



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**REPORT BY  
THE CAMBRIDGESHIRE AND PETERBOROUGH  
COMBINED AUTHORITY  
INDEPENDENT REMUNERATION PANEL**

**An Independent Review of Allowances**  
**April 2017**

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## **Foreword**

We are pleased to present the first report by the Independent Remuneration Panel for consideration by the Cambridgeshire and Peterborough Combined Authority. The creation of a Combined Authority for Cambridgeshire and Peterborough is an important milestone for the area. There can be no doubt that the Combined Authority, led by a directly elected Mayor, will be in a unique position to shape that area's future.

As a Panel, we have been given an insight into the work of the authority, as well as the work required in order to ensure the new authority is able to operate effectively and efficiently. Our review forms part of the work required to ensure that the Combined Authority has the correct arrangements for governance in place from the outset.

The Cambridgeshire and Peterborough Combined Authority Order 2017 has the effect of restricting the Panel's deliberations to the subject of the allowance for the directly-elected Mayor. With the new Mayor not due to take up office until after the elections on 4 May 2017, we were obviously unable to hear first hand from the post holder. We were, however, provided with a range of information and advice by officers. We are particularly thankful to Martin Whiteley, the Interim Chief Executive of the Combined Authority, for the insights he provided into the work of both the Combined Authority and the Mayor.

It is often said that there is never a good time to review allowances. This is particularly true in the current economic and financial climate. Nevertheless, the Combined Authority has a statutory duty to create a scheme of allowances, regardless of the financial challenges with which the area is faced. The Panel hopes that their recommendations will be helpful in enabling the Combined Authority to arrive at a decision. We believe that these recommendations, if adopted, will result in a scheme of allowances that is fair, transparent and affordable. We hope that the Authority will approve these recommendations.

**Nicky Blanning**

**Alan Rodger**

**Colin Wiles**

**The Independent Remuneration Panel**

## Executive Summary

In preparing this report, the Independent Remuneration Panel has been required to create a completely new scheme for the Cambridgeshire and Peterborough Combined Authority. In doing so, they have considered all aspects of the scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003, including the structure of the scheme, the level of allowances paid and the circumstances in which allowances may be claimed.

The Panel considered a range of evidence before formulating their recommendations. Although it was necessary to undertake the review before the poll to elect the Combined Authority's first Mayor had taken place, the Panel felt that they were nevertheless able to review sufficient information to enable them to make informed and robust recommendations on the matter of allowances. The Panel considered the statutory framework for the new Combined Authority, as well as a range of supporting documentation such as the details of the devolution deal produced by the Department of Communities and Local Government. The Panel received a presentation from, and were also able to ask questions of the interim Chief Executive of the Combined Authority, Martin Whiteley.

The Panel used their knowledge of the role the new Mayor will be expected to undertake in order to compare it to other broadly similar public service roles. In making such comparisons, the Panel sought to ascertain the likely time commitment and the level of responsibility required by the role of Mayor and determine how this compared to the other roles. The Panel reviewed a range of such roles, including that of Member of Parliament, members of the various devolved assemblies and Police and Crime Commissioners. The Panel also took account of statutory guidance issued by the Government and relevant points of law. The Panel were particularly cognisant of the requirements relevant to their deliberations that are contained within the Cambridgeshire and Peterborough Combined Authority Order 2017. The Panel was also mindful of the prevailing economic and financial climate as well as the need to encourage democratic diversity and participation in local democracy.

The Panel would like to draw attention to the following aspects of their recommendations:

- For the directly-elected Mayor, the Panel recommends an allowance of £75,000 per annum.
- The panel was cognisant of the fact that, in the context of the Cambridgeshire and Peterborough Combined Authority Order 2017, this represents an upper limit.
- The Panel recommends that, rather than linking the allowance to any particular index for the purpose of inflationary adjustments, the scheme should be subject to review no longer than 24 months after its adoption.
- Travel allowances should be payable at the rates set out within the Appendix to this report.
- A carer's allowance should be payable at the rates set out within the Appendix to this report.

- The circumstances in which travel and carers allowances may be claimed should be as set out within the Appendix to this report.
- Subsistence allowances should be payable only in exceptional circumstances.

## **Introduction**

1.1 This report presents the recommendations of the Independent Remuneration Panel to the Cambridgeshire and Peterborough Combined Authority Board for consideration and approval.

1.2 The Authority is required to make a scheme of allowances in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Authority must establish an independent remuneration panel, and before making or amending its scheme of allowances, it must have regard to the recommendations of the Panel.

## **The Panel**

2.1 The Board instructed the Interim Monitoring Officer to convene an Independent Remuneration Panel taken from the independent members across the geography of Cambridgeshire and Peterborough to make recommendations to the Combined Authority for the remuneration of the elected Mayor of Cambridgeshire and Peterborough at its meeting on 31st January 2017. As Cambridgeshire County Council was in the process of recruiting a completely new panel, via an open recruitment process aimed at encouraging applicants from a range of backgrounds, it was proposed to use this panel to make recommendations to the Combined Authority.

