# A Review of the

**Salary** 

For the

**Chief Executive** 

Of the

West Yorkshire Combined Authority

**A Report** 

By the

**Independent Remuneration Panel** 

Dr Declan L. G. Hall (Chair) Carolyn Lord Ian Brown

December 2023 (Amended 05.03.23)

# **Executive Summary**

The IRP recommends that the salary of the Chief Executive of the Combined Authority is reset at £193,000

The IRP further recommends that the proposed salary (£193,000) for the Chief Executive of the Combined Authority is implemented from the 1<sup>st</sup> October 2023.

### **REVIEW OF THE SALARY**

#### OF THE

#### CHIEF EXECUTIVE

## **OF THE**

#### WEST YORKSHIRE COMBINED AUTHORITY

#### BY THE

#### INDEPENDENT REMUNERATION PANEL

#### **DECEMBER 2023**

#### **Introduction - Context**

- This report contains the recommendations of the Independent Remuneration Panel (IRP or Panel) appointed to review the salary of the Chief Executive of the West Yorkshire Combined Authority (Combined Authority).
- 2. This review has been prompted by a couple of developments. First the salary of the Chief Executive has not been reviewed since it was set in 2015 and in the context of the transition of the Combined Authority to a Mayoral model of governance, which has recast the combined authority's governance arrangements. Secondly, all other job grades were reevaluated in October 2023 and it was felt equitable that the Chief Executive's salary should also be reviewed to reflect the developing roles and functions of the Combined Authority.

## **The Regulatory Context**

3. The Combined Authority is permitted to determine the Chief Executive's salary without any reference to an 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. 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 when a spot salary of £150,000 was set for the then Managing Director. Through annual cost of living increases the current salary of the Chief Executive is now £180,514. This includes the annual cost of living pay award from 1st April 2023 of 3.88%.

4. As a consequence of the evolution of the organisation and the role of the Chief Executive, 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 the review. The IRP has a statutory remit regarding the remuneration of the Elected Mayor and Deputy Mayor of the Combined Authority. It was reconvened on this occasion 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 reconvening the IRP to look at the remuneration of co-opted Members to the Combined Authority Transport Committee, which was a non-statutory review, so there is precedent in this regard as well as following good practice.

#### The IRP

- 5. The Combined Authority reconvened its IRP consisting of the following Members:
  - Dr Declan Hall (Chair):
    - 6. Chair of the Calderdale IRP (and formerly WYITA IRP), previously an academic at the Institute of Local Government, University of Birmingham and currently an independent consultant specialising in Members allowances. Also Chairs IRP for GMCA and SYMCA.
  - Carolyn Lord:

Former member of Leeds IRP (and formerly WYITA IRP), Independent Person for Combined Authority (and predecessor authorities) Partner in Clarions Solicitors, specialising in town and country planning and related areas of public law, Chair of the Board of Leeds Conservatoire, member of the Luminate Education Group Board and trustee of Yorkshire Sculpture Park.

• Ian Brown:1

Independent Person for Combined Authority (and predecessor authorities), Member of Kirklees IRP and former Chair of Wakefield IRP, an accountant by profession and worked long term for Yorkshire Water

- 7. The Review was supported and serviced throughout by the following Officer:
  - Angie Shearon, Committee & Governance Services Manager/Deputy Monitoring Officer, Combined Authority

<sup>&</sup>lt;sup>1</sup> Ian Brown replaced the standing third Member of the IRP, George Nairn-Briggs, who was unable to join the IRP on this occasion

#### **Terms of Reference**

The IRP was given the following terms of reference:

- 8. The IRP is requested to make a recommendation to the Combined Authority in respect of the remuneration for the role of the Chief Executive.
- 9. The IRP is requested to take the following into account in making that recommendation:
  - i. The current role profile and expectations of the role, including levels of accountability, as compared to previous role profiles.
  - ii. Comparable roles elsewhere.
  - iii. The salary levels of Combined Authority Staff below Chief Executive level including the narrowing of pay differentials.
- 10. The IRP is also requested to make a recommendation to the Combined Authority about the date from when any change in remuneration for the role of the Chief Executive should have effect. In making a recommendation they are requested to take into account:
  - i. The substantial change in the nature of the role upon the election of the Mayor on 10th May 2021.
  - ii. The change in role from Managing Director to Chief Executive from 26 July 2022.
  - iii. The new senior structure was fully operational from May 2023.
  - iv. The effective date of revised pay scales for the rest of the organisation (1st October 2023).

