

**Appendix 2****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****2<sup>nd</sup> JULY 2021****REPORT OF INDEPENDENT REMUNERATION PANEL****TEES VALLEY MAYOR'S REMUNERATION****SUMMARY**

This report sets out the recommendation of the Tees Valley Independent Remuneration Panel (IRP) for the allowance of the Tees Valley Mayor, once elected in May 2021, for consideration by the Tees Valley Combined Authority Cabinet.

**RECOMMENDATIONS**

It is recommended that the Combined Authority Cabinet:

- i. Agree the allowance of the Tees Valley Mayor be set at £65,000. The date for this remuneration to apply is to be determined by Cabinet.
- ii. Agree that the panel may meet to review the allowance throughout the Mayoral term should the powers and responsibilities of the Mayor change or if the circumstances which led to this decision were to change for instance, as a result of changes to the scope of the role or changes to salaries of comparable Mayoral positions.

**DETAIL**

1. The legislation relating to the Tees Valley Combined Authority mandates the establishment of an IRP to recommend allowances payable to the Tees Valley Mayor. The Combined Authority therefore have an established IRP, which met on 9<sup>th</sup> January 2020, to consider an appropriate recommendation. Due to the outbreak of the Covid Pandemic the Mayoral election was postponed and the report was not submitted to Cabinet. The panel met again on 4<sup>th</sup> May 2021 to determine if their previous recommendation was still agreeable. This report sets out the recommendations arising from these meetings for consideration by the Cabinet.
2. The current allowance for the Tees Valley Mayor is set at a rate equivalent to the average allowance for the leaders of the five constituent authorities. This allowance was initially recommended by the IRP on 6<sup>th</sup> February 2017, and at a further meeting on 18<sup>th</sup> May 2018 the panel recommended that this formula should continue to apply for the remainder of the current Mayoral term. The Mayoral Allowance is therefore currently set at £37,293.

3. At the May 2018 meeting the panel noted that the Tees Valley Mayor's allowance was significantly lower than other Combined Authority Mayors with comparable responsibilities. They requested that professional, independent advice, looking at Mayoral allowances in detail, be commissioned to be considered when they met to recommend the allowance that would be applicable for the Mayor that will be elected in May 2020.
4. TVCA commissioned the Local Government Association to carry out this research. The LGA provided a detailed report to the Independent Remuneration Panel for their consideration when agreeing a proposed allowance.
5. At their meeting on 9<sup>th</sup> January the IRP considered the report from the LGA and discussed a number of considerations. This included the work that has been carried out to date by the current Tees Valley Mayor, the powers and responsibilities currently held by the Tees Valley Mayor, the increased importance of the Mayor in setting a strategic direction for the Tees Valley and a comparison of the responsibilities of the Tees Valley Mayor with those of other Combined Authorities.
6. The panel agreed that the salary for the next mayoral term should be set based on the current powers and responsibilities of the Mayor. It was agreed that the calculation used previously for remuneration was no longer reasonable as the role has evolved and changed since the allowance was first set.
7. The Combined Authority that is closest aligned to Tees Valley is North of Tyne and the responsibilities of the North of Tyne Mayor are comparable to the Tees Valley Mayor. Therefore, the recommendation from the panel is that the remuneration be set at £65,000, which brings it in line with the Mayor for North of Tyne. It was felt that this allowance reflects the responsibility of the job.
8. As the Mayoral election was postponed by 12 months the LGA provided an updated version of their original report taking into account any changes over this 12-month period.
9. It was considered best practice that the panel met again to consider any remuneration during the pre-election period and before the election was held to ensure that recommendations were made before the outcome of the election was known.
10. The panel met on 4<sup>th</sup> May 2021. At this meeting they agreed that the previously recommended remuneration for the Mayor to be set at £65,000 should stand and that Cabinet should agree the date that this remuneration be implemented.
11. The panel agreed that the salary should be reviewed in the future if the circumstances which led to this decision were to change for instance as a result of changes to the scope of the role or changes to salaries of comparable Mayoral positions.

## **FINANCIAL IMPLICATIONS**

12. The report relates to allowances for the Tees Valley Mayor, which will be reflected in the Combined Authority's budget, and funded through resources devolved from central government.

## **LEGAL IMPLICATIONS**

13. There are no legal implications arising from this report.

## **RISK ASSESSMENT**

14. The report is classed as low risk. Existing management systems and daily routine activities are sufficient to control risk.

## **CONSULTATION & COMMUNICATION**

15. Not Applicable

## **EQUALITY & DIVERSITY**

16. Not Applicable

## **LOCAL ENTERPRISE PARTNERSHIP**

17. This item has been considered at the LEP meeting in advance of it coming forward to Cabinet

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