

# **APPENDIX 1 - REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR THE WEST OF ENGLAND COMBINED AUTHORITY**

## **Introduction and Legal Framework**

1. The Local Government Act 2000 and the Local Government (Members' Allowances) Regulations 2003 set the framework for making a Scheme of Allowances. There is a requirement to establish and maintain an independent panel to make recommendations on allowances.
2. The West of England Combined Authority Order, 2017 established the West of England Combined Authority. Article 8 of that Order states that the Combined Authority may only pay an allowance to the Mayor or to a member or substitute member of the Authority if (a) it has considered a report, from an Independent Remuneration Panel established by one or more of its constituent Councils, which contains recommendations for such an allowance, and (b) the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the Independent Panel.
3. The Independent Remuneration Panel for Bath & North East Somerset has been appointed to act in this regard on behalf of the Combined Authority. That Panel comprises:

Ronnie Alexander (Chair of the B&NES Panel)  
Wendy Stephenson;  
Graham Russell (acting as Chair when sitting on behalf of WECA)
4. The Panel has met on 4 occasions to conduct a full review of allowances insofar as they relate to the Combined Authority. The Panel had met on a previous occasion in September, 2021 to consider a request to review the allowance paid to the Deputy Mayor.
5. The Panel indicated that it would incorporate further consideration of the Deputy Mayor's allowance, as appropriate, as part of this full review.
6. The Panel is grateful for the help it has received from the Mayor and members of the Combined Authority in providing evidence for this review. Our thanks must also be recorded to Ms Shahzia Daya, the Authority's Director of Legal Services and Mr Tim Milgate, Democratic Services, for their unfailing advice and support, and to Ms Bryony Houlden, South West Councils, for her research and advice throughout the review.

## The Mayor

7. The Panel noted the findings of an earlier review of the role of the Mayor of WECA which concluded that the then allowance of £65,000 was not considered [by the then Panel] to be sustainable. This conclusion was based on a number of factors:
  - a. The unique role of WECA in the context of how the Authority was developing, its emerging responsibilities and the legal framework under which it was established.
  - b. The fact that the holder of the Mayor's office was statutorily prevented from engaging in any other paid employment and had no access to pension rights.
  - c. Benchmarking data from broadly equivalent Combined Authorities.
8. Members of the current Panel interviewed the present Mayor on 15<sup>th</sup> October, 2021. Although the principal issue for discussion was the Mayor's allowance, the opportunity was taken to question the Mayor about all aspects of the present Scheme of Allowances for WECA.
9. Key points emerging from this interview and relating to the Panel's consideration of the Mayor's allowance were:
  - the role and responsibilities fell somewhere between those of a Member of Parliament and a Government Minister (*a view echoed by the earlier review*)
  - the WECA Mayor represented over 10 times the number of constituents of a Member of Parliament;
  - unlike a Minister, there was no Civil Service structure available to support the Mayor's role which consequently was more onerous;
  - recognition of the significant work and collaborative engagement with constituent authorities in relation to decision taking.
  - the strategic leadership required in a context of sometimes competing and conflicting demands.

10. Alongside these points, the Panel examined up to date benchmarking data and in particular that relating to the Cambridgeshire and Peterborough Combined Authority (CPCA), generally regarded as a near comparator. The Panel has noted that while the CPCA powers are broadly comparable with WECA, there is a greater number of constituent Councils in the CPCA area. The Mayor's allowance in the CPCA is currently £95,600 and will rise to £97,500 in 2022/23. The average of all the Mayors' allowances in Combined Authorities is £73,600, well above the WECA Mayor's allowance of £67,000.
11. The Panel has accepted that the Mayor's allowance falls well short of what is reasonable for such a prominent regional decision making role, with significant strategic budget and service responsibility. This view was endorsed by others in direct evidence to the Panel. The allowance is also at a level that the Panel believes is unlikely, in the future, to attract candidates from diverse backgrounds willing to make the career/personal sacrifices necessary, given the legal restrictions on the post-holder. It is however recognised that an immediate increase to anything approaching the Cambridgeshire and Peterborough level was unlikely to carry support either within the Authority or among the electorate.
12. Equating the allowance to that of a Member of Parliament was considered but evidence shows that the personal powers and responsibilities of the Mayor of a Combined Authority are substantially in excess of those of a MP. We believe therefore that a sustainable and reasonable solution lies in an allowance pitched at the mid-point between the current salary of a Member of Parliament (£81,932) and the Cambridgeshire and Peterborough 2021/22 allowance (£95,600). That mid-point is £88,766.
13. Given the Panel's view that an immediate move to an allowance at this level is unlikely to receive support, balanced with the strong evidence for an increase, the Panel proposes a phased move towards an aspirational figure close to that mid-point. The Panel's proposals is that each year for a 4 x year period, in addition to any annual pay award, an enhancement of £5,000 be applied as illustrated below:

