
Report to
Cabinet
Council

4th December, 2007

11th December, 2007

Report of Director of Customer and Workforce Services

Title
Review of Members' Allowances

1 Purpose of the Report

- 1.1 This report requests the Cabinet to consider the recommendations of the Independent Remuneration Panel on the Review of Members' Allowances appended to this report.

2 Recommendations

- 2.1 Thank the Independent Remuneration Panel for undertaking the Review.
2.2 Note the recommendations of the Independent Remuneration Panel
2.3 Note the comments of the Council's Cabinet
2.4 Make a recommendation to Full Council

3 Information/Background

- 3.1 The Annual Meeting of the City Council on 18th May, 2006, appointed an Independent Remuneration Panel to undertake a review of the Members Allowances Scheme.
- 3.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 which came into effect in May 2003 require the City Council to have regard to the recommendations of the Independent Remuneration Panel before it introduces a Members' Allowances Scheme or makes amendments to a current scheme, although the City Council is not obliged to adopt any recommendation that the Panel may make. There is a legislative requirement for there to be a review of Members' allowances every four years.
- 3.3 Members allowances are increased annually in line with national pay awards for all employees in local government. This year's settlement, which has now been agreed following negotiation with employers and unions, will see an increase of just under 2.5% for all local government employees and members.

4 Proposal and Other Option(s) to be Considered

4.1 The Panel set out a series of recommendations in the Executive Summary and Appendix 1 of the attached report. These relate not only to the Basic Allowances and Special Responsibility Allowances payable to elected members but also to Carer's Allowance and the allowances paid to non elected member co-optees to Scrutiny Boards and members of the Standards Committee. In relation to its recommendations on the basic rate to be used, the Panel used a formula recommended nationally by the Local Government Association and in relation to the amount of time spent by councillors, the Panel used the same formula as that used by the previous Panel in 2003. There were some proposed changes in relation to current payments for deputy Scrutiny Board chairs.

4.2 Officers have had some informal discussion with the Council's Cabinet who have indicated that while having no dissatisfaction with the Panel's proposals they are not prepared to implement the recommendations in the current climate.

4.2 There are currently no alternative proposals to those in the Panel's report.

5 Other specific implications

	Implications (See below)	No Implications
Best Value	√	
Children and Young People		√
Comparable Benchmark Data	√	
Corporate Parenting		√
Coventry Community Plan		√
Crime and Disorder		√
Equal Opportunities	√	
Finance	√	
Health and Safety		√
Human Resources		√
Human Rights Act		√
Impact on Partner Organisations		√
Information and Communications Technology		√
Legal Implications	√	
Neighbourhood Management		√
Property Implications		√
Race Equality Scheme		√
Risk Management		√

	Implications (See below)	No Implications
Climate change and sustainable development		√
Trade Union Consultation		√
Voluntary Sector – The Coventry Compact		√

5.1 Best Value

Giving elected members some reasonable but not excessive financial allowance to contribute to compensating for their time and potential loss of salary is entirely appropriate and part of the democratic process in terms of ensuring a range of people come forward for election. The allowance process is designed to get a balance between the expectations of civic voluntary activity and full salaried employment which the allowances by no means compensate for.

5.2 Comparable Benchmark Data

Comparable Benchmark Data from the Local Government Association were used during the course of the review.

5.3 Equal Opportunities Implications

The proposals in the Allowance Regulations are designed to increase the equality of opportunity available to Council Members by including allowances such as the Dependent Carer's Allowance.

5.4 Financial Implications

5.4.1 The impact of the recommendations if they were implemented would be an estimated increase in cost of £92,000, from £909,000 to £1,001,000. There is currently a budget available of £924,000, leaving £77,000 to be met from within the Council's resources in the current financial year and ongoing in future years.

5.4.2 The additional costs of the Members' Allowance Scheme have not been budgeted for within 2007/08 and would need to be managed within the Council's overall budgetary position if they were implemented. The budget setting process for 2008/09 would need to take these additional costs into account.

5.5 Legal Implications

The Council are required to consider the recommendations of the Panel by 31st December, 2007.

