

LIVERPOOL CITY REGION COMBINED AUTHORITY

REPORT OF THE INDEPENDENT REMUNERATION PANEL

METRO MAYOR REMUNERATION 2022-4

1. INTRODUCTIONS

1.1 The membership of the Independent Remuneration Panel is:

David James (Chair)
Clare White
Nicola Davies

1.2 The report presents the recommendations of the Independent Remuneration Panel to the LCR Combined Authority for consideration and approval.

2. PROCESS OF THE REVIEW

2.1 The Liverpool City Region Combined Authority (Functions and Amendment) Order 2017 outlines that the allowances payable to the Metro Mayor have to be considered and a report produced by an Independent Remuneration Panel by one or more of the constituent Councils to the Combined Authority.

2.2 In light of the above, Liverpool City Council's Independent Remuneration Panel undertook the first review of the Metro Mayors remuneration in March 2017 and the recommendations of the Panel were agreed at a meeting of the LCR Combined Authority on 21 April 2017.

2.3 Reflecting the appointment in 2017 and previous practice, Liverpool City Council's Independent Remuneration Panel conducted a further review of the Metro Mayors remuneration in accordance with Regulation 20 of the Local Authorities (Members Allowances) (England) Regulations 2003. This is the Panel established by Liverpool City Council, which is requested and appointed to produce the report and recommendations to be considered by the Combined Authority.

2.4 The terms of reference for the Panel are:

'To consider and report to the Combined Authority upon the recommended level of allowance to be paid to the Liverpool City Region Mayor and related matters as provided for within the Liverpool City Region Combined Authority (Functions and Amendment) Order 2017'.

2.5 In 2017, the Panel had previously recommended a scale of remuneration and set the initial remuneration at £77,500.

2.6 The Metro Mayor's allowance was increased annually from the figure of £77,500 in accordance with an agreed annual level of increase in Officers' salaries under the conditions of the Joint National Committee for Local Government Services. The current level of remuneration is £81,000.

3. EVIDENCE CONSIDERED

3.1 As a consequence of the ongoing Covid pandemic the Panel met remotely on 20 January, 10 March, and 22 March 2022.

3.2 The Panel was presented with a comprehensive information pack containing the following information:

- IRP Report to the LCR Combined Authority – April 2017
- Comparator allowances information for other CA Mayors, elected Mayor, Police & Crime Commissioner and basic MP salary.
- Briefing pack which contained information explaining how the Combined Authority had evolved since its establishment in 2014 and the Metro Mayors first election in May 2017 and 2021.
- Powers devolved in devolution deals to each of the 9 Combined Authorities.
- Economic comparison of the 9 Mayoral Combined Authorities.
- Comparative information of each of the Combined Authorities regarding their functions and responsibilities including areas such as transport and infrastructure, employment and skills, housing and planning, finance, enterprise and growth.
- SQW – Independent Evaluation of Local Growth Interventions

3.3 The Panel was also advised of the statutory powers conferred to the Combined Authority which include:

- Transport authority - covering Rail, Ferry, Bus and Road, including road safety, cycling and walking
- Economic development, regeneration and housing
- Strategic spatial planning – the development of a City Region Spatial Development Strategy
- Adult Education Budget
- Accountable body function for specific grants such as Local Growth Fund, Transforming Cities Fund, Gainshare and Brownfield
- Provision of Skills and training

3.4 In addition, the Panel observed that the Combined Authority was undertaking a number of non-statutory activities which were of significant importance to the City Region and these included:

- Pilot for Housing First
- Ongoing Pilot for Households into Work
- Mersey Tidal project
- Digital Infrastructure Project
- Co-ordination of receipt and distribution of European Structural Investment Funds (ESIF) and European Regional Development Funds (ERDF)

3.5 The Panel was supported by the Chief Executive and Monitoring Officer of the LCR Combined Authority.

4. PANEL'S FINDINGS

4.1 As a result of the evidence presented, the Panel identified the following, which informed its recommendations.

4.2 **Evidence on levels of allowance from other Combined Authorities, Police and Crime Commissioners and Members of Parliament.**

- Compared the salaries of MPs, Police and Crime Commissioners
- Compared the allowances of other Combined Authority Mayors, particularly those that are of a comparable size to the Liverpool City Region.
- The remuneration of the Metro Mayors in England is set out below:

Combined Authority	Mayoral Allowance	No. of Authorities
Greater Manchester <i>Also holds Police, Crime and Fire Functions</i>	£110,000	10
West Yorkshire <i>Also holds Police & Crime Functions</i>	£105,000	5
South Yorkshire	£79,000	4
West Midlands	£79,000	7
Cambridge and Peterborough	£75,000	8
West of England	£65,000	3
North of the Tyne	£65,000	3
Tees Valley	£65,000	5

- For comparative purposes, MPs currently receive £81,932 and this will rise to £84,144 from 1 April 2022.

