



Review Body on Senior Salaries

REPORT No. 53

Greater London Authority: Review of pay, expenses, pensions and severance arrangements for the Mayor of London and London Assembly Members

Chairman: Sir Michael Perry, GBE

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

May 2002

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Foreword

Review Body on Senior Salaries

The Review Body on Senior Salaries (SSRB) provides independent advice on the remuneration of holders of judicial office, senior civil servants and senior officers of the armed forces. If asked to do so, it also advises on the remuneration for other public appointments, notably Ministers, office-holders and Members in the Westminster Parliament, the Scottish Parliament, the Northern Ireland Assembly, the National Assembly for Wales and the Mayor, Deputy Mayor and Members of the Greater London Authority. The Review Body's full terms of reference are given at Appendix A.

The members of the Review Body are:

Sir Michael Perry, GBE Chairman¹

John Baker, CBE¹

The Hon Michael Beloff, QC

David Clayman

Professor Sandra Dawson

The Rt Hon Baroness Dean of Thornton-le-Fylde

Sir Terry Heiser, GCB¹

Sir Sydney Lipworth, QC

Janet Rubin

George Staple, CB QC

Professor Sir David Williams, QC DL

The Secretariat is provided by the Office of Manpower Economics.

¹Members of the sub-committee on GLA pay and allowances, chaired by Sir Michael Perry

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Chapter 1

Introduction

Remit of the report 1.01 In December 2001 the Mayor and the Chair of the London Assembly wrote to the Senior Salaries Review Body asking us to conduct a review of the salaries, allowances and pension and severance provisions which are payable to the Mayor, Deputy Mayor and Assembly Members. This followed on from our initial report which was conducted prior to the launch of the Greater London Authority (GLA) and was published in February 2000¹.

Background on the GLA 1.02 The GLA is a unique creation in British politics, comprising the directly elected Mayor and the separately elected 25 Member London Assembly. This system was accepted in a referendum in May 1998 and elections to the GLA took place in May 2000. An Alternative Vote system was used for the election of the Mayor. The Additional Member System used for the election of the London Assembly provided for 14 constituency Members elected on a first past the post basis and 11 list Members distributed between the parties to ensure proportionality.

1.03 In addition to the Mayor and Assembly there are four functional bodies attached to the GLA: the Metropolitan Police Authority (MPA), the London Fire and Emergency Planning Authority (LFEPA), the London Development Agency (LDA) and Transport for London (TfL). They exercise the GLA's executive responsibilities for policing, fire and emergency planning, economic development and transport. The functional bodies are included in the Mayor's budget and the Mayor appoints all, or the majority of the members of each body and also chairs TfL. The Mayor thus has a pivotal role in the exercise of executive power within these bodies. The Assembly provides members to serve on all the functional bodies, except TfL, and currently 22 Assembly Members are on one or more of the bodies. Assembly Members make up the majority of the membership of the MPA and LFEPA.

1.04 The Greater London Authority Act 1999 sets out the 'principal purposes' of the Authority as promoting economic development, wealth creation, social development and the improvement of the environment in Greater London. In addition, in line with the general powers available to local government, the Authority has the power 'to do anything which it considers will further any one or more of its principal purposes.' The Mayor and the functional bodies together hold all the executive responsibilities of the GLA. Further to this, the Mayor has an obligation under the 1999 Act to establish eight strategies, dealing with transport, economic development, spatial development and culture and four strategies on environmental management. The Mayor can also develop strategies on any issue under the general power. The legislation also

¹ Report No. 44. The Greater London Authority: initial pay, expenses, pensions and severance arrangements for the Mayor and Assembly Members, February 2000 Cm 4547.

requires that cross cutting themes on health, equality of opportunity and sustainable development are incorporated into the strategies. The strategy for transport is developed by the Mayor and implemented by TfL. The LDA drafts the economic development strategy. The Mayor considers and amends the draft strategy which is then implemented by the LDA within the context of the Mayor's overall budget.

1.05 The Assembly as a body has no executive responsibilities. Its role is to scrutinise the actions and executive decisions of the Mayor or any member of the GLA staff, the Mayor's strategies and the work of the functional bodies. The Assembly can also launch an independent scrutiny into any matter of importance to Greater London. The Assembly's work takes place through plenary sessions, such as the Mayor's question time, and scrutiny committees looking at specific policy areas. The Assembly has also established several standing committees which deal with procedural matters and ad-hoc committees which look at specific 'one off' issues. The Assembly has the power to reject the Mayor's budget on the basis of a two-thirds majority but has no power to remove the Mayor from office. The Deputy Mayor must be a Member of the Assembly.

Support for the Mayor and Assembly

1.06 We were told that a total of 460 full time equivalent staff were employed by the core GLA (that is, excluding the functional bodies) to carry out the priorities of the Mayor. This figure includes 37 staff in the Mayor's office, which, we understand, is currently being reorganised by the Mayor. We were further told that an additional 89 staff work solely to the Assembly providing secretariat support to Members. The Assembly appoints all the core GLA staff apart from 12 who are appointed by the Mayor. An analysis of staff numbers is shown in Table 1 below:

Table 1: Number of full time equivalent staff employed by the GLA

Directorate	No. of full time equivalent staff employed (assuming no vacancies)
Chief Executive's Office	5.0
Finance and Performance	73.0
Policy and Partnerships	149.6
Corporate Services	138.0
Communications	57.9
Mayor's Office	37.0
Assembly Secretariat	89.0

Context of the Review

1.07 Over the past year the SSRB has completed in depth reviews of the pay, pension and allowance arrangements available in the Westminster Parliament,² the National Assembly for Wales³ and the Scottish Parliament⁴ and has recently conducted a similar review of the arrangements in the Northern Ireland Assembly.

1.08 Whilst we recognise that the GLA is a unique form of governance in the United Kingdom we are mindful that it operates within the framework of an over-arching Parliament at Westminster and devolved bodies in Scotland,

² Report No. 48: Review of parliamentary pay and allowances: Volumes I and II, March 2001 Cm 4997.

³ Report No. 49: National Assembly for Wales, Review of Pay and Allowances, May 2001.

⁴ Report No. 50 Scottish Parliament: Review of Pay and Allowances, December 2001.

Wales and Northern Ireland. In this review, as in those referred to above, we have based our recommendations on pay on the relative responsibility levels in the institutions. We believe it is important that a coherent structure of remuneration across the UK's parliaments and assemblies (present and prospective) is maintained.

Evidence 1.09 To provide us with evidence for this review, we received from officials in the GLA a submission which had been agreed by the Mayor and all Assembly Members. In addition, we took oral evidence at the GLA from the key office-holders, a number of Assembly Members representing the political parties and officials. We also gathered other relevant background information from a range of sources, including a recent report on the remuneration of councillors in London⁵. A full list of those giving evidence is at Appendix B. As we had done for our initial report we commissioned Hay Group Management Limited (Hay) to assist us in our task. Chiefly, we asked them to:

- advise on the job weights of the Mayor, Deputy Mayor and Assembly Members;
- provide salary data for relevant comparators from both the public and private sectors; and
- advise on the appropriateness of the pension and support arrangements.

1.10 Hay's full report is given at Appendix C.

⁵Making Allowances: a new report by the Independent Panel on the Remuneration of Councillors in London. Commissioned by the Association of London Government, August 2001.