2021/22 (backdated to May 2021) – £67,000 (+£5,000) = £72,000\*

2022/23 - £72,000\* (+£5,000) = £77,000

2023/24 - £77,000 (+£5,000) = £82,000

2024/25 - £82,000 (+£5,000) = £87,000

2025/26 onwards – application of annual pay award only

*\*subject to the application of any pay award relevant to this start date.*

14. **RECOMMENDATION: That the allowance for the WECA Mayor be increased to £72,000\* with effect from May, 2021 (when the last election for Mayor took place), and that the allowance be increased in subsequent years, as described in para 13 above (i.e. incremental progression + pay awards)**

#### The Deputy Mayor

15. Under the provisions of s107 (c) of the Local Democracy Economic Development and Construction Act 2009, the Mayor is required to appoint one of the members of the Combined Authority as a Deputy Mayor. This states that

*The Deputy Mayor must act in place of the Mayor if for any reason—*

*(a)the Mayor is unable to act, or*

*(b)the office of Mayor is vacant.*

*If for any reason—*

*(a)the Mayor is unable to act or the office of Mayor is vacant, and*

*(b)the Deputy Mayor is unable to act or the office of Deputy Mayor is vacant,*

*the other members of the combined authority must act together in place of the Mayor, taking decisions by a simple majority.*

16. The Deputy Mayor is only required to act in place of the Mayor, if the Mayor is unable to act or the office is vacant. Under the 2009 Act, no other member of the Authority is authorised to act in the absence of the Mayor.
17. Apart from the above statutory provisions, the Mayor may choose to delegate other Mayoral functions to the Deputy Mayor.
18. The Panel was informed, as part of a review earlier this year, that the newly elected Mayor (May, 2021) recognises the statutory provisions but does not intend at this time to delegate any other specific or general Mayoral responsibilities to the Deputy Mayor role as he wishes to undertake all of the duties of the Mayor personally.
19. The Panel accordingly recommended that no allowance be paid for the Deputy Mayor role but that the matter be reconsidered as part of this comprehensive review.
20. During the interview with the Mayor, it was made clear that he accepted the statutory position regarding the need for a deputy and was exploring options for this. In the circumstances, the Panel has agreed to note the position as reported in para 17 above and will consider the matter again once all the options have been explored.
21. **RECOMMENDATION: That the present position regarding the Deputy Mayor be noted (i.e. that no allowance be paid) and the matter be re-considered once all options relating to this position have been explored and the Mayor's intentions known.**

## The Chair of the Overview and Scrutiny Committee

22. The Panel interviewed the current Chair of the Committee on 22<sup>nd</sup> October, 2021.
23. The Panel is fully aware, in the context of its work for mainstream local government, that the success or effectiveness of the overview and scrutiny role is dependent upon the culture of the authority concerned and the degree of member leadership.
24. An earlier review by our predecessor Panel received evidence that the role in WECA was working well, with a high level of member engagement. That position was confirmed in our interview with the current Chair. He explained that the role in WECA was more strategically focussed than in a local authority. The dynamics of the role had changed with the current Mayor's approach. The committee had freedom to select its own priorities.
25. The Chair's workload averaged 12-15 hours per month, with up to 20 hours in those months with committee meetings.
26. There was clear evidence of the member leadership role, with the Chair getting involved in setting a work plan and working to develop the committee's approach as more aspects of the Combined Authority's powers came on stream. The present post-holder also undertook benchmarking activity with the Chairs of other Combined Authority scrutiny panels.
27. Further evidence to the Panel emphasised that the Chair's role *"was far-reaching, bringing together members from different parties and geographic locations and guide them towards playing a constructive role in the review of policy and strategy."* The Panel was made aware in evidence that the role differed from the equivalent role in mainstream local government. The local authority role was more focussed on short term delivery and the WECA role on more strategic issues.
28. The Panel has also received evidence about the responsibilities falling on both the Chairs of Overview and Scrutiny and Audit Committees in seeking to resolve internal governance challenges.