6 Monitoring

6.1 There is a legislative requirement for Members' Allowances to be reviewed at least once every four years.

6.2 The Standards Committee will be empowered to suspend allowances if a Member is suspended.

7 Timescale and expected outcomes

7.1 The City Council will consider the recommendation on the 11th December, 2007.

7.2 The proposed amendments would update the current scheme of member's allowances.

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		√
Council Consideration (if yes, date of Council meeting)	√ 11th December, 2007	

List of background papers

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Papers open to Public Inspection

Description of paper	Location
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None

Review Of Members' Allowances

Including

**Pensions, Travel and Subsistence and
Co-optees' Allowances**

For

Coventry City Council

A Report by the

Third Independent Remuneration Panel

July 2007

Foreword

Welcome to the third review of Coventry City Council's Members' Allowances Scheme undertaken by an Independent Remuneration Panel.

The Panel has been established under the *Local Authorities (Members' Allowance) (England) Regulations 2003¹ (as amended)* to make recommendations on a number of allowances that are able to be paid to local authority members (councillors) and to certain members of the public who are required to be co-opted onto some Council Committees and Scrutiny Boards to fulfil statutory requirements.

This report contains the Panel's recommendations on these issues. The Council has also tasked the new Panel to review the range and levels of the Basic Allowance and Special Responsibility Allowances in light of four years further experience of operating the new executive decision making system of local government, that was first formally introduced in May 2002.

The first Panel's report was produced in September 2000 and made recommendations, which the Council broadly accepted with the exception of introducing lower Special Responsibility Allowances than originally recommended.

The original driver behind the first review was to develop a scheme of allowances to reflect the new roles for Councillors that arose from the initial Constitution adopted by the Council following the implementation of the provisions of the Local Government Act 2000 that required Councils to adopt an executive model of decision making. That original review, however, was carried out prior to any extensive experience of new roles and responsibilities, which were introduced in a pilot form during that year.

The second Panel's report produced in December 2003 made its recommendations based upon 18 months experience of the Council operating the Cabinet and Scrutiny form of executive decision-making. The current Panel has been able to carry out its review based upon the experience of the past four years, which has now seen the system fully embedded into the Council's governance arrangements. During this time, new roles and ways of working have been introduced and developed which have impacted upon all elected members.

It is not the Panel's remit to take a view on the nature of legislative changes introduced by the Government since the last review, nor to comment upon the effectiveness or otherwise of the local arrangements which the Council has put in place in response to these. The Panel has, however, recognised that Councils nationally are required to respond to challenging and changing pressures on service delivery and funding regimes, which continually seek improvements in levels of service and efficient use of resources.

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

The Councillors Panel has continued to support the view that a scheme of remuneration for should contribute to vigorous and healthy local democracy. The Panel has been mindful of the view that if local democracy is to prosper then individual Members of the Council should have varied backgrounds and life experiences. The same richness and diversity that is found within the inhabitants of the City should be more closely reflected in the make-up of the Council if it is to serve its people with empathy and understanding.

The demands made upon a Councillor will continue to reflect the changes in society at large. The Panel acknowledges that the role of a Councillor should include a degree of public service on the part of those who wish to become elected but it also equally recognises that unreasonable sacrifices should not have to be made by them in their private lives. The scheme of allowances for Councillors should not only reflect this but should also recognise that elected members receive personal recognition, privileges and enhanced reputations and standing within their communities through being elected to the office of Councillor.

The Panel has had the benefit of hearing both oral and written evidence. Some of the latter inevitably draws on comparisons from elsewhere. From this evidence the Panel has concurred with the second Panel's view that being a Councillor under the executive decision making model is not simply about dealing with the Council's formal business agenda. Attending meetings and contributing to debate under full media and public scrutiny is only part of the role. The work behind the scenes at all times of the day and night is often equally, if not more, demanding. Councillors are increasingly required to have specialist knowledge in the wide spectrum of local authority activity in order to carry out both their strategic stewardship of the Council and their ward constituency work. Their roles can effectively fluctuate from requiring the skills and knowledge of a social worker to community advocate, a financial expert to strategic planner or an academic to a senior executive in a multi-million pound public organisation. These are examples of the roles for which they are uniquely held to account at the local level by their electorate and answerable by external examination and audits for the decisions they make.