Chapter 2

Pay

Introduction 2.01 When we produced our initial report on the GLA in February 2000 the Authority had not yet come into existence; this was to happen shortly afterwards. We were told the Authority would assume its full range of powers in July of that year. The Government Office for London had advised us on the likely job weights of the Mayor, Deputy Mayor, and Assembly Members and we had obtained specialist advice from Hay Management Consultants Limited. Nevertheless, it was inevitable that a degree of uncertainty would surround our assessments of the roles and for this reason we adopted a cautious approach in making our initial pay recommendations. The salaries currently in payment are given in Table 2 below:

Table 2: Salaries currently in payment for the Mayor and Assembly Members

Post	Salary from 1 April 2002
Assembly Member	£37,413
Deputy Mayor	£56,212
Mayor	£91,673

Note: The Deputy Mayor's salary includes the salary received as an Assembly Member.

2.02 At the time of writing, the Authority has been in existence for almost two years and even though it is now possible to define the roles with more certainty than hitherto, it is clear to us that they are still evolving. The White Paper setting out the Government's proposals for the GLA, and the GLA Act itself, went some way to prescribing the roles of the Mayor and the Assembly. As noted in paragraph 1.04, the Mayor has a statutory obligation to develop strategies in eight specified areas and the Act assigns to the GLA three principal purposes. At the same time, the Act confers on the Authority a general power 'to do anything which it considers will further any one or more of its principal purposes'. This has provided opportunity for the Mayor and the Assembly to develop and widen their roles – a process which is ongoing. We find ourselves again, therefore, albeit to a lesser extent, having to make assessments of roles which are not yet fully settled.

2.03 As last time, in conducting their assessment Hay used their well established 'Guide Chart Profile' method of job evaluation to assess the job weights of the posts under consideration. This method makes use of three main factors – 'know-how', 'problem solving', and 'accountability', each of which has two or three sub-factors, and has been found reliable in assessing a wide variety of political and public sector roles.

Assembly Members

2.04 We noted in paragraph 1.05 that the principal function of Assembly Members is to scrutinise the functions of the Mayor, both in plenary session and in committee. A cadre of 89 staff is available to help them. We understand, too, that there is an expectation that the majority of Members sit on one or more of the Assembly committees and/or the functional bodies. In oral evidence, we were told that the 'general power' conferred by the Act on the GLA, referred to in paragraph 2.02, had allowed its role to expand considerably and that it was now some way removed from that implied by the Act. This was particularly true, it was said, with regard to its London-wide activities. An example given was the coordination of water safety services across London. It was also pointed out to us that although GLA Members did not carry the legislative responsibilities of members of bodies such as the Scottish Parliament, nearly all of them sat on one or more of the functional bodies. This carried with it executive responsibilities which were not found amongst the membership of the devolved Parliament and Assemblies.

2.05 Our witnesses pointed out that the ratio of Members to electorate was much smaller than that found in the devolved bodies and said that whilst it was true that the volume of constituency casework was relatively small, it was increasing. Members received representations on a number of issues, particularly on planning and transport. Some of these were passed on to them by London MPs.

2.06 Most of those from whom we took evidence told us that this range of duties meant that the role of Assembly Member was a full-time one – a view supported by Hay – although a few Members said their role allowed them some limited time to pursue other interests.

2.07 In considering the job weight of an Assembly Member, we were told by Hay that a small number of Members – chiefly those chairing some Assembly committees and functional bodies – carried a significantly higher job weight than their fellow Assembly Members. In particular, membership of the MPA carried with it responsibilities which placed the job of those undertaking this function at a substantially higher level than jobs held by other Assembly Members. Most of those from whom we took oral evidence also said that some Members had substantially greater responsibilities than others. The formal position of the Assembly, however, is that differences in responsibility levels should not be reflected in differences in the pay of Members. This, we were told, would lead to divisiveness and undermine the collegiate nature of the Assembly. We saw, too, in the written submission we received from the GLA, that in July 2001 the Assembly had resolved 'that it does not wish to see responsibility allowances attached to the Chairs of Committees, functional bodies or the Chair of the Assembly'. Furthermore, the Greater London Authority Act 1999 would appear to present a barrier to giving additional reward in return for carrying out these responsibilities.

2.08 In our earlier report, we recommended a salary for Assembly Members that recognised the multiple roles they would have to undertake and although we propose to do the same on this occasion, we believe justification can be found for having a pay structure in which there is a meaningful differentiation of salaries to reflect different levels of responsibility, for example that taken on when a Member assumes the chair of one of the functional bodies. In our view, collegiality is not helped by having a pay structure which means that the greater contribution made by some Members goes unrecognised. If the Mayor and the Assembly come to the view, at some future date, that they would wish

to introduce a differentiated pay structure, and can satisfy themselves that there are no barriers to so doing, the Review Body would be prepared to make recommendations on the salary levels which should attach to that structure.

2.09 Our approach, therefore, in coming to a recommendation for the salary of an Assembly Member is first to consider the job weight of the typical job holder and to see what salaries are in payment for jobs of comparable weight elsewhere – particularly at Westminster and in the devolved bodies. There is then a need to take account of other factors, such as location, which may have a bearing on the matter. In their report to us, Hay have compared the ‘core’ Assembly Member role with its broad equivalents in the Scottish Parliament and the National Assembly for Wales. They conclude that the role is clearly smaller than that of a Member of the Scottish Parliament and rather nearer to that of an Assembly Member in Wales. This is broadly in line with our own assessment, based on all the evidence available to us.

2.10 All of the posts in the Authority are London based. The salaries we recommend therefore take due account of the fact that salaries in London tend to be higher than in other parts of the country, partly reflecting the higher price of living and working in London. After making allowance for this factor, we judge that an appropriate salary for a Member of the Assembly from 1 April 2002, including the annual uprating due on that date, is £45,950. In this context the consideration of any additional London Weighting factor is not appropriate.

2.11 *Recommendation 1: We recommend that, with effect from 1 April 2002, a salary of £45,950 be payable to an Assembly Member of the Greater London Authority.*

The Deputy Mayor

2.12 In paragraph 2.01 of our introduction to this chapter, we referred to the uncertainty which necessarily surrounded our earlier assessments. This was perhaps greater in degree in relation to the post of Deputy Mayor than for other posts. It was evident to us then that its compass would be determined in part by a number of extraneous influences, not least of which would be the way in which the Mayor saw the duties of that post dovetailing with his or her own. Hay report on this occasion, as on the last, that this gives rise to some difficulty in trying to establish a definitive job evaluation score for the post.

2.13 Nevertheless, the role is given firmer shape by the evidence we received from the GLA and by Hay’s own findings. These have identified several important areas of work in which the current post holder is engaged. They include planning and the drawing up of a children’s strategy. The Deputy Mayor’s work on planning, we are told, culminates in the production of a ‘London Plan’ which serves as a framework document on which many decisions at both GLA and borough level are based. The Deputy Mayor also plays a role in speaking on behalf of London and deputising for the Mayor when required.

2.14 It was put to us in evidence that, because of the variable nature of the role, it may be better to have a salary range attaching to the post rather than a single salary – the idea being that the Mayor, with the approval of the Assembly, could then select from within the range the salary which was appropriate to the duties being undertaken at the time. Whilst we can see the rationale underpinning this proposal, our own preference – not for the least reason that it may avoid accusations of unfair treatment (as between post holders) being levelled – is for a single salary to attach to the post. There is sufficient definition here, we feel, to allow that to be done.

2.15 In our 2000 report, we noted that there was a general consensus that the post would carry responsibilities over and above those of other Assembly Members. On the evidence now available to us, we conclude this has proved to be the case, although our view is modified somewhat by other evidence showing a significant increase in the responsibilities of some Assembly Members (see paragraph 2.07 above). We recommend that, with effect from 1 April 2002, the salary for the Deputy Mayor be set at a level of £67,150. This includes the annual uprating due on that date.

