

RECEIVED - 5 SEP 1997

NC/12/9

FROM: D A LAVERY
CENTRAL SECRETARIAT
5 SEPTEMBER 1997

cc Mr Thomas
Mr Stephens
Mr Watkins
Mr Blackwell (B&L)
Mr Carson
Mrs Collins
Mr Hill
Mr Maccabe
Mr Whysall
Mr Johnston

*Mr Benson had 5/9.
- not for circulation
S/S*

1. PS/Sir David Fell
2. PS/PUS (B&L)

FORUM CHAIRMAN, JOHN GORMAN: SALARY

1. John Gorman has written to Sir David Fell asking him to look into the possibility of paying him a salary in respect of his Chairmanship of the NI Forum. This minute recommends that consideration be given to making a one-off payment to Mr Gorman (of £16,271 gross) at the completion of his 2 years in post as Forum Chairman (in May 1998) in recognition of the onerous duties which he has performed throughout that period. This recommendation stands irrespective of whether it is possible to resolve the difficulty concerning Mr Gorman's RUC pension (a matter which, I understand, Mrs Collins is considering).

Background

2. Mr Gorman's request appears to have been prompted by his belief that his pension is not commensurate with 21 years of public service; ie 15 years with the RUC and 6 years with the NIHE. His total pension amounts to £18,000 comprised of £15,000 arising from employment as Chief of Security with BOAC and its successor British Airways, plus £3,000 as Vice-Chairman and Chief Executive of NIHE. He also received a single payment of £6,000 on his retirement from NIHE arranged by Chris Patten. Mr Gorman feels particularly aggrieved that his pension was not transferred when he moved from the RUC to BOAC as he was given assurances that

this would be granted. He regards this as resulting in a "black hole" in his pension. I understand that POB are looking at this latter aspect.

Calculation of salaries for Public Appointments

3. I would suggest that our approach to Mr Gorman's request should be on the basis of first principles - it would not be appropriate to skew our assessment due to any sympathy we might have for any deficiencies in Mr Gorman's pension situation. Equally, any resolution of the difficulty surrounding Mr Gorman's police pension does not seem to me to be directly material to the question whether his service as Forum Chairman should be remunerated. Therefore, my starting point would be to apply the following broad guidelines to the position of Forum Chairman suggested by the DFP Pay Unit for the calculation of salaries for the chairpersons and members of public bodies. Such salaries should be assessed against the following criteria:

- (a) should the appointment be a paid appointment or the post holder be deemed as providing a voluntary public service?
- (b) if the post is to be a paid appointment, should the level of salary attract the full market rate for the job or simply a token payment within the spirit of voluntary public service?
- (c) if payment is to be based on the full market rate, then the post should be equated with the equivalent civil service grade. Payment should be calculated close to the minimum of the appropriate civil service grade on the assumption that a large number of candidates could fill the job.

Chairman's Duties and Remuneration

4. The Secretary of State appointed Mr Gorman to the post of Chairman with effect from 14 June 1996 (he was subsequently elected to the post on 6 June 1997). Annex A provides details of Mr Gorman's remuneration, hours worked and duties as a member of the Forum.

5. In support of the case for paying a salary, the post is a difficult public appointment with the Chairman required to handle the pressure, abuse, and problems which are often the norm for the Forum. The post holder is also required to perform substantial additional duties to those of ordinary members. As for the case against payment of a salary, it could be argued that Mr Gorman knew at the outset that the post of Chairman was unpaid, and that he would merely be entitled to receive the same loss of earnings allowances to which any other Forum member is entitled.

Comparators

6. There is no other NI public appointment which can easily be used as a benchmark with which to compare the position of Forum Chairman. The most recent analogous post would seem to be that of Presiding Officer of the 1984 Assembly, the post held by the late Sir James Kilfedder, which attracted remuneration as follows:

Assembly Member Salary	£10,139
Presiding Officer Salary	£10,907
Assembly Member Expenses	<u>£ 5,292</u>
Total	£26,338 (plus travel expenses.)

The duties of Presiding Officer are not, however, a direct analogy. The post of Forum Chairman functions at a comparatively lower level in terms of the range of duties falling to the post holder.