The Panel recognises that the demands made upon Councillors are likely to have a detrimental effect upon career progression in their chosen employment. Whilst they may make that sacrifice knowingly and explicitly the implications need to be understood and acted upon if the City Council is to attract a more diverse cross-section of candidates and local representatives than is currently the case and equality of opportunity will continue to be denied to potential candidates.

The Panel's task has been to recognise all these factors and produce a method for arriving at an allowance scheme, which is equitable and understandable. A balance has to be struck between the voluntary effort required of Councillors and the financial sacrifice they have to make in order to fulfil their role properly.

As part of our deliberations this year, we considered whether the allowance scheme could contribute to the City Council's growing environmental awareness and its policy of making the City "cleaner and greener". We felt that given that the scheme includes an allowance for travel, we should encourage Councillors to demonstrate their commitment to the Councils' Green Policies by using public transport whenever possible and appropriate. To this end we are recommending that Councillors should have a Network West Midlands pass provided upon request.

Finally whilst the Panel acknowledge that the City Council faces many financial pressures, it has not considered whether the proposals put forward are affordable either in terms of the Council's overall budget or in terms of public opinion. The Panel's recommendations are primarily centred on the principle of what is the nature of the roles that Councillors need to carry out and what the job is worth, without losing sight of the concept of public service. It is the responsibility of the City Council as to whether they accept our recommendations in whole or in part.

The Panel would also like to acknowledge with thanks the support it has received from officers of the Council in conducting its review, especially Chris Hinde, Director of Legal and Democratic Services, Graham Carey, Head of Democratic Services and Joy McLellan, Principal Committee Officer.

Ursula Russell
Chair of the Panel

July 2007

EXECUTIVE SUMMARY OF RECOMMENDATIONS

1. There should be an Annual Review of the Allowances Scheme by the Independent Remuneration Panel and the principles, assumptions and appropriateness of the indicators used in calculating allowances.
2. Members of the Panel should be appointed for fixed period of up to four years to enable continuity of knowledge and experience. Members of the Panel should have their periods of office staggered so that all members do not retire in the same year.
3. The methodology of using the number of days of council work, the level of public sector discount and the use of the LGA's daily rate to calculate the Basic Allowance and the Special Responsibility Allowances as used in the Second Report of the Independent Remuneration Panel in November 2003 should continue to be used to calculate the allowances.
4. The Basic Allowances and the Special Responsibility Allowances should be those as shown in Appendix 1 and these should be back-dated to 17th May 2007.
5. The Basic Allowances and Special Responsibility Allowances should be uplifted each year by the percentage increase in salaries in the Local Government Pay Award for staff, unless the Panel is requested to review these.
6. The Special Responsibility Allowances for Deputy Chairs of Scrutiny Boards should be abolished as the Panel is not convinced that the current workloads justify an allowance. This should be kept under review next year.
7. The Carers Allowance should be increased each year in line with the statutory minimum allowance. The low take up of this allowance by councillors should be reviewed in greater depth next year.
8. The Panel does not believe that an allowance should be paid to the leaders of Minority Groups that are not the largest opposition party, but this should be kept under review.
9. The allowances paid to Co-opted members of Scrutiny Boards and the Standards Committee be calculated on the same method as in the Second Report of the Remuneration Panel, using the current LGA daily rate.
10. The allowance paid to co-opted members on the Standards Committee be kept under review in the light of the legislative changes which may require additional meetings of the Committee to consider whether to

investigate allegations of breaches of the Members' Code of Conduct. The Panel is mindful to back date an increase should the volume of work for the Committee increase significantly.