2.16 *Recommendation 2: We recommend that, with effect from 1 April 2002, a salary of £67,150 be payable to the Deputy Mayor of London.*

The Mayor

2.17 In 2000, when considering what might be the appropriate job weight to attach to the Mayor's role, we obtained evidence from a wide variety of sources. These included:

- a job evaluation assessment by Hay Management Consultants Limited;
- advice from the Government Office for London;
- a comparative study by Travers and Schiavi of the London School of Economics and Political Science (included in our earlier report);
- the Government White Paper on the GLA and the GLA Act itself; and
- our own findings arising from a visit to four cities in North America with directly elected mayors.

2.18 On the basis of this evidence, we concluded that the responsibilities of the post were a little greater than those of a Minister of State at Westminster and would justify a salary lead of five per cent over that post. Applying this differential today would generate, from 1 April 2002, a salary for the Mayor of £95,926.

2.19 The evidence we received on this occasion makes it apparent that the Mayor has considerable executive authority. Indeed, we were told the Mayor is responsible in law for all executive decisions of the GLA. He or she also has formal responsibility for setting the GLA budget, which, in the year 2002-03, anticipates a net expenditure for the GLA group of £3.9bn. Some of the GLA's income is obtained from the levy of a precept on the London boroughs and this, in effect, bestows on the Mayor revenue raising powers. Revenue is also generated from transport fares the level of which, we were told, the Mayor is personally responsible for determining. In addition, proposed congestion charging would offer a new source of income.

2.20 In their latest report to us, Hay have said that they see the Mayor's post, in job weight terms, as being clearly smaller than that of the First Minister in Scotland, and marginally smaller than that of the First Minister in Wales. They add the rider, however, that future developments could put the post at the same level as that of the First Minister in Wales.

2.21 Our own assessment, based on all the evidence available to us, leads us to the view that an appropriate salary for the Mayor of London would be set around the midpoint of the salaries of a Cabinet Minister and a Minister of State at Westminster. We therefore recommend that, with effect from 1 April 2002, the salary for the Mayor be set at a level of £108,000. This figure includes the annual uprating due on that date.

2.22 Recommendation 3: We recommend that, with effect from 1 April 2002, a salary of £108,000 be payable to the Mayor of London.

Dual mandates 2.23 We reported in paragraph 2.06 that posts in the Assembly are generally presumed to be full-time and it may be considered unlikely, therefore, that Members and the Mayor would hold dual mandates for any but short periods of time (although it was pointed out to us that a number of Assembly Members had continued to be London borough councillors since the inception of the GLA). Nevertheless, legislation provides that holders of elected office, and peers, are eligible for election as Mayor or as an Assembly Member and it is necessary for us, therefore, to recommend arrangements for abating the salaries of Members of the GLA who are also MPs or MEPs, or salaried Office-holders in the House of Lords. We see no reason to change the recommendation we made in our earlier report, that is that the GLA salary should be abated by two thirds.

2.24 Recommendation 4: We recommend that a Mayor of London or Assembly Member of the Greater London Authority 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 receive an abated salary in respect of his or her GLA role equal to one third of the relevant GLA salary.

Annual uprating 2.25 The salaries of Members of the Westminster Parliament are uprated annually on 1 April in line with the average of the movements in the mid-points of the Senior Civil Service pay bands below permanent secretary. Salaries in the Scottish Parliament and the Assemblies in Northern Ireland and Wales are uprated by the same percentage. This mechanism is transparent and simple to operate. Its objectives are to keep parliamentary pay broadly in line with others in the public sector and to keep annual pay decisions out of the political arena. Recently, the number of pay bands in the Senior Civil Service has reduced from nine to three (four for a small number of Departments), but this does not materially affect the operation of the mechanism. On 1 April 2002, the value obtained by applying this mechanism was 2.5% and this has been taken into account in our recommendations on pay. We recommend that the GLA apply this mechanism in future years.

2.26 Recommendation 5: We recommend that, with effect from 1 April 2003, the salary of the Mayor, the Deputy Mayor and Assembly Members be uprated each year by the same percentage as the average of the movements in the mid-points of the Senior Civil Service pay bands below permanent secretary.

Periodic Review 2.27 In our last report, we recommended that pay levels for the Mayor, Deputy Mayor and Assembly Members be reviewed in 2002 (reporting in 2003) and every three years thereafter. We hold a similar view now regarding the desirable interval between reviews. It is clear to us that roles will continue to develop over time and there will be a need to carry out a further review not later than 2005.

2.28 Recommendation 6: We recommend that pay levels for the Mayor, the Deputy Mayor and Assembly Members be independently reviewed not later than 2005.

Chapter 3

Pensions, Severance and Allowances

Pensions 3.01 In our 2000 report we recommended that pension arrangements for the Mayor and Assembly Members should be provided through the Local Government Pension Scheme. These recommendations were accepted by the Assembly. Hay said that the views they received on this issue were favourable to the present arrangements (see paragraph 4.1 of the Hay report at Appendix C). We have received no other evidence on this issue and therefore see no reason to change our earlier recommendation. An overview of the Local Government Pension Scheme can be found in Appendix D.

3.02 **Recommendation 7: We recommend no change to the current pension arrangements.**

Severance Pay 3.03 Ministers and salaried Office-holders in the Westminster and Scottish Parliaments and the Welsh Assembly who cease to hold office are eligible for a grant equal to three months of their Ministerial or Office-holder salary. In our last report we recommended that, apart from the Deputy Mayor⁶, severance or resettlement terms should not be applied to members of the GLA. In the case of the Mayor it was not felt appropriate to award severance pay for a post holder who could not be removed from office by the Assembly between elections.

3.04 With regard to Assembly Members our report drew comparisons between the role of the GLA Members and those of MPs at Westminster and Members of the devolved bodies. The principal difference between the roles was seen as the additional need for MPs and Members of the devolved bodies to represent constituencies, which may be geographically remote. Assembly Members would not have to deal with the equivalent travelling, demand on their time and periods away from their families. We therefore recommended that no resettlement grant should be applied to Members of the Assembly.

3.05 Within this review we have heard from Members of the Assembly regarding severance and the need to safeguard their futures. A consistent theme throughout the evidence received was that the post of Assembly Member was very much a full time occupation. Originally it was presumed that Members could run parallel careers whilst taking on the responsibilities of the Assembly. This, in the majority of cases, has not been seen as possible. We were told that many Members had taken a pay cut on accepting Assembly positions and would wish to return to their previous careers if they left office. We heard that some Members were keeping up to date with developments in their previous work areas with a view to being able to fit back into the market

⁶The direction from the Minister for London on Salaries, Pensions and Allowances did not include our recommendations. The GLA therefore did not introduce a severance payment scheme for the Deputy Mayor.

should they lose their positions. Other Members, however, were not able to do this. Many could be exposed to a period of readjustment if they failed to be re-elected.

3.06 We consider that as the Assembly posts are to be regarded as full-time in nature and do not allow Members actively to pursue professional careers elsewhere, Members should be afforded some protection from loss of salary on losing office. A change in income could impose financial hardship on Members and their families which we believe should be recognised. We therefore recommend that a severance scheme be introduced along the lines of the Resettlement Grant scheme in place at Westminster. This scheme is based on age and length of service. Such payments help to bridge the gap while Members re-establish previous careers, or create new ones, when they leave office.

3.07 **Recommendation 8: We recommend that a severance scheme be introduced for the Mayor and Assembly Members, including the Deputy Mayor, along the lines of the Resettlement Grant in place for Members at the Westminster Parliament.**

Expenses

3.08 We were also asked to make recommendations on the expenses arrangements for the GLA. Currently expense allowances are paid only with regard to travel expenses and are paid as set out in Table 3 below:

Table 3: Travel Expenses for the Greater London Authority

Allowance	Rate
Car Mileage (higher)	32.5p per mile
Car Mileage (lower)	10.4p per mile
Taxi fares	Actual reimbursed
Rail fares	Actual reimbursed
Air fares	Actual reimbursed

Note: Figures provided by the GLA

3.09 We received no evidence to say that the current arrangements are not satisfactory and therefore make no recommendations on this issue.

