



Review Body on Senior Salaries

REPORT No. 61

Greater London Authority:
Review of pay, expenses,
pensions and severance
arrangements for the Mayor
of London and London
Assembly Members 2005

Chairman: John Baker, CBE

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REPORT No. 61

Greater London Authority: Review of pay, expenses, pensions and severance arrangements for the Mayor of London and London Assembly Members 2005

Chairman: John Baker, CBE

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

July 2005

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Foreword

Review Body on Senior Salaries

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 again 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 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;

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;

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.

The Members of the Review Body are:

John Baker, CBE *Chairman**
Mark Baker, CBE
David Clayman
Mary Galbraith*
Professor David Greenaway
Mei Sim Lai, OBE*
Jim McKenna
Sir Peter North, CBE, QC
Richard Pearson
Janet Rubin*

The Secretariat is provided by the Office of Manpower Economics.

4 July 2005

* Members of the Greater London Authority Sub-committee, chaired by John Baker.

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Summary of recommendations

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.

Chapter 1

Introduction and context of the review

Introduction

- 1.1 The Senior Salaries Review Body (SSRB) was first asked to make recommendations on the pay, allowances, pensions and severance arrangements for the Mayor and Members of the London Assembly in March 1999, prior to the elections for the Mayor and Assembly in May 2000. Our recommendations were published in February 2000¹. The essence of our work in 1999 (and subsequent review in 2002) was to evaluate the roles and responsibilities of Assembly Members in relation to Westminster MPs, Members of the Scottish Parliament and National Assembly for Wales, and comparators in the public and private sectors, and then derive the Assembly Members' salary by reference to that evaluation. In putting forward our proposals, we recommended that mechanisms should be put in place for pay to be uprated automatically each year. We also recommended that pay levels should be independently reviewed in 2002² and every three years thereafter.
- 1.2 In December 2004 the Chief Executive of the Greater London Authority (GLA) wrote to the SSRB asking us to conduct the triennial review of salaries, allowances, pensions and severance provisions for the Mayor, Deputy Mayor and Assembly Members. A copy of the letter is at Appendix A.

Sources of evidence

- 1.3 In line with our usual practice we established a Sub-committee to consider the issues in detail and to report findings and recommendations to the full Review Body. Working through the Sub-committee we commissioned Hay Group (Hay) to assist us by reviewing the job weights of the Mayor, Deputy Mayor and Assembly Members; providing salary data for relevant comparators from both the public and private sectors; and advising on the appropriateness of the pension, severance and expenses regime. In the course of their work, Hay carried out interviews with the Mayor, the Deputy Mayor, the Chair of the Assembly, six Assembly Members, the Chief Executive, and the Executive Director of Corporate Services. Hay's report is published in full in Appendix B to this Report.
- 1.4 We also invited direct evidence from the Mayor and all Assembly Members. We received seven submissions in total, and held a number of oral evidence sessions with the Mayor, the Deputy Mayor, the Chair of the Assembly, Assembly Members from all the political parties, and officials. A full list of those providing evidence is at Appendix C. We are grateful to everyone for their contribution.

The Greater London Authority (GLA)

- 1.5 The GLA consists of two distinct parts: a directly elected Mayor, and a separately elected Assembly. There are 25 Assembly Members, of whom 14 are constituency members representing constituencies comprising between two and four London boroughs, and 11 are London-wide list members who represent the whole of the Capital.

¹ The Greater London Authority: initial pay, expenses, pensions and severance arrangements for the Mayor and Assembly Members, Cm 4547. The Stationery Office. February 2000.

² Greater London Authority: Review of pay, expense, pensions and severance arrangements for the Mayor of London and London Assembly Members. The Stationery Office. May 2002.

1.6 The GLA through the Mayor has a range of statutory powers and responsibilities in relation to planning, economic development, and the environment, and in relation to setting the budget of the GLA group. In addition the Mayor has powers of direction and delegation to the London Development Agency (LDA) and Transport for London (TfL). The GLA also has a general power to do anything that it considers will further any one or more of its three principal purposes, as set out in the GLA Act (1999):

- To promote economic development and wealth creation in Greater London;
- To promote social development in Greater London; and
- To promote the improvement of the environment in Greater London.

1.7 The role of the Assembly is to scrutinise the actions and executive decisions of the Mayor and 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, which look 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 amend the Mayor's budget on the basis of a two-thirds majority but has no power to remove the Mayor from office. It is also responsible for most appointments in the Authority³. The Deputy Mayor must be a Member of the Assembly.

1.8 There are four functional bodies whose budgets are included in that of the GLA group: 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 respectively. In addition to setting their budgets, the Mayor appoints all, or the majority of the members of each body, and he 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. Further information on membership of the four bodies, and the structure of allowances for non-Assembly members of these bodies, is at Appendix D.

Support for the Mayor and Assembly

1.9 The Chief Executive of the GLA is head of the 640 permanent staff who support the work of the Mayor and the Assembly.

³ The Mayor may appoint up to 12 staff without the authority of the Assembly.

Chapter 2

Pay

Comparability with Westminster and the devolved assemblies

- 2.1 The GLA is a unique form of governance in the UK but it operates within the framework of an over-arching Parliament at Westminster and devolved assemblies in Scotland, Wales and (subject to the return of devolved power) Northern Ireland. We believe it is important that a coherent structure of remuneration across the UK's parliaments and assemblies is maintained.
- 2.2 As on previous occasions, in drawing up recommendations on the pay of the Mayor and Assembly Members we have taken into account both movements in pay levels in Westminster and the devolved assemblies, and relative responsibility levels. In the case of pay levels, our work has been informed by the in-depth review of the pay, pensions and allowances of Members of the Westminster Parliament¹ which we completed in 2004. As part of this work we compared movements in the salaries of MPs and Ministers with movements in the salaries of comparators in the public and private sectors. This enabled us to take account of market movements in our recommendations. We drew on this work later in 2004 in our review of pay and allowances of Members of the National Assembly for Wales².
- 2.3 Our consideration of responsibility levels has been informed by the advice of Hay on the job size of each post. Hay has used its established job evaluation methodology (known as the Hay Guide Chart Profile Method of Job Evaluation) to assign each post to a particular level by interviewing a range of post-holders and assessing their roles by reference to three main factors, namely know-how, problem solving, and accountability, each of which has two or three sub-factors. Fuller details are in Hay's report at Appendix B. Hay's work enables current salaries to be compared with those for jobs of comparable weight at Westminster and in the devolved bodies.

Current salaries

- 2.4 The current salaries paid to the Mayor, Deputy Mayor and Assembly Members are set out in Table 2.1. All Assembly Members receive the same salary, regardless of whether elected as constituency members or as London-wide list members. As in the case of the Westminster Parliament and the devolved assemblies, salaries are up-rated annually in line with movements in the midpoint of the Senior Civil Service pay bands. The most recent increase, on 1 April 2005, was 2.8 per cent.

