



**East Midlands
Combined County
Authority**

Report of the

Independent Remuneration Panel

May 2024

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Recommendations

The Independent Remuneration Panel makes the following recommendations for consideration by the Combined County Authority for the reasons outlines in this report:

The Panel recommends:

- 1: **The allowance paid to the East Midlands Elected Mayor should be £93,000**
- 2: **The allowance paid to the Deputy Mayor (if eligible) should be a minimum of £18,600 and a maximum of £46,500, depending on the responsibilities involved.**
- 3: **The allowance paid to the Deputy Mayor should ensure that his or her overall allowance (including those received in the constituent authority) is less than the lowest overall allowance paid to a local council leader.**
- 4: **The Panel should be reconvened to make a recommendation, once a job specification has been agreed.**
- 5: **Constituent Councils consider if they wish to ask their Independent Remuneration Panels to review allowances for the Leader and other appointee to the Combined County Authority given the impact the EMCCA aspect of their role will have on their position.**
6. **An allowance of £9,500 annual payment for the Chair of the Overview and Scrutiny Committee**
7. **An allowance of £1000 annual payment for members of the Overview & Scrutiny Committee**
8. **An allowance of £9,500 annual payment for the Independent Chair of the Audit & Governance Committee**
9. **An allowance of £1000 annual payment for members of the Audit & Governance Committee**
10. **An allowance of £1000 per annum for the Independent Person(s) for Standards**
11. **The criterion for the indexation of allowances should be the NJC cost of living rate increase moving forward, this would link Mayoral and other allowance increases with those of staff and provide equity in increases.**

The Panel's deliberations: Phase 1 – Pre-Mayoral Election

- 1 Due to the unusual circumstance of a Mayoral election taking place without details of the associated allowance, the Panel was asked initially to focus on determining the range within which the mayoral allowance should fall. This element of the review was requested to be completed prior to the election so that election agents and constituent councils could be informed of the range prior to the election.

Setting an allowance range for position of the Mayor

- 2 Due to the very short time scale involved, the Panel was unable to arrange any interviews with council leaders and other interested parties at this stage. In these circumstances, the Panel had to rely heavily on comparative data and considered it was appropriate to recommend a range within which the mayoral allowance should be located, rather than a single figure.
- 3 The Panel also concluded that it would be premature at this stage to make a recommendation for the deputy mayoral allowance, which will be influenced by whether or not the incumbent is leader or mayor of one of the constituent councils, and also what responsibilities are allocated to this position. Both these questions can be expected to be resolved soon after the election.
- 4 All the Panel members had a wide experience of involvement in other members allowances panels. In their experience, in assessing appropriate levels of members allowances (including elected mayors), there has always been an assumption that there should be an acknowledgement of the 'public service ethos, typically associated with such posts. It is assumed that councillors are motivated by the principle of public service and should not expect remuneration which fully covers the time commitment and level of responsibility involved.
- 5 The proportion of time that should be regarded as 'voluntary' and hence unpaid varied between 33% and 50%, in the Panel members' experience. The implication of recognising this principle is that a councillor or elected mayor should not expect to receive an allowance comparable to someone with equivalent levels of responsibility working in the private sector.
- 6 The Panel learned that all the elected mayor positions in the other combined authorities were regarded as 'full time' posts and were seen as such by the incumbents. The Panel assumed that this precedent would be followed in EMCCA.
- 7 There are two areas of comparison with other combined authorities and public sector agencies which the Panel chose to explore. The first was the differences in areas of responsibility allocated to the different CAs; the second was the levels of allowances paid to mayors/leaders of the other CAs and relevant public sector organisations.
- 8 Of the ten CAs so far established, there are two main differences in the responsibilities allocated to them. First, Greater Manchester and West Midlands have been designated as 'Trailblazer' authorities, with a wider range of responsibilities than those enjoyed by the others. Second, the elected mayors in Greater Manchester, West Yorkshire and South Yorkshire also operate as Police and Crime Commissioners, a responsibility not shared by their counterparts. The remaining CAs, including those holding elections for the first time in May, have been allocated a broadly similar range of responsibilities, which exclude those identified above.

