

Council

14 March 2017

Name of Cabinet Member:

Cabinet Member for Policing and Equalities, Councillor A Khan

Director Approving Submission of the report:

Director of Finance and Corporate Services

Ward(s) affected:

N/A

Title:

Review of Members' Allowances Scheme

Is this a key decision?

No

Executive Summary:

All local authorities are required to have a members' allowances scheme, agreed locally, which makes provision for a range of allowances and expenses available to elected members. Whilst each authority approves its own scheme, legislation requires that each authority appoints an Independent Remuneration Panel (IRP) to make recommendations on allowances, including the amounts payable. This report presents the outcomes of the Independent Remuneration Panel review of Coventry's Members' Allowances Scheme and makes recommendations. When approving changes to its Scheme, the Council must have regard to the Panel's recommendations although it is not bound by them.

Recommendations:

The Council is recommended to:

- a) consider the report of the Independent Remuneration Panel and approve, reject or approve alternative proposals for each of the following recommendations made by the Panel:

Recommendation 1: That the basic allowance should remain at the current level, subject to increase by index (see recommendation 7).

Recommendation 2: That the SRA for the Leader of the Opposition be increased to 50% of the Basic Allowance

Recommendation 3: That an SRA of 25% of the Basic Allowance be introduced for the Deputy Leader of the Opposition.

Recommendation 4: That the level of remuneration for Deputy Cabinet Members should be frozen and not subject to any increase by index during the time of this review period.

Recommendation 5: That the roles of Deputy Chair of Planning, Licensing and Regulatory and Audit and Procurement Committees should no longer receive remuneration and where a chair is absent for 2 or more consecutive meetings in special circumstances, for example long term sickness, a proportion of the Chair's allowance equivalent to the time period covered should be paid to the Deputy Chair.

Recommendation 6: That the level of remuneration for the roles of Lord Mayor and Deputy Lord Mayor should be frozen and not subject to any increase by index during the period of this review.

Recommendation 7: That the Basic, Special Responsibility and Co-optees allowances (except for those allowances paid to Deputy Cabinet Members, Deputy Chairs of the Planning, Licensing and Regulatory and Audit and Procurement Committees, Lord Mayor and Deputy Lord Mayor) be increased each year by any percentage increase in pay agreed for local government employees, (pegged to spinal column point 49 of the NJC scheme); this indexing to be effective from 1 April 2016 and expire on 31 March 2020.

Recommendation 8: That the Dependent Carer's Scheme be amended to remove references to specific amounts and link allowances to the living wage and the Council's Direct Payment rates for the care of a child and an adult respectively.

Recommendation 9: That once the roll out of laptops is complete, that the provision for telephone and line rental costs is removed from the scheme.

Recommendation 10: That the higher rate for private car mileage be abolished and the Scheme be amended to include a single rate of 45p per mile.

Recommendation 11: That the Scheme be amended to include reimbursement for travel by private motorcycle at 24p per mile and bicycle at 20p per mile.

Recommendation 12: That the Scheme be amended to make it clear that travel and subsistence claims are not paid for meetings held in the Council House.

Recommendation 13: That the local additional stationery allowances for group leaders and officers be discontinued.

- b) Delegate authority to the Acting Monitoring Officer to amend the Scheme of Members' Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

List of Appendices included:

Appendix A - Report of the Independent Remuneration Panel, February 2017

Other useful background papers:

Local Authorities (Members Allowances) Regulations 2003

<http://www.legislation.gov.uk/uksi/2003/1021/contents/made>

Coventry City Council Scheme of Member Allowances

<http://democraticservices.coventry.gov.uk/ecSDDisplay.aspx?NAME=SD1866&ID=1866&RPID=4590938&sch=doc&cat=13034&path=13034>

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 14 March 2017

Report title: Review of Members' Allowances Scheme

1. Context (or background)

- 1.1 All local authorities are required to have a scheme which makes provision for a range of allowances and expenses to elected members. This must be agreed locally, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended).
- 1.2 Where a local authority scheme provides for increasing allowances by an index, this can only operate for maximum period of four years and a further review is required before any further index can be applied. Coventry's current scheme linked any increase in allowances to an index (pegged to spinal column 49 of the National Joint Council Scheme for local government) and expired on 31st March 2016. Part of the Panel's consideration is whether the scheme should continue to be indexed and if so whether it should be applied from 1st April 2016.
- 1.3 While each authority approves its own scheme, legislation requires that it appoints an Independent Remuneration Panel to make recommendations on allowances and expenses.