Provision for Disabled Members

3.10 We were told that at present no Member of the Assembly has disclosed a disability, but that equally there was no provision for special assistance should, in future, a disabled Member require adjustments to be made in working arrangements or facilities. We recommend that the GLA considers setting up explicit provision on a contingency basis, so that disabled people considering standing for election may be assured their needs will be met and are not discouraged from putting themselves forward.

3.11 **Recommendation 9: We recommend the GLA consider making provision to reimburse necessary expenses which may be incurred by a disabled Member as a result of his or her disabilities.**

Child/Elder Care Provision

3.12 It was put to us in the formal submission from the GLA that we should consider provision to account for child and 'elder' care. This is not yet common practice in our experience and it is not for us to make a recommendation on this matter.

Summary of Recommendations

Recommendation 1: We recommend that, with effect from 1 April 2002, a salary of £45,950 be payable to an Assembly Member of the Greater London Authority. *(Paragraph 2.11)*

Recommendation 2: We recommend that, with effect from 1 April 2002, a salary of £67,150 be payable to the Deputy Mayor of London. *(Paragraph 2.16)*

Recommendation 3: We recommend that, with effect from 1 April 2002, a salary of £108,000 be payable to the Mayor of London. *(Paragraph 2.22)*

Recommendation 4: We recommend that a Mayor of London or Assembly Member of the Greater London Authority 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 receive an abated salary in respect of his or her GLA role equal to one third of the relevant GLA salary. *(Paragraph 2.24)*

Recommendation 5: We recommend that, with effect from 1 April 2003, the salary of the Mayor, the Deputy Mayor and Assembly Members be uprated each year by the same percentage as the average of the movements in the mid-points of the Senior Civil Service pay bands below permanent secretary. *(Paragraph 2.26)*

Recommendation 6: We recommend that pay levels for the Mayor, the Deputy Mayor and Assembly Members be independently reviewed not later than 2005. *(Paragraph 2.28)*

Recommendation 7: We recommend no change to the current pension arrangements. *(Paragraph 3.02)*

Recommendation 8: We recommend that a severance scheme be introduced for the Mayor and Assembly Members, including the Deputy Mayor, along the lines of the Resettlement Grant in place for Members at the Westminster Parliament. *(Paragraph 3.07)*

Recommendation 9: We recommend the GLA consider making provision to reimburse necessary expenses which may be incurred by a disabled Member as a result of his or her disabilities. *(Paragraph 3.11)*

SIR MICHAEL PERRY, GBE
JOHN BAKER, CBE
THE HON MICHAEL BELOFF, QC
DAVID CLAYMAN
PROFESSOR SANDRA DAWSON
THE RT HON BARONESS DEAN OF THORNTON-LE-FYLDE
SIR TERRY HEISER, GCB
SIR SYDNEY LIPWORTH, QC
JANET RUBIN
GEORGE STAPLE, CB QC
PROFESSOR SIR DAVID WILLIAMS, QC DL

Appendix A

Full terms of reference of the Senior Salaries Review Body

The Review Body on Top Salaries (TSRB) 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 in 1998 as a consequence of the Government's Comprehensive Spending Review and in 2001 to allow the devolved bodies direct access to the Review Body's advice.

The terms of reference are:

The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor and the Secretary of State for Defence on the remuneration of holders of judicial office; senior civil servants; senior officers of the armed forces; 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;
- 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;
- 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; and
- 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.

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.

Appendix B

List of those who provided evidence to the Review Body

- Chair of the Independent Panel on Police Authority Members' Allowances, Serge Lourie
- Chair of the Independent Panel on the Remuneration of Councillors in London, Professor Malcolm Grant
- Chair of the London Assembly, Baroness Hamwee and Deputy Chair of the London Assembly, Trevor Phillips
- Chief Executive of the GLA, Anthony Mayer
- Deputy Mayor, Nicky Gavron
- Leader of the Conservative Party Group, Bob Neil
- Leader of the Green Party Group, Darren Johnson
- Leader of the Labour Party Group, Lord Harris
- Leader of the Liberal Democrat Party Group, Lord Tope
- Mayor of London, Ken Livingstone

Appendix C

Hay Group Management Limited Report

Senior Salaries Review Body

Review of Roles in the Greater London Authority

Philip Cohen
Lesley Wilkin
Tony Hughes

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52 Grosvenor Gardens
London SW1W 0AU

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Executive Summary

Hay Group were commissioned to support the SSRB's review of pay for the Mayor and Deputy Mayor of London, and Assembly Members of the Greater London Authority. Specifically, we were asked to review the jobs as they have developed since the GLA's establishment and advise on whether the job sizes we had assessed in our preliminary report in 1999 should be changed. In order to carry out this review, we have undertaken an interview programme which has involved the big majority of those directly affected as well as senior members of the GLA's paid staff.

Our major conclusions about the jobs are as follows:

- In many respects, the Mayor's job has developed as anticipated by the relevant legislation. In most areas it is highly executive. The post holder has, however, begun to play a role in certain areas such as housing which are not within his direct statutory responsibilities, as a result of the 'Principal Purposes' assigned to the GLA by the Greater London Act. Also, the Mayor's statutorily based Spatial Development Strategy influences these matters considerably. Additionally, and importantly, the Mayor's budgetary responsibilities for the Metropolitan Police Service appear to give him more influence over the strategic development and control of policing than we had anticipated in 1999. The Mayor's need to raise a precept on the London Boroughs, in addition to his ability to levy congestion/parking charges and vary public transport fares throughout London, is clearly a tax raising power.
- The character of the Deputy Mayor role is subject to a range of political and personal considerations, and the wishes of each Mayor. So far, the current Mayor has delegated relatively little executive responsibility to the Deputy Mayor except in the important area of planning, where full use is made of the incumbent's background, skills and networks.
- Assembly Members have a range of responsibilities. These include agreeing, amending or (by a two-thirds majority of those voting) rejecting the Mayor's budget; holding the Mayor fully to account for his executive actions; examining and putting forward proposals around issues of a pan-London nature; and serving as members of the Metropolitan Police Authority, the London Fire and Emergency Planning Authority or the London Development Agency. Assembly Membership is a full-time role. 'Constituency' Members are prominent in local networking, particularly on issues closely connected with the direct responsibilities of the GLA.

- About a third of Assembly Members have leadership roles on scrutiny committees or functional bodies which are generally considered particularly onerous.

Our conclusions on job size are as follows:

- We believe it would be unreasonable to evaluate the Mayor of London at the same level as the First Minister in Scotland who can promote and seek approval for primary legislation, and whose responsibilities are substantially greater in range and budget. On balance, we would see the Mayor's post at the current stage of its development as very marginally smaller than the First Minister in the Welsh Assembly, although future developments such as acquiring direct responsibility for running London Underground and the extension of the Mayor's de facto influence into areas such as health could easily change this assessment.
- A single job evaluation score cannot be assumed to apply to the Deputy Mayor position.
- We have found a wide range of job weights among Assembly Members. In comparing the 'core' Member role with their broad equivalents in Edinburgh and Cardiff, several criteria are relevant. We have concluded that an Assembly Member's job is clearly smaller than that of a Member of the Scottish Parliament because of the GLA's restricted formal responsibilities, the lack of primary legislative powers and where applicable their uncertain positions in their constituencies. On the other hand, the role is probably broader than the 'typical' Member of the Welsh Assembly, driven in particular by the responsibility arising from membership of functional bodies (which balances their relatively small constituency workload). Their small numbers by comparison with other devolved bodies are also relevant.
- By contrast, certain Assembly Members with Committee or functional body leadership responsibilities could be seen as broadly equivalent in weight to Members of Parliament.

