



# ADUR & WORTHING COUNCILS

Joint Governance Committee  
25 September 2018  
Agenda Item 14

Key Decision [Yes/No]

Ward(s) Affected: n/a

## **Scheme of Allowances for Adur District Council 2019/20**

### **Report by the Director of Communities**

#### **Executive Summary**

##### **1. Purpose**

- That the Joint Governance Committee is being asked to consider the report of the Joint Independent Remuneration Panel and make recommendations to Adur District Council and on the level of Members' Allowances for the municipal year 2019/20.
- Recommendations from the Committee on the level of allowances will be proposed at the meeting of Full Council in November

##### **2. Recommendations**

###### **2.1 Recommendation One**

- The Panel recommends that the Council determine the level of allowances for 2019/20 based upon the options given in the attached report

##### **3. Context**

- 3.1 The Local Authorities (Members' Allowances) Regulations 2001 requires local authorities to establish an Independent Remuneration Panel to make recommendations about the levels of allowances payable to Members.
- 3.2 A Review of Adur allowances was carried in August / September 2017 and the Panel's findings were reported to Joint governance Committee on the

26 September 2017 and subsequently at Full Council at its meeting on 2 November 2017

- 3.2.1 The Joint Governance Committee recommended that the Council adopt option 2 of the Joint Independent Remuneration Panel's report which recommended a 5% increase in the basic allowance over and above the assumed 1% NJC allowance increase
- 3.2.2 The Council at its meeting on the 2 November 2017 amended the recommendation so that the basic allowance was raised in line with the NJC award given to Officers and rejected the 5% on top of that. The proposer for the amendment commended the Panel's aim of achieving parity between Adur and Worthing Councils, however unlike the Officer structure the Councils of Adur and Worthing were separate entities.
- 3.3 The Adur and Worthing Joint Independent Remuneration Panel began their review of Adur Allowances at the beginning of August 2018. Panel Members were advised and supported by Officers from Finance and Democratic Services and have submitted a report that is attached as appendix A.

#### **4. Issues for consideration**

- 4.1 The Committee is being asked to make a recommendation to Adur district Council in respect of setting the level of allowances for 2019/20
- 4.2 The Panel has set out 2 costed options for Members to consider which include the following:
- **Option 1** This option is indexed to the Officer's NJC National Pay Bargaining agreement plus an increase of 2% which would mean an increase in the current budget of £2175.
  - **Option 2** The Panel is suggesting a second option which is an increase tied to the NJC National Pay Bargaining agreement only. Approving this option would mean a £2004 saving to the budget.

#### **5. Engagement and Communication**

- 5.1 The Panel undertook a consultation exercise initially with Group Leaders of the Authority and a selection of other members in August which ran for a month

5.3 As a Panel of independent advisors the JIRP is the body that the council engages with and consults on setting the level of its allowances

## 6. Financial Implications

6.1 The Councils have the following budgets available in 2018/19 to fund member allowances:

Adur: £206,510  
Worthing : £264,670

6.2 The budget strategy allows for a 2% inflation on all salary budgets which would include members allowances for 2019/20. Consequently, the options proposed by the independent remuneration would have the following financial impacts:

	Adur £	Worthing £
Estimated 2019/20 budget	210,640	269,960
Option 1 : 2% plus NJC pay award (4% total) - Adur only option and the panels preferred option	212,810	
Growth / saving (-) against budget	2,170	
Option 2 : NJC pay award (2%)	208,640	267,440
Growth / saving (-) against budget	-2,000	-2,520

## 7. Legal Implications

7.1 An Independent Remuneration Panel is a requirement of the Local Authorities (Members' Allowances) Regulations 2003 (The 2003 Regulations).

- 7.2 The 2003 Regulations states that before an authority makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel
- 7.3 The 2003 Regulations sets out the role of the independent remuneration panel to make recommendations to the authority as to the amount of basic allowance which should be payable to its elected members. There is also the authority to make recommendations regarding special responsibility allowances (SRA) – and the roles and responsibilities for which the SRA applies, expenses or arranging the care of children and dependants.

