



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.7</b>
<b>31 JULY 2019</b>	<b>PUBLIC REPORT</b>

## **BUSINESS BOARD ALLOWANCES**

### **1.0 PURPOSE**

- 1.1. In November 2018, the Business Board agreed to convene an independent remuneration panel to consider an allowance scheme for Business Board members.
- 1.2. The Monitoring Officer contacted the Constituent Councils to source a suitable panel and found that East Cambridgeshire District Council had a constituted panel. The Monitoring Officer commissioned the independent remuneration panel to undertake the review.
- 1.3. The panel undertook its review from February to April 2019 and its report and its recommendations are attached (Appendix 1).
- 1.4. Accordingly, the independent remuneration panel recommended:
  - (a) A Co-Optee allowance of £1,500 per month (£18,000 p.a.) for an ordinary Private Sector Board Member, £1,750 per month (£21,000 p.a.) for the Vice-Chair and £2,000 (£24,000 p.a.) for the Chair, to include travelling expenses to Business Board meetings.
  - (b) That the allowances be backdated to the commencement of the Business Board in September 2018.
  - (c) That travel and other expenses continue to be paid in accordance with the Scheme approved by the CA Board, subject to the allowance paid to Business Board Members being regarded as including travel to Business Board Meetings and that travel expenses only should be paid for approved duties outside of attendance at Board meetings.
  - (d) That the indexation factor be set as the Consumer Price Index (CPI).
  - (e) That the Combined Authority circulate the expenses scheme to the Business Board Members, together with the relevant claim form for them to reclaim their expenses.
  - (f) That the Combined Authority review the issue of the large volumes of paperwork being received by Business Board Members to read for

meetings, often with very short timescales to do so, in the interests of retention of Business Board Members.

- (g) That consideration be given to amending the Business Board Constitution or the phasing of future appointments of Private Sector Business Board Members to ensure that the Board does not lose the majority of Members with valuable knowledge and expertise at the same time.

1.5. Following discussions between Officers and Members of the Business Board, the following alternative allowances have been suggested:

- (a) Chair - £24k p.a.
- (b) Vice-Chair - £18k p.a.
- (c) Other Private Sector board members (x10) - £5k p.a.

1.6. The Combined Authority Board is asked to decide if the Business Board should adopt a Member Allowance Scheme based on the recommendations made by the Independent Remuneration Panel.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich Portfolio Holder for Economic Growth</b>
<b>Lead Officer:</b>	<b>John T Hill, Director for Business &amp; Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) Consider recommendations relating to the Business Board Scheme of Allowances from the Independent Remuneration Panel;</li> <li>(b) Decide if the Business Board should adopt a Member Allowance Scheme for the Business Board;</li> <li>(c) Approve the alternative levels of remuneration as set out under the proposed scheme within the Financial Implications section of this report; and</li> <li>(d) Approve the backdating of the Member Allowance Scheme to 24 September 2018.</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## **2.0 BACKGROUND**

- 2.1. At its meeting on 26 November 2018 the Business Board discussed the need to set an appropriate level of remuneration for private sector members based on requirements of the role:
  - (a) to attend board meetings;
  - (b) to help promote the aims of the Board in the wider sector; and
  - (c) to seek the views of the wider sector on growth and infrastructure proposals.
- 2.2. The Business Board agreed that an independent remuneration panel should be convened to consider the level of allowances payable to:
  - (a) the Chair.
  - (b) the Vice-Chair.
  - (c) Other private sector board members.
- 2.3. The Business Board agreed to an interim measure until a scheme is agreed to adopt an expenses scheme for private sector board members from July 2018. At its meeting on 28 November 2018 the Combined Authority Board ratified the Business Board proposal to adopt an expenses scheme for private sector board members to take effect from July 2018 and to pay an allowance of £2,000 per month to the Chair of the Business Board to effect from the date of appointment.
- 2.4. Government guidance stipulates that the Chair must be a private sector representative, and representatives of the Department for Business, Energy and Industrial Strategy (BEIS) have also required the Vice-Chair be appointed from the private sector. The independent remuneration panel considered the roles of the Chair/Vice-Chair as critical the Board's success, which require direct and pro-active leadership, and as such a substantially greater time commitment than that required from any other Board member.
- 2.5. The independent remuneration panel also considered the recently published report by *Ministry of Housing, Communities and Local Government - Strengthening Local Enterprise Partnerships (July 2018)* which sets out the Government's expectations of Local Enterprise Partnerships' roles and responsibilities (link to report is included below).

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1. Business Board Allowances - based on the outcome and recommendations of the independent remuneration panel review, it is proposed the Business Board adopt a scheme on the following levels of remuneration:
  - (a) Chair - £24k p.a.
  - (b) Vice-Chair - £18k p.a.
  - (c) Other Private Sector board members (x10) - £5k p.a.Total: £92k p.a.

- 3.2. Budgetary provision for the remuneration of the Business Board has not been made within the Medium Term Financial Plan. This represents a new pressure on the CPCA budget however it is envisioned that the cost of Business Board remuneration will be covered by CPCA share of retained Enterprise Zone business rates income which is not currently recognised in the MTFP as the final legal agreement is the subject of a paper being brought to this meeting.

## 4.0 LEGAL IMPLICATIONS

- 4.1. Local Enterprise Partnerships (LEPs) are required to make the expenditure and/or remuneration policy for Chairs and Board Members clear on their websites (ref P.24, para 80 of the National Local Growth Assurance Framework).
- 4.2. The Business Board Constitution states that “*Allowances or expenses shall be payable to any Business Board member, in accordance with a scheme approved from time to time by the Combined Authority*” (para 16.1 of the Business Board Constitution).

## 5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no significant implications

## 6.0 APPENDICES

- 6.1. Appendix 1 – Independent Remuneration Panel Review: Business Board Member Allowance Scheme

<u>Source Documents</u>	<u>Location</u>
Ministry of Housing, Communities and Local Government - Strengthening Local Enterprise Partnerships (July 2018)	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf</a>