#### The Approach taken by the IRP

- 11. The IRP convened via Teams and met virtually on the following occasions:
  - 11<sup>th</sup> December 2023
  - 15<sup>th</sup> December 2023
- 12. It was during these meetings that the IRP considered all the relevant information and written evidence (see Appendix One for details of evidence received by the IRP). The IRP also interviewed the following:
  - Tracy Brabin Elected Mayor of West Yorkshire, and Chair of the Combined Authority
  - Ben Still Chief Executive of Combined Authority
- 13. As per the instructions to the IRP, for benchmarking purposes the IRP took into account the salaries of Chief Executives of other comparable bodies, namely the nine other English Combined Authorities. The IRP was also aware of the salary levels of Chief Executives in the West Yorkshire Fire Authority, West Yorkshire

NHS Trusts and the five constituent Councils but discounted the relevance of these comparisons because the nature of these authorities is not comparable to the role and scope of the Combined Authority.

# Observations/Comments: The Development of the Combined Authority and changing role of the Chief Executive

- 14. An important context for this review is that since the appointment of a Managing Director in 2015, the role of the Combined Authority has evolved. Further devolution has followed, with a devolution deal agreed in 2020 that set out £1.8bn of government investment (including £1.4bn over 30 years) which is subject to local influence and decision making, enabling spend on local priorities, together with a range of devolved functions and as part of this deal, the Authority became a Mayoral Combined Authority from 2021.
- 15. Within this enhanced remit remains a strong focus on transport, but with an increased scope and emphasis as follows:
  - <u>Bus Reform</u> delivering the Mayor's pledge to return buses to public ownership, including development of the Enhanced Partnership and the assessment of the case for franchising.
  - <u>Mass Transit</u> advising the Mayor and Combined Authority on how this may be developed and commanding a major budget for feasibility work.
  - Rail Reform including defining West Yorkshire's local role in the rail network, as the Williams-Shapps Plan for Rail proposals are rolled out.
  - Key Route Network power and responsibilities.
  - <u>Multi-modal integration</u> including a growing role in promoting active travel choices as part of an integrated transport network for West Yorkshire.
  - <u>Transport-related capital programmes</u> and oversight of revenue budgets active role in overseeing capital programmes (E.g. City Region Sustainable Transport Settlement, with a funding of £830m), and oversight of transport-related revenue funding.
- 16. In addition, the Combined Authority has obtained responsibility particularly regarding
  - Economic growth, development and regeneration, including housing
  - Adult Education. Skills and Culture
  - Police and Crime
  - Environment and Place
- 17. In the maturation of the Combined Authority the role of the Chief Executive has been vital. While the Chief Executive is ultimately responsible to the Combined Authority as a whole the postholder has had to work not only with the constituent authorities but also liaise with senior Civil Servants, including Permanent Secretaries at Whitehall to ensure the delivery of devolution, this latter aspect of the role is not necessarily captured by the Chief Executive's role profile but it cannot be underestimated.

- 18. Another step change was the election of a Combined Authority Mayor in May 2021. This fundamentally changed the nature of the organisation to one that has a significantly higher profile, with an Officer body responsible for supporting the Mayor and the Combined Authority on a wider range of functions, including Police and Crime Commissioner functions and other Mayoral powers. The arrival of the Mayor meant that for the first time the organisation was responsible for supporting a directly elected politician, which resulted in another significant change in the nature of the work and responsibility of the Chief Executive. It means that the Chief Executive has to work closely with the Mayor, to enable the Mayor to develop and deliver their priorities. It also introduced another level of accountability for the Chief Executive.
- 19. These developments have led to an expansion of the Combined Authority as an organisation. Since October 2016, when the Combined Authority had 455 staff, that number has grown to over 830, the Chief Executive as Head of Paid Service has ultimate responsibility for staff.
- 20. Another sign of the growth of the Combined Authority was the organisational review in June 2022, which discontinued the previous four Directorates and replaced them with seven Directorates plus two Executive Directors. Similarly, a comparison of the Corporate Plan 2016/17 and the Corporate Plan 2023/24 shows that there has been an organisational shift from four "priorities" to seven "Corporate Objectives", which signals a move from an organisation that previously focused on process to a focus on outcomes, with an increase in annual funding of £270m in 2016/17 to £622m in 2023/24.
- 21. Taken together, these developments have greatly impacted upon the workload, responsibilities and accountabilities of the Chief Executive who is primarily responsible for ensuring that the Combined Authority is a stable and sustainable organisation. To sum up, the Chief Executive has to provide figurehead leadership and overall direction to the Combined Authority leading to the execution of long-term strategies for the development of West Yorkshire with the following key responsibilities

