

Independent Remuneration Panel:

Review of Allowances

For

Telford & Wrekin Council

The Regulatory Context and Terms of Reference

1. This report is a synopsis of the proceedings and recommendations made by the Independent Remuneration Panel (IRP) reconvened by Telford & Wrekin Council to advise the Council on its current Members' allowances scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)*. These regulations, which arise out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to set up and maintain an advisory Independent [Members] Remuneration Panel to review and provide advice on Members' allowances. All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
3. Specifically, the Panel was convened on this occasion to make recommendations to the Council on the applicability of the indexation of allowances for the next four years. Regulation 10(5) states:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.

4. The Council is fulfilling its statutory responsibility by undertaking this review under Regulation 10(5) of the 2003 Members' Allowances Regulations to seek fresh authority for the indexation of allowances.

Terms of Reference

5. With the statutory requirement to reconvene the Panel the Council took the opportunity to present the Panel with a general terms of reference, namely to make recommendations to Telford & Wrekin Council on the following:
- To review the Borough of Telford & Wrekin's existing allowance scheme, in particular:
 - a) The amount of Basic Allowance that should be payable to its elected Members
 - b) The categories of Members who should receive a special responsibility allowance
 - c) Expected time inputs for Members in their various roles
 - d) The travel and subsistence allowance and clarification on definition of approved duties
 - e) The co-optees' allowance
 - f) The care of children and dependants allowance
 - g) The back-dating the payment of allowance to the beginning of the municipal year in the event of the scheme being amended
 - h) Annual adjustments of allowance levels
 - i) Refresh authority for membership of Local Government Pension Scheme (LGPS)

The Panel

6. Telford & Wrekin Council reconvened its Independent Remuneration Panel and the following Panel Members carried out its independent review; namely:
- Dr. Declan Hall, Chair of the Panel, Institute of Local Government, The University of Birmingham, an academic specialising in the field of Members' allowances
 - Mick Lloyd, Manager Telford & Wrekin CVS, and a social worker by professional background
 - Derek Peden, FCMA, retired MD of a major local aluminium rolling and converting company. Currently Non-Executive Chair of Board of Directors, Bridgnorth Aluminium LTD and accountant by profession. He is also a Director of Shropshire Chamber of Commerce and a resident of the County.
 - Steve Vale, an HR consultant who has extensive experience of member allowances reviews, and is an expert on public service remuneration and pension issues.