11. The Panel have noted the increase in the work-load of "Shadow Cabinet" Members but are mindful that "Shadow Cabinet" members do not have any statutory responsibility for delivering services and as such the Panel is not satisfied that this role justifies a Special Responsibility Allowance. The Panel is also mindful that SRA's cannot be paid to more than 50% of the Council membership. However, this should be kept under review for future years.
12. The Panel recommends a fixed lump sum payment of £100 for the provision of general expenses for home office costs.
13. The current Councillors' stationery allowance of £150 (Pick and Mix) should be abolished and incorporated into the basic allowance that is now recommended.
14. The Panel continues to recommend that all elected Councillors should be entitled to pensions under section 7 of the Superannuation Act 1972, and that the total remuneration, i.e. Basic and Special Responsibility Allowances should be used as the basis for calculating the "Career Average Pay".
15. Outline descriptions that clearly define the typical roles and responsibilities of councillors should be prepared.
16. Key accountabilities for those roles for which a Special Responsibility Allowance is paid should also be prepared as an essential part of the scheme.
17. The allowances paid to the Lord Mayor and the Deputy Lord Mayor should be included in the next review and incorporated into the members allowances scheme.
18. Councillors who attend approved duties for out of authority business should be reimbursed at the same rate that Officers can claim for reimbursement of travel.
19. Councillors travelling out of the authority on approved duties should travel by the most cost-effective methods that meet the needs of their travel requirements including car sharing. Travel by train to out of authority meetings should be standard class unless exceptional circumstances require otherwise. Prior approval for travel by first class should be obtained from the Chief Executive and/or Chief Finance Officer. If other types of journeys need to be taken by Councillors on out of authority business and the rates recommended above are not practical then these modes of travel, such as taxi or airplane, must first get prior approval from the relevant Director and receipts provided for

the reimbursement of any claims. In line with the City Council's commitment to making the City 'cleaner and greener' we would expect Councillors to use public transport within the City wherever possible and they should be provided with an annual Network West Midlands travel pass upon request.

20. That where ever possible the Councillors should organises their meals and accommodation through the City Council which pre-books and pre-pays in advance, or, that they conform to the same rates that are payable for Officers.
21. For meals that cannot be pre-booked and paid and are in excess of current rates payable, that reasonable cost are reimbursed on production of receipts up to a limit of £25 per day.
22. The Council should pay all councillors to be individuals registered with the Information Commissioner as part of the Members Allowances Scheme, currently £35 per Councillor. This registration is required in relation to Councillors who hold personal data on individuals and this will be the case when Councillors undertake casework.
23. In the event of a Councillor being suspended from office by the Standards Committee or the Adjudication Panel for England, the Council should withhold all eligible allowances to the member relating to the period of suspension.

**REPORT TO COVENTRY CITY COUNCIL
BY THE INDEPENDENT REMUNERATION PANEL**

**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION**

1. Introduction

- 1.1 The current Independent Remuneration Panel (IRP) was appointed by Coventry City Council (CCC) in May 2006 for the purpose of the Local Authorities (Members' Allowances) (England) Regulations 2001, to hold office until May 2007. The Panel was re-appointed at the Council's Annual meeting on 17th May 2007 to hold office for a further 12 months.
- 1.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 enable allowance schemes to make provision for Councillors' Basic and Special Responsibility Allowances, pensions, travelling and subsistence allowances and co-optees allowances and it falls to the Panel to make recommendations about these matters.
- 1.3 A previous Panel reported to the Council in December 2003 for the period until the Annual Meeting of the Council in May 2006, and the Council made a scheme, which broadly implemented the Panel's recommendations.
- 1.4 This Panel in reviewing the allowances also took into account that there has been no increase in the allowances since the Annual Council meeting in May 2006 and has considered whether the allowances should be back-dated to that date. However, the Regulations only allow a Panel to back-date allowances to the beginning of the civic year in which the Panel submits its report. As the Panel is reporting its findings in the civic year 2007/08, it can only recommend back-dating the allowances to 17th May 2007. The Panel has recognised this factor in coming to its recommendations.
- 1.5 The Panel has now reviewed the scheme and a summary of the main recommendations is set out in Appendix 1.
- 1.6 The members of the Panel are shown in Appendix 2.

2. Scope of the Report

- 2.1 The 2003 Regulations provide for independent remuneration panels to make recommendations to the Council for the following functions:
 - a. the amount of basic allowance that should be payable to its elected members;

- b. the responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such an allowance;
- c. the duties for which a travelling and subsistence allowance can be paid and the amount of this allowance;
- d. the amount of co-optees' allowance;
- e. whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined;
- f. whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended;
- g. whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run;
- h. which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and
- i. as to treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.