2. Options considered and recommended proposal

- 2.1 A Panel was appointed in October 2016 to review the Council's Members' Allowances Scheme. The Panel Members appointed were:
 - Louise Bennett OBE DL, Chief Executive, Chamber of Commerce
 - Ian Dunn, Deputy Vice-Chancellor (Student Experience) Coventry University
 - Peter Maddock, Lay Member – Governance, Coventry and Rugby Clinical Commissioning Group
- 2.2 The Panel reviewed the City Council's scheme of Member Allowances and Expenses in accordance with the provisions of the Regulations between December 2016 and February 2017 and its terms of reference covered:
 - (a) Review of allowances:
 - Review the level of Basic Allowance;
 - Review all Special Responsibility Allowances and Co-optees Allowances;
 - Review of Dependent Carer's Allowance;
 - Decide whether the level of allowances are to be determined according to an index and if so which and for how long
 - Decide whether any amendments should be applied retrospectively to the start of the 2016/17 financial year
 - Review whether a Special Responsibility Allowance for the Deputy Leader of the Opposition should be introduced
 - (b) Review of Member expenses
 - including travel, subsistence, stationery and telephones
- 2.3 The Panel has made a detailed report of its work, attached at Appendix A, and made 13 recommendations. In doing so, the Panel points out that while it has considered the scheme in its entirety and some issues are linked, the recommendations are not to be considered as a single "all or nothing" decision by the City Council and most recommendations can be dealt with on an individual basis.

- 2.4 The decision to approve these recommendations is the City Council's. The Council must have regard to the recommendations made by the Independent Remuneration Panel before it proposes any changes to the current Members Allowances Scheme. The City Council should consider each of these recommendations individually and decide whether each recommendation should be approved or rejected. The Council is not bound by the decisions of the Panel and may reject any of the proposals made, but the Council should have regard to the implications of such decisions and alternative provisions can be put forward and agreed.

3. Results of consultation undertaken

- 3.1 The Panel invited the Leader of the City Council and the Leader of the Opposition to give their views to a meeting of the Panel and the views of all Members were sought via a survey.

4. Timetable for implementing this decision

- 4.1 It is proposed that recommendations making changes to allowances and expenses should take effect from 18th May 2017 after the Annual Meeting of the Council. The proposed index linking is to be effective from 1 April 2016.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

On the basis that the principle recommendations are approved by Council, the change would result in a small net saving of £13,800 on the current year's budget. The cost of applying the index from 1st April 2016 will cost approximately £10,500 for this financial year.

5.2 Legal implications

Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) require the Council to review members' allowances at least once every four years for the purpose of agreeing how it will index link its scheme of allowances. The Council must have regard to the recommendations made by the IRP and determine whether and how these are implemented. The City Council must have regard to the recommendations made by the IRP before it amends any part of the current Members' Allowances Scheme.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

Having an effective and up to date Members' Allowances Scheme in place ensures that elected Members are supported fairly and appropriately for the roles they carry out. It should also help to attract and retain people from across the community as local councillors.

6.2 How is risk being managed?

By considering this report, the Council will ensure that the Members' Allowances Scheme remains up to date and meeting the requirements for supporting and remunerating elected

Members. In approving any changes to the Scheme, the Council must have regard to the recommendations of the Panel and this report ensures that this is the case.

6.3 What is the impact on the organisation?

The simplification of some of the allowances would have a small positive impact on the costs and time taken to administer them.

6.4 Equalities / EIA

The Panel's report acknowledges that the availability of an allowance for dependent carers of children and adults meets an important objective of the Scheme to help attract people from all sections of the community to become councillors and to retain them in the role.

6.5 Implications for (or impact on) the environment

Recommendations proposing changes to travel expenses support the Council's environmental objectives and improvements in the ICT offer to Members should help to reduce paper use.

6.6 Implications for partner organisations?

None

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