Table 2.1: Current salaries

Post	Salary (1 April 2005)
Mayor	£115,792
Deputy Mayor	£71,994
Assembly Members	£49,265

¹ Review of Parliamentary Pay and Allowances 2004, Cm 6354. The Stationery Office. October 2004.

² National Assembly for Wales Review of Pay and Allowances 2004. The Stationery Office. December 2004.

Assembly Members

- 2.5 The Assembly is responsible for scrutinising the Mayor's decisions and policies, approving the Mayor's proposed budget (although a two-thirds majority is required to amend it), and tabling questions for the Mayor at monthly public meetings. The Assembly can also investigate issues of importance to Londoners, make proposals and recommendations to the relevant organisations, and publish its findings. Most Assembly Members serve on a least one of the Assembly's scrutiny committees and/or one of the functional bodies. In their evidence, Assembly Members reported an increase in levels of constituency casework and civic duties, mainly due to closer working between Assembly Members and London boroughs.
- 2.6 In its report to us, Hay confirmed that the formal accountabilities of Assembly Members had not changed since the review in 2002. Assembly Members were more comfortable in their evolving roles, and this was reflected in how they approached the job, for example the increase in London-wide initiatives. However, the essence of the job had not changed and Hay continued to assess the role at job level 20. The evidence we have received leads us to endorse Hay's conclusions.
- 2.7 The salary of Assembly Members (£49,265) is 83.4 per cent of the salary of MPs (£59,095), who are assessed by Hay at job level 18. Both groups have received the same percentage annual increases since 2002 and the ratio between the two salaries has therefore stayed the same. We consider that, in the absence of substantive evidence of an increase in job weight since our last review in 2002, this ratio continues to be appropriate and we therefore recommend no change to the current salary of Assembly Members.
- 2.8 In scoring the job level of Assembly Member at level 20, Hay assigns to Members of the London Assembly the same score as Members of the National Assembly for Wales, whose current salary is £45,232. We believe that the higher salary for London Assembly Members appropriately reflects the wider market, where salaries in London are higher than those outside.

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

Additional roles: Chair of the Metropolitan Police Authority, Chair of the London Fire and Emergency Planning Authority, and the Chair of the Assembly

- 2.9 We recognise that Assembly Members carry out multiple roles. Hay's assessment of job level, and our recommended salary level, takes this into account. However, it was put to us during oral evidence that there should be recognition that some of the roles were at a much greater level of responsibility than others. Those thought to be more demanding and/or complex were the Chairs of the Metropolitan Police Authority (MPA) and London Fire and Emergency Planning Authority (LFEPA), and the Chair of the Assembly. Most of those who gave evidence agreed that these three roles warranted a pay lead over the basic Assembly Member salary, although not everyone put forward this view. Reasons for disagreeing included divisiveness, and the suggestion that once different levels of salary were introduced they would proliferate.
- 2.10 In our 2002 Report, we took the line that collegiality was not helped by having a pay structure which meant that the significantly increased contribution made by some members was unrecognised. We remain of that view, and given the arguments put forward in the evidence to us for pay recognition of the three posts, we asked Hay to evaluate them further.

- 2.11 Hay reported to us that chairmanship of the MPA and LFEPA require a higher level of influencing skills and planning abilities, in order to determine and implement new strategies, than is required by the core role of Assembly Member. Both Chairs are responsible for large budgets and staff numbers, and they have an impact on safety and security across London and in the national arena. Hay assessed the two roles at job level 17, which is one level below that of a Parliamentary Under-Secretary of State with a small portfolio, and on a par with a Deputy Minister in Scotland and the Deputy Presiding Officer in Wales (see Table 2 in Hay's report at Appendix B).
- 2.12 We agree with Hay's conclusions, and consider that there is a clear justification for differentiating the salaries of Chair of the MPA and Chair of the LFEPA from that of other Assembly Members. However, we understand that present legislation³ precludes higher salaries for any Member of the Assembly other than Deputy Mayor and Chair of the Assembly, and that a change in the law is therefore necessary before different salary levels could be introduced.
- 2.13 We consider that a salary supplement of the order of £17,500 would be appropriate for the Chair of the MPA and the Chair of the LFEPA, if the legislation were amended to allow it. The supplement would be of a similar order of magnitude to the allowance payable to a non-Assembly Member chair of the MPA (see Table D1 at Appendix D). We would be pleased to advise on the precise level of an increase, if amended legislation is put in place.

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.

- 2.14 So far as the Chair of the Assembly is concerned, Hay reported that, although the post was in practice rotated on an annual basis, the post-holder played a key role in setting the agenda for the Assembly and in chairing meetings. He or she also performed a significant representational role. Hay assessed the role at job level 18, scoring it more highly than that of ordinary Assembly Member in terms of know-how and influence across a wider audience. Job level 18 is the same level as a Member of Parliament.
- 2.15 We conclude that it is right to differentiate this post in salary terms, and we recommend a salary of £59,095, which is the same as that of a Member of Parliament.

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

Deputy Mayor

- 2.16 The Deputy Mayor is appointed by the Mayor of London from among the Members of the Assembly. The role is not defined in statute nor in a formal job description, but is in practice defined by the Mayor in the light of the particular strengths and preferences of the person concerned. The current Deputy Mayor has lead responsibility for:
- Strategic planning, including the review of the London Plan and strategic planning decisions;
 - The environment, including climate change;

³ Section 24, Schedule 26 paragraph 20(2) and Schedule 28 paragraph 4(1), Greater London Authority Act 1999.

- Children and family; and
- Liaison with London boroughs on relevant topics.

The post-holder has no executive responsibility and does not deputise for the Mayor in any formal sense: the Deputy Mayor does not stand in for the Mayor at Mayor's question time, and in the absence of the Mayor the Deputy Mayor does not assume his executive authority. In our 1999 review it was assumed that the Deputy Mayor would chair the MPA, but this has not happened in practice.

- 2.17 The role of Deputy Mayor is therefore a difficult one to evaluate. Its responsibilities are dependent on the wishes of the Mayor, and are likely to vary from one combination of Mayor and Deputy Mayor to another. The evidence we received suggested that in recognition of such variability, a salary range might be more appropriate for the post than a single rate. Whilst we understand the rationale for this proposal, we consider that it would be overly complicated to determine and administer for any particular point in time.
- 2.18 Hay note in their report that the Deputy Mayor is not the chair of the MPA and has no executive or delegated authority from the Mayor. They state, however, that it is a substantial role dealing with some major strategic initiatives where the influencing requirements indicate high levels of know-how score. They assess the role at level 15, equivalent to a Parliamentary Under-Secretary of State. They also note that the responsibilities of the role could change substantially with a different Mayor or Deputy Mayor and that in those circumstances it might be necessary to review the evaluation.
- 2.19 Now that the role of the current Deputy Mayor is settled and evaluates as equivalent to the middle of the range of job weights of a Parliamentary Under-Secretary of State, we recommend that the Deputy Mayor should be paid accordingly.

