

**A Review
Of
Remuneration
For the
Chair of the Leeds City Region
Local Enterprise Partnership
(LEP)**

A Report

By the

**LEP Independent Remuneration
Panel**

**Fara Butt
Dr Declan L. G. Hall (Chair)
Carolyn Lord
Very Reverend George Nairn-Briggs**

March 2023

Executive Summary

The IRP recommends that:

- The Chair of the LEP Board is remunerated £30,600 per year.
- The Chair of the LEP Board continues to be able to claim expenses for carrying out approved duties in accordance with the current Members' Allowances scheme for WYCA.
- The IRP has the opportunity to review the recommended remuneration of the LEP Chair in two years' time when it will have the benefit of the experience of the newly defined role and knowledge of the future role of LEPs.

A REVIEW OF REMUNERATION

BY THE

INDEPENDENT REMUNERATION PANEL

FOR THE

Leeds City Region

LOCAL ENTERPRISE PARTNERSHIP

CHAIR

March 2023

Introduction: IRP's Remit and Regulatory Context

1. This report contains the recommendations made by the independent remuneration panel (Panel or IRP) appointed by the West Yorkshire Combined Authority to provide advice to the West Yorkshire Combined Authority (WYCA or Authority) on the remuneration of the upcoming appointment of the Chair of the Local Enterprise Partnership (LEP) that will be integrated into the West Yorkshire Combined Authority.
2. The LEP's governance procedures require that to consider the remuneration of the LEP Chair it must be considered by an IRP, of which at least one Member must come from the private sector. Consequently, a LEP IRP was constituted and convened to provide advice to the Mayor and WYCA on the level of remuneration that shall be payable to the new LEP Chair to be considered at a meeting of the WYCA on 16th March 2023.
3. In coming to their recommendation, the IRP was asked to:
 - establish an understanding of the governance arrangements of the LEP, including the role of the Chair, and the nature and scale of the demands that will be placed on them,

- take into account the wider landscape of mayoral advisors' allowances and the allowances for comparable roles elsewhere,
- interview any relevant member or officers (anticipated to include the Chair of the Combined Authority, the Combined Authority's Chief Executive and a senior officer), and
- obtain and consider any additional information which they consider relevant.

The IRP

4. The members of the LEP Chair remuneration IRP appointed by the LCR are:

- Fara Butt
 - Formerly a school teacher/Head of English and now a businesswoman in West Yorkshire. Fara is a main board member of the National Bed Federation (NBF) and chair of the NBF marketing committee. She is also the first chair of The Furniture Maker's Yorkshire and Central Committee and a Liveryman of the City of London. Fara was winner of the Yorkshire Choice Businesswomen of the Year 2022 and shortlisted for the Northern Asia Powerlist 2020. She is also a Governor at Kirklees College and a Dewsbury Town Board member as well as being a published writer
- Declan Hall (Chair):
 - a former lecturer at the Institute of Local Government, the University of Birmingham, currently an independent consultant who specialises in Members Allowances and support. Dr Hall also chairs the IRP for West Yorkshire Combined Authority, the Greater Manchester Combined Authority (GMCA) and the Sheffield City Region Combined Authority (SCRCA).
- Carolyn Lord:
 - formerly a Member of Leeds IRP and IRP for various West Yorkshire authorities, and Independent Person for WYCA, solicitor in commercial practice, specialising in town and country planning and related areas of law, former governor of Leeds Trinity University, now Chair of Leeds Conservatoire, Board Member of the Luminare Education Group and Trustee of Yorkshire Sculpture Park. Carolyn is also a member of the West Yorkshire Combined Authority IRP.
- Very Reverend George Nairn-Briggs DL:
 - Member of Calderdale IRP, former Chair of Wakefield Standards Committee; formerly a Whitehall Press Officer, Bishop's Adviser on Social Responsibility and Dean of Wakefield; currently Dean Emeritus and since 2006 a Deputy Lord Lieutenant of West Yorkshire. George is also a member of the West Yorkshire Combined Authority IRP