29. The Panel believes the Scheme of Allowances should recognise the important role that overview and scrutiny has in monitoring the governance of WECA and providing effective challenge where necessary. The responsibilities of the lead member for that role should be adequately reflected in the Scheme of Allowances.
30. In determining its recommendation, the Panel has looked at comparator figures for similar roles in the constituent local authorities. The average figure for broadly equivalent roles in the constituent local authorities is £7,500. Alongside this, the Panel has noted the expectation of the current holder as to a reasonable level of allowance.
31. The difficulty for the Panel is that, as stated above, the approach to overview and scrutiny, and the structures in place for operating this function, vary considerably.
32. On balance, the Panel feels that the WECA role should be recognised at a level of 75% of the average equivalent allowance of the constituent local authorities, i.e. £5,625
33. **RECOMMENDATION: That an allowance for the Chair of the Overview and Scrutiny Committee be set at £5,625 with effect from May, 2021.**

#### The Chair of the Audit Committee

34. The Panel sought and received a written response to a number of questions it had submitted earlier to the Chair of the Audit Committee.
35. In evidence, the Panel was advised that the role of the Audit Committee was to ensure the Authority had in place proper processes for managing risk, avoiding fraud, effecting proper accountability and good governance. It is the executive that takes responsibility for risk – the role of the Committee is to monitor and recommend.
36. The Panel believes that the role of the Chairs of both the Audit Committee and the Overview and Scrutiny Committee are comparable. We have heard evidence about the significance of both roles in supporting the good governance of the Authority and helping to resolve related issues.

37. The Panel recognises the constitutional requirement to appoint an independent adviser to the Audit Committee with the necessary expertise. Nevertheless, there is a responsibility on the committee chair to advise on pre-committee reports, hold the officers to account and have a general understanding of the key issues and being clear on what is required of the committee.
38. The Panel believes that the Scheme of Allowances needs to recognise the significance of this role, especially in an Authority that relies so much upon collaborative working with its constituent member authorities. While the time commitment may not be as great as that of the Chair of the Overview and Scrutiny Committee, there is justification for a robust allowance. Again, the Panel has opted for a figure based on 75% of the average allowance for equivalent posts in the constituent local authorities.
39. **RECOMMENDATION: That an allowance for the Chair of the Audit Committee be set at £5,625 with effect from May, 2021.**

Independent Member of the Audit Committee

40. The Panel has noted that this position has been filled and attracts an allowance of £650 per annum.
41. There has been no evidence of difficulty in filling this position and no representations have been made to increase the allowance.
42. Accordingly, the Panel is satisfied that, at its present level, the allowance is appropriate.
43. **RECOMMENDATION: That the allowance for the Independent Adviser to the WECA Audit Committee be set at £650 per annum, subject to the same application of annual pay adjustments as for all other allowances.**

Independent Chair of Hearings Sub Committee (i.e. Standards)

44. The Panel has noted the historical difficulty in recruiting to this position which attracts a current allowance of £256 per day.
45. The Panel is strongly of the view that the remuneration for this position needs to reflect the skill set required and that this allowance is paid for work actually undertaken (on a full or half day basis) rather than as an annual allowance based on an uncertain time commitment.
46. The Panel has noted that other public authorities pay for such positions on this basis and do not experience difficulties in attracting the expertise required. It has also noted that other authorities have upgraded the £256 figure to £268.
47. It is unfortunate that the Panel has not been able to access any evidence as to why there is a recruitment difficulty for this WECA position nor as to the nature and frequency of the commitment.
48. Accordingly, the Panel wishes to (a) note the present position, (b) recommend an uplift to the updated figure of £268 in any event, and (c) indicate its willingness to review the matter in the future should evidence be provided to enable this to happen.
49. **RECOMMENDATION: That the Panel's position stated at para 48 be noted and that the allowance for this position be upgraded to £268 per day.**

Graham Russell, Chair