4.3 **Evidence of functions and responsibilities, population and economic context of other Combined Authorities**

- Compared the roles, functions and remuneration of the Metro Mayors of the other Combined Authorities, noting the similarities and differences amongst each. (See Appendix One and Two)

4.4 **Evidence of changing budgetary size and local context of the Liverpool City Region**

- The Panel previously considered the remuneration of the Metro Mayor in March 2017. Since then the role of the Metro Mayor and functions of the Combined Authority have significantly increased. Recent revenue budgets have varied from £189 to £220million, capital budgets between £180 to £390 million. The role and responsibilities of the Metro Mayor have changed dramatically since 2017.

- The Metro Mayor is responsible for a multi-billion-pound budget and delivery of complex major infrastructure projects which affect the whole of the City Region.
- Devolution, particularly of the Adult Education Budget, had allowed the Combined Authority to adopt a differentiated methodology in distributing AEB, which better reflected local need and circumstances.
- Noted that pre-pandemic through the support and actions of the Combined Authority, the City Region was making economic improvements in areas such as business growth, additional jobs, improvements in economic activity, skill levels had improved, pay was improving and the productivity gap continued to close.
- In addition to delivering the devolved budget, the Combined Authority is also delivering pilot programmes in partnership with Central Government, which includes the Households into Work Programme (£3.45m), Housing First and Trail Blazer project (£10.6m).
- The Metro Mayor and Combined Authority have significant responsibilities across the City Region's transport network, some of which are unique to the region and include the Merseyrail network, Mersey Tunnels, Mersey Ferries.
- Development of evidence-based strategies which set out the Combined Authority's vision, informed by the Metro Mayors manifesto, for example The Corporate Plan.
- Since 2017, the Combined Authority has been successful in bidding for additional funds from Central Government, by having an exciting and stimulating pipeline of projects which are evaluated to understand potential benefits to the City Region in terms of economic, environment and social impact. examples include:
 - City Region Sustainable Transport Settlements (CRSTS) in the region of £710m over five years
 - £172.5 million for Transforming Cities Fund
 - Levelling Up bids which included £37.5m for transport infrastructure.
 - £11.5 in Local Authority Delivery 2 funding for retrofit of low-income homes in the City Region and £28.5m in Sustainable Warmth Funding
 - £45million towards Brownfield site remediation to support the housing development across the City Region
 - Over £2.5m to support digital skills training in the City Region
- The Combined Authority being seen by Government as the Accountable Body for the distribution of Funds. This was particularly evident during the pandemic when the Combined Authority disbursed the Additional Restrictions Grant (£44m).

4.5 Evidence of national/international recognition and profile of the role of the Metro Mayor

- In reaching its recommendations the Panel was cognisant of how the role of the Metro Mayor had developed since 2017. The role had become high profile, which was demonstrated by the increasing practice of Government utilising the unique role of the Combined Authority to administer and be responsible for significant funding streams.
- Recognised the importance of the relationships the Metro Mayor has with constituent Local Authorities and Central Government, to allow the Combined Authority to achieve its Corporate Plan priorities and deliver economic success across the City Region.
- A high profile and impactful role which provides a unique platform to represent and advocate at a regional, national and international level. The Metro Mayor advocated on behalf of the region to influence government policy and economic funding in dealing with the pandemic. On a national and international focus, the Metro Mayor had a leading role at COP26 and has also been developing international trade connections with Germany and Ireland. All of which seeks to bolster the City Region's presence on the world stage and stimulate inward investment.
- The ever-changing role of the Metro Mayor and the inherent responsibilities accompanying this role, which includes building and sustaining relationships with Central Government for example, leading negotiations on matters such as future devolution deals for the City Region.
- Maintaining relationships with constituent Local Authorities, LCR Local Enterprise Partnership, public and private sector organisations across the City Region.
- The scale and number of major projects that the Metro Mayor has responsibility for, some with national significance. For example, the Mersey Tidal Project and Digital Infrastructure.

5. RECOMMENDATIONS

- 5.1 In considering all of the evidence the Panel was of the view that it was appropriate to set a new scale of allowance for the Metro Mayor's allowance and that this should be considered during each electoral term of office.
- 5.2 The Panel also noted that the role of the Metro Mayor did not have access to a pension scheme which attracted an employers' contribution. In contrast, the Police and Crime Commissioner (PCC), which shared some similarities to the role of Metro Mayor, including geography and term of office, could access the Local Government Pension. The Panel was supportive of the approach adopted by Cambridgeshire and Peterborough Combined Authority's Independent Remuneration Panel who had recommended to make representations to Central Government to request that the position of the Metro Mayor be able to access an employer's contribution pension.

5.3 The Independent Remuneration Panel recommends to the Combined Authority that:

- (i) Note the Metro Mayor's current remuneration and agree for that to continue to be index linked to the National Joint Council (NJC) for local government workers.
- (ii) The allowance of the Metro Mayor of the Liverpool City Region Combined Authority should be set an incremental rate in line with the yearly NJC increases and not exceed the cap of £95,000.
- (iii) That a review of the allowance of the Metro Mayor of the Liverpool City Region Combined Authority take place in 2024/25.
- (iv) Representations be made to Central Government to request that the position of Metro Mayor be able to access an employers' contribution pension, in the same way the Police and Crime Commissioners can.