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.

Mayor

2.20 The Mayor of London performs several main roles:

- Acting as London's spokesperson and champion at home and abroad;
- Acting as policy leader for London, including setting out plans and policies for London's social, economic and environmental development;
- Working closely with, and setting the budgets for, the four functional bodies (TfL, the LDA, the MPA and the LFEPA); and
- Working with London Boroughs on London issues.

2.21 The Mayor has clear executive authority in areas designated by statute. Key areas of responsibility include:

Transport

- Setting of the annual budget for Transport for London (which now includes London Underground Ltd)
- Powers of direction and delegation to TfL
- Development of a transport strategy

Economic Development

- Setting of the annual budget for the London Development Agency
- Powers of direction and delegation to the LDA
- Development of an economic development strategy

Planning

- Development of a spatial development strategy (the London Plan)

Culture

- Development of a cultural strategy
- Promotion of tourism

Environment

- Development of environmental strategies concerning biodiversity, municipal waste management, air quality, and ambient noise

Metropolitan Police

- Setting of the annual budget for the Metropolitan Police Authority

London Fire and Emergency Planning Authority

- Setting of the annual budget for the LFEPA

Greater London Authority

- Setting of the annual budget of the GLA.

The Mayor also appoints all, or the majority of, the members of the functional bodies, as outlined in Appendix D.

- 2.22 Since our review in 2002, the Mayor has gained responsibility for London Underground (in July 2003), and GLA Group expenditure has increased from £3.9 billion in 2001/02 to £9.1 billion in 2004/05. Other new responsibilities include the deputy chairmanship of the London Resilience Forum which co-ordinates London's disaster preparedness and recovery work.

- 2.23 In evaluating the role of Mayor, Hay commented that in addition to taking on responsibility for London Underground, the impact and influence of the role had increased since the last review, and it now had a wide impact across a range of strategic planning, environmental and economic activities throughout London. The Mayor had been a driving force behind a number of initiatives such as the Congestion Charge and delivery of Community Policing. He had also taken a leading role in the London Olympic Bid.
- 2.24 These developments have led Hay to revise its job level assessment to level 7, which places it within the spectrum of Cabinet posts, for which there is currently one rate of pay covering both large and small Departments.
- 2.25 Our own assessment, based on all the evidence available to us, leads us to agree that the role now falls within the range of Cabinet Minister posts, and as such we recommend that the appropriate salary for the Mayor should be £133,997, which is the salary paid to Cabinet Ministers.

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

Dual mandates

- 2.26 The current rules⁴ state that if Assembly Members or the Mayor are also MPs, MEPs or salaried office-holders in the House of Lords, then their GLA salary should be abated by one third. In our previous two reports⁵ we recommended that the level of abatement should be increased to two thirds, on the grounds that posts in the Assembly are generally considered to be full-time and that it may be considered unlikely that Members and the Mayor would hold dual mandates for any but short periods of time. We see no reason to change this recommendation, which will require the amending of legislation to implement.

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.

Next periodic review

- 2.27 In our previous two reports we have recommended that pay levels in the Assembly should be reviewed every three years. We believe this is a desirable interval between reviews, and recommend a further review should be carried out not later than 2008.

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.

⁴ SI2000 no. 1032.

⁵ Paragraph 2.24 of Report No. 53 (2002) and paragraphs 46-48 of Report No. 44 (2000).

Chapter 3

Pensions, Severance and Allowances

Pensions

- 3.1 In our 2000 report we recommended that pension arrangements for the Mayor and Assembly Members should be provided through the Local Government Pension Scheme. This was duly accepted by the Mayor and the Assembly. In conducting its interviews with Assembly Members, Hay received favourable comments on the current pension provision. We have received no other evidence on this issue, and see no reason to recommend any change to the current pension arrangements.

Severance Pay

- 3.2 In our 2002 report we recommended that a severance scheme should 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. We did so because we considered that Assembly posts were to be regarded as full-time in nature and therefore did not allow Members to pursue professional careers elsewhere. We recognised that Members should be afforded some protection from loss of salary on losing office, and that a change in income could impose financial hardship on Members and their families.
- 3.3 Unlike the legislation establishing the Scottish Parliament and National Assembly for Wales, the GLA Act makes no provision for severance payments or resettlement grants for the Mayor or Assembly Members. In other words, introducing a severance scheme or resettlement grants is beyond the Authority's present powers. Following our recommendation in 2002, the Chief Executive wrote on behalf of the Mayor and the Assembly Chair to the Office of the Deputy Prime Minister, requesting that the Government consider legislating to make the necessary provision for the GLA. However, legislation has not been forthcoming.
- 3.4 The absence of severance pay was the main issue that Assembly Members raised with us concerning their pay and conditions. A number of those to whom we spoke pointed out that on election Members found that the Assembly role was full-time, and in consequence those with existing jobs (often well-paid) had no option but to give them up. If they were subsequently to lose their seats they could face a period of real financial difficulty whilst they found new employment. Hay reported similar comments.
- 3.5 We accept these arguments. The job of Assembly Member is essentially full-time (although some Members may be able to stay in touch with their previous careers) and much more like that of a Member of Parliament than (say) an elected member of a Local Authority, where the basic allowance is constructed on the premise that the job is part-time. We therefore support the introduction of a severance scheme, which would help Assembly Members to bridge the gap between leaving office and re-establishing previous careers, or creating new ones. We consider that such a scheme should be along the lines of the Resettlement Grant for MPs, but should take into account any changes which may be made to the Grant following our recommendation that its structure should be reviewed following the General Election¹.

¹ Review of Parliamentary Pay and Allowances 2004 (Cm 6354) paragraph 4.56.

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.

Expenses

3.6 We were asked to make recommendations on the expenses arrangements for the GLA. Currently expense allowances are paid only with regard to travel expenses, as set out in Table 3.1.

Table 3.1: Travel expenses for Elected Members of Greater London Authority

Allowance	Rate (1 April 2005)
Car mileage	35p per mile for first 8,500 miles 11p per mile thereafter
Taxi fares	Actual reimbursed
Rail fares	Actual reimbursed
London Underground fares	Cost of six-zone travelcard
Air fares	Actual reimbursed

3.7 We received no evidence to say that the current arrangements were not satisfactory and we make no recommendations on this issue.

