

Independent Panel on Members' Remuneration (Page 1 of 8)

Simon Vile,  
Head of Corporate Secretariat,  
Metropolitan Police Authority  
10 Dean Farrar Street  
London  
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Dear Simon

1. Following my meeting with you and Catherine Crawford on 4<sup>th</sup> August 2008 and with you and Kit Malthouse, the First Deputy Chair of the Authority and Deputy Mayor, Policing on 20<sup>th</sup> August 2008, I am writing with recommendations on members' allowances for the Metropolitan Police Authority. This letter needs to be considered in the light of the recommendations to the Association of Police Authorities by the Independent Panel on Members Remuneration of which the signatories to this letter were the three members. It can be found at [www.apa.police.uk](http://www.apa.police.uk)

2. We were appointed by the APA to make an independent and objective assessment of the remuneration which should be paid to police authority members. Our starting point was to review the reports published by the independent panel in 2001 and 2002. The three members of the panel are described in Appendix "C"

3. Our terms of reference were:

***"To make recommendations on allowances and expenses paid to police authority members and to APA post holders and to address any other relevant matters including any arising from the previous reports in 2002 and 2003"***

4. We are conscious that the way in which police authorities manage their business varies widely, reflecting different ways of working and different local circumstances. Accordingly, our report seeks to provide a framework which gives individual authorities the flexibility to tailor local allowance schemes to reflect the various ways in which authorities and their members work.

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5. In our recent report to the APA, we made the following comment about the MPA:

**“Metropolitan Police Authority**

67. The MPA has particular national responsibilities and its budget is approximately one quarter of the total expenditure on policing. We believe that members of the MPA will probably need to devote more time to their role than members of other authorities and the role may attract a responsibility premium.

68. GLA members have not been remunerated by the MPA, but the legal position preventing remuneration will change in October. In any event, for independent members of the MPA, we would suggest that basic allowances be set at a level above that of other authorities through a process involving local independent endorsement”

6. I attach as Appendix “A” to this letter an email of 11 September 2008 from Simon Vile, Head of Corporate Secretariat, Metropolitan Police Authority that indicates the areas on which the MPA would like advice. Since then, you have asked us to look at remuneration for members of the Standards Committee. Because of its work load, we have agreed that “Corporate Governance Committee should be included in the higher SRA level for main committee chairs as opposed to the sub-committee band.”

7. The methodology of our report to the APA was as follows. We calculated remuneration on the basis of the number of days spent per week multiplied by a daily rate. From a review of comparable organisations, we calculated that the basic daily rate was £8,600. Thus, if a member were spending two days per week working as an Authority member, they would be paid £17,200. We also considered that, because of the increased responsibility, the chair of an authority should be paid an additional 20% and vice chair an additional 10%. In the context of the MPA, we would consider the three committee chairs, namely, Strategic & Operational Policing; Finance & Resources; and Community, Equality & People together with the Corporate Governance Committee, referred to in paragraph 6 to be the equivalent of vice-chairs of smaller authorities.

Legal framework

8. Previously, it was not possible for members of the GLA to be remunerated for their membership of the MPA. I understand that this has now changed, and that it will be possible for them to be remunerated from 1 October 2008. This is consistent with other areas of the country where police authority members can also be remunerated for their membership of local authorities. Whilst the original intention was for the remuneration of GLA members to be for a full time position, this report only looks at appropriate levels of remuneration for position on the MPA. We consider that it is for the GLA to make its own decisions on GLA members' remuneration.

Basic allowances

9. The current basic allowance for members of the MPA is £18,654. I understand that this is for two days per week. I understand that you would like to continue remunerating non GLA members at this rate but would like to introduce a rate for £9,327 per annum for GLA members.

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10. You will see from Appendix "B" that according to our report for the APA, a member spending two days or two and a half days per week would be paid at an annual rate of £17,200 or £21,500.

11. Given the greater complexity of the MPA from other authorities, we do not consider that a level of remuneration of £18,653 per annum to be unreasonable.

12. We also believe that annual remuneration of £9,327 for GLA members is not unreasonable, especially as they could well spend as much time on the MPA as non-members of the GLA.