5. The work of the IRP was supported by the following:
 - Angie Shearon, Governance Service Manager, WYCA¹

How the IRP approached the review

6. The IRP met virtually via MS Teams on the following dates:
 - 10th February 2023
 - 14th February 2023
 - 15th February 2023
7. It was at these meetings that the IRP considered the range of information that was provided to it and met with a range of elected post holders to discuss the nature of the changing role of the new Chair of the LEP and their potential remit and work and other issues arising to consider in arriving at its recommendations. The IRP also met with a range of Officers from the Authority and elsewhere to receive factual briefings on the nature of the LEP and how the role of the new LEP Chair is intended to operate.
8. The IRP also received and reviewed a wide range of written evidence and material from Officer briefing papers to benchmarking data. For further details on the range of evidence the IRP considered in its deliberations and in arriving at its recommendations see:
 - Appendix 1: the range of information that was formally presented to and considered by the IRP and sent to the IRP prior to its formal meetings.
 - Appendix 2: the elected post holders who made representations to the IRP and the Officers who provided factual briefings to the IRP.
 - Appendix 3: Benchmarking data reviewed by the IRP.

The context of the review

9. The driver for this review is the integration of the Leeds City Region (LCR) LEP into the West Yorkshire Combined Authority which comes into effect from 13th March 2023. This arose as part of the Government's change in policy towards LEPs, which sought to 'fold' LEPs into Mayoral Combined Authorities. Under previous arrangements the government funnelled regional development funding for West Yorkshire through the LCR LEP and the LEP decided how to spend that money. Now, the funding is channelled through the West Yorkshire Combined Authority and elected Mayor, where officer capacity has been building to deliver the inclusive growth and economic programmes. Since 2020 the LEP has covered the same geographical area as the five constituent

¹ The IRP takes this opportunity to thank Angela for all her hard work in supporting the work of the IRP.

councils of West Yorkshire, and as such, is co-terminus with the WYCA.

10. The prime onward role of the LEP Board will be advisory in which it will provide a high profile, independent private sector voice to the decisions of the Combined Authority specifically relating to economy, productivity, inclusive growth and employment and skills. In addition, the WYCA may request that the LEP considers 'deep dive' questions as required regarding the economy to support and feed into evidence-based decisions to be made.
11. Clearly the integration of the LEP Board into the WYCA will impact on the workload and responsibility of the Chair of the integrated LEP. However, in the absence of actual experience of the new role the IRP is reviewing their remuneration at a particular point of time, namely as it is anticipated to be rather than what it may actually turn out to be in practice.
12. Nonetheless, there are some key points to be made about the role of the Chair of the new LEP. The LEP Board Chair will be a mayoral appointment and the post holder will exercise significantly less operational direction, budgetary and programme control. Regardless of how the role plays out in practice the Chair of the new LEP Board will be expected to:
 - Provide leadership of the LEP as a non-statutory partnership body to drive inclusive economic growth. Reshaping the LEP in light of national and local changes to ensure that the role of the board, board members and the wider private sector is clear and communicated effectively.
 - Support the Mayor of West Yorkshire and members of the Combined Authority to understand the challenges and opportunities faced by the business community through the LEP as the primary business advisory board to the Mayor and the WYCA.
 - Support the development of key regional strategies such as the Economic Strategy and work programmes which address the key priorities for inclusive economic growth and take account of the different economic needs and opportunities across the region.
 - Chair and develop an effective LEP Board by managing the contributions of both private and public sector leaders, to ensure that the LEP's work is clear, and strategic in achieving a common goal and purpose.
 - Work with the Mayor and Combined Authority to promote the interests of the region in high level negotiations with key influencers in government and business circles, with the broad aim of securing investment in the region.
 - Ensure the LEP builds strong local partnerships across West Yorkshire.
 - Provide strategic policy advice in respect of the current and future needs of the region's economy to the mayor and mayoral combined authority.