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

John Baker, CBE *Chairman*
Mark Baker, CBE
David Clayman
Mary Galbraith
Professor David Greenaway
Mei Sim Lai, OBE
Jim McKenna
Sir Peter North, CBE, QC
Richard Pearson
Janet Rubin

4 July 2005

Appendix A

Letter from the Chief Executive

 GREATER LONDON AUTHORITY

Chief Executive
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Date: 17 December 2004

Dear Mr Peace

THE GREATER LONDON AUTHORITY: SALARIES 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.

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 review of these salaries in May 2002 (Report Number 53). In adopting your recommendations, so far as the Authority could, in 2002 the Mayor of London and London Assembly accepted the need for a further review by 2005. It is in this context that our respective officers have had preliminary discussions regarding the scope and timing of the next review.

The Mayor and Assembly have now agreed to invite you and your colleagues to consider and make recommendations on the salaries, allowances (i.e. expenses), pension arrangements and severance provisions for elected members of the GLA.

Since the 2002 report, the Mayor and the Assembly have adopted the recommended formula to apply annual increases to cover inflation from 1st April each year. The current salaries are –

Mayor	£112,639
Deputy Mayor	£70,034
Assembly Members	£47,924

In asking you to undertake a further review of members' remuneration, the main points to address remain –

- a) recognising and rewarding these roles at the appropriate levels, and
- b) for the future, ensuring the GLA attracts election candidates with the relevant skills and personal attributes.

These are the main factors to frame this second review of the remuneration of the Mayor, the Deputy Mayor and Assembly Members, and they suggest the following key questions:

Direct telephone: 020 7983 4121 **Fax:** 020 7983 4191 **Email:** anthony.mayer@london.gov.uk

- a) Should the job weights / salaries of the Mayor, Deputy Mayor and Assembly Members be amended / upgraded in the light of changes and developments in their roles since the last review?
- b) In your previous report you recommended the introduction of a severance scheme for elected members, similar to those applied at the Westminster Parliament and devolved assemblies, but as you acknowledged this required primary legislation. This has not been forthcoming, and an updated view would be welcome to reinforce the case for its introduction so as not to affect adversely the willingness of suitable candidates to offer themselves for election, thus possibly interrupting existing careers for an indeterminate period.
- c) Should any changes be made to existing provision for pension arrangements, expenses, dual mandates, Members with disabilities, or any other aspects of the remuneration of elected Member?

Aside from the ongoing roles, responsibilities and time commitments of the Mayor and Assembly Members, I draw your attention to some of the developments and other considerations that may be relevant to this exercise:

SSRB reports

SSRB Report No.53

Reflecting on your May 2002 report on the GLA, there are several points that merit re-visiting.

Executive Mayors of London Boroughs

Three London Boroughs now have executive mayors, and pay Salaries ranging from £60,845 to £67,925. The scale of Borough council operations and impact, and the size of their budgets bear little comparison with those of the Mayor of London whose various hats cover a wide range of public Services, major impacts on society and a substantial body of Employees.

In addition to the desk research to be undertaken by job evaluation consultants, you will no doubt want to take evidence from a selection of members and officers. Will you want us, as in 2001, to assemble a summary of material and individual members' written views for submission to you before you start work?

I confirm that we are content to await your report with a target of July/August 2005 and trust that, as before, 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 contacts will be John Bennett, Head of Assembly Support (7983 4203), and Janet Hughes, Senior Scrutiny Manager (7983 4423).

*Your Sincerely,
Anthony Mayer*

**Anthony Mayer
Chief Executive**

Appendix B

Hay's Report

Office of Manpower Economics

June 2005

Senior Salaries Review Body

Review of Salaries for the Mayor of London and Members of the London Assembly

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Executive Summary

The Senior Salaries Review Body (SSRB) commissioned Hay Group in 1999 to advise on job sizes and comparative salary levels for the Mayor, Deputy Mayor and Members of the London Assembly. At this time the assessments were largely speculative based around the intended roles set out in the 1999 GLA Act. In 2002, Hay Group was again asked to comment on how those roles had developed and was able to confirm the assessment at that time for the core Assembly Members, the Deputy Mayor and the Mayor and identified that posts were still in the development stage, focusing on strategy rather than implementation and that any further increase in the responsibilities, particularly of the Mayor might lead to an upward revision in the assessment of the job size. The SSRB was invited to review the salaries of the Mayor, Deputy Mayor and Assembly Members in 2005 and has again commissioned Hay Group to undertake this work.

In the course of interviews with of the Mayor, Deputy Mayor and Assembly Members, it emerged that the Chair of the Assembly, Chair of the Metropolitan Police Authority (MPA) and the Chair of the London Fire and Emergency Planning Authority (LFEPA) were all regarded as particularly heavy-loaded posts where the commitment over and above their roles as core Assembly Members was such that it may warrant a salary/allowance differential. Hay Group was also asked to comment on the job size for these roles. On the basis of our interviews we believe that the jobs size and salary of the core Assembly Members remain as they were assessed in 1999 and 2002 and do not warrant any revision.

Not only has the formal role of the Mayor changed since taking responsibility for London Underground but what has been apparent since 2002 is the broader influence and impact the role has had across the range of strategies for which he is responsible. The Mayor has had a wide impact on the largest and most important economic region in the UK and that impact and influence is spreading internationally as he seeks to ensure the viability of London as the centre of economic activity by opening offices and influencing investors world-wide, especially in Asia and the Far East. We now assess the job size of the Mayor of London as equivalent to a Cabinet Member for a small Government Department or equivalent to the First Minister for Wales.

In 1999, the role of the Deputy Mayor was speculative as the responsibilities and delegations depended very much on the operational style of the Mayor. At that time we assumed that the Deputy Mayor would also be Chair of the MPA and would undertake a full deputising role for the Mayor. The current role does not reflect these assumptions. We have been able to clarify the evaluation and have assessed the job size of the Deputy Mayor at level 15, equivalent to a Parliamentary Under Secretary.

We have also reviewed the posts for the Chairs of the main functional bodies, the LFEPA and the MPA together with the Chair of the London Assembly. The Chairs

of the functional bodies are engaged in large planning and strategic tasks in key areas to deliver safety and security to the citizens of London and to influence the national agendas for their services. They spend a considerable amount of time on these activities, around two to three days per week on average, in addition to their core activities as Assembly Members. They are in practice precluded (by capacity not by law) from seeking other remunerated employment or appointments. We have assessed the job size of their roles at Level 17 which is equivalent to a Deputy Minister of a small Department in Scotland or the Deputy Presiding Officer in Wales.

The Chair of the London Assembly is a role which rotates on an annual basis but in the year of tenure, the post holder takes on the responsibility of setting the agenda for the Assembly and chairing the meetings. It is not a speaker role but can provide a political focus to challenge the Mayor's agenda and budget proposals. There is also a time consuming representational and speaker element to the role both as Chair of the Assembly itself and on behalf of the Mayor. This role does not have the job evaluation weight of the Chairs of the Functional Bodies but nevertheless the job size is higher than the core Assembly Members at Level 18 which is equivalent to a Statutory Committee Chair in Northern Ireland or a Subject Committee Chair in Wales.