3. Consultation

- 3.1 The Panel invited all Members of the Council to submit their views on the current Members Allowances Scheme via a questionnaire. Eighteen Councillors returned questionnaires, compared to the seventeen questionnaires returned in the review for 2003. The Panel then interviewed fifteen Councillors to discuss the Scheme. These Councillors included the Leaders of each of the political Groups and a representative cross-section of Councillors who were Scrutiny and Committee Chairs and Vice-Chairs, ward Councillors, longstanding councillors and councillors who were relatively new to the Council. Those interviewed also reflected the gender and cultural diversity of existing councillors.
- 3.2 The Panel is very grateful for the valuable information provided by all those Councillors who gave up their time and participated in the consultation exercise and the interviews.

4. Principles for Conducting the Review

- 4.1 The Panel agreed a set of guiding principles that should underpin the

Panel's work and any Scheme adopted by the Council. The principles, which are set out below were considered necessary to demonstrate a logical, transparent and robust framework to the review of the Members' Allowances Scheme.

4.2 Scheme Objectives

- To promote a healthy democracy by removal of financial disadvantage as a barrier to people from a wide range of skills standing for election or serving as Councillors reflecting the diversity of the community they serve.
- To reflect and support the operation of the new political arrangements under the Local Government Act 2000 to acknowledge increased workloads.

4.3 Basis of Scheme

- To maintain the ethic of voluntary public service and reflect this within the Basic Allowance paid to all Councillors and the Co-optee Allowance paid to non-elected members.
- To reflect the reality that some Councillors will be expected to take on significant additional responsibilities that will require a near full-time commitment to the detriment or limitation of other career activity.

4.4 Better Performance

- Effective support arrangements should be available to assist Councillors in their roles and to maximise the value of the time that Councillors with work and family commitments have available.
- Adequately resourced training and development opportunities should be available to Councillors that would enable them to acquire the skills and knowledge for both their current and future roles.

4.5 Methodology

- Recommendations of the Panel should be arrived at following a logical, impartial and transparent process that identifies roles, reasonable expectations of those roles and makes use of suitable external indicators or comparators to establish the value of individual allowances.
- There should be outline descriptions that clearly define the typical

roles and responsibilities for a councillor. Key accountabilities for those roles for which a Special Responsibility Allowance is or might be paid should also be produced as an essential part of any Scheme. Special Responsibility Allowances recognise the level of responsibility, complexity and extent of commitment of a limited number of Councillors who are expected to undertake roles on behalf of the Council that involve significant additional time and responsibilities. These will be identifiable over and above the generally accepted range of duties for a Councillor that is reflected in the Basic Allowance.

4.6 Expenses

- The Council should provide some financial assistance for a standard range of general expenses in relation to a Councillors home office costs that Councillors incur directly when undertaking their role. To avoid a proliferation of claim based systems this should be done by the payment of a lump sum on top of the Basic Allowance, with the Basic Allowance covering the costs of incidentals such as telephone line and call costs.

4.7 Administration and Review

- Robust administrative arrangements should minimise the potential for abuse of the system.
- The Independent Remuneration Panel should undertake an annual review of the principles, assumptions and appropriateness of the indicators used in drawing up the scheme.
- Allowances Schemes and records of payments should be widely published and generally available to the public.

5 Recommendations for Allowances

5.1 Basic Allowances

5.2 The Panel are aware of the financial constraints that Councils continue to face and recognise that any increase in the levels of Members Allowances would add to that burden.

5.3 The current basic allowance is £12,104.

5.4 In arriving at a suggested level of Basic Allowance, the Panel gave careful consideration to the methodology that had been adopted by previous panels in calculating the relevant allowances. The Panel felt that that methodology had been transparent and robust and provided a suitable basis for the Panel to base their work upon. As a result, we are recommending that the methodology used by the second

Independent Remuneration Panel in 2003 in terms of the number of days that a Councillor could expect to spend on City Council business, the level of the public sector discount, and the use of the Local Government Association's daily rate should continue to apply. We have adopted this methodology to recommend the new allowances.

