



Report to:	Finance, Resources & Corporate Committee
Date:	7 March 2024
Subject:	Review of Chief Executive Salary
Director:	Alan Reiss, Chief Operating Officer
Author:	Alan Reiss, Chief Operating Officer

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To consider the recommendations of the Independent Remuneration Panel (IRP or Panel) appointed to review the salary of the Chief Executive of the Combined Authority.
- 1.2 To review and determine the salary for the role of Chief Executive (Head of Paid Service) and the date of implementation of any changes to it.

2. Information

Background

- 2.1 The West Yorkshire Combined Authority (the Combined Authority) was established under the West Yorkshire Combined Authority Order 2014 (the 2014 Order) to exercise transport functions previously exercised by the West Yorkshire Integrated Transport Authority and its Passenger Transport Executive, alongside economic development, and regeneration functions.
- 2.2 The role of Head of Paid Service was originally undertaken by the Chief Executive of Kirklees Council under a secondment arrangement and in 2015 the Authority took the decision to establish and recruit to the post of Managing Director to hold the role of Head

of Paid Service going forwards. The current Chief Executive was appointed as Managing Director in February 2016. Since then, the Combined Authority has evolved and grown significantly. On 11 March 2020, the Constituent Councils and the Combined Authority agreed a “minded to” devolution deal with HM Government. The devolution deal was subject to adopting the model of a directly elected mayor (Mayor) in West Yorkshire; that is, becoming a mayoral combined authority (MCA).

- 2.3 Further to agreeing the deal, the Combined Authority and Constituent Councils followed relevant statutory procedures to adopt the model of a directly elected mayor, and secure changes to the constitutional arrangements set out in the 2014 Order and the additional functions set out in the deal. Consequently, the West Yorkshire Combined Authority (Election of Mayor and Functions) Order (the 2021 Order) was made.
- 2.4 Pursuant to section 4 of the Local Government and Housing Act 1989, the Combined Authority is required to designate one of its officers as the Head of Paid Service and to provide that officer with the staff, accommodation, and other resources to allow their duties to be performed. The Chief Executive (formerly Managing Director) has been designated as the Combined Authority’s Head of Paid Service.
- 2.5 As with local authorities, the individual salary level for a Chief Executive of a Combined Authority is set entirely at local level. The power to set the Chief Executive’s salary derives from the Combined Authority’s general and incidental powers under section 113A of the Local Democracy, Economic Development and Construction Act 2009. The Chief Executive’s salary is published in the annual statement of accounts in accordance with the requirements of the Accounts and Audit (England) Regulations 2011.
- 2.6 Since being established in 2014, the Combined Authority has changed and evolved as its remit has expanded, and structural and capacity changes have been considered and approved as additional responsibilities and funding have emerged. An organisational change programme was entered into in 2016/17 and further detail of the organisation’s more recent evolution is set out in a report to the Combined Authority of 23 June 2022 (a link to the report is provided in background documents at the end of this report).
- 2.7 In headline terms, in 2016/17 the Authority had a funding stream of £270M, with four corporate priorities, four directorates and staffing numbers of circa 450 employees. By 2023/24 that had increased to a funding stream of £622M, increased scope of activity and reach as set out in seven corporate priorities, seven directorates and staffing numbers of circa 850 employees to deliver on these priorities.
- 2.8 More broadly, the changes within the organisation, which have been led by the Chief Executive, include:
 - Securing a Mayoral devolution deal with Government, resulting in an election for a Mayor of West Yorkshire in May 2021. This fundamentally changed the nature of the organisation to one which is of significantly higher profile, with an officer body

responsible for supporting the Mayor and Combined Authority on a wider range of functions, including Police and Crime Commissioner functions and other mayoral powers.

- The election of a mayor meant that for the first time the organisation was responsible for supporting a directly elected politician, which resulted in a step change in the nature of the work and responsibility of the Chief Executive.
- Growth of the capital programme, largely as a result of securing additional transport investment from Government. This includes nearly £1bn between the City Region Sustainable Transport Settlement and the Bus Service Improvement Plan. Combined with the Transforming Cities Fund, Active Travel Funds, and other investments, from 2024-25 the Combined Authority will be investing around £450M a year of capital into the region's transport system.
- Growth in areas of responsibility, leading to increases in staffing capacity to deliver new functions. These include the successful transfer in of the Police and Crime Commissioner functions and staff teams, the Adult Education Budget, and growth in capacity for climate change, housing, and business support.
- Responsibility for delivering a Mass Transit system for West Yorkshire and the potential for reform to the bus market.

Appointment of the Chief Executive (former Managing Director)

- 2.9 The Chief Executive was appointed as Managing Director on 1 February 2016. The role of Chief Executive was implemented following a piece of work that was commissioned to review the organisational design and operating model of the Combined Authority in early 2022. This work was carried out by Deloitte. As a result, changes were implemented to the staffing structure of the senior management tier of the Combined Authority, including the Managing Director. The outcome of these changes was that the Managing Director was appointed to the revised role of Chief Executive with effect from 26 July 2022 following a management of change process and consultation being undertaken.
- 2.10 The change in role title was approved by the Combined Authority on 23 June 2022, but this was not accompanied by a review of remuneration for the role at that time, nor was a revised contract issued.
- 2.11 When the Chief Executive was appointed as Managing Director in February 2016, a spot salary was set at £150,000. Since then, it has increased only in line with the annual cost-of-living adjustments, and now stands at £180,514.