SSRB has previously recommended a severance scheme for Members of the Assembly who retire or who are not re-elected. The severance scheme has been widely supported in this review and will require further legislation before it can be enabled. We have reviewed other aspects of remuneration particularly the expenses regime, pension provision, dual mandates or provision for Members with disabilities but no changes are sought or recommended.

Section 1

Background and Context

The Senior Salaries Review Body (SSRB) undertakes periodic reviews of the remuneration of members of the UK and Scottish Parliaments, the National Assembly for Wales, the Northern Ireland Assembly and the Mayor of London and Members of the London Assembly. The SSRB made recommendations to the Secretary of State on remuneration packages for the Mayor, Deputy Mayor and Assembly Members in 2000 when many of the roles were still speculative. In 2002, the SSRB asked Hay Group to review the roles in the Greater London Authority once the GLA had been in operation for a period of time and in particular to advise on whether job sizes which had been assessed in 1999 should be changed. The conclusions then were that posts were still in a period of development and that the job sizes were still appropriate. The SSRB was invited to review the salary position in 2005 and Hay Group were again commissioned to undertake the review with the following terms of reference:

- i To interview a small cross-section of Assembly Members and officials to gain insight into the roles and responsibilities within the Assembly. These interviews should include the Mayor, Deputy Mayor and around 5 Assembly Members, and any other person deemed appropriate by the consultants and the Review Body. The sample should take account of membership, political party and area represented to ensure that a broad range of characteristics is considered.
- ii To advise on whether there have been any changes in job weights since the last review.
- iii To advise on salaries, taking account of salary data for comparable posts in the public and private sectors.
- iv To advise whether changes should be made to other aspects of remuneration, in particular the expenses regime, severance and pension provision, dual mandates and provision for Members with disabilities.

In addition to the Mayor, Deputy Mayor and five Assembly members (nominated by each of the political parties) we interviewed two senior officials of the GLA, the Chief Executive and Executive Director of Corporate Services, and the Chair of the Assembly and we subsequently, at SSRB's request undertook further interviews with the Chair of the MPA and the Chair of the LFEPA. A full list of the personalities and their posts who were interviewed in the review is given at **Appendix 1**.

The interviews have enabled us to validate and/or amend the conclusions we reached in 1999 and 2002 about the weight of the elected roles in the GLA and to reassess them by comparison to other elected positions elsewhere in the UK. We are grateful to all those who have agreed to be interviewed and for the open and frank views they offered us into the respective roles.

Section 2

General Findings

The Mayor

Since our report in 2002 the formal accountabilities of the role changed when the Mayor became responsible for the London Underground. The Mayor has a statutory obligation to prepare strategies in a number of areas, subject to consultation with the Assembly, functional bodies, London boroughs and a range of statutory consultees. The key areas for which the Mayor is responsible for include:

- **Transport**
 - Setting the annual budget for Transport for London
 - Chairing the Board of TfL
 - Developing a Transport Strategy
- **Economic Development**
 - Setting the annual budget for the London Development Agency
 - Appointing the LDA Board
 - Developing an Economic Development Strategy
 - Statutory role in making strategic planning decisions
 - Developing a Spatial Development Strategy
- **Culture**
 - Developing a Cultural Strategy
- **Environment**
 - Developing four separate strategies to cover environmental management
- **Metropolitan Police**
 - Setting the annual budget for the Metropolitan Police Authority
- **London Fire and Emergency Planning Authority**
 - Setting the annual budget for LFEPA
- **Greater London Authority**
 - Setting the annual budget for the provision of the GLA itself as a body.

Some new responsibilities may be given to the Mayor in the future which potentially include:

- Establishing a single waste authority for London
- Taking on strategic responsibility for the overground train network in London
- Taking on strategic responsibility for housing in London

The post of Mayor is in many regards a “self determining” role so the postholder will continue to have the potential to develop the role beyond these formal accountabilities. The current Mayor has been the driving force behind a number of key initiatives:

- The western expansion of the Congestion Charge
- Increasing community policing resources
- Improvements in the bus network
- Regeneration projects such as the Thames Gateway
- Setting up a London “office” in Brussels, and partnership agreements with Paris, Berlin, Beijing and Shanghai
- Support to the 2012 Olympic Bid

Without Mayoral support many of these initiatives (the 2012 Olympic Bid for example) could not viably go ahead. So, not only have the formal accountabilities changed, but we also feel that the ongoing impact and influence the Mayoral role has is huge and has increased since 2002.

Deputy Mayor

The formal accountabilities for this role have not changed since 2002. The Mayor has delegated very few executive responsibilities to the Deputy Mayor, except in the areas of planning where the current incumbent has particular experience and skills. The Deputy Mayor might be expected to represent the Mayor in their absence and may speak at public events on behalf on the Mayor when necessary.

In our 1999 review the expectation was that the Deputy Mayor would chair the MPA. This has not happened although the Deputy Mayor is a member of the MPA.

Assembly Members

The formal accountabilities for this role have not changed since 2002 but Members have seen their roles evolving as new London wide initiatives and projects have come on board. All Assembly Members sit on one or more Committees, either as a member or chair and the majority also sit on one of the functional bodies, again either as a member or chair. Recently the number of Committee meetings has been reduced but this has not significantly changed the nature of the role.

Remuneration Issues

Members are happy with current allowances, expense arrangements and pension provision and no issues regarding provisions for Members with disabilities were raised. Members value the support staff they are allocated and some commented that this is worth more than an increase in salary. Dual mandates are not currently an issue and Members understand the abatement rules.

There is however widespread support for severance pay for Members who lose their seats or retire. As a full-time job (unlike being a local councillor) there is little or no opportunity for members to pursue alternative careers and this needs to be reflected in the severance package.

Chairs of the Assembly and Functional Bodies

In the course of our discussions with the Mayor, the Deputy Mayor and Assembly Members it was evident from the comments we received that although all Assembly Members undertake additional duties or Chair particular Committees, three posts stood out as having significantly greater responsibilities that might merit additional remuneration. They were the Chair of the Assembly, the Chair of LFEPA and the Chair of the MPA.

In oral evidence to the Senior Salaries Review Body, a similar view emerged from the comments of Assembly Members and SSRB asked that the scope of this review should be broadened to include an assessment of the job size of these three posts. The three incumbents at the time were interviewed about the additional work they undertook in their Chair roles as a basis for assessment using job evaluation criteria.

Payment of additional allowances/remuneration to the Chairs of LFEPA and MPA would require some revision of the 1999 GLA Act.

