EXPLANATORY MEMORANDUM TO

THE GREATER LONDON AUTHORITY (LIMITATION OF SALARIES) (AMENDMENT) ORDER 2012

2012 No. 234

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

To insert a reference to Article 9 of the Statute for Members of the European Parliament into the Greater London Authority (Limitation of Salaries) Order 2000.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Context

4.1 Section 25 of the Greater London Authority Act 1999 originally enabled the Secretary of State by order to make provision about the abatement of salaries by GLA members to whom remuneration is payable:

- pursuant to a resolution of either Houses of Parliament related to remuneration of members of that House;
- under section 1 of the European Parliament (Pay and Pensions) Act 1979; or
- in respect of their membership of any other public body as specified in the order.

4.2 SI 2000/1032 made in exercise of that power provided for the abatement of GLA salaries where a salary was also received in respect of membership of either House of Parliament or the European Parliament.

4.3 The legislative basis for the remuneration of MEPs was altered by the adoption of Decision 2005/684/EC. This adopted the Statute for Members of the European Parliament ('the Statute'), which relates to MEPs' pay, allowances and other conditions. Amongst other things, it provided for payment of salaries to MEPs directly by the Parliament

under Article 9 of the Statute. In order to implement the Statute, amendments were made to domestic legislation, including insertion of a reference to receipt of salary under that Article within section 25 of the GLAA 1999 (S.I. 2011/3048).

4.4 This instrument amends S.I. 2000/1032 to bring within the salary abatement provisions any GLA member who receives a salary in respect of membership of the European Parliament by virtue of the Statute.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is made by the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

7.1 Since the establishment of the GLA in 2000, an order has been in place under section 25 of the GLAA 1999 to abate the salary of a GLA member (the Mayor of London or London Assembly member) who is also either a MP or MEP. This is to avoid contravening the principle that elected members should not receive two full salaries for holding two political posts simultaneously. It also responds to the general sense that one person carrying out two full-time posts should not receive the same remuneration as two individuals carrying out the roles separately.

7.2 Between 2000 and 2008, any GLA member, who had such a dual mandate, could only receive two-thirds of their GLA salary. Since May 2008, following a revision of the order, this has been reduced to a third in line with the position for members of the Scottish Parliament and Welsh Assembly.

7.3 However, the existing order under section 25 only applies to a GLA member who is an MEP remunerated under section 1 of the European Parliament (Pay and Pensions) Act 1979 (which set the remuneration arrangements for all UK MEPs until 2009). New remuneration arrangements, following the adoption of Council decision 2005/684/EC, now apply to all new UK MEPs elected at the last European elections in 2009; and so any GLA member who is an MEP remunerated under the new arrangements would not be subject to salary abatement.

7.4 Although this has not been a practical issue, as no GLA member is currently a MEP, the Government decided to rectify this legislative gap. An order under the European Communities Act 1972 amended section 25 as from 31st January 2012 so that an order under section 25 could capture MEPs

remunerated under 2005/684/EC. This instrument now amends the 2000 Order to ensure that such MEPs are indeed captured.

- ***Consolidation***

7.5 N/A

8. Consultation outcome

8.1 There has been no consultation in relation to this instrument, but the GLA is aware of the need for this legislative change and is content.

9. Guidance

9.1 There are no plans to issue guidance in relation to this instrument.

10. Impact

10.1 No impact on business, charities or voluntary bodies is foreseen.

10.2 The impact on the public sector will be negligible – there is a theoretical potential for modest savings in expenditure on GLA salaries.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 There are no plans to monitor or review this instrument.

13. Contact

Catherine Doherty at the Department for Communities and Local Government Tel: 0303 444 4321 or email: Catherine.doherty@communities.gsi.gov.uk can answer any queries regarding the instrument.