- 5.5 Having considered all the evidence presented to us, we believe that the previous Panel's calculation of time that a Councillor can be expected to spend on his/her duties should remain unchanged at 143 days per year.
- 5.6 The Panel considered the question of the "discount" that should be applied to reflect the fact that Councillors undertake their role as a public duty and, therefore, not all of what a Councillor does should be remunerated. The previous Panel had calculated that a discount of 33% was appropriate and we received no evidence to suggest that this figure was incorrect. We, therefore, agree with the conclusions of the previous Panel and recommend that the public service discount should remain at 33%.
- 5.7 After establishing the time that a Councillor can be expected to spend on City Council business, and the public service discount to be applied, the Panel then moved on to consider what was an appropriate benchmark to assess a Councillor's worth. The Panel was aware that the Local Government Association has produced a recommended rate of £138.75 per day. This notional daily figure is based on the mean male non-manual wage. The Panel noted that historically, this benchmark had been used by previous Panels and again we received no evidence to suggest that the continued use of that benchmark was inappropriate.

5.8 **Calculating the Basic Allowance**

Consequently the Panel calculated that the Basic Allowance for Councillors on Coventry City Council should be based on the following formula:-

143 days maximum annual expected input minus 47 days Public Service Discount

= 96 remunerated days per year

96 days x £138.75 per day = £13,320.

- 5.9 The Panel took the view that the increase in Basic Allowance which this calculation produces should be sufficient to cover the "incidental" costs of being a Councillor such as stationery, telephone calls and line rental. As a result, the Panel recommends that the current statutory allowance of £150 (referred to as the "Pick and Mix") should be abolished. However, the Panel felt that there should be some allowance for home

office costs and so are recommending that a fixed lump sum payment of £100 per annum should be made to Councillors in relation to home office costs.

6 Special Responsibility Allowances (SRA)

6.1 The 2003 Regulations specify the categories of special responsibilities, and those which the Panel has previously identified are:-

- (a) Leader of the Council
- (b) Deputy Leader of the Council
- (c) Other Cabinet Members
- (d) Scrutiny Co-ordination Committee Chair
- (e) Scrutiny Co-ordination Committee Deputy Chair
- (f) Scrutiny Board Chairs
- (g) Scrutiny Board Deputy Chairs
- (h) Planning Committee Chair
- (i) Planning Committee Deputy Chair
- (j) Licensing and Regulatory Committee Chair
- (k) Licensing and Regulatory Committee Deputy Chair
- (l) The Member Responsible for Standards
- (m) Leader of the Opposition Group

6.2 The Panel reviewed the methodology previously adopted for the calculation of the Leader's Special Responsibility Allowance which had included a comparison of both a time-based approach and consideration of the allowance paid for comparative posts in the public sector. Again, the Panel concluded that the methodology was robust and transparent and so adopted it as a way of calculating this particular allowance. Using the latest data sets the Panel has concluded that the appropriate SRA for the Leader of Coventry City Council should be £24,170.

6.3 As suggested in the statutory guidance issued in relation to the 2003 Regulations, and as endorsed by the previous Panel, our recommendations in relation to SRA's for other post holders are based on comparing those roles to that of the Leader. Thus we posed ourselves the question that if the Leader's time commitment and responsibility amounted to 100%, then what proportion would the roles of the other SRA holders bear to that position?

Having reviewed all the evidence presented to us, we have concluded that the appropriate percentages are as follows:-

Deputy Leader	70%
Cabinet Member	50%
Scrutiny Co-ordination Chair	35%
Scrutiny Board Chair	30%
Planning Committee Chair	30%
Licensing and Regulatory Chair	30%

Leader of the Opposition Group 35%

6.4 From the evidence that we received we do not believe that, with the exception of the Deputy Chair of Planning and Licensing and Regulatory Committees, there is any justification for paying SRAs to Deputy Chairs, and we are, therefore, recommending that these allowances should be abolished. In relation to the two remaining Deputy Chairs, we are recommending that they receive 33% of the SRA payable for the Chairs of Planning and Licensing and Regulatory respectively.

7. Dependent Carers' Allowance Scheme

7.1 The Panel recommend that these continue to be paid in respect of the dependent care of a child (under the age of 14) the actual costs that are incurred but not exceeding the hourly rate for the national adult minimum wage (currently £5.35). This rate to be increased on an annual basis in line with the minimum wage increase for adults aged 22 and over.

