# Controversy surrounds high salary of interim chief executive amid Newham's financial crisis



Paul Martin’s appointment as the interim chief executive of Newham Council in East London has ignited controversy due to his daily wage of £1,500, a figure that potentially makes him the highest-paid local authority boss in the UK. Based on a four-day workweek, Mr Martin's pay package would equate to an annual salary of approximately £312,000, outstripping the former highest earner, Joanne Roney of Birmingham City Council, who earns £295,000. This salary is also nearly double that of Prime Minister Keir Starmer, who receives £166,786 annually.

Newham, among Britain’s poorest boroughs, is currently grappling with severe financial dysfunction, with councillors describing the authority as “bankrupt.” The council urgently required a £67 million government bailout in May to safeguard vital services for its 360,000 residents. Government intervention is looming, underscored by a Best Value Notice from the Ministry of Housing, Communities and Local Government, highlighting concerns over excessive spending of taxpayers' money. This Notice often precedes the appointment of government commissioners to manage struggling councils.

Mr Martin, a veteran civil servant aged 64, took over the role in July 2025, following the unexpected departure of former chief executive Abi Gbago, who received a substantial £239,000 payout. Gbago's exit was decided behind closed doors at a secretive council meeting, raising further concerns about transparency. Since Rokhsana Fiaz became mayor in 2018—the first elected female Muslim mayor in Britain—Newham has seen rapid turnover in its leadership, with Mr Martin becoming the sixth chief executive during her tenure. This instability adds to the scrutiny surrounding her administration.

The council faces ongoing criticism not only for leadership issues but also for its financial management. Newham Independents, a local opposition group, claims that over £4 million has been paid in compensation during Ms Fiaz’s time in office, often linked to employment disputes. In 2022, Freedom of Information requests revealed that the council had signed 63 non-disclosure agreements with employees, costing taxpayers £2.8 million. These figures highlight systemic challenges within the council’s workforce management.

Newham’s financial woes are emblematic of a wider crisis affecting several London boroughs. Earlier in 2025, the UK government permitted six London councils, including Newham, to relax their budgeting rules under exceptional measures. This allowed them to borrow more extensively or sell assets to raise emergency funds in recognition of their precarious financial situations. The escalating costs associated with homelessness and temporary accommodation have been major contributors to the council’s deficit, which was reported to be around £22 million. Proposals within Newham’s cost-cutting measures included the cessation of funding for public festivities such as Christmas and Eid lights, alongside proposed increases in service charges by 20%.

These challenges reflect a broader trend across England, where a Local Government Association survey found that roughly one in four councils expect to require emergency government bailouts within the upcoming two financial years to avert bankruptcy.

Newham Council and the Labour Party have not provided detailed comments about Mr Martin’s salary or the financial situation, though the council stated that Ms Gbago’s departure was previously addressed in an official statement. The Labour Party emphasised that complaints received concerning Mayor Fiaz, including bullying allegations from 26 Labour councillors in 2022, are taken seriously and investigated according to party procedures.

As Newham navigates this turbulent period, questions remain about the governance and fiscal strategies needed to pull the borough back from financial crisis while maintaining services for one of the city's most vulnerable populations.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.mylondon.news/news/south-london-news/20-highest-paid-london-council-23608115)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.bbc.co.uk/news/articles/cpwd51z78e8o)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.lgcplus.com/politics/workforce/interim-chief-appointed-at-london-borough-18-07-2025/)
* Paragraph 4 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 5 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.mylondon.news/news/south-london-news/20-highest-paid-london-council-23608115)
* Paragraph 6 – [[4]](https://www.bbc.co.uk/news/articles/cpwd51z78e8o), [[5]](https://www.standard.co.uk/news/politics/london-newham-council-tax-bankruptcy-saving-measures-b1187038.html), [[6]](https://www.bbc.co.uk/news/articles/cxr2rnx4rk9o)
* Paragraph 7 – [[7]](https://www.local.gov.uk/about/news/1-4-councils-likely-need-emergency-government-bailout-lga-survey), [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 8 – [[1]](https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-15028637/Council-boss-running-bankrupt-local-authority.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.mylondon.news/news/south-london-news/20-highest-paid-london-council-23608115> - An analysis by MyLondon revealed that over 150 council officials in London earned more than the Prime Minister's salary of £161,000 in 2020-2021. Newham Council had nine officials in this category, including Chief Executive Althea Loderick on £242,000. This highlights the significant earnings of council leaders in some of London's poorest boroughs.
3. <https://www.lgcplus.com/politics/workforce/interim-chief-appointed-at-london-borough-18-07-2025/> - Newham London Borough Council appointed Paul Martin as interim chief executive in July 2025, following the departure of Abi Gbago. Martin, a seasoned civil servant, has previously held chief executive roles in various councils, including Wandsworth and Sutton. His appointment marks the sixth chief executive since Rokhsana Fiaz became mayor in 2018.
4. <https://www.bbc.co.uk/news/articles/cpwd51z78e8o> - In February 2025, the UK government allowed six London councils, including Newham, to relax budgeting rules for the 2025/26 financial year. This exceptional support enables these councils to borrow money or sell assets to raise additional funds, acknowledging the financial challenges they face.
5. <https://www.standard.co.uk/news/politics/london-newham-council-tax-bankruptcy-saving-measures-b1187038.html> - Facing potential bankruptcy due to escalating homelessness costs, Newham Council proposed severe cost-cutting measures, including halting funding for Christmas and Eid lights and increasing various charges by 20%. The council also sought emergency government funding to address its financial crisis.
6. <https://www.bbc.co.uk/news/articles/cxr2rnx4rk9o> - Newham Council reported a £22 million deficit and warned of potential bankruptcy due to rising temporary accommodation costs. The council indicated that government assistance might be necessary to address the financial challenges posed by increasing homelessness and housing costs.
7. <https://www.local.gov.uk/about/news/1-4-councils-likely-need-emergency-government-bailout-lga-survey> - A survey by the Local Government Association revealed that one in four councils in England anticipate needing emergency government bailouts in the next two financial years to prevent bankruptcy. This underscores the widespread financial difficulties faced by local authorities across the country.