7. One other relevant comparison which might be made is that of the Independent Chairman of the Talks. The Chairmen are entitled to claim remuneration of [REDACTED] per day. On the basis of 15 days worked per month for 9 months, this would amount to a total potential remuneration of [REDACTED]. I understand that this level of salary is not pegged to a civil service pay scale. [REDACTED]
- [REDACTED]

8. The majority of Chairperson salaries appear to be calculated on a pro rata basis for hours worked using the NICS Salary Scale Grade 7 and the Senior Civil Service Pay Bands (replacing the Grade 5 Pay Scale). This approach would seem to provide an appropriate benchmark whether Mr Gorman is to receive a token payment or a salary based on the full market rate.

Recommendation

9. Having observed at first-hand the nature of the role of Chairman, particularly the duties performed over and above those of ordinary Forum members, I incline to the view that it would be appropriate that there should be some financial recognition of the post of Forum Chairman. Therefore I recommend that consideration should be given to making a single payment to Mr Gorman, on a similar basis to that approved by Chris Patten on his retirement from the NIHE. This payment could be made at the end of Mr Gorman's term as Forum Chairman in May 1998. This recommendation would also be within the spirit of the DFP Pay Unit guideline at paragraph 3(b) above.
10. As to the amount of payment:
 - (a) if we equate the role to that of a Grade 7, based on the middle of the salary scale, then payment for 11 hours per week on a pro rata basis for 85 weeks over 2 years (taking account of the Forum's suspension during the general election and recesses for holidays) would amount to a single payment of £16,271 before deductions; alternatively
 - (b) if we equate the role to that of a Grade 5 civil servant (as was), assessed in the middle of the senior civil service pay band 1, then payment would amount to a single payment of £24,328 before deductions.

This would be in addition to the Chairman's estimated total remuneration of £19,596 as a member of the Forum.

11. I would tend to the the view that the appropriate basis for calculating the Chairman's remuneration would be that of a Grade 7 civil servant - ie a single payment of £16,271 gross.
12. I would suggest that PUS, as Accounting Officer, be asked to approve a one-off payment of £16,271 to Mr Gorman at the conclusion of his term in office (at the end of May 1998) in recognition of the difficult role performed by the Forum Chairman.
13. There would appear to be sufficient statutory authority to make this payment under Section 6(1) of the Northern Ireland (Entry to Negotiations, etc) Act 1996 which provides as follows:

'The Secretary of State may pay allowances to delegates returned in accordance with Schedule 1, whether by reference to days on which they attend the Forum ... or otherwise'.

[Signed: DAL]

D A LAVERY

PB 28196

CHAIRMAN'S DUTIES AND REMUNERATION

Remuneration

	Mileage £	Subsistence £	Loss of Earnings £	Total £
June 96/May 97	1,556	193	6,650	8,399
June 97/Aug 97	451	70	1,800	2,321
<i>Estimate:</i> Sept 97/May 98	1,623	187	7,066	8,876
TOTAL	3,630	450	15,516	19,596

Note: For consistency all figures are before tax.

The estimate for September 97 to May 98 is based on the rate of average monthly claims made from June 96 to May 97. The June 96 to May 97 period covered effectively 9 working months.

Average Hours worked as Chairman

Business Committee (Thursday am)	2 hours (including one hour prep time).
Forum Plenary (Friday)	6 hours (including one hour prep time).
Dealing with correspondence, phone calls, discussions, etc, say	<u>3</u> hours
Total	11 hours/week + travel time from home to office

Forum Duties

Chairing Forum plenary meeting each Friday. Dealing with Agenda and Rules issues as they arise. Chairing Business Committee each Thursday. As necessary briefly chairing new sub-committees to appoint new chairperson. Dealing with matters arising from any of the committees of the Forum including correspondence. Dealing with other correspondence, invitations, telephone calls, meetings with Forum members, etc, as required.

Other Duties

This is difficult to estimate since most of his outside work appears to be due to his other and previous interests rather than the Forum, though his chairmanship has probably given him some added attractiveness. He might well put it higher but the Forum Secretariat would put hours spent on other duties at between 10 and 20 per month including travel time.