Chair of LFEPA

The present incumbent spends on average 2-3 days per week on this activity in addition to her role as a core Assembly Member. She sees the role as equivalent to the Leader of a London Borough working through a Chief Executive – the Commissioner of the Fire Brigade in this case to develop the strategy and to be an influential figurehead with the Members of the Authority to ensure that the Commissioner can discharge his role. With 7,000 staff and a budget of around £450 million the Chair has no formal operational involvement with LFEPA but does lead the way on a number of national agendas and is part of the National Negotiating Body for Fire Fighters and Principal Officers and leads the Local Government Association's Modernisation Taskforce.

Chair of the MPA

In addition to core activities of an Assembly Member, the Chair of the MPA spends 2-3 days a week on MPA business. He has had to step down from other external appointments so that he can devote his time to being an Assembly Member and Chair of the MPA. The MPA is unique with 46,000 staff and a budget approaching £3 billion. He works closely with the Home Office in the appointment of senior MPS officers and has oversight responsibility on disciplinary issues. He is also involved with the national agendas particularly anti-terrorism, security issues and organised crime. He secures resources for the MPS which takes the national lead in these matters.

Chair of the Assembly

The role of Chair of the London Assembly rotates on an annual basis. It has an important role in setting the agenda for the Assembly and chairing the meetings.

This is not a Parliamentary Speaker role but one with a political edge where the Mayor's administration can be challenged and tested. This is particularly apparent for scrutiny of the Mayor's budget proposals.

The role also contains a time-consuming representational and speaking element both as Chair of the Assembly itself and on behalf of the Mayor. These duties are in addition to the core Assembly Member roles.

Section 3

Job Size Issues

In our 2002 report we made recommendations about the job size issues for the Mayor, Deputy Mayor and Assembly Members of the GLA. Table 1 *below* sets out those recommendations and their relativities with other posts in the House of Commons and the devolved bodies in Edinburgh, Cardiff, and Belfast.

Table 1

<i>Job Level</i>	<i>Westminster</i>	<i>Scotland</i>	<i>Wales</i>	<i>Northern Ireland</i>	<i>London</i>
1	Prime Minister				
2					
3					
4					
5	Cabinet Minister (large)				
6	Cabinet Minister (medium)	First Minister			
7	Cabinet Minister (small)		First Minister	First Minister/Deputy First Minister	
8					
9		Deputy First Minister			Mayor of London
10		Minister (large)		Speaker	
11	Minister of State (large)	Minister (medium)			
12	Minister of State (medium)	Minister (small)	Presiding Officer	Minister (large)	
13	Minister of State (small)		Assembly Minister	Minister (medium)	} Deputy Mayor
14	Parliamentary Under Secretary (large)				
15	Parliamentary Under Secretary (medium)				
16	Parliamentary Under Secretary (small)	Deputy Minister (large)			
17		Deputy Minister (small)	Deputy Presiding Officer	Junior Minister	
18	Member of Parliament		Subject Committee Chair	Statutory Committee Chair	
19		Member of Scottish Parliament		Member of the Northern Ireland Assembly	
20			Member of the National Assembly for Wales		London Assembly Member

Given our conclusions about changes in roles and responsibilities set out in Section 2 of this report, we have not reviewed or revised the job sizes of core Assembly

Members for which we see no change to our conclusions in 1999 and 2002. We have reviewed the job size for the Mayor, the Deputy Mayor, the Chair of the Assembly and for the Chairs of the two functional bodies that are chaired by assembly Members: LFEPA and the MPA.

As in 1999 and 2002, we have used the Hay Guide Chart Profile Method of Job Evaluation which we set out in our 1999 Report but briefly, contains 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.

- **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

In our 1999 report we assessed the job size of the Mayor of London at Level 9 in Table 1. We felt that it would be unreasonable to evaluate the Mayor of London at the same level as the First Minister of Scotland who had the ability to promote and seek approval for primary legislation and whose broad responsibilities were greater in both range and budget. We believe that the comparison with the First Minister in Wales was rather less clear cut but on balance, at the stage of development of the Mayor of London's post in 2002 we believed it to be marginally smaller than the First Minister in Wales.

Since 2002, the Mayor has been re-elected for a second term and his formal responsibilities changed when he gained responsibility for the London Underground. In the same time period the budget for the GLA has increased to around £9 billion. The Mayoral role is not primarily one of formal accountabilities but about informal impact and influence across a wide range of issues that fall within his broad strategic remit. London is the richest region in the EU and its contribution (Gross Value Added) to the British Economy was estimated in 2004 as £155 billion. This compares to £37 billion for the GVA of Wales. With a population of over 7 million, London is roughly the size of Scotland and Wales together.

The Mayor's wide impact across a range of strategic planning, environmental and economic activities in London, particularly the work of the LDA and the Thames Gateway increases the broad level of impact that the Mayor can have on such a large and economically important part of the UK. The Mayor has been the driving force between a number of these key initiatives particularly major projects such as the expansion and charge levy of the Congestion Charge, delivery of Community Policing and the wider influence of London as a financial and economic world centre through opening up London offices in Brussels and signing partnership and friendship agreements with key cities world-wide and particularly in Asia and the Far East.

The switch from planning and preparation of strategies that characterised his first term in office to their implementation and delivery in the second term is increasingly impacting on the broad population throughout London and additionally on neighbouring parts of the South East. The reality of the Mayor's role, in Job Evaluation terms, exceeds the formal responsibilities in:

- **Know-How** elements, of Management Breadth and Human Relations Skills – particularly Influence.
- **Problem Solving** in both Thinking Environment where policy development is green field and Thinking Challenges in relation to creativity and balance of judgement.
- **Accountability** on all three elements – Freedom to Act when he is primarily answerable to the electorate, Impact and influence and Magnitude both in formal budgetary terms and informally on the London economy.

Our assessment of the job size of the Mayor of London is now that it is Level 7, equivalent to the First Minister in Wales and to a Cabinet Minister for a small Department such as the Department for Culture, Media and Sport.

The Mayor has pushed at the boundaries of his formal responsibilities and has had considerable impact over areas of economic and strategic development where he has no formal locus but can bring enormous informal influence to bear. That informal influence may lead to some reconsideration of the powers and responsibilities conferred on the Mayor if the 1999 GLA Act is reviewed. We believe the assessment of the job size of the Mayor as equivalent to a Cabinet Minister job size level would leave a sufficient headroom for the post to take on additional formal responsibilities that may arise from any revision of the 1999 Act without further review of the job size of the post.