- Provide proactive communication, consultation and negotiation with key stakeholders regionally and nationally, including politicians, government, businesses and business representative organisations.
 - Provide a conduit for business/private sector voice onto WYCA decision making panels.
 - Lead on an agreed set of business priorities, such as diversity in business, digital transformation, a strong Trade and Investment brand and a focus on start-ups.
 - Maintain and further strengthen relationships with business representative groups within the region alongside the mayor.
13. The setting out above of the main roles and responsibilities of the Chair of the new LEP Board shows that it will remain a high profile significant role. The IRP was informed that the post holder will need to have the highest level business experience, communication, consensus building and networking skills almost undoubtedly gained from many years in a professional or business role in the region. They may well be at a stage in their career where a portfolio career is preferred, whereby business currency can be maintained whilst taking on this role of LEP Chair as a strategic influencer. This is in line with the Combined Authority's aim to maintain (and indeed further strengthen) its linkages and partnership with the private sector.

Arriving at the recommended remuneration for the LEP Board Chair

14. The current (interim) Chair of the LEP Board is remunerated as was the previous permanent incumbent at an annual remuneration of £60,000 for an expected commitment of 12 days per month, or 144 days per year, which equates to a day rate of just under £417, which is a full time equivalent of £108,420 per year.
15. The first consideration for the IRP was to deliberate on the time commitment of the Chair of the new LEP Board. It noted that in the role profile the stated time commitment is between 4-8 days per month, or between 48-96 days per year. Clearly the expectation is that the time commitment for the Chair of the new integrated LEP Board will be less than is currently the case, where the LEP is organisationally separate and has a wider remit.
16. The IRP did receive some representation that the stated expected time commitment going forward was unrealistic; the post holder may well have to put in the time that the current chair of the LEP Board is expected to put in. However, the IRP decided that in the absence of actual experience it had to be guided by the expected time commitment as set out in the role profile for the Chair of the new integrated LEP. Moreover, there is clear evidence that the role of the Chair of new integrated LEP will not require the same time commitment as it does now. The post holder will have a lessor operational and leadership role – this will be a result of integration into the WYCA.

17. As such the IRP concluded that until experience proves otherwise it would be reasonable to opt for the midpoint between the time commitment stated in the role profile for the Chair of the new LEP Board, which is 6 days per month, or 72 days per year.
18. The second consideration for the IRP was to settle upon an appropriate day rate for the Chair of the new integrated LEP. An important point for the IRP was that this is a public sector role, with an implied public service discount. The rate of remuneration should not reflect private sector commercial levels that are paid for instance, to executive chairs of large private sector businesses. On the other hand the daily rate of remuneration should be sufficient to attract a wide range of candidates with the appropriate range of skills and experience who are not deterred by being under remunerated.
19. The role of the Chair of the new LEP Board may be less operational, no longer responsible for programmes and budgets but it will be more strategic, exercising influence and providing key advice on economic issues to the elected Mayor and the WYCA. As such, the IRP decided that the current rate of remuneration for the interim Chair of the LEP Board was an appropriate guide and has applied a small inflationary uplift as the current daily rate of remuneration of just over £417 has not been revised since 2010. These deliberations led the IRP to adopt a day rate of £425.
20. Thus, by multiplying the expected time commitment of 72 days per year by £425 per day it arrives at a tentative remuneration of £30,600, which is a full time equivalent of £110,500 per year.

Benchmarking the remuneration for the Chair of the new LEP Board

21. With the tentative remuneration of £30,600 in mind the IRP benchmarked that figure against the remuneration paid to Chairs of other English LEPs. The first thing that is noted is that according to research conducted by Odgers Berndston only 1 in 6 LEPs (out of 33 of 38 LEPs that responded to their survey) remunerate their Chair. However, the issue of whether or not to remunerate the LEP is not an issue as the WYCA has already made a policy decision that the Chair of the new integrated LEP will be remunerated.
22. The same research showed a range of remuneration from £13,000 to £24,000 per year. Some further research by the IRP (see Appendix 3) showed that out of six specific LEPs looked at, one only paid expenses to their LEP Chair, one paid £26,000 and four paid £20,000 per year. The IRP did look up the remuneration of the Chair of a number of other LEPs and it did indeed confirm the picture presented by Odgers Berndston in that most LEPs do not remunerate their Chair.
23. In this comparative context the tentative remuneration for the LEP Chair of £30,600 appears somewhat disproportionate. However, the IRP has not been driven by the comparative picture. The new integrated LEP will be one of the