Table 1: Mayoral Combined Authority Mayoral Allowances in England

Combined Authority	Allowance (and date of IRP report)	Current Allowance (taking on board indexation)
West Yorkshire	£105,000 – 2021	£111.217.84*
Greater Manchester	£110,00 - 2020	£110,000*
South Yorkshire	£107,000 – 202	£107,000*
West Midlands	£95,000 - 2022	£100,035

North East	£92,000 - 2024	£92,000
West of England	£72,000 (2022)	£87,000
Liverpool City Region	£81,000- 2022	£86,233 **
Cambridgeshire & Peterborough	£80,000 – 2022	£86,121 **
North Yorkshire	£81,300 – 2024	£81,300
Tees Valley	£65,000 – 2023	£80,000
Average Mayoral Allowance (2024)		£94,090.68

* Includes PCC and/or Fire responsibilities

** 2024 review scheduled to be undertaken

- 9 The Panel reviewed the devolution deal for the East Midlands and compared with that at other Combined Authorities, using a review undertaken by the Centre for Cities as a guide before reviewing Combined Authority powers and responsibilities. This can be accessed via: [Everything you need to know about metro mayors | Centre for Cities](#)
- 10 In the light of these variations, the Panel’s view was that the mayoral allowance in EMCCA should be less than the three CAs noted above (Greater Manchester, West Midlands, West Yorkshire). It should certainly be much less than the allowance for the Greater London Mayor (£153K), given the much wider scope of their responsibilities, the population size of the area covered, and the high political profile associated with this position.
- 11 The mayoral allowance paid to the mayors without Police and Crime responsibilities in the other CAs range between £80K and £100k, and there would a prima facie consistency if the allowance in EMCCA was broadly compatible with this range, although it should be noted that EMCCA serves a much larger population and has a correspondingly larger budget than most of these comparators.

Table 2: City Mayoral Allowances in England

- 12 The Panel also considered it relevant to study the allowances received by elected mayors of the fourteen local authorities which have adopted one. The important distinction to bear in mind here, is that this group of elected mayors typically enjoy a greater degree of executive responsibility, (on a personal or collective cabinet basis) than do elected mayors in CAs, for a whole range of personal and environmental service that are not within the remit of CAs. In the latter, there is much more emphasis on the roles of advocate and ambassador for the area and associated networking skills, which are all much more difficult to measure and appraise.

UK City Mayor Allowances (2023)	
Bedford	£63,803
Bristol	£86,439
Croydon	£84,123
Doncaster	£67,236
Hackney	£89,224
Leicester	£78,411
Lewisham	£80,759
Mansfield	£49,377
Middlesborough	£63,560
Newham	£87,997
North Tyneside	£68,499
Salford	£69,903
Tower Hamlets	£80,579
Watford	£73,607

- 13 In these circumstances, the Panel considered that the upper range of the mayoral allowance should not substantially exceed the higher levels of mayoral allowances, the highest of which is £89K (London Borough of Hackney), within a range between of £89K to £64K (excluding Mansfield at £49K). However, it also noted that the London Authorities Members Allowances Panel had recently recommended a figure of £96K for elected mayors in London.

- 14 The leaders of the four constituent authorities within EMCCA receive overall allowances (basic and special responsibility) ranging between £51.3K and £58.5K. Although mayoral allowances

Table 3: EMCCA Constituent Council Leader Allowances

EMCCA Constituent Council Leader Allowances (2023) (SRA + basic allowance)	
Derby City Council	£51,391.50

in CAs are typically around double those in large urban councils, it is important to bear in mind the significant levels of responsibility which fall to council leaders and to be able to justify the extent of such differences.

Derbyshire County Council	£58,440
Nottingham City Council	£58,440
Nottinghamshire County Council	£53,169.60

15 Other allowances considered by the Panel were those received by MPs and those who held ministerial positions, and those that had been allocated to Police and Crime Commissioners. With regard to national government, the current MPs salary is £86.6K, that of Ministers of State £118K and that of an Under- secretary of State £106.4.

16 The Panel’s view was that an MP’s salary (which, like elected mayors, has a built in ‘public service ethos’ element) offered a useful basis for comparison; MPs had much less formal responsibility than elected mayors, but a much wider range of local representation and scrutiny duties. Ministers and (to a lesser extent) Under-secretaries, however, had nation-wide responsibilities which merited significantly higher allowances than elected mayors (with the possible exception of Greater Manchester, West Midlands and West Yorkshire).

