

Council

16 January 2024

**Name of Cabinet Member:**

Cabinet Member for Policing and Equalities, Councillor AS Khan

**Director Approving Submission of the report:**

Chief Legal Officer

**Ward(s) affected:**

N/A

**Title:**

**Review of Members' Allowances Scheme**

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**Is this a key decision?**

No

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**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. Since its introduction, Coventry's scheme has included provision for Member allowances to rise automatically in line with any pay increases that are made to local government employees on a specific spinal point on the National Joint Council (NJC) scale for Local Government Services. Where a local authority scheme provides for increasing allowances by an index, this can operate for maximum period of four years and a further review is required before any further index can be applied.

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:**

Council is recommended to:

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

**Recommendation 1:** That the Basic, Special Responsibility, co-optee and civic allowances continue to be increased each year by any percentage increase in pay agreed for local government employees, (pegged to spinal column point 43 of the NJC scheme); this indexing to be effective from 1 April 2024 and expire on 31 March 2028.

**Recommendation 2:** That the current Scheme be clarified to confirm that Special Responsibility Allowances for any opposition groups are only paid to the Leader and Deputy Leader of the largest Opposition Group on the Council.

**Recommendation 3:** That provision is made for maternity, paternity, shared parental and adoption leave and continue to pay Members' Basic Allowance and Special Responsibility Allowance (where applicable) for up to 6 months with the option to extend for up to one year as set out in this report.

**Recommendation 4:** That the existing co-optee allowance be extended to Independent Members/Persons.

**Recommendation 5:** That the telephone and line rental allowances element of the Scheme be closed to existing Councillors who have not claimed since April 2020 and all incoming Councillors, while allowing existing claimants to continue for the remainder of their time in office.

**Recommendation 6:** That the Members' Scheme be aligned with HMRC guidance to pay a rate of 45p per mile for qualifying travel by car and an additional 5p per passenger per mile for carrying fellow Councillors and/or officers in a car or van on journeys which are also qualifying journeys for them.

**Recommendation 7:** That the Scheme be amended to include reimbursement for travel by private motorcycle at 24p per mile and bicycle at 20p per mile.

- b) Delegate authority to the Chief Legal 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 1 - Report of the Independent Remuneration Panel, December 2023

### **Background papers**

Local Authorities (Members Allowances) Regulations 2003

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

### **Other useful documents**

Coventry City Council Scheme of Member Allowances

<https://internaldemocraticservices.coventry.gov.uk/documents/s58753/Part%205%20-%20Members%20Allowances%20Scheme%20June%202023.pdf>

**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 – 16 January 2024

## **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 While each authority approves its own scheme, legislation requires that it appoints an Independent Remuneration Panel (IRP) to make recommendations on allowances and expenses.
- 1.3 Where a local authority Scheme provides for increasing allowances by an index, this can operate for maximum period of four years and a further review is required before any further index can be applied. Coventry's current scheme indexed any increase in allowances to a fixed point on the pay scale set by National Joint Council for local government for the period 1 April 2020 to 31 March 2024 and a further review is due.

### **2. Options considered and recommended proposal**

- 2.1 A Panel was appointed in October 2023 to review the Council's Members' Allowances Scheme. The Panel Members appointed were:
  - Tina Costello, Chief Executive, Heart of England Community Foundation
  - Major John Lam, Royal Regiment of Fusiliers
  - Dr Abdullah Shehu MBE DL, Consultant Neurologist, University Hospital Coventry and Warwickshire, Co-Founder and Chairman of the Coventry Muslim Forum
- 2.2 The Panel reviewed the City Council's Scheme of Member Allowances and Expenses during November 2023 and December 2023 in accordance with the provisions of the regulations.
- 2.3 In preparing the scope for the review, it was noted that the roles carried out by Councillors and structure of responsibilities had not changed significantly since the last two reviews and it was agreed that the review of allowances should be limited to consideration of the matter of whether they should continue to be indexed. However, it was also noted that several elements of the Scheme needed clarification or updating, and it was proposed that these were also reviewed to ensure the Scheme remains up to date and fit for purpose.
- 2.4 As a result, the Panel were asked:
  - a) To make recommendations to the City Council on whether adjustments to the level of Member allowances should be made in line with an index and if so which index and for how long in accordance with the provisions of the Local Authorities (Members Allowances) Regulations 2003 (as amended).
  - b) If application of an index is proposed, to make recommendations to the City Council whether any index should be applied retrospectively to the start of the 2024/25 financial year.
  - c) To make recommendations to the City Council on changes and amendments to the following elements of the Scheme:
    - Minority Opposition Group Leader Allowances
    - Maternity/Paternity/Shared Parental/Adoption Leave Allowances
    - Allowances for Independent Members