- 2.12 Since 2016, the organisation has evolved, changed, and grown significantly as outlined above. This change and growth have been overseen and led by the Chief Executive.

Review of Terms and Conditions and Pay Scales

- 2.13 In April 2023 the Combined Authority successfully negotiated a collective agreement with the recognised Trade Union, Unison, which approved, endorsed, and incorporated the implementation of new terms and conditions of employment including new pay scales. Revised contracts of employment have been issued to all staff. A contract has not yet been issued to the Chief Executive.
- 2.14 As part of the consultation process, it was agreed that the revised pay scales be implemented ahead of the terms and conditions. The revised pay scales were implemented from 1 October 2023.
- 2.15 Prior to the implementation of the revised pay scales an independent audit was carried out by the auditing organisation BDO. A report was produced by them to share back their independent findings of the pay evaluation exercise undertaken. This report highlighted that an assessment had been made of possible impact on the Chief Executive pay should the same theory and formula be applied. This led to the Chief Operating Officer determining the process for a review of the salary of the Chief Executive.

Independent Remuneration Panel

- 2.16 Provision for a review of remuneration of the Chief Executive is set out in the contract of employment, however the contract does not include any mechanism or trigger for such a review and no review has been undertaken since the issue of the contract in 2016.
- 2.17 The Combined Authority is permitted to determine the Chief Executive's salary without any reference to external input, with the power to do so arising from the Combined Authority's general and incidental powers under section 113A of the Local Democracy, Economic Development and Construction Act 2009. However, on this occasion it was decided by the Chief Operating Officer in consultation with the Elected Mayor to convene the Combined Authority's Independent Remuneration Panel (IRP) to carry out a review of the Chief Executive's salary. The IRP has a statutory remit regarding the remuneration of the Elected Mayor and Deputy Mayor of the Combined Authority.
- 2.18 The IRP was reconvened in a non-statutory context to provide an external independent means of providing advice to the Combined Authority on the salary of the Chief Executive. The Authority has taken a similar approach in the past by convening the IRP to look at the remuneration of co-opted Members to the Combined Authority's Transport Committee, which was a non-statutory review, so there is precedent in this regard as well as following good practice.

2.19 The IRP was commissioned to carry out an independent review of the Chief Executive salary and make recommendations as to the appropriate level of salary and the date from which it should be implemented. The IRP were provided with a brief which included detailed background information in relation to the evolution of the Combined Authority and as a result the role of Chief Executive. The IRP were requested to take the following factors into account when reviewing the Chief Executive salary

- The current role profile and expectations of the role, including the levels of accountability, as compared to the previous role profile.
- Comparable roles elsewhere.
- The salary levels for those Combined Authority staff below Chief Executive level including the narrowing of pay differentials.

Recommendations of the Independent Remuneration Panel.

2.20 The recommendations of the Panel can be found at Appendix 1 - "Review of the salary of the Chief Executive of West Yorkshire Combined Authority". In summary the recommendations are:

1. That the salary of the Combined Authority Chief Executive is set at £193,000 (Appendix 1 paragraph 28 refers)
2. That the proposed remuneration (£193,000) for the Chief Executive of the Combined Authority is implemented from 1st October 2023 (Appendix 1 paragraph 31 refers)

2.21 The Finance, Resources, and Corporate Committee are requested to consider these recommendations.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1 The Combined Authority is committed to becoming an employer of choice and a leader in EDI (Equity, Diversity, and Inclusion). The role of the Chief Executive is key in leading this commitment.

6. Financial Implications

- 6.1 The cost of implementing the recommendations of the IRP is an additional full year cost of £16,367 which will be included in future staffing budgets. The part year cost for 2023/24 will be met from vacancy savings in year.

7. Legal Implications

- 7.1 There are no legal implications arising from this report.

8. Staffing Implications

- 8.1 The staffing implications are outlined in the main body of this report, as summarised at paragraph 1 above.

9. External Consultees

- 9.1 An Independent Remuneration Panel (IRP) was commissioned to carry out a review of the salary of the Chief Executive and make recommendations. Details of this process are contained in paragraphs 2.16 to 2.19 above and in the IRP report at Appendix 1.

10. Recommendations

- 10.1 That following consideration of the report of the Independent Remuneration Panel and its recommendations (namely that the salary of the Combined Authority Chief Executive is set at £193,000 and is implemented from 1st October 2023), the Finance, Resources and Corporate Committee determines whether any revision is to be made to the remuneration for the role of Chief Executive of the Combined Authority and if so the date of implementation of any change.
- 10.2 That the Finance, Resources and Corporate Committee approves that the Chief Executive should continue to receive the annual cost of living revisions to salary and allowances as agreed for all Combined Authority staff through negotiations with the Passenger Transport Forum (PTF).

11. Background Documents

Report to the Combined Authority of 23 June 2022 - [Item 21 - Organisational Evolution.pdf \(moderngov.co.uk\)](#)

12. Appendices

Appendix 1 – Report produced by the Independent Remuneration Panel (IRP) “Review of the salary of the Chief Executive of West Yorkshire Combined Authority”.