Table 4: Other Comparator Allowances considered by the review

UK/ Devolved Nations Elected Representatives (2023)	
UK Member of Parliament (MP)	£86,584
Minister of State (UK)	£118,264
UK Parliament Under Secretary	£106,409
Member of Northern Ireland Assembly	£51,500
Member of Scottish Parliament	£67,662
Member of Welsh Assembly	£69,273
Greater London Assembly	
Mayor of London	£152,734
Deputy Mayor	£141,406
Chair of London Assembly	£70,225
London Assembly Member	£58,543
NHS Non-Executive Appointment	
NHS Non-Executive	£13,000
NHS Trust Chair	£40,000 – 63,300*
* NHS Trust Chair salary dependent upon annual turnover of the Trust	

17 In Nottinghamshire and Derbyshire, the Police and Crime Commissioners (PCCs) both receive an allowance of £78.4K. The Panel was clear that elected mayors in CAs should have a higher allowance than this, in the light of the much wider scope of their responsibilities.

18 Having digested and deliberated on all this information, the Panel concluded that the appropriate range for the mayoral allowance in EMCCA should be between £80K and £95K. The minimum figure is above what local PCCs receive in the East Midlands. The maximum figure equates with the (London based) recommended figure for elected mayors of local authorities. Within this range are to be found the allowances of all the mayors of CAs, apart from the three with enhanced responsibilities.

The Panel’s deliberations: Phase 2 – Post-Mayoral Election

Determining the allowance recommendation for the Mayor

19 The review of comparator information was built upon through a series of interviews that were undertaken which provided an opportunity for the Panel to explore views about existing and expected arrangements,

the impact decisions could have on individuals and their roles, roles and responsibilities of positions and any issues or concerns individuals wish to raise. It also provided an opportunity for discussion about any emerging situations which the Panel may need to consider in respect of its review.

20 It was recognised by the council leaders who were interviewed by the Panel that the leadership role of the Elected Mayor would be markedly different from that carried out by them. The role would:

- Be far more outward looking
- Seek to influence central government and others to secure benefits for the region
- Require significant advocacy and networking skills

21 The leaders were not asked to respond directly to the range of allowances recommended by the Panel in its first report, but all volunteered the view that a figure somewhere within this range would be appropriate. It was assumed that the job would involve a 'full-time' commitment, a view which was shared by the Panel.

22 Whilst the Panel review was underway a Mayoral allowance of £92,000 for the North-East Combined Authority elected mayor has been agreed. The West Midlands Mayoral Allowance has been updated to £100,035 and that of the Elected Mayor in the West of England Combined Authority to £87,000.

23 This data led the Panel to conclude that a figure towards the upper end of their recommended range would be appropriate. Comparing the responsibilities of the East Midlands and North-East Combined Authorities, it was apparent that those of the latter were wider in scope, though only to a limited extent. However, the population of the East Midlands is over a third higher than that of the North-East and its budget is significantly larger.

24 In these circumstances, the Panel concluded that an allowance of **£93,000** for the East Midlands Elected Mayor should be recommended, a figure exceeded only in West Yorkshire, Greater Manchester, South Yorkshire and West Midlands, and (as recommended in the interim report), significantly higher than the allowance received by the two Police and Crime commissioners in the region and comparable with the current MPs salary.

Deputy Mayoral Allowance

25 The Panel was given to understand that an Elected Mayor could choose to appoint a deputy, although was not required to do so, but that if such an appointment were made, it had to be one of the constituent authorities' appointments to the Combined County Authority (Board).

26 If it were a council leader appointed to the post, the regulations state that no allowance can be paid; otherwise, the Panel is empowered to make a recommendation, although it can recommend that no allowance be paid.

27 It is up to the Elected Mayor to propose what responsibilities should be delegated to the deputy, if one is appointed.

28 Information is currently available for only two Combined Authorities for comparison: West Yorkshire, where the deputy mayor is allocated an allowance of £72,000 and West Midlands where the allowance is £20,000. The Deputy Mayor of Greater Manchester also receives an allowance, but the Panel were not provided with details of the level.

29 In Greater Manchester and West Yorkshire, the Elected Mayor is also the Police and Crime Commissioner, a situation not replicated in the East Midlands. A more relevant comparator is the West Midlands Combined Authority, where the deputy has played a lead role in drawing up and managing the Combined Authority's budget, together with a range of other responsibilities.

30 The IRP in the West Midlands considered, all other things being equal, that the responsibilities involved in the role would have merited an allowance of half that of the Elected Mayor (which, at the time, would have been £48,000). But it felt it important to recognise the fact that the deputy, a councillor in one of the constituent authorities, was receiving allowances for his responsibilities in his own authority and that these should be taken into account.

