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COUNCIL

September 2004

Independent Review Panel

Summary of report:

To seek delegated authority for the Executive Director (Finance, Legal and Performance Management) and the Assistant Director for Legal Services to establish an independent panel to review the scheme of members allowances and to report back to Council with the findings and recommendations of the review panel.

Background Papers:

Report to Council 10 November 2003

Recommendations

1. The Executive Director (Finance, Legal and Performance Management) and the Assistant Director for Legal Services, in consultation with the members working group set out in 2 below, establish an independent panel to review the scheme of members allowances.
2. Each Group Leader to inform the Assistant Director for Legal Services within the next 7 days of their nominee(s) to the working group.
3. The findings of the independent review panel and their recommendations be reported back to Council.

Signed Annie Shepherd.....

Chief Executive

Date: September, 2004

Independent Review Panel

1. The Council is required under the Local Government Act 2000 to set up an independent panel to review its members allowances. When the current statutory framework was brought into force this Council decided that it would participate in establishing a joint independent panel with the other councils in the Black Country.
2. Due to size of the task, the new regulations and new political arrangements the panel faced a considerable task. The work of the panel took over 18 months to conclude. The report of the panel revealed that there was a considerable difference in the schemes operated by the different councils.
3. Since this Councils scheme was introduced, November 2003, there have been a number of changes to the Councils arrangements and there are others changes anticipated shortly as result of pending legislation;

The impact of the local neighbourhood partnerships
The role and work of the licensing committee will increase dramatically,
The size of the cabinet has reduced
The consolidation of functions relating to childrens services as result of the Childrens Bill
The increasing role in wider community issues

4. Further the current scheme, (paragraph 14) allows for an inflationary increase to the allowances payable by reference to the average wage rates for all full time employees on adult rates for all industries and services for the west midlands metropolitan county area. Officers have been advised that this index is no longer maintained.
5. Unless the scheme is amended to identify an appropriate replacement index the allowances will not be able to be adjusted annually. In addition, by continuing to apply a uniform inflationary adjustment the inequalities of this Council's scheme, in comparison with schemes of neighbouring authorities will continue to be maintained. In aiming to be an excellent authority by 2008 it is considered that our scheme should be broadly comparable with that of neighbouring authorities but taking account of local factors. As a result of these factors and in light of the changes referred to paragraph 3 and 4 above it is considered that this best undertaken by establishing an independent panel to review our scheme taking into all of these factors, others that the working group and the panel itself feel are relevant.
6. There are detailed rules relating to the constitution of the panel and it is proposed that that detail will be provided to the working group when considering how to establish the independent panel and what information they should they should be provided with to assist them with their task.
7. It is proposed that Executive Director (Finance, Legal and Performance Management) and the Assistant Director for Legal Services, in consultation with

the members of a working group establish an independent panel. It is proposed that the working group be politically balanced and consist of 4 elected members (2 Conservative, 1 Labour, 1 Liberal Democrat).

8. The regulations permit the authority to pay allowances to the members of the independent review panel. These can not be quantified at this stage but it is expected that they will be relatively modest and will be contained within existing corporate budgets.