I Introduction

1.1 In November 2001 the Office of Manpower Economics (OME), on behalf of the Senior Salaries Review Body (SSRB), commissioned Hay Group to support the SSRB's review of pay for the Mayor and Deputy Mayor of London, and Assembly Members of the Greater London Authority (GLA). The requirement was for a review of job sizes, to follow up a report which Hay submitted to the SSRB in 1999 before the establishment of the Authority. That report was prepared on the basis of the legislation (then in draft) and the expectations of those we interviewed at that time about how the new Authority would operate in practice. We suggested, and the Review Body agreed, that considerable uncertainty then existed. We recommended a further review once the GLA had been in operation for a period of time.

1.2 The main part of our work on this occasion has been an interview programme designed to help us understand the roles as they have so far developed. In this way, we have been able to validate and/or amend the provisional conclusions we reached in 1999 about the weight of elected roles in the GLA in the light of observable developments since that time. We have interviewed:

- The Mayor.
- The Deputy Mayor.
- 18 other Assembly Members.
- The Chief Executive and several other Members of the GLA's paid staff.

1.3 We have also studied the GLA's own submission to the SSRB, which has provided a useful point of reference during our discussions.

1.4 These interviews have enabled us to reassess the roles, particularly by comparison with elected positions elsewhere in the United Kingdom, both at Westminster and in the devolved bodies in Scotland, Wales and Northern Ireland. We are grateful to all those who agreed to be interviewed and the valuable insights they gave us. Indeed, the positive response rate to our request for interviews was substantially higher than we had anticipated, indicating the broad based willingness to help us and also the importance attached to the SSRB's review by the GLA as a whole.

II General Findings

2.1 In our 1999 report, we described at some length the intentions of the legislation establishing the Greater London Authority. In this section, we review briefly the powers and responsibilities conferred on the Mayor and the Greater London Assembly by statute and how these are exercised. The assumptions contained in our 1999 report appear in general to have been valid. But we touch on certain areas where power, influence and activity seem to have developed somewhat differently from our expectations, with a possible effect on the size of the jobs.

The Mayor

2.2 As discussed in our 1999 report, the intention of the legislation, in most areas, was to establish a strong executive Mayoral function balanced by an independently mandated Assembly of 25 Members. The latter's core role, to which we return below, is to approve, amend or reject the Mayor's budget; to scrutinise his strategies; and to be members of a number of functional bodies.

2.3 Briefly, the Mayor has a statutory obligation to prepare strategies in eight areas, subject to consultation with the Assembly, functional bodies as appropriate (see below) London Boroughs and a range of statutory consultees. In the GLA's own words; 'For some [strategies] the Mayor's freedom of scope is quite wide, whilst for others the Act or secondary legislation sets out more narrow guidelines within which the Mayor must develop his document'. The **Statutory Strategies** are as follows:

- **Transport.** The Mayor develops this strategy which is implemented primarily through Transport for London (TfL) whose Board he chairs (but on which Assembly Members are not permitted to sit). TfL is responsible for organising the London bus system (where the long term decline in usage seems to have been reversed); operating light rail networks, such as Docklands Light Railway and Croydon Tramlink; the regulation of taxis and minicabs; managing London's strategic road network; examining and approving major road schemes under borough control; and traffic management including the possible introduction of congestion charges or parking levies. In due course, TfL will acquire responsibility for London Underground. Close relationships have already been established with the operators of suburban rail services and their regulator. The GLA receives a single block grant in respect of its transport functions. Subject to consultation, the Mayor establishes priorities for spending the grant and (subject to contracts with future London Underground operators) does not require approval for capital investment within the budget available.

In practice, it is clear that as expected the Mayor has assumed a highly executive role in the transport arena. He determines strategies and policies for those services TfL already controls; appoints and chairs the TfL board; and negotiates with government about budgets and the future of London Underground. He has submitted detailed plans to the Assembly about congestion charging and recently decided to implement this ground-breaking policy.

The budget and plans of TfL are closely examined by the Assembly's Transport Operations Committee and its Budget Committee. Substantial co-ordination is required with the London Boroughs, particularly on Highways matters and in planning new projects – such as the Crossrail proposal or future light rail links. But TfL will remain the responsible authority. It is already impacting on thinking in the Boroughs about their own transport planning.

- **Economic Development.** The Mayor has to devise and gain agreement to an Economic Development and Regeneration Strategy for London. Executive authority is exercised through the London Development Agency (LDA) whose Board is appointed by the Mayor. (At least four seats are reserved for elected members from the GLA or from London Boroughs.) The LDA has responsibility for approving expenditure within the guidelines of the Mayor's strategy and for co-ordinating the bids/activities of London Boroughs. The Mayor has to secure funds from Central Government for the LDA, involving competition with Regional Development Agencies elsewhere in the UK, and needs to ensure effective co-ordination with local interests throughout the capital so that proper priorities are established. The private and voluntary sectors are very heavily involved, as well as London Boroughs.
- The Mayor is charged with devising and gaining agreement to a **Spatial Development Strategy** for London which will have statutory status. While the London Boroughs continue to develop Unitary Development Plans for their areas and are the planning authorities for the vast majority of applications, the Mayor has the power to direct a Borough to refuse an application which is considered to conflict with the SDS. Additionally, the government has defined a category of strategically important planning proposals which the Mayor must approve (subject to appeal to the Secretary of State). In practice, around 300 planning applications annually are referred to the Mayor. This is a substantially higher figure than anticipated at the time the legislation was passed.
- **Culture.** The Mayor is responsible for drawing up a cultural strategy in consultation with the Cultural Strategy Group for London. This emphasises primarily the diversity of London's cultural resources. He leads in promoting major events in London and in encouraging tourism. This has led to a number of initiatives, for example in subsidising theatre tickets as a response to the recent decline in visitor numbers.
- **Four separate strategies which are all aspects of environmental management.** These are waste; biodiversity; air quality; and noise. In all these areas, substantial co-ordination of activity and agreement of plans is required with London Boroughs and a range of statutory organisations. The Assembly has also established an Environment

Committee to examine the effectiveness of the strategies several of which – for example waste – are politically charged and involve inherent conflict between the achievement of pan-London objectives and the protection of local interests.

2.4 In addition to the Statutory Strategies, the Greater London Act assigns three **'Principal Purposes'** to the GLA, and therefore to the Mayor. These are economic development and wealth creation; social development; and improvement of the environment. In pursuit of these purposes, the GLA has general powers, subject to appropriate consultation. Clearly, many aspects of these purposes are pursued through the statutory strategies themselves but it is also evident that they provide the Mayor with the opportunity to play a role in other areas. For example the Mayor and the GLA as a whole have already taken initiatives in planning affordable housing, complementing the work of the Housing Corporation and the boroughs. Similarly, the Mayor is working on a children's strategy and an energy strategy. More generally the Principal Purposes provide the underpinning for both the Mayor and Assembly Members to work at London or more local level to bring public authorities, transport providers and others 'closer together' to co-ordinate and better plan their respective activities. For example, there is some evidence that health providers in London look to the Mayor and GLA to provide a co-ordinated view of how their needs could be supported by both central government and other agencies.

2.5 The Mayor is also responsible for devising and gaining agreement to the **GLA's Budget**. This provides not only for the GLA itself but also for four functional bodies. These are TfL and the LDA to which we have referred; the Metropolitan Police Authority (MPA); and the London Fire and Emergency Planning Authority (LFEPA). The GLA budget is approximately £3.5bn (not including transport revenues and the operational expenditure they fund). Of this, the MPA accounts for around two thirds.