Deputy Mayor

In our 1999 Report, we discussed the range of issues that would influence the evaluation of the role. These included the style of operation of the Mayor, whether the Deputy was Chair of the MPA and the level of internal executive responsibility for the day-to-day activities on for example the budgetary process. We believed that the weight of the post at that time could be in the range of level 13 to level 16 in table 1 on page 22

The post has now become established and we are in a position to clarify the evaluation. The Deputy Mayor is very involved with a number of executive decision-taking bodies within the Executive and leads on a number of key issues around Planning, Environment and Family issues and has a pivotal political role with the Assembly, London Boroughs and the Government. The Deputy is not the chair of the MPA and has no executive or delegated authority from the Mayor. This is a substantial role dealing with some major strategic initiatives where the influencing requirements indicate high levels of Know-How score. We assess this role at level 15, equivalent to a Parliamentary Under Secretary. We note that the responsibilities of this role could change substantially with a different Mayor or Deputy Mayor. In these circumstances it may be necessary to review the evaluation.

Chairs of Functional Bodies

In Section 2 of this report, we outline the additional responsibilities that fall to the Chairs of the functional bodies, LFEPA and the MPA. There are similarities between each of these posts because each service is run by a professional Commissioner but the Chair of the Authority has a key role in strategic overview, budgetary issues, planning and given the size and scope of the London Emergency Services and Police, have influence over the national agendas. The Chair of the LFEPA for example is part of the National Negotiating Body for Fire Fighters and

Principal Officers and leads the Local Government Association modernisation taskforce.

The Chair of the MPA is involved in the appointment with the Home Office of key MPS Officers who have national responsibilities – such as anti-terrorism and works closely with senior officials in the Home Office on strategic planning across agendas for which the Metropolitan Police undertakes a national role.

These are large jobs which require high levels of influencing skills and planning ability to determine and implement new strategies for their services leading to a higher Know-How assessment.

On accountability terms, both posts control large budgets and staff numbers and their impact on the safety and security across London and in the national agenda.

In job size terms, we would evaluate both of these posts at level 17, equivalent to Deputy Minister in Scotland or Deputy Presiding Officer in Wales.

Chair of the Assembly

We have outlined the additional duties over those of a core Assembly Member that are undertaken during the post holder's year in office. They are marginally heavier in terms of Know-How score than that of Assembly members and have greater influence across a wider audience. We assess the job size at Level 18 which has political equivalents at Subject Committee Chair in Wales and Statutory Committee Chair in Northern Ireland.

The following Table 2 sets out our recommendations for job size and relativities for the posts of Mayor, Deputy Mayor, Chair of the Assembly, Chair of Functional Bodies and Assembly Members:

REVIEW OF SALARIES OF THE MAYOR OF LONDON AND
MEMBERS OF THE LONDON ASSEMBLY

Table 2

<i>Job Level</i>	<i>Westminster</i>	<i>Scotland</i>	<i>Wales</i>	<i>Northern Ireland</i>	<i>London</i>
1	Prime Minister				
2					
3					
4					
5	Cabinet Minister (large)				
6	Cabinet Minister (medium)	First Minister			
7	Cabinet Minister (small)		First Minister	First Minister/Deputy First Minister	Mayor of London
8					
9		Deputy First Minister			
10		Minister (large)		Speaker	
11	Minister of State (large)	Minister (medium)			
12	Minister of State (medium)	Minister (small)	Presiding Officer	Minister (large)	
13	Minister of State (small)		Assembly Minister	Minister (medium)	
14	Parliamentary Under Secretary (large)				
15	Parliamentary Under Secretary (medium)				Deputy Mayor
16	Parliamentary Under Secretary (small)	Deputy Minister (large)			
17		Deputy Minister (small)	Deputy Presiding Officer	Junior Minister	Chairs of LFEPA and MPA
18	Member of Parliament		Subject Committee Chair	Statutory Committee Chair	Chair of Assembly
19		Member of Scottish Parliament		Member of the Northern Ireland Assembly	
20			Member of the National Assembly for Wales		London Assembly Member

Section 4

Pay Comparability

The SSRB links the pay for political appointments within its remit to the Senior Civil Service. As such, the rates have increased by the recommended formula to cover inflationary increases from 1 April each year. However, the rates of base salary pay uplift have not kept pace with increases across the broader non-civil service public sector at this level. This is particularly the case with the Local Authority sector in London where median salaries for Chief Executives and Chief Officers have been increasingly linked to private sector pay indices to enable them to attract able individuals with appropriate skills from the private sector. Additionally, broader public sector remuneration packages are more frequently being developed on a private sector model to include car and health benefits and bonus schemes offering 10% -15 % of salary.

In 2004-2005, base salary increases in the private sector and the broader public sector at job levels appropriate to the GLA, increased on average by 4.2% compared with the 2.8% uplift in SCS salaries.

The chart *overleaf* sets out current salary levels for a range of posts in the wider public and private sectors at equivalent levels to those recommended in Section 3 for the Mayor, Deputy Mayor and Assembly Members.

Pay Comparability

Job Level	London Assembly	Westminster (Salary Entitlement from April 05)	National Assembly for Wales	Civil Service	Industrial and Service Sector (Hay Databases as at Jan 05)
7	Mayor of London £115,792 (April 2005)	Cabinet Minister (medium) £133,997 (Commons) £101,668 (Lords)	First Minister £120,134 (April 2005)	Permanent Secretary to the Treasury £165,000 - £169,999 (Nov 04)	MD/CE of large UK Plc £945,000
15	Deputy Mayor £71,994 (April 2005)	Parliamentary Secretary £88,586 (Commons) £69,138 (Lords)		Chief Executive – Research Agency £100,000	Key Director of an international company with turnover of £1 billion £130,000
17	Chairs of LFEPA and MPA		Deputy Presiding Officer £89,570 (April 2005)	Pay Band 1A £85,469 (Progression Target Rate - PTR)	General Manager of £30 million company £97,000 (median)
18	Chair of Assembly	Member of Parliament £59,095	Committee Chair £50,893 (April 2005)	Pay Band 1 £76,156 (PTR)	Line Manager in large company £78,000
20	London Assembly Member £49,265 (April 2005)		Member of the National Assembly for Wales £45,232 (April 2005)	Govt Agency/Research Agency/Major Policy Role £50,000	Key functional or professional expert in charge of corporate and business service teams £51,847 (median)

APPENDIX 1

List of People Interviewed

The following people were interviewed by the Hay Group as part of this exercise:

Ken Livingstone – Mayor

Nicky Gavron – Deputy Mayor

Brian Coleman – Chair of the Assembly

Len Duvall – Chair of the MPA

Val Shawcross – Assembly Member (Labour) and Chair of LFEPA

Mike Tuffrey – Assembly Member (Liberal Democrat)

Darren Johnson – Assembly Member (Green)

Roger Evans – Assembly Member (Conservative)

Damian Hockney – Assembly Member (Veritas)

Anthony Mayer – Chief Executive GLA

Janet Worth – Director of Corporate Services GLA

Appendix C

A list of those who provided evidence

Mayor, Ken Livingstone

Deputy Mayor, Nicky Gavron

Chairman of the Assembly, Brian Coleman

Deputy Chair of the Assembly, Sally Hamwee

Leader of the Conservative Group, Bob Neill¹

Leader of the Labour Group and Chair of the Metropolitan Police Authority, Len Duvall

Leader of the Liberal Democrat Group, Graham Tope

Leader of the Green Group, Jenny Jones

Veritas-UKIP Group, Peter Hulme Cross

Chair of the Transport Committee, Lynne Featherstone

Chair of the Environment Committee, Darren Johnson

Chief Executive and other officials

Additional written submissions

Conservative Assembly Members

Liberal Democrat Assembly Members

Veritas-UKIP Assembly Members

Assembly Members on the Metropolitan Police Authority

¹ Written evidence was submitted after a scheduled interview was cancelled because of illness.