7.2 The Panel recommends that for the professional care of a dependent relative, the maximum hourly rate will be the Council's hourly rate for a Care Assistant.

8 Travel/Subsistence Allowance

8.1 The Panel have to make recommendations as to the approved duties for which travelling and subsistence allowances are payable. Regulation 8 of the 2003 Regulations sets out the categories of duties which may be included in a scheme and the Panel consider that all these categories are relevant and should properly be included in the scheme.

8.2 The Panel recommends that Councillors who attend approved duties for out of authority business should be reimbursed at the same rate that Officers can claim for reimbursement of travel. The Panel would also expect Councillors travelling out of the authority on approved duties to travel by the most cost-effective methods that meet the needs of their travel requirements. In particular, the Panel recommends that Members who have to travel by train to out of authority meetings would be expected to travel standard class unless exceptional circumstances require otherwise. In such a situation, the Panel recommends that travel by first class would require prior approval by the Chief Executive and/or Chief Finance Officer. If other types of journeys need to be taken by Members on out of authority business and the recommended above are not practical then the Panel recommends that these modes of travel must first get prior approval from the relevant Director and that receipts are provided for the reimbursement of any claims. The Panel also recommends that Members use public transport wherever

possible and that they are provided with an annual Network West Midlands travel pass upon request.

8. Accommodation and Subsistence – Out of Authority

- 8.1 There is occasionally an issue for Councillors who are required to attend meetings and conferences out of the Authority in that the following current limits for meals and accommodation are sometimes insufficient. The limits for such expenses are set by Government Regulations and the Panel has no power to increase them.

<u>Subsistence Allowance</u>	£
Breakfast	5.80
Lunch	8.20
Tea	3.10
Dinner	10.90

<u>Overnight Subsistence Allowance</u>	£
24 Hours Outside London	93.00
24 Hours London	106.00

- 8.2 The Panel recognises that these rates may cause problems but notes that these limits are not applicable if the Council pre-books and pre-pays for meals and accommodation. Nonetheless, the Panel also notes that it is not often practical to make such arrangements in advance. Consequently, the Panel recommends the following in relation to accommodation and subsistence for meetings out of the Authority:

- **That where ever possible a Councillor organises their meals and accommodation through the Council which pre-books and pre-pays in advance**
- **Or, that they conform to the same rates that are payable for Officers**
- **For meals that cannot be pre-booked and paid and are in excess of current rates payable, that reasonable cost are reimbursed on production of receipts up to a limit of £25 per day.**

For Members using Public Transport – All Journeys

- 9.1 While the Panel was informed that most Members do not use public transport to attend meetings they felt that they should make recommendations in relation to public transport to assist the Council for when such an occasion arises. **The Panel recommends that where Members use public transport to travel to approved duties that it should be claimed at standard rates and with receipts. However, if there are exceptional circumstances when it is difficult to utilise**

public transport at standard rates or otherwise then a Member must get prior agreement from the relevant Officer to use other forms of transport, such as a taxi or aeroplanes. The Panel believes that in accordance with the City Council's declared policies on the environment, that all Councillors should make a greater effort to use "greener" forms of transport.

Co-optees' Allowance

- 10.1 The 2003 regulations permit the payment of a Co-optees' Allowance to people appointed to the Council's Committees and working groups as co-opted non-elected members. There are currently 10 co-opted members, those being Scrutiny (for Education matters) (3) and Standards Committee (7).
- 10.2 The Panel supports the payment of the Co-optees' Allowance, as it helps remove a potential barrier to public service in a context where the Council is struggling to find Co-optees. At the same time the payment of such an allowance should not be a motivating factor for candidates to become Co-optees. Moreover, the Panel recognised that it would not impose an undue financial burden on the Council, as there are only a limited number of Co-optees on the Council.
- 10.3 The regulations specify that the Co-optees' Allowance must be paid as a specified sum. In determining an appropriate sum, the Panel took the following approach:
- **Co-opted (Independent) Members on Standards:**