- Telephone and Line Rental Costs
- Mileage expenses

2.5 The Panel has made seven recommendations and produced a report of its work, attached at Appendix 1. 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 could be dealt with on an individual basis.

2.6 The decision to approve these recommendations is that of the City Council. 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 the 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 views of the Leadership and opposition group Leaders were sought in drawing up the scope for the Panel.

### 4. Timetable for implementing this decision

4.1 It is proposed that any recommendations making changes to allowances and expenses should take effect from 1 April 2024 and cover the period to 31 March 2028.

### 5. Comments from Chief Operating Officer (Section 151 Officer) and Chief Legal Officer

5.1 Financial implications

The table below summarises the estimated financial implications of the recommendations which are not material. The budget for telephone allowances is set at a more historical level of claims so if the recommendations are approved, it is proposed to utilise this budget to offset the small increase in other allowances.

#	Recommendation	Change from Existing Arrangements	Estimated Cost / (Saving) £ 000
1	Allowances continue to be increased each year by any percentage increase in pay agreed for local government employees	No	0
2	Confirm that Special Responsibility Allowances for any opposition groups are only paid to the Leader and Deputy Leader of the largest Opposition Group on the Council	No	0
3	Provision is made for maternity, paternity, shared parental and adoption leave *	Yes	Not possible to quantify
4	Existing co-optee allowance be extended to Independent Members **	Yes	2.4
5	Telephone and line rental allowances element of the	Yes	(0.5)

	scheme be closed to existing councillors who have not claimed since April 2020 and all incoming councillors		
6	Members' scheme be aligned with HMRC guidance to pay a rate of 45p per mile for qualifying travel by car and an additional 5p per passenger per mile for carrying fellow Councillors and/or officers in a car or van on journeys which are also qualifying journeys for them	Yes	<0.1
7	Scheme be amended to include reimbursement for travel by private motorcycle at 24p per mile and bicycle at 20p per mile	Yes	<0.1
	<b>Total</b>		<b>2.0</b>

\* Any payments associated with maternity, paternity, shared parental or adoption leave would need to be met on a one-off basis, but are not expected to be significant.

\*\* The cost of extending the existing co-optees allowance to existing independent members of the Ethics Committee would be £2,352 and at current rates a further £588 per person in the event of any further independent members being appointed

## 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 before it amends any part of the current Members' Allowances Scheme. The Local Government Act 1972, provides for Councils to pay an allowance to the Chair and Deputy Chair of the Council.

## **6. Other implications**

### **6.1 How will this contribute to the One Coventry Plan?**

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 also plays a part in attracting and retaining 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?**

None

### **6.4 Equalities / EIA**

The Panel has recommended inclusion of provision for maternity, paternity, shared parental and adoption leave to promote equality, ensure the Council meets its equalities obligations and encourage a diverse and representative range of candidates for election and to support the retention of Councillors.

### **6.5 Implications for (or impact on) climate change and the environment**

The Panel has recommended the inclusion of expenses under the travel scheme to reimburse car-sharing, motorcycle and cycle use. While it recognises that the impact of this will be small, it sends an important message in relation to the Council's priorities for climate change and encouraging modal shift.

### **6.6 Implications for partner organisations?**

None

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