Chair

13. You have asked if it would be appropriate for the Chair of the Authority (if not the Mayor) or the Mayor's designated deputy to be paid at a rate of £55,000 per annum. This is the same level of remuneration which would be payable to the chairs of the London Development Agency (LDA) and Transport for London (TfL).

14. The rate for the chair under your current scheme is £37,979. You will see from Appendix "B" that applying our APA proposals would generate annual remuneration of £30,960, £41,280 and £51,600 per annum for three, four and five days per week respectively. I understand, from my conversation with Kit Malthouse, whom the Mayor has appointed as Authority Vice Chairman and who is the Mayor's "designated deputy", that he believes that this is a full time role. On this basis, our report would have generated a figure of £51,600 per annum.

15. We have also looked at the National Policing Improvement Agency (NPIA), which is probably the best comparator and has a number of similarities with the MPA although it is far smaller. I understand that the remuneration for their Chair is between £120,000 and £125,000 p.a. for five days per week.

16. In the circumstances and because of a desire to remunerate the three chairs of the MPA, TfL and the LDA at the same level, we do not consider that remuneration of £55,000 per annum to be unreasonable.

Main Committee Chairs

17. You have asked if it would be appropriate for the chairs of committees to receive the following annual levels of remuneration:

Independent members -	£30,000
Assembly members -	£20,673

18. The three main committees proposed in the new structure are Strategic & Operational Policing; Finance & Resources; and Community, Equality & People. You have also proposed that "Corporate Governance Committee should be included in the higher SRA level. The differential of £9,327 is consistent with the differential referred to above between members of the GLA and independent members.

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19. You will see from Appendix "B" that applying our APA proposals would generate annual remuneration of £23,650 and £28,380 for 2.5 and three days per week. In view of the complexity of the MPA, we do not consider annual remuneration of £30,000 or £20,673 to be unreasonable.

Sub-committee chairs

20. You have asked if it would be appropriate for the chairs of sub-committees to receive the following annual levels of remuneration:

Independent members	£22,420
Assembly members	£13,093

The addition of £3,766 over the ordinary members' allowance seems reasonable in that it represents an additional 40% of a day.

Other positions

21. You have also asked for advice on a daily rate for members of Independent Standards, Selection Panels and Police Appeal Tribunals. In our report to the APA, we made the following comments:

*Independent Standards Committee Members*

72. *All police authorities will have local Standards Committees but the number of occasions on which either the whole committee or perhaps only the non police authority members meet varies widely. Some committees have been involved in individual complaints while others have yet to have any complaints referred to them. Some non police authority members have provided a source of independent advice when considering members allowances or members' appraisal. The 2001 report recommended a daily rate and even for those who meet rarely a (half) daily rate would be appropriate.*

73. *There are therefore 2 questions:*

- > what is the appropriate daily rate: and*
- > should this apply to police authority members as well as non police authority members?*

74. ***Authorities who appoint standards committee members who are also standards committee members of the local authority may wish to pay a similar allowance rate. Otherwise a similar rate to the selection panel members below would be appropriate.***

75. *The practice on paying police authority members varies. Generally we believe that routine meetings should not be remunerated separately but should be part of an individual members' "portfolio" of responsibilities. Where a particular non routine and very onerous*

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*task is required, it may be considered appropriate to remunerate police authority members in a similar manner to their colleagues on the committee.*

76. *A number of authorities have chosen to pay a slightly higher daily rate to the non police authority member chair of the Committee. In these circumstances a 10% uplift may be appropriate.*

#### *Selection Panel Members*

77. *Each police authority has a Selection Panel which is responsible for the first stage of the process of selecting independent members to serve on the police authority. Each Selection Panel comprises three people who may be members of the police authority plus a person appointed by the Home Secretary and an independent assessor appointed from a list of eligible people maintained by the Home Office.*

78. *Under the Police Authority Regulations 2008 (and Metropolitan Police Authority Regulations 2008), police authorities are responsible for determining the level of payments to be made to Selection Panel members.*

79. *All 5 members of the Selection Panel have a similar role and all are normally appointed for a term of five years or (in the case of police authority appointees) until their appointment to the police authority ends. The work is generally cyclical, although casual vacancies may arise, and it involves a short burst of intensive work over a time-limited period.*