largest English LEPs and it is clear that the post holder will be expected to undertake roles that are extensive, will require a significant commitment and carry a comparatively high degree of responsibility.

24. **The IRP recommends that the Chair of the LEP Board is remunerated £30,600 per year.**
25. **The IRP also recommends that the Chair of the LEP Board continues to be able to claim expenses for carrying out approved duties in accordance with the current Members' Allowances scheme for WYCA.**

A further Review

26. The IRP has made the point that it is making a recommendation on the LEP Chair's remuneration without experience of how the role will play out in practice. Just as important is that government policy regarding the future and role of LEPs is not fixed and will continue to evolve, all of which may well impact on the role of the LEP Chair going forward.
27. **As such, the IRP further recommends that it has the opportunity to review the recommended remuneration of the LEP Chair in two years' time when it will have the benefit of experience of the role and knowledge of the future role of LEPs. In addition, any potential increase relate to inflation could be considered at this point.**

APPENDIX 1: Written Information Received and Considered by IRP

1. IRP Briefing Paper provided to the IRP on the changing nature of the WY LEP and role of the new WYCA LEP Chair.
2. Structure chart showing LEP Board appointments 2022/23
3. Role profile from the advert for the appointment of the new LEP Chair, showing nature/key responsibilities of the role and expected time commitment.
4. The LEP Board Terms of Reference, 2022/23
5. Constitution of the LEP Part 2, setting out its structure and operation, 2022/23
6. WYCA Inclusivity Champion candidate pack, setting out nature of the role and expected remuneration.
7. Department for Up, Housing & Communities plus Business, Energy & Industrial Strategy, Guidance on integrating Local Enterprise Partnerships into local democratic institutions, 31st March 2022
8. Pie Chart breaking down the proportion of the time the current LEP Chair spends on various activities.
9. Leeds City Region Enterprise Partnership, LEP Board Members' Remuneration and Expenses Scheme, 2022-23
10. Odgers Berndston, Local Enterprise Partnerships – A Chair's Perspective, (no date), provides a global picture on the remuneration of Chairs of English Local Enterprise Partnerships

APPENDIX 2: Post holders & Officers Who Contributed to the Review

Post Holders:

Tracy Brabin	Elected Mayor, WYCA & LCR LEP Board Member
Mark Roberts	Interim Chair, Leeds City Region (LCR) LEP/Board
Cllr Shabir Pandor	Chair of WYCA Business, Economy & Innovation, LCR LEP Board Member & Leader of Kirklees Council
Andrew Wright	LCR LEP Board Member ²

Officers:

The IRP received a factual briefing from the following Officers:

Ben Still:	WYCA Chief Executive
Tom Riordan	Chief Executive, Leeds City Council

² A. Wright made a written submission to the IRP

APPENDIX 3: Summary of Remuneration Used for Benchmarking Purposes

1. Remuneration currently paid to other LEP Chairs:

- Black Country LEP Expenses only
- Coast 2 Capital LEP £20,000 (2021)
- Cornwall & Isles of Scilly LEP £20,000 (2019)
- Cumbria LEP £20,000 (2022)
- Cheshire & Warrington LEP £26,000 (2022)
- North East LEP £20,000 (2020)

2. Research by Odgers Berndston received responses from 33 out of 38 LEPs found that 1 in 6 Chairs were paid between £13,000 - £24,000 (no date).

3. Recruitment pack for WYCA Mayor’s Inclusivity Champion, showing a remuneration of between £400 – 450 per day.