2.6 The Mayor is responsible for proposing the total GLA budget which has to be sufficient to fund his strategies and satisfy the needs of each functional body. This has to be agreed by the Assembly which, in practice, negotiates with the Mayor about it and can at the final stage reject it by a two thirds majority when they must impose an alternative budget. The budget is funded in part through a precept on London Boroughs which is raised by them through Council Tax. This gives the Mayor tax raising powers, subject to the Assembly's agreement, in addition to his ability to levy congestion/parking charges and vary public transport fares throughout London.

2.7 There are specific issues about the funding of the Metropolitan Police Service (MPS) and the respective roles of the Mayor and MPA. Perhaps our most important finding in relation to the Mayor is that his budgetary responsibility in practice appears to give him more influence over the strategic development and control of policing than we had anticipated in 1999. At that time, we had assumed that the Metropolitan Police Authority would be the body which most clearly held the Commissioner to account for resource management, and that the Mayor's role would be relatively 'passive'. The evidence suggests that the Mayor's influence within the complex arrangements which now govern the MPS has been more direct than anticipated. In evidence we heard that the budget had been the mechanism for delivering substantial improvements in, for example, police recruitment. It has also given the Mayor the opportunity to commission a major review of the Service's managerial effectiveness. There is clearly substantial direct contact between the Mayor and the Commissioner on specific proposals to improve policing (such as on the public transport system).

2.8 On the other hand, it is the MPA and not the Mayor which is responsible overall for the MPS's performance, including its budget and resources, the achievement of Best Value and the service's response to non-budgetary issues such as ethics and diversity. Also, the Mayor is in no way responsible for operational policing and cannot influence the Commissioner in the deployment of his resources in response to specific threats or incidents. This clearly leads to some debate involving the Mayor and the Chair of the MPA because of the various national and international roles of the MPS in addition to its 'routine' territorial policing role across London.

The Deputy Mayor

2.9 As suggested in our 1999 report, the character of this role is subject to a range of political and personal considerations, and the wishes of each Mayor. It is moreover complicated by virtue of the fact that the Deputy Mayor is an elected Assembly Member with at least some political responsibilities to his/her party. Nevertheless, the evidence suggests that so far the current Mayor has delegated relatively little executive responsibility to the Deputy Mayor except in the important area of planning where full use is made of the incumbent's background, skills and networks in drawing up and preparing the implementation of a holistic London Plan. This will serve as the framework document from which will flow many decisions at both GLA and borough level. The Deputy Mayor is also responsible for the Children's Strategy. Additionally, there is also an important representational role, effectively deputising for the Mayor when he has to be elsewhere and keeping abreast of his thinking across the board. In 1999, many of our interviewees assumed that the Deputy Mayor was likely to be named as Chair of the MPA. This has not happened.

Assembly Members

2.10 There are 25 Members of the London Assembly (including the Deputy Mayor). The majority represent 'constituencies', the remainder being 'list' members appointed to reflect the overall pattern of votes received for each major party across London. The major roles of the Assembly are:

- To agree, amend or (by a two-thirds majority of those voting) reject the Mayor's budget. Much detailed work, for example around analysing the budgets of the functional bodies and assessing the effect of changes to them, is carried out by the Budget Committee.
- To hold the Mayor fully to account for his executive actions and for his strategies, both through plenary debate and the relevant committees.
- Through Committees and other mechanisms to examine and put forward proposals around issues of a pan-London nature.
- Through the Appointments Committee a number of members participate actively in the appointment of virtually all GLA core staff, including their remuneration, shortlisting and interviewing, and disciplinary matters.
- To serve as Members of either the MPA, the LFEPa or the LDA, including committees and sub-committees of those three functional bodies. In varying proportions the boards of these organisations also include representatives, usually appointed by the Mayor, who are not GLA members.

2.11 The evidence suggests that these responsibilities make up a full time job for Assembly Members although some remain local councillors and, like elected members elsewhere, try to pursue outside activities. Although both the structure and processes of the GLA's committee system continue to evolve,

there is a consensus that resource and budgetary scrutiny has become more effective over the last year. Similarly, individual committees, which cover topics such as transport or spatial development, have constructively criticised and amended the Mayor's strategies; launched investigations of their own into matters within their remit (for example the Green Spaces scrutiny conducted under the aegis of the Environment Committee); and where appropriate begun to hold some of the functional bodies to account, particularly in their use of resources. Committee reports have obliged the Mayor to amend some of his strategies in certain respects. Others have been well received by opinion outside the GLA and follow up action has been put in place. All GLA Members serve on one or more Committee. Their Chairs clearly direct and shape the nature of most of their work but we have been given evidence of important Committee initiatives which have originated from and been handled fundamentally by other members.

2.12 Most interviewees conceded that by contrast with several Committees the Assembly had yet to establish itself effectively as a Plenary body in holding the Mayor to account. This is in part because of the resources available to the Mayor by comparison with the Assembly. Some suggested that Plenary was most effective in examining/questioning outside interests such as the train operating companies or major employers whose decisions might affect substantial numbers of Londoners. (Since our interviews took place, the Mayor's draft budget has however been overturned in Plenary.)

2.13 Almost all Assembly Members have been appointed to one of the MPA, LFEPA or LDA. These are all supervisory roles involving extensive monitoring and strategy determination, and at least in some cases involvement in appointments and investigatory work. There is no doubt, however, that an active Member's commitment to the MPA is particularly burdensome, because of the size and complexity of the Metropolitan Police Service and the perceived need in the long term to obtain much better value for money from it. The MPA, and therefore those of its members who are also Assembly Members, continue in addition to be heavily involved in ethical and behavioural matters, for example, those arising from the Lawrence Report and the 'Diversity Agenda', and in specific items such as the rationalisation and improvement of the police property portfolio.

2.14 Because of the small number of Assembly Members in total, and the even smaller representation from each party, every Member has become a spokesperson or policy developer (in the London context) on a significant topic. Several liaise closely with their party colleagues at Westminster. They are accountable to their parties for pursuing these specific interests in committees and in plenary.

2.15 Generally, we detected a large measure of 'Assembly identity' developing across party lines. There is no doubt that this is due in part to the fact that the first Mayor is not a party political representative. But in the longer term, if the Assembly is to achieve change and properly examine any future Mayor, the electoral system demands that cross-party purpose continues to be achieved.

2.16 When the Assembly was established, it was far from clear what constituency role would fall to directly elected Members. It is now evident that most of these receive relatively little correspondence and so on from individuals by comparison with Members of Parliament (or Members of the Scottish Parliament or Welsh Assembly). But they are increasingly courted by interest groups and public sector organisations. In areas which are within the direct responsibility of the GLA (especially transport, police and strategic

planning) they have become networkers and influencers, essentially brokering and channelling the activities of a wide variety of interest groups, ranging for example from local hospitals to Neighbourhood Watch Groups. Beyond that, constituency members see part of their role as to promote the general interests, as far as they can, of 'their part' of London. Local press, radio and TV work is important in this context. Where possible, this role is carried out in partnership with local authorities and appropriate Members of Parliament. In practice this kind of co-operation seems extremely patchy across London, being influenced by a number of specific local or personal factors as well as political considerations. Nevertheless constituency members spend a considerable proportion of their time away from the Assembly in this kind of 'networking' activity.

2.17 The role of 'List' Members outside the Assembly is much more varied. In the case of minority parties they see themselves having a pan-London representative role on general or sometimes very specific (e.g. environmental) issues. A few are designated by their parties to represent their interests as best they can in constituencies held by another party. Others are perhaps more involved in the work of Committees and functional bodies than are some constituency representatives.