# • Key functional accountabilities:

- Builds and maintains effective relationships with Members, ensuring strong governance to support the Combined Authority's Board and its Committees.
- Ensures the effective and timely delivery of outputs and projects in the Strategic Economic Plan in alignment with the requirements of the Local Enterprise Partnership and Combined Authority.
- Co-ordinates strategy, development and delivery with the Chief Executives of the constituent Districts ensuring a joined-up partnership approach to achieve powerful and connected change in the constituent Districts.
- Leads the CA Directors in achieving an integrated one-organisation approach across all policy areas including, but not restricted to, regional Transport, Economy, Work & Skills, Culture & Sport, Place making, Environment & Flooding.

- Holds CA Directors to account for achieving their objectives as set out in respective business plans, providing clear decision-making structures and well understood routes for escalation and resolution.
- Ensures that long term proactive considerations take precedence over reactive solutions in the short term (on balance).
- Works with the constituent Districts to develop and deliver public service reform and devolution.
- Ensures the CA plays a full and active role in the development of inter and intra-regional consortium including, but not restricted to, Transport for the North and Rail North.

#### Financial accountabilities:

- Holds ultimate accountability for the CA budget, securing funds and overseeing budget allocation and prioritisation.
- Holds ultimate accountability for CA financial planning, working with Directors to allocate budgets and manage ROI.
- Continually strives to identify new and better ways to deliver value for money to the people of West Yorkshire.

#### • People management accountabilities:

- Provides figurehead leadership to the CA, working with colleagues to set and disseminate the mission, ensuring sure staff work with purpose.
- Role models and champions CA values and behaviours.
- Facilitates a culture of inclusiveness and empowerment at all levels of the organisation.
- Provides executive leadership to direct reports, integrating functions across Transport, Inclusive Economy, Skills & Culture, Policing, Environment & Place and the Corporate Centre.
- Holds overall responsibility for approximately 830 CA staff.
- Coaches and mentors L2 leaders to ensure they feel empowered and have the capabilities to deliver on strategic objectives.
- Identifies and develops top talent and capability in those with 'Executive / Director' potential.

#### **Review of Terms and Conditions and Staff Pay Scales**

- 22. Following an independent review of Staff pay scales a new revised set of pay scales was implemented from 1<sup>st</sup> October 2023. A prime reason for this review was to try and ensure there were more consistent differentials applied to pay levels across the scales as these had been eroded over time as higher percentage increases were awarded at the lower points.
- 23. The Report produced by BDO highlighted that an assessment was made of the possible impact on the salary of the Chief Executive should the same theory and formula be applied, although this was not implemented pending the outcome of this review. However, it is noted that the average percentage increase at the top of the salary scales (new grade 16) was calculated at 4.5 per cent.

## Benchmarking

- 24. As per instructions to the IRP, the IRP has also taken cognisance of the salaries paid to the Chief Executives of the other nine English Combined Authorities. It is noted that the range of salaries paid to other Combined Authority Chief Executives ranges from £154,000 (North of Tyne pending a 2023/24 pay award) to Cambridgeshire and Peterborough (£263,000 although this is paid through agency arrangements and not a permanent salary).
- 25. However, not all other English Combined Authorities are strictly comparable to the West Yorkshire Combined Authority. The West Yorkshire Combined Authority now performs as a mature Combined Authority which is not always the case elsewhere. The IRP considered the remits and size of other Combined Authorities and established that the following Combined Authorities were the most comparable to the West Yorkshire Combined Authority (including their Chief Executives salaries):<sup>2</sup>

Liverpool City Region CA and Chief Executive Salary
West Midlands CA and Chief Executive Salary
Greater Manchester CA and Chief Executive Salary
£195,000
£197,233³