On average at least 4 meetings per year @ half day each including travel + preparation of half day each per meeting minus the 33 per cent PSD X the LGA day rate of £ 138.75 per day

= 4 days minus 1.4 PSD = 2.7 days X £ 138.75 per day
= £374.62 , which the Panel rounded up to £ 375 per annum
 - **Co-opted (non-elected) Members on Scrutiny for Education matters**

On average at least 14 meetings per year @ 2 hours per meeting including travel + preparation of 1 hour each per meeting minus the 33 per cent PSD X the BA day rate of £

= 42 hours, which the Panel converted into 5 days minus 2.7 days PSD X £ 138.75 per day
= 3.3 days X £ 138.75 per day
= £ 457.87, which the Panel rounded up to £458 per annum
- 10.4 The Panel further recommends that the Co-optees' Allowance be indexed to the annual local government staff percentage pay increase

as agreed in the April of each year.

Confirmation of Implementation and Indexing

- 11.1 If the Council is minded to accept the Panel recommendations contained within this report (with any amendments) then the Panel recommends that they should be backdated to the annual general meeting of the Council in May 2007.
- 11.2 The Panel do not consider it appropriate for their recommendations to be subject to index linking in respect of Basic and Special Responsibility Allowances. Experience has shown that it is difficult to identify an index that can satisfactorily be relied upon to provide an automatic indicator for changes to Basic and Special Responsibility Allowances and the Panel consider that the role of Councillors and the basis for their remuneration needs to be kept under periodic review.
- 11.3 The Panel consider that linking of travel allowances to staff travel allowance is appropriate based on locally agreed rates, and have recommended that travel allowances for Members should be changed as and when the locally agreed rates change.

12. Pensions

- 12.1 The Panel have previously considered which Councillors should be entitled to receive pensions. The Panel do not see any merit in recommending that pension entitlement should be restricted to only some Councillors. All Councillors play a part in the governance of the Council and are entitled to receive remuneration by way of allowances. The Panel continues to recommend that all elected Councillors should be entitled to pensions under section 7 of the Superannuation Act 1972, and that the total remuneration, i.e. Basic and Special Responsibility Allowances should be used as the basis for calculating the "Career Average Pay".

13. Review

- 13.1 The recommendations in this report are made in relation to the allowances scheme which the Council must make under the 2003 Regulations for the financial year 2007-2008 (backdated to the 17th May, 2007).

APPENDIX 1

COVENTRY CITY COUNCIL – INDEPENDENT REMUNERATION PANEL

Summary of Recommended Basic and Special
Responsibility Allowances (Annual Rates)

Basic Allowance – all Councillors	Current £	Proposed (backdated April 2007/08) £	
	12,104	13,320	
Duty/Responsibility	Current £	Proposed £	% of Leader's Allowanc e (unless otherwise stated)
Leader of the Council	21,786	24,170	100%
Deputy Leader of the Council	15,732	16,919	70%
Other Cabinet Members	9,684	12,085	50%
Scrutiny Co- ordination Committee Chair	9,684	8,460	35%
Scrutiny Co- ordination Committee Deputy Chair	2,419	-	-
Scrutiny Board Chairs	6,050.40	7,251	30%
Scrutiny Board Deputy Chairs	2,419.20	-	-
Planning Committee Chair	6,050.40	7,251	30%

Planning Committee Deputy Chair	2,419.20	2,393	33% of Chair's SRA
Licensing and Regulatory Committee Chair	6,050.40	7,251	30%
Licensing and Regulatory Committee Deputy Chair	2,419.20	2,393	33% of Chair's SRA
The Member Responsible for Standards	2,419.20	-	-
Leader of the Opposition Group	3,630	8,460	35%

APPENDIX 2

MEMBERS OF THE INDEPENDENT REMUNERATION PANEL

Ms. Ursula Russell (Chair) – Member of Coventry, Solihull and Warwickshire Partnership

Mr. Ken Armstrong – President, the Chamber

Reverend Canon Justin Welby – Sub-Dean and Canon for Reconciliation Ministry, Coventry Cathedral

Mr. Peter Knatchbull-Hugessen, The Alan Higgs Charity

Mr. Alan Weaver, Regional Policy and Campaigns Officer, TUC Midlands Region