- 31 The West Midlands Panel were clear that the total allowances received by the deputy mayor should be less than those received by the lowest paid leader of the seven West Midlands Metropolitan Councils. It was on this basis that a figure of £20,000 was recommended.
- 32 This recommendation was premised on the fact that the deputy mayor in the WMCA had a wide range of responsibilities, including portfolio holder for finance, which involved drawing up and managing the Combined Authority budget. He also played a key role as a facilitator in generating a consensus among the Elected Mayor and the Board. But other conceptions of the role are possible.
- 33 The Panel took advice on possible interpretations of the role at the East Midlands Combined County Authority, this identified three possibilities that would develop through a rising scale as follows:
1. deputising for the Elected Mayor at EMCCA board meetings, at functions and events and at meetings with partners.
 2. finding a consensus among CCA members on contentious issues: and taking a lead in steering the mayoral budget through the CCA and on matters of corporate governance.
 3. fulfilling a specific portfolio and chairing the relevant committee and/or carrying out a specific role such as leading a taskforce.
- 34 The first of these options would be the most limited interpretation of a deputy mayor's role and would be likely to be an expected feature whatever else the role involved. The second option (combined with first) would involve a wider range of responsibilities and the third (combined with the other two) an even wider range.
- 35 The Panel understands that once a deputy mayor has been appointed, further consideration will be given to his or her role, using the three categories set out above. Its view is that if the first option were to be chosen, an allowance of 20% of the mayoral allowance would be appropriate, resulting in a figure of £18,600. This can be justified on the grounds that the powers that would fall to the deputy mayor in the absence of the mayor (set out in the constitution) would be considerable.
- 36 If the responsibilities of the deputy were to be defined in a way which was equivalent to those of the deputy mayor in the West Midlands, then an allowance of 50% of that of the elected mayor i.e. £46,500 would be justified, subject to the qualification set out earlier that the overall allowance received by the deputy should be less than the lowest overall allowance received by any of the leaders of the four constituent authorities. For any role specification which fell between these two extremes, the allowance would depend on the specific nature of the responsibilities involved and the Panel would need to be reconvened to make a recommendation.

Regulatory Committees: Overview & Scrutiny and Audit & Governance

- 37 The Panel was given to understand that EMCCA would have a single Overview & Scrutiny Committee, with a membership proportionate to the political composition of the four constituent authorities. The importance of a robust Overview & Scrutiny function, effective at holding the Elected Mayor and the Board to account, was emphasised by all the leaders interviewed by the Panel and indeed in the constitution of the Combined County Authority. The Panel is supportive of this view; effective overview and scrutiny is a crucial democratic element of all local authorities, not least Combined Authorities headed by Elected Mayors.
- 38 The regulations make it possible for a Panel to recommend that allowances be paid to chairs and vice-chairs of Overview & Scrutiny committees and to each member thereof, but they are not required to recommend such allowances. There are two Combined Authorities for which comparative data is available - West Yorkshire and West Midlands
- 39 In the former, the chair of the committee receives £7,341 and other members £648 per annum. In West Midlands the comparative figures are £9,500 and £3,000 respectively.
- 40 In the light of the scope for allocating allowances to the Overview & Scrutiny in Combined Authorities, and the importance attached to it by the constituent authorities and the Panel, it would be sensible to take advantage of the opportunity. The Panel was of the view that there should be a broad equivalence between the SRAs paid to chairs of Overview & Scrutiny committees in large urban authorities, and that

paid to the chair of Overview & Scrutiny in the EMCCA. In their collective experience, the figure adopted in West Midlands for the Chair (**£9,500**) meets this criterion and is the Panel's recommendation.

41 The panel saw no case for allocating an allowance to a vice-chair, until and unless a substantive role is defined for him or her. In the Panel's collective experience, the position of vice -chair can be (and often is) a largely nominal one.

42 As regards payments to Overview & Scrutiny Committee members, the Panel identified persuasive arguments both for and against doing so. On the one hand, an allowance would be likely to act as a participatory motivation, for a function which is rightly seen as important. The regulations require Overview & Scrutiny meetings to be quorate (at least two-thirds of the total number of members of the overview and scrutiny committee must be present at a meeting of the overview and scrutiny committee before business may be transacted) before they can proceed. On the other hand, members of Overview & Scrutiny committees in local authorities who do not receive SRAs might understandably feel that the payment of allowances to colleagues who were appointed to the EMCCA Overview & Scrutiny Committee was unfair.

43 The Panel's conclusion was that, although an allowance should be paid to Overview & Scrutiny committee members, to underpin the importance of their role, it should be at a relatively modest level to mitigate concerns about the unfairness of comparisons between those on Overview & Scrutiny committees in local authorities and those in the EMCCA.