**80. *We consider that a daily payment rate is appropriate for all Selection Panel members including Police Authority members as the work should not be regarded as part of their basic or special allowance payments. The basic allowance recommended above equates to about £200 per day and we would suggest that police authorities should consider setting the rate for selection panel members at a similar level. We are however aware that the rate payable to independent assessors on the central list for the Office of the Commissioner for Public Appointments (OCPA) is £250 a day.***

22. We have highlighted the paragraphs which we feel are most relevant to the MPA. The recommendation of our report is to pay members of Standards Committees at a rate of £200 per day. I understand that LFEPa had an independent review of remuneration undertaken by the London Councils' independent panel. This recommended that the Chair of Standards should be paid £1,176 per annum, whilst a member should receive £558 per annum. In our view, these rates are not unreasonable, although we would suggest that you undertake a further review after you have evidence of the time commitment.

**Serge Lourie**

Chair of the Independent Panel on Members' Remuneration

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Appendix "A"

Email of Thu 11/09/2008 16:50 from Simon Vile, Head of Corporate Secretariat,  
Metropolitan Police Authority

"Serge

As discussed the proposed MPA members' allowances we would like you to consider are as follows:

Chair of the Authority (if not the Mayor) or the Mayor's designated deputy £55,000.

Current allowances scheme pays the Chair £37,979 if an independent member

I've been in contact with the NPIA. The remuneration for their Chair is between £120,000 and £125,000 p.a. pro rata'd to number of days worked. I take this to mean that the £120k or so is for five days a week. In any event, a significantly higher amount than what we are proposing!

Basic allowance for independent members £18,654 - the current level

Basic allowance for assembly members £9,327 - half the level for independent members

Main committee chairs

The basic allowance, as above, plus an SRA of £11,346

This would give the following total allowances:

Independent members - £30,000

Assembly members - £20,673

The three main committees proposed in the new structure are Strategic & Operational Policing; Finance & Resources; and Community, Equality & People

Sub-Committee Chairs and Chair of Corporate Governance

Special Responsibility Allowance of £3,766 (the current SRA paid to committee chairs) in addition to basic

This would give sub-committee chairs:

Independent members £22,420

Assembly members £13,093

Hope this helps

Best wishes

Simon Vile

Head of Corporate Secretariat

Metropolitan Police Authority

020 7202 0180

mobile 07901 715 949"

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## Appendix "B"

Comparison between current allowances; those proposed in your email of 11 September 2008 and amounts derived from the main report to the APA.

Position		Current	Proposed	Per APA report	Comments
	<b>Notes-&gt;</b>	1	2	3	
<b>Chair</b>		37,979	55,000	30,960	3 days per week
				41,280	4 days per week
				51,600	5 days per week
<b>Main committee chair</b>	Not on Assembly	22,420	30,000	21,500	2.5 days per week
	Assembly member		20,673	25,800	3 days per week
<b>Sub-committee chair</b>	Not on Assembly	22,420	22,420	23,650	2.5 days per week + 10%
	Assembly member	0	13,093	28,380	3 days per week + 10%
<b>Member</b>	Not on Assembly		18,654	17,200	2 days per week
	Assembly member	0	9,327	21,500	2.5 days per week

**Notes**

1. MPA members' allowances scheme from 01/04/08
2. Proposed in email from Simon Vile of 11 September 2008
3. Per the APA report
4. We are also making recommendations about daily rates for standards, appeals, selection committees

**Commentary**

The only allowance that is out of line with the report is that of the chair. We will need to look at the comparators such as LDA, TfL, NPIA and the London Strategic Health Authority before making a recommendation

## Who are we?

1. The Panel members are:

### **Michael Banner**

Michael has worked in the public sector for twenty years with much of this work on the equalities agenda. His last appointment was as an advisor for the NHS in Wales and the Welsh Assembly Government. As a freelance consultant and trainer he has worked on the broad equalities agenda with various government agencies as well as undertaking a series of organisational and policy reviews.

### **Jan Fiore**

Jan has had a longstanding association with the APA and was Vice-Chair of South Yorkshire Police Authority until retirement in May, 2007. She served almost 30 years in public service/local government including terms on Development Trusts and a Health Authority.

### **Serge Lourie (Panel Chair)**

Leader of LB Richmond Upon Thames and former member of the Metropolitan Police Committee and the APA as well as Chair of the two former Independent Panels.