26. The three most comparable Combined Authorities as set out above provide an indicative salary range that the IRP has taken into account when arriving at the recommended salary for the West Yorkshire Combined Authority Chief Executive

# Arriving at the recommended Salary for the Combined Authority Chief Executive

- 27. The starting point for the IRP was to note that the recent salary review of staff resulted in a 4.5 per cent increase in the current highest grade 16. As such and in accordance with the suggestion by BDO the IRP applied a similar uplift (4.5 per cent) to the current salary (£180,514) of the Combined Authority Chief Executive which equates to £188,637 At the very least, by simply applying the same principle as applied to current highest salary grade in the recent salary review, the Chief Executive should be paid at least £188,637.
- 28. However, the IRP also noted that (when in general contrast to considering making recommendations regarding Members' Allowances) market rates need to be paid to ensure proper recruitment, retention and stability to the organisation. As such, the salary of the Chief Executive of West Yorkshire Combined Authority should be comparable to that of other similar English Combined Authorities. Consequently, the IRP decided to apply an uplift to the indexed figure of £188,637 to ensure that there is market comparability. Taking into account the salaries of Chief Executives in the three other comparable Combined Authorities the IRP decided to uplift the indexed salary of £188,637 to £193,000, which places it broadly at the comparative mid-point.

<sup>3</sup> The IRP also notes that the salary for the Group Chief Executive of the GMCA has just been advertised at £230,000 - £250,000, although that also includes duties both as Chief Executive of the GMCA and TfGM

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<sup>&</sup>lt;sup>2</sup> All Chief Executive salaries for the three comparable CAs are subject to a 2023/24 pay award. The Chief Executive of GMCA is paid a total of £231,365. The additional remuneration paid to the GMCA Chief Executive is for performing duties of Chief Executive at Transport for Greater Manchester

# 29. The IRP recommends that the salary of the Combined Authority Chief Executive is set at £193,000

# **Implementation**

- 30. The IRP was asked to consider a number of dates from which the recommended salary (£193,000) of the Combined Authority Chief Executive should be implemented as set out in paragraph 9 of this report. The IRP discounted the implementation dates of 10<sup>th</sup> May 2021 (when the elected Mayor was established) and 26<sup>th</sup> July 2022 (the change in role from Managing Director to Chief Executive). While it is not unknown to markedly backdate pay awards in the private sector it is not common in the public sector. Backdating beyond the start of the year in which pay increases are awarded is not regarded as good practice in the public sector.
- 31. This left an implementation date of May 2023 when the new senior staff structure was fully operational or 1<sup>st</sup> October the effective date of revised pay scales for the rest of the organisation. On the basis of equity and ensuring that all staff have been treated similarly the IRP has opted for an implementation date of 1<sup>st</sup> October 2023.
- 32. The IRP further recommends that the proposed remuneration (£193,000) for the Chief Executive of the Combined Authority is implemented from 1<sup>st</sup> October 2023.

# **APPENDIX 1: Written Information Received and Considered by the IRP**

- 1. A Briefing paper for the IRP Remuneration for the role of Chief Executive, West Yorkshire Combined Authority
- 2. Report to the Combined Authority of 23th June 2022, Organisational Evolution
- 3. Managing Director Contract of Employment 2016
- 4. Managing Director role profile 2015
- 5. Chief Executive role profile 2022
- 6. Combined Authority Annual Meeting Report 25<sup>th</sup> June 2015, Officer Arrangements
- 7. Combined Authority Annual Meeting Minutes 25<sup>th</sup> June 2015, establishing the post of Managing Director
- 8. Combined Authority Report 20<sup>th</sup> November 2015, appointment of Managing Director
- 9. Combined Authority Meeting Minutes 20<sup>th</sup> November 2015, appointing Managing Director
- 10. Corporate Plan 2016-2017
- 11. Corporate Plan 2023-2024
- 12. Revised standard contract 1st January 2024
- 13. Staff pay scales prior to 1st October 2023
- 14. Staff pay scales implemented 1st October 2023
- 15. BDO Independent pay scale Audit Report September 2023
- 16. English Combined Authorities benchmarking of Chief Executives salaries
- 17. An overview of the Combined Authority senior management structure