2.18 There are very mixed views among interviewees about the idea of any differential payment for certain kinds of members. Nevertheless, most people would seem to accept that a high proportion of members (about one third, and more by some estimates) have specific quasi-executive roles and some of these positions are particularly onerous. These include:

- Chair of the Assembly
- Chair and Deputy Chair of the Budget Committee
- Chair and Deputy Chair of the Appointments Committee
- Chairs of the MPA, LFEPA and LDA

2.19 Although we have interviewed most of the current job holders we have not been asked during this exercise to analyse these specific roles in detail. It is nevertheless clear that their responsibilities are in most, if not all, cases significantly wider than the 'core' Assembly Member role.

III Job Size Issues

3.1 In the light of the evidence set out in the previous section we now turn to the job sizes of the Mayor, Deputy Mayor and Assembly Members. As points of reference, we use the conclusions reached in our 1999 report and the relativities we have suggested for posts across the UK in our previous reports about the House of Commons and the devolved bodies in Edinburgh, Cardiff and Belfast. These relativities are illustrated in *Table 1*. (In practice, the political situation in Northern Ireland is so different from elsewhere that we exclude it from most discussion.) More speculatively, we also consider relativities which might emerge should London Boroughs and major cities elsewhere move to the direct election of Mayors.

Method 3.2 For this purpose, we have supported our judgements by using the Hay Guide Chart Profile Method of Job Evaluation which has now been used for some years to examine relativities between different kinds of jobs in the UK political context. We described the method in some detail in Section 5 of our 1999 report but in brief it has three factors, as follows:

- **Know-How** – This is defined as the sum of every kind of knowledge, skill and experience required for standard acceptable job performance. It is sub-divided into three sub-factors:
 - ~ *Technical Know-How* This is the ‘conventional’ definition covering skills, qualifications and experience of whatever kind required for a job/role.
 - ~ *Management Breadth* This covers the degree of planning, integrating, controlling, co-ordinating and organising which is necessary for the job.
 - ~ *Human Relations Skills* This is the degree of persuasion and influencing required of job holders.
- **Problem Solving** – This is defined as the independent thinking required by a job for analysing, evaluating, creating, reasoning, arriving at and drawing conclusions. It has two sub-factors:
 - ~ *Thinking Environment* This is the policy, operational, procedural or rule-driven background against which thinking takes place.
 - ~ *Thinking Challenge* This measures the range of choices which have to be made and the background to them, as well as creativity, evaluation and judgement.

Table 1 – Equivalence Between Westminster, Edinburgh, Cardiff and Belfast Roles

Job Level	Westminster	Edinburgh	Cardiff	Belfast
1	Prime Minister			
2				
3				
4				
5	Cabinet Minister (Largest)			
6	Cabinet Minister	First Minister		
7	Cabinet Minister			
8	Cabinet Minister (Smallest)		First Minister	First Minister/ Deputy First Minister
9		Deputy First Minister		
10		Minister (Large) Presiding Officer		Speaker
11	Minister of State (Large)	Minister (Median)		
12	Minister of State (Median)	Minister (Small)	Presiding Officer	Minister (Large)
13	Minister of State (Small)		Assembly Minister	Minister (Median)
14	Parliamentary Under Secretary (Large)			
15	Parliamentary Under Secretary (Median)			
16	Parliamentary Under Secretary (Small)	Deputy Minister (Large) Deputy Presiding Officers		
17		Deputy Minister (Small)	Deputy Presiding Officer	Junior Minister
18	Members of Parliament (Median)		Subject Committee Chair	Statutory Committee Chair Member of Assembly Commission
19		Member of the Scottish Parliament		Member of the Northern Ireland Assembly
20			Member of the National Assembly for Wales	

- **Accountability** – This is defined as the answerability for action and the consequences of that action. It is the effect of the job/role on end results. It has three sub-factors:
 - ~ *Freedom to Act* This is concerned with the ability to take decisions and/or actions. It is measured by the existence or absence of policy, procedural or personal control and guidance.
 - ~ *Impact on End Results* This measures the type and degree of impact or influence the job exerts on a definable output or set of outputs.
 - ~ *Magnitude* This indicates the ‘size’ of the output on which the job impacts. In commercial organisations and at managerial level this is normally measured in financial terms, but this does not have to be the case. In previous public sector work we have used the concept of ‘public policy’ and its various components to arrive at appropriate judgements under this sub-factor.

The Mayor 3.3 In trying to compare the Mayor’s role with that of other positions included in Table 1 we believe the following considerations are particularly relevant:

- The Mayor has direct accountability for a distinctly restricted range of services by comparison with the First Ministers in the devolved bodies. Even if, in practice, his status and strategies enable him to exert clear influence over some activities which he does not control (e.g. Housing) this factor limits the position’s Management Breadth. This is the critical Know-how differentiator for jobs at this level.
- The Mayor’s need to levy a precept on London boroughs is a tax raising power similar in kind to that enjoyed but not yet exercised by the Scottish Parliament. The Mayor (and Assembly) must take account of political reactions to the precept. This factor, in contrast to the previous one, tends to increase the job’s Management Breadth.

The sheer size of London (population about 40% higher than Scotland and more than double that of Wales) should be taken into account, given the GLA’s general powers of competence in certain strategic areas and the general intention of the Act that the Mayor would be ‘the Voice of London’, in addition to being responsible for the delivery of specific services. This also needs to be taken account of in the Management Breadth assessment.

- The Mayor’s spending (a factor in Accountability), although considerable, is much smaller than those of the devolved governments in Scotland and Wales. On the other hand, as discussed in the previous section we believe it appropriate to assess the Mayor as having a more direct impact than previously assumed on the budget and planning of the Metropolitan Police.
- Some of the Mayor’s decisions in devising and implementing the GLA’s statutory strategies should be seen to parallel the Welsh Assembly’s responsibilities for enacting secondary legislation, since they are binding on other bodies, notably the London Boroughs. The Spatial Development Strategy is an example. This consideration suggests that the Mayor’s Problem Solving and Freedom to Act is

broadly comparable to that of the First Minister in Wales although it is fair to point out that the Welsh Assembly could if it wished go so far as to reorganise local government and services such as education and health in Wales. We have considered whether the existence of functional bodies such as the LDA and TfL are an additional constraint on the Mayor's decision taking but, given his role in appointing the members of one and chairing the other, such an argument is probably not sustainable.

- The Mayor differs from all the comparators in one specific and important respect. The post is directly elected and does not depend on maintaining the support of the Assembly (although its effectiveness might be compromised if this were lost). This consideration also influences Freedom to Act.

3.4 Taking all these factors into account, we believe it would be unreasonable to evaluate the Mayor of London at the same level as the First Minister in Scotland who can promote and seek approval for primary legislation, and whose responsibilities are substantially greater in range and budget. The comparison with the First Minister in the Welsh Assembly is much less clear cut. The Mayor's smaller range of activities – and budget – and his limited influence over local government education and health must be balanced against London's population, his potential influence over matters which he does not control directly, his ability to levy a precept on the London boroughs and the fact of direct election. This is a fine judgement, but on balance we would see the Mayor's post at the current stage of its development as very marginally smaller than the First Minister in Cardiff (Level 9 in Table 1). Future developments such as acquiring direct responsibility for running London Underground and the extension of the Mayor's de facto influence through his Statutory Strategies (e.g. over health) could however easily change this assessment.