Appendix D

Membership of the Functional Bodies, and structure of allowances

Metropolitan Police Authority

D1. The MPA comprises membership in accordance with Section 310 and Schedule 26 of the GLA Act 1999 and Schedule 2 of the Police Act 1996. The Authority has 23 Members:

- 12 Assembly Members, appointed by the Mayor. One of these Members must be the Deputy Mayor. The Mayor's appointment of Assembly Members is subject to a requirement of political proportionality (s. 4(1) of Schedule 2 of the Police Act 1996)
- 4 Magistrates, appointed by 'the person or body responsible for the appointment of members of the Greater London Magistrates Courts' Authority' (i.e. the Home Office)
- 5 independent Members: one appointed by the Secretary of State, and the remainder appointed by the MPA Assembly and Magistrate Members from a shortlist prepared by the Secretary of State.

D2. Appointments to the MPA are for a term of four years. The MPA may remove a member from office under specific circumstances (e.g. non-attendance, criminal conviction, incapacity). The Mayor may remove a member from office only in order to preserve political proportionality (e.g. after GLA elections, when the balance of parties has shifted).

D3. The MPA appoints its own Chair from among its members at each Annual Meeting (GLA Act 1999, Sch. 6, para 6). The job profile of the Chair, as agreed by the Authority, is as follows:

Role

- To fulfil the basic responsibilities of a police authority member and hold the office of chair of the authority

Additional Responsibilities

1. To provide leadership, ensuring that the authority works as a coherent and corporate body
2. To preside at authority meetings, applying standing orders and ensure that members have a fair opportunity to participate in debates
3. To represent the authority to the press and outside organisations
4. To oversee co-ordination of police authority business at member level and develop, review and monitor implementation of the policies and strategies of the police authority
5. To liaise with the Clerk, Treasurer and Commissioner to facilitate authority business
6. To hold regular strategic meetings with the Commissioner and to maintain the tripartite arrangement with the Home Secretary and the Commissioner
7. To liaise with the Mayor of London on policing issues

8. To attend GLA Functional Bodies Question Time to answer questions on policing issues
9. To satisfy himself/herself that arrangements are in place for effective management of the police authority
10. To be involved in the performance appraisal and objective setting for the Clerk and Treasurer of the Authority
11. To represent the authority on the Association of Police Authorities
12. To attend regional networks and national tripartite gatherings, as required

D4. Allowances are payable to non-Assembly Members of the MPA as follows.

Table D1: Allowances paid to non-Assembly Members on the MPA (from 1 June 2005)

Basic allowance:	£17,154
Special Responsibilities:	
Chair	£17,772
Deputy Chair, and Chairs of Main Committees (Coordination and Policing, Community Engagement, Corporate Governance, Equal Opportunities and Diversity, Finance, HR, Professional Standards and Complaints, Planning, Performance and Review, and Standards Committees)	£3,463
Selection Panel Members (for selection of independent Members)	£143 per day

Source: Greater London Authority

D5. The basic allowance is based on the estimate that a member has to make a time commitment of up to 2 days per week to fulfil his/her responsibilities. The Special Responsibility Allowance for Chairs of Committees and portfolio holders is based on the estimate that a member has to make a time commitment of up to 2.5 days per week to fulfil his/her responsibilities. The special responsibility allowance for the Chair is based on the assumption that a time commitment of 2.5 to 3.5 days a week is required.

London Fire and Emergency Planning Authority

D6. LFEPA consists of 17 Members, of whom:

- 9 must be London Assembly Members appointed by the Mayor, in accordance with the balance of parties represented on the London Assembly; and
- 8 must be members of London Borough councils, nominated jointly by London councils (in accordance with the political balance of members of London councils as a whole), and appointed by the Mayor (GLA Act 1999, Schedule 28).

D7. All appointments are for a period of one year. The Mayor has the power to terminate any LFEPA member's appointment, if he is satisfied that the member is unable or unfit for any reason to discharge his functions as a member.

D8. The Chair of LFEPA is appointed by the Mayor each year from among the Members of LFEPA.

Table D2: Allowances paid to Borough representatives (2005-06)

Basic allowance:	£6,626
Special Responsibilities:	
Vice-Chair (ceremonial duties)	£10,194
Deputy Chair and Group Leader	£10,194
Deputy Chair	£7,646
Chair of Disciplinary Appeals Committee	£4,078
Member of Disciplinary Appeals Committee	£3,059
Alternate Member of Disciplinary Appeals Committee	£1,274

Source: Greater London Authority

Transport for London

- D9. Schedule 10 of the Greater London Authority Act 1999 requires that Transport for London (TfL) shall consist of between 8 and 15 members, and that all shall be appointed by the Mayor. It further requires that the Mayor to designate one of the members of TfL to be the Chairman. Where the Mayor is a member of TfL (as is presently the case), the Mayor is to be the Chairman. London Assembly Members may not be appointed as members of TfL.
- D10. Current remuneration rates range between c£12,000 and c£23,000 (plus free tube and bus travel), depending on the member's level of involvement in panels and committees. Additional remuneration is available for the Vice Chair.

London Development Agency

- D11. The London Development Agency (LDA) is required by Section 2 of the Regional Development Agencies Act 1998 (as amended by Section 304 of the Greater London Authority Act 1999) to consist of between 8 and 15 members appointed by the Mayor. The Mayor has obligations to ensure that members of the LDA have a range of experience. At least four of the members must be London Assembly Members, Borough Council members, or members of the Common Council of the City of London. The Mayor is required to designate a person to be chair of the LDA. He must 'appear to the Mayor to be a person who has experience of running a business'. There is nothing in the legislation to prevent an Assembly Member from being designated as chairman.
- D12. For the LDA, members are expected to commit to a minimum of 2 days per month, involving regular attendance at board meetings and sub-groups. Remuneration is £7,777p.a. with the vice chair getting £15,552 for the same time commitment and the chair – for 2 days a week rather than a month – getting £48,876.

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
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 the Parliamentary Pay and Allowances 2004: Volumes I and II	Cm. 6354, October 2004
No. 58	National Assembly for Wales: Review of Pay and Allowances 2004	December 2004