2.2 The Panel comprises the following members:

- Mrs Nicky Blanning. Nicky is Head of the Accommodation Service at the University of Cambridge. She is also a Trustee and Chair of the Foundation of Edward Storey and Chair of a community music organisation.
- Professor Alan Rodger. Alan is a retired Director of the British Antarctic Survey. He has been involved in the leadership and management of national and international science organisations for thirty years. He is currently a Director and Trustee of the Morris Education Trust.
- Mr Colin Wiles. Colin is a consultant, providing services to housing associations and other similar bodies. He was previously Chief Executive of the King Street Housing Society and is a trustee of The Whitworth Trust.

2.3 The Panel undertook their review in April 2017. They have now completed their review and have recommended that the Authority adopt a new scheme of allowances as set out at Appendix 1 to this report.

## Terms of Reference for the Review

3.1 The terms of reference for the review followed the requirements of the Local Authorities (Members' Allowances) (England) Regulation 2003 and, in particular, the Cambridgeshire and Peterborough Combined Authority Order 2017. The latter set out the following in relation to allowances payable in respect of the Combined Authority:

### *Remuneration*

8. (1) *Save as provided for in sub-paragraph (2), no remuneration is to be payable by the Combined Authority to its members.*
- (2) *The Combined Authority may only pay an allowance to the Mayor if—*
  - (a) *the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003(3) 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 remuneration panel.*

3.2 The effect of this provision is that the Panel is required only to formulate a recommended allowance for the new directly-elected Mayor. Aside from the amount of such an allowance, the Panel also considered:

- The duties for which travelling and/or subsistence allowance could be paid and the amount of such an allowance;
- Whether the Authority's scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants, the amount of this allowance and the means by which it should be determined;
- Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run; and
- The fact that membership of the Local Government Pension Scheme in respect of remuneration received as Mayor is no longer permitted.

## The Evidence Considered

4.1 The Panel considered a range of evidence before formulating their recommendations. Because the Panel was required to undertake the review prior to the election of the Mayor, the evidence base was chiefly made up of a range of sources about the Combined Authority

and devolution deal, including that produced by the Department of Communities and Local Government and the Local Government Association. The Panel were also mindful of the statutory framework for the new Combined Authority, as detailed above.

4.2 As well as a range of documentation, the Panel was also able to draw upon the knowledge of the interim Chief Executive of the Combined Authority, Martin Whiteley. Mr Whiteley was able to provide a great deal of information to the Panel which enabled it to build up a picture of the principal duties of the Mayor, including the role of the Mayor in decision making, in liaising with the Government and in driving economic growth and improvement in the delivery of public services.

4.3 The Panel sought to understand the nature of the role of Mayor in terms of the following factors:

- Time – Elected roles are not always full-time, so the Panel sought to establish the relative time commitment required of the Mayor to fulfil the functions of the role.
- Decision making – The Panel sought to ascertain the impact and complexity of the decision making responsibilities likely to be associated with the role, including the range of information that has to be considered by the post holder, the extent to which this information may be conflicting or unclear and the involvement of other decision makers.
- Public accountability - the visibility and degree to which the Mayor is responsible and accountable in the eyes of the public.
- Skills - skills that are required to undertake the role, acquired through natural ability, training, experience or practice. This also includes the people skills required to build consensus and achieve shared outcomes.
- Knowledge - the breadth and depth of knowledge likely to be required to undertake the role effectively. This includes knowledge of relevant subjects as well as knowledge of local areas.
- Creative thinking – the degree to which the post holder will be required to develop and implement strategic policy in a creative and collaborative way.
- Leadership – the Mayor will undertake a key negotiating and influencing role, persuading potential partners and stakeholders to invest in infrastructure projects promoted by the combined authority.

4.4 The Panel's approach enabled it to examine the likely nature of the role in order to compare it to other similar public service roles, including that of Members of Parliament, members of the various devolved assemblies and Police and Crime Commissioners.

4.5 The Panel considered whether the current financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor and the public would rightly expect it to form part of the Panel's considerations, although they acknowledged that such expectations had to be balanced against other factors, including

the need to ensure that the recommended allowance is fair when compared to other similar roles.

4.6 The Panel believes that no-one should be prevented from undertaking the role as a result of their personal circumstances. Factors such as the time commitment required of the post holder, as well as the impact it would have on their ability to maintain employment and contribute to a pension scheme, have a direct bearing on the level of allowance necessary to ensure that a wide range of citizens are able to consider standing for election.

### **The Panel's Conclusions**

5.1 The Panel took the view that the role of Mayor is associated with a very significant level of responsibility indeed. While members of the Panel understood that the executive decision making power of the role is limited by the voting arrangements of the Combined Authority, they nevertheless took the view that the role requires a high level of knowledge, skill and experience in order to carry it out to the expected standard. They also took the view that the role is equivalent to a demanding full-time job.