3.5 We have been asked to consider in this context what the job evaluation levels are likely to be for elected Mayors of London Boroughs and major city authorities should these come into existence. All will be responsible (albeit within tight governmental constraints in some areas – e.g. Education) for major budgets (over £1bn in the biggest cities; up to about £400m in a large London borough), for thousands of staff and for civic leadership in the broadest sense including a great deal of partnership working. Under current electoral arrangements, the Chief Executives of a very large city such as Leeds would normally be around Job Level 12 in Table 1 and the equivalent role in a London Borough would be Level 14. On this basis, although the estimate must be extremely broad brush, the elected executive Mayor of a city such as Leeds with the full range of local authority services (although not police or anything directly equivalent to TfL) is therefore likely to be around Level 11, below our estimate for the Mayor of London. Using the same logic, the elected Mayor of a London Borough might be around Level 13.

Deputy Mayor

3.6 All the evidence confirms that this role could operate at several different levels and carry out very different functions depending on the wishes of the Mayor and his political priorities. We have touched on this in the previous section. It means that a single job evaluation score cannot be assumed to apply to the position. The GLA itself has suggested that, in these circumstances, a broad salary range could be determined with the Assembly

itself deciding the appropriate level at any point in time. This is a possible way forward, although it is probably outside our terms of reference to suggest how such an approach would work. At the present time, however, there appears to be little if any pressure for any substantial change to the salary level for the post.

Assembly Members

3.7 In our 1999 Report, we were uncertain about whether Members of the London Assembly would be broadly speaking at Level 19 in Table 1 (equivalent to Members of the Scottish Parliament – MSPs) or Level 20 (equivalent to Members of the Welsh Assembly). In our 2001 report on posts in the Scottish Parliament we revised the score for MSPs upwards a little.

3.8 In reconsidering this issue, we should stress first that we have found a wide range of job weights among Assembly Members. This is not unusual. We have reached similar conclusions at Westminster and in the other devolved bodies. As suggested in the previous Section around a third of the 25 Assembly Members (24 if the Deputy Mayor is excluded from the calculations) have specific roles which are generally accepted as bigger than the ‘core’ representational scrutiny and functional body accountabilities which attach to all Members. They are usually the Chairs of certain committees or of the GLA’s functional bodies.

3.9 Disregarding these broader roles, the ‘Core’ Assembly Member can be compared with their broad equivalents in Edinburgh and Cardiff using the following major criteria:

- Members of all three bodies participate in the development of party policies and are often spokespersons on specific issues.
- In practice, almost all serve on policy making or ‘scrutiny’ committees in the appropriate institution.
- All three groups – in particular those with constituency responsibilities – ‘network’ actively within their localities and are seen to have a role in promoting the interests of their areas or institutions within them. Everywhere, this is a fluid and developing role.
- All three groups are also heavily influenced by lobby groups interested in issues within their competence.
- The role of GLA members on the three functional bodies is however different. In Scotland and Wales Assembly Members do not sit on supervisory Boards of this kind.
- Directly elected Members of the GLA represent far larger constituencies than their counterparts at Edinburgh or Cardiff. On the other hand, it might well be argued that, by comparison with Members of the Scottish Parliament and the Welsh Assembly, GLA members play a less prominent and broadly based role in pursuing ‘constituency’ interests. This is because of the continuing full role of MPs with London constituencies and, arguably, the critical mass and capability of the London Boroughs (sometimes brought together through the Association of London Government), which may be greater than some of their counterparts in Scotland and Wales.
- There is absolutely no doubt that the constituency workload of GLA Members in terms of requests for support and assistance from individuals, is far smaller than elsewhere.

- Collectively, Members of the Scottish Parliament and Welsh Assembly can vote down (and out) their respective Executives GLA Members cannot remove the Mayor.

3.10 Our conclusion is that the ‘core’ role of an Assembly Member in London is smaller than that of a Member of the Scottish Parliament, because of the GLA’s restricted formal responsibilities, the lack of primary legislative powers and where applicable their uncertain positions in their constituencies. This impacts on both Problem Solving and Accountability. On the other hand, their role is probably somewhat broader than the ‘typical’ Member of the Welsh Assembly. We would consider that London Assembly Members require greater policy knowledge – in job evaluation terms, Technical Know-how – than, typically, do Members of the Welsh Assembly. This is driven in large measure by their small numbers. Their greater management responsibility on the functional bodies balances their relatively small constituency workload, producing an identical assessment for Management Breadth. The Problem Solving score is about the same. The roles on functional bodies however mean GLA Members’ Accountability is a step higher than that of their Welsh counterparts. We would conclude from this that the job weight of the ‘core’ GLA Assembly Member is clearly less than that of a Member of the Scottish Parliament as we recently reassessed it and is rather nearer that of an Assembly Member in Wales.

3.11 By contrast, certain ‘leading’ posts (referred to above) have substantially greater responsibilities than those of the ‘core’ jobs. If the Assembly was able to pay such positions at a higher level than other members we would see several of them (e.g. Chair of the MPA and Chair of the Budget Committee) at a broadly equivalent level to Members of Parliament, with significantly increased scores for Management Breadth, Problem Solving, Magnitude and Impact on End Results.

IV Pensions and Allowances

4.1 In the course of our work, we touched on these topics with many interviewees. In practice, views expressed about pensions were favourable to present arrangements and we detected no pressure for change. Similarly, there were few, if any, complaints about travel allowances or the support arrangements whereby Assembly Members' personal staff are employed by the GLA. One or two members thought that appointment procedures were cumbersome but perhaps surprisingly – given the political context within which researchers and assistants operate – we found no pressure at all to change these arrangements. It seems that the equity and administrative convenience of GLA employment are substantial advantages in the view of Assembly Members, by contrast perhaps with the views traditionally held on such matters by many Members of Parliament.

Appendix D

The Local Government Pension Scheme (LGPS)

1. Normal Retirement Age 65 years. Members may retire earlier without reduction if their age (NRA) and service at retirement equals 85 or more. Retirement below age 60 is permissible but requires the employer's consent.	
2. Pensionable Salary(PS)	Basic pay plus pensionable allowances.
3. Final PS (FPS)	Pensionable salary in the final year
4. Members' Contributions	6% for all new entrants
5. Relationship to SERPS	Contracted out
6. Normal retirement	
(i) pension	1/80th of FPS per year of pensionable service
(ii) Lump sum	3/80th of FPS per year of pensionable service
Voluntary early retirement	Members have the right to take their pension/deferred pension without reduction at their retirement age as defined above. Otherwise, accrued pension reduced for early payment.
Ill health early retirement	Enhanced service pension as follows:
2 - 5	No enhancement
5 - 10	Service doubled - see (a) below
10 - 13 ² / ₃	Enhanced to 20 years - see (a) below
13 ² / ₃ +	Up to extra 6 ² / ₃ years service - see (a) below
9. Late retirement	Extra service credit
10. Death in service	
(i) Lump sum	2 times PS.
(ii) Spouse's pension	50% of member's ill health pension entitlement payable for life. A temporary pension of 1 times PS is payable after death for 3 months (6 months if children in care of widow).
11. Death after retirement	
(i) Lump sum	5 years' pension less any pension already received
(ii) Spouse's pension	50% of member's pension, payable for life.
12. Withdrawal benefits	
(i) Less than 2 years service	Net refund of member's contributions.
(ii) More than 2 years service	Deferred pension payable from NRA (as defined above) On Death before retirement a spouse's pension of 50% of member's pension, plus a lump sum of 3 x member's deferred pension.
13. Increases to pensions	
(i) In payment (annual)	RPI increases on the non-GMP pension.
(ii) In deferment	Total pension increased by RPI.

14. Shared Cost AVC	Employer may introduce a Shared Cost AVC scheme and make contributions to a member's AVC fund. The employer sets up the scheme and defines the eligibility conditions.
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(a) Subject to maximum enhancement of the potential service to age 65. This is also subject further restriction that total service (actual plus the enhancement) should not exceed 40 years.

Appendix E

Previous Review Body reports 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