44 The Panel therefore recommends an allowance of **£1,000** – close to the West Yorkshire figure – rather than the £3,000 earmarked in the West Midlands, for members of the EMCCA Overview & Scrutiny Committee

45 The Panel recognised the importance of the role of the Audit and Governance Committee and its chair as being equivalent to that of the Overview & Scrutiny Committee, to which it carries out a similar function, but focussed on the issue of financial accountability.

46 The allowance allocated to its chair should therefore be the same as that of the Overview & Scrutiny chair, that is **£9,500**. A similar equivalence of allowances payment to members of the Audit Committee (**£1,000**) can be justified. The Panel felt it advisable to recommend annual payments in such circumstances, rather than payments per meeting attended, which would be redolent of the discredited 'attendance allowances' system.

47 It should be noted that the Chair of the Audit & Governance Committee will be an independent chair recruited through open recruitment, an appropriate allowance as recommended should be beneficial in recruitment an individual with the required skillset.

Independent Person(s) for Standards Matters

48 The allowance paid to the Independent Person for Standards matters in the East Midlands varies from £1,282 (Derbyshire) to zero (Nottingham City).

49 Comparison data with other Mayoral Combined Authorities was extremely limited, although the Panel noted that the very recent review of allowances at the new North East Combined Authority had agreed to pay the Independent Person an allowance of £1000 per annum.

50 The Panel was clear that a modest allowance should be paid in the EMCCA and considered a figure of £1,000 to be appropriate.

Indexation of Allowances

51 The principle of indexation is now generally adopted across local government and other local authorities. An annual uprating of allowances by an appropriate index ensures that they do not lose value over time and avoids the need for sizeable increases on a periodic basis.

52 There are a number of options for identifying criteria which could be applied when uprating the mayoral and other allowances in EMCCA, including 'cost-of-living' -based indices.

- 53 However, the Panel was of the view that parity with the headline figure for the annual increase in officers' salaries is the most appropriate option, not least because it avoids the tensions which would arise were there to be a disparity. This is the criterion which is used in each of the four constituent East Midlands authorities.
- 54 The Panel agreed that it would be far more appropriate to index Mayoral allowance levels to the NJC cost of living rate increase moving forward, this would link Mayoral allowance increases with those of staff and provide equity in increases. This indexation should apply to all allowances.

Scheme of Allowances: Travel, subsistence and expenses

- 55 The Panel considered options for a Mayoral Expenses scheme, noting that it was HMRC that set petrol claim levels. Similarly, the travel, subsistence and carers allowances are now relatively uniform across all authorities and the current schedule in the four constituent authorities should be applied in the EMCCA as far as is possible.
- 56 The travel and subsistence rates for Councils is standardised by HMRC as follows:
- Car travel per mile – 45p
 - Motorcycle travel per mile – 24p
 - Cycle travel per mile – 20p
 - Public Transport Rate per mile – 22.6p
- 57 The Monitoring Officer will draw up an East Midlands Combined County Authority Mayor and Members Allowances Scheme for consideration and approval by the Combined County Authority to reflect the recommendations within this report that are agreed by the Combined County Authority.

Involvement of Council Leaders and Deputies

- 58 In other Combined Authorities, the time commitment typically required of council leaders has been one day a week, that expectation has been written into the guidelines for the operation of the EMCCA. Given that their existing role of council leaders is invariably a full-time one, this level of commitments likely to create time management problems for council leaders in the East Midlands, something of which some were already well aware.
- 59 There are two possible responses: first to somehow find time (by in effect 'working overtime') in their work schedules: or second, to delegate more responsibility to their deputies, who in the East Midlands, could also be members of the CCA Board. Both options will have the effect of increasing the range of responsibilities of the council leaders and deputies, which then becomes a de facto remuneration issue.
- 60 The council leaders who sit on the Board cannot be paid an additional remuneration by the CCA itself. If a deputy council leader were appointed as deputy mayor, it would be possible to pay an allowance, but not for any other position which a deputy council leader might hold in the CCA (e.g. a portfolio holder). However, it would be possible for the IRPs of the four constituent authorities, if requested to do so, to carry out a review of the increased responsibilities of the council leader and deputy and, if minded to do so, to make recommendations for increases in their SRAs.
- 61 This process has already taken place in a few councils whose leaders have responsibilities in a Combined Authority in the West Midlands, Greater Manchester and Cambridgeshire & Peterborough. The Panel recommends that that the four constituent authorities consider whether or not they wish to embark on this course of action.