5.2 The Panel felt that, as a directly elected position, the Mayor is likely to be subject to the highest level of public accountability, comparable to a Member of Parliament or a Police and Crime Commissioner. They also took the view that the post holder will be in a unique position to shape the strategic direction of the Combined Authority Area by creating policy and overseeing its implementation. As such, it is likely that the Mayor will have a very significant impact on the Authority area. The relatively modest resource commitment associated with the Combined Authority is likely to magnify this responsibility.

5.3 The Panel accordingly recommend an allowance of £75,000 per annum be payable to the Mayor. The panel were cognisant of the fact that, in the context of the Cambridgeshire and Peterborough Combined Authority Order 2017, this represents an upper limit.

5.4 The Panel recommend that this allowance should not be indexed for inflationary purposes now, but should instead be subject to review before the expiry of 24 months from the date that the scheme of allowances is adopted. This will enable the Panel to review the allowance with input from the Mayor and compare the allowance to that paid for other similar roles.

5.5 The Panel considered other allowances and expenses in accordance with their terms of reference. They have decided to make the following recommendations:

- Travel expenses should be reimbursed in accordance with the provisions set out in the appendix to this report. Travel expenses should only be reimbursed when incurred in connection with the undertaking of approved duties, but not for journeys between the Mayor's home and ordinary place of work.
- Dependants' carers' expenses should be reimbursed in accordance with the provisions set out in the appendix to this report.



- Subsistence expenses should not be paid, with the exception of overnight hotel accommodation, which must be booked via the Authority at the appropriate market rate.

**Scheme of Allowances for the Cambridgeshire and Peterborough Combined Authority**

**(to take effect from May 2017, subject to agreement by the Combined Authority Board)**

**1. Mayor's Allowance**

1.1 An allowance of £75,000 per annum shall be payable to the Mayor. This allowance is subject to review by the Independent Remuneration Panel no more than 24 months following the adoption of the scheme.

**2. Travel expenses**

2.1 It is expected that Mayor will utilise public transport where possible, in order to reduce his/her carbon footprint and maximise efficiency.

2.2 Public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.

2.3 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (such as a member of the Combined Authority) is carried. Parking fees will be reimbursed at cost on production of a valid ticket or receipt.

2.4 Taxi fares will only be reimbursed on production of a valid receipt. Travel by taxi should only be undertaken where use of an alternative is not available or if the following conditions are applicable:

- There is a significant saving in official time;
- The Mayor has to transport heavy luggage or equipment; and/or
- Where the Mayor is travelling with other officials of the Combined Authority together and it is therefore a cheaper option.

2.5 International travel must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates for international travel will only be booked where it is clearly in the Combined Authority's interest and where formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to international travel will be reimbursed on production of a receipt.

2.6 Travel expenses will be reimbursed for any journey undertaken where the Mayor was undertaking approved duties (see section 5 below). Travel expenses will only be reimbursed if claimed within two months.

### **3. Subsistence expenses**

3.1 Subsistence should not be claimed except in exceptional circumstances.

3.2 Overnight hotel accommodation must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the Combined Authority's interest and formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.

3.3 Where the Mayor is required to be away overnight then the offices of the Combined Authority should, where possible, make advance provision for meals. Where this is not possible, then the maximum rates that can be claimed are shown below. Any claim for subsistence must be supported with receipts for actual expenditure incurred.

- Lunch - £10
- Evening meal - £15

### **4. Dependants' carers' expenses**

4.1 If the Mayor has care responsibilities in respect of dependant children under 16 or dependant adults certified by a doctor or social worker as needing attendance, they will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the Mayor's home, a maximum hourly rate of £6.50 will be payable.

4.2 Dependants' carer's expenses will only be reimbursed if incurred where the Mayor was undertaking approved duties (see section 5 below).

### **5. Approved duties**

5.1 Travel and dependants' carer's expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings or events within the Combined Authority area and away from the normal place of work where attendance is required in connection with the role of Mayor, including attendance at meetings of committees, working groups or other bodies of the Authority, as well as formal briefings, training sessions or attendance at pre-arranged meetings with senior officers to discuss the business of the Combined Authority;

- b) Representing the Combined Authority at meetings or events outside of the Combined Authority area;
- c) In respect of dependants' carer's expenses only, undertaking general duties, including surgeries.

5.2 Travel expenses are not to be paid for journeys between the Mayor's home and ordinary place of work.

5.3 Travel expenses are not to be paid for attendance at political group meetings or other party political events.

## **6. Renunciation of Allowances and Part Year Entitlements**

6.1 The Mayor may elect to forego any part of their entitlement to an allowance under this scheme by providing written notice to the Combined Authority's Monitoring Officer.

6.2 Where the term of office of the Mayor begins or ends otherwise than at the beginning or end of a year, payment of allowances will be pro-rata.

6.3 If an amendment to this Scheme is made which affects payment of an allowance in the year in which the amendment is made, payment of the amended allowance will be pro-rata.