	Cmnd. 6136, July 1975
No. 8:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II	Cmnd. 6574, July 1976
No. 9:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part III	Cmnd. 6749, March 1977
No. 12:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I	Cmnd. 7598, June 1979
No. 13:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II	Cmnd. 7825, February 1980
No. 15:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance	Cmnd. 7953, July 1980
No. 17:	Ministers of the Crown and Members of Parliament and the Peers' expenses allowance	Cmnd. 8244, May 1981
No. 20:	Review of Parliamentary Allowances: Volumes I & II	Cmnd. 8881, May 1983
No. 24:	Review of Parliamentary Allowances: Volumes I & II	Cm. 131, April 1987
No. 26:	Review of Aspects of the Parliamentary Pension Scheme and Other Members	Cm. 362, May 1988
No. 31:	Review of the Parliamentary Scheme and of Resettlement Grants for Members of Parliament	Cm. 1576, June 1991
No. 32:	Review of the House of Commons Office Costs Allowance	Cm.1943, July 1992
No. 36:	Review of the Parliamentary Pension Scheme	Cm. 2830, March 1995
No. 38:	Review of the Parliamentary Pay and Allowances: Volumes I and II	Cm. 3330, July 1996

No. 42:	Initial pay, allowances, pensions and severance arrangements for: Members of the Scottish Parliament, National Assembly for Wales, Northern Ireland Assembly	Cm. 4188 March 1999
No. 43:	Devolution: Salaries for Ministers and Office-holders and office support for Members; and Parliamentary Development Recommendations	Cm. 4246 March 1999
No.44	The Greater London Authority: initial pay, expenses, pensions and severance arrangements for the Mayor and Assembly Members	Cm. 4547 February 2000
No. 47:	Review of the Parliamentary Pension Scheme	Cm. 4996 March 2001
No. 48:	Review of the parliamentary pay and allowances: Volumes I and II	Cm. 4997 March 2001
No. 49:	National Assembly for Wales: Review of Pay and Allowances	June 2001
No. 50:	Scottish Parliament: Review of Pay and Allowances	December 2001
No. 52:	Northern Ireland Assembly: Review of Pay and Allowances	May 2002
No. 53:	Greater London Authority: Review of pay and expenses for the Mayor of London and London Assembly Members	May 2002
No. 55:	Pay for Select Committee Chairmen in the House of Commons	Cm 5673 July 2003
No. 57:	Review of Parliamentary Pay and Allowances 2004: Volumes I and II	Cm 6354-1 Cm 6354-2
No. 58:	National Assembly for Wales: Review of Pay and Allowances 2004	(not published)
No. 60:	Pay for Standing Committee Chairmen in the House of Commons	Cm 6566
No. 61:	Greater London Authority: Review of pay and expenses for the Mayor of London and London Assembly Members 2005	(not published)
No. 64:	Review of parliamentary pay, pensions and allowances 2007: Volumes I and II	Cm 7270-1 Cm 7270-2
No. 67	Northern Ireland Assembly: Review of Pay, Pensions and Allowances 2008	November 2008