### **Background Papers**

- Previous reports of the Joint Independent remuneration Panel
- Report and Minutes of the meeting of the Joint Governance Committee 25 September 2017 and Adur Full Council 2 November 2018
- LGA National Local authority census - local government councillors
- South East Employers allowance survey 2017/18
- Results of internal survey of Adur Councillors August 2016

### **Officer Contact Details:-**

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## **Sustainability & Risk Assessment**

### **1. Economic**

- 1.1 The panel has recognised that the Members' Allowances scheme recognises that public service, rather than material reward, should remain the primary motivation for involvement in local government, whilst at the same time, it should aim to attract and retain Members who are representative of the demographic make-up of the District.

### **2. Social**

#### **2.1 Social Value**

- 2.1.1 Matter considered but no issue identified

#### **2.2 Equality Issues**

- 2.2.1 Having an allowance scheme that supports all members in covering the costs of being a member allows the Councils to attract and retain Members who are representative of the demographic make-up of the District.

#### **2.3 Community Safety Issues (Section 17)**

- 2.3.1 Matter considered but no issues identified

#### **2.4 Human Rights Issues**

- 2.4.1 Matter considered but no issues identified

### **3. Environmental**

- 3.1 Matter considered but no issues identified

### **4. Governance**

- 4.1 Having a fair scheme of allowances can enable a more diverse pool of candidates and reflect a wider demographic of the District.

**REPORT OF ADUR AND WORTHING COUNCILS  
JOINT INDEPENDENT REMUNERATION PANEL  
ADUR DISTRICT COUNCIL  
September 2018**

**1.0 Introduction**

The Local Government Act 2000 and the Local Authority (Members' Allowances) (England) Regulations 2001 require local authorities to set up an independent panel to review Member Allowances. These regulations specifically abolished the payment of Attendance Allowances and also allowed for a dependent carers' allowance. These regulations have been subsequently updated by further acts and regulations.

**2.0 Composition of the Panel**

2.1 The current composition of the Council's Joint Independent Remuneration Panel (JIRP) is:-

Mr Barry Hillman (Chairman)  
Ms Verity Lockhart  
Mr Andrew Murton  
Mr Martin Phillips  
2 x Vacancy

**3.0 Terms of Reference**

3.1 The Panel's terms of reference are set out below:-

The Panel shall, unless a Council has adopted a scheme under (f) below which has been in place for less than 4 years, by 31<sup>st</sup> January 2015 and thereafter by the 30<sup>th</sup> November each year, including 2015, produce a Report making recommendations to each of the Borough, District and Parish Councils as to:

- a) the amount of the basic allowance which should be payable to its Elected and Co-opted Members;
- b) the responsibilities, roles or duties where special responsibility allowance should be payable and the amount of such allowances (District and Borough Councils only);
- c) the amount of any travelling and subsistence allowance which should be payable to its Elected and Co-opted Members
- d) whether dependants' carers' allowance should be payable and the amount of such allowance;
- e) whether payment of allowances may be backdated in cases where a scheme is amended at a time which would affect allowances payable in that year;

- f) whether adjustments to the level of allowances may be determined according to an index, and which index and for how long before its use is reviewed (subject to a maximum of 4 years);
- g) those items of expenditure that Elected and Co-opted Members may reclaim as expenses; and
- h) any other Members' allowances or reimbursement matters reasonably falling within the remit of the Panel; this may include to relevant bodies on matters of joint working and parity;
- i) such other functions as may be allocated to the Panels by Statute.

3.2 The Panel's Reports shall be submitted to the Councils by way of the Joint Governance Committee.

#### **4.0 Background Papers**

4.1 In preparing its recommendations the Panel considered the following research provided by the Council's Officers which detailed:-

- the current budget provision made for Members' Allowances;
- the current scheme of Members' Allowances paid to Members;
- the previous report of the joint independent remuneration panel;
- the current scheme of allowances paid to Members of Worthing Borough Council;
- Part 4 of the Constitutions of Adur District Council and Worthing Borough Council;

4.2 Group Leaders were canvassed on their views regarding levels of allowance and were invited to give their views to the Panel as were other selected members.

#### **5.0 General Principles**

5.1 The Members' Allowances scheme recognises that public service, rather than material reward, should remain the primary motivation for involvement in local government, whilst at the same time, it should aim to attract and retain Members who are representative of the demographic makeup of the District.

5.2 The panel recognises the functions of councillors and the hard work, long hours and sometimes significant pressures involved.

5.2 That the level of Basic Allowance paid to Adur Councillors is lower than that of other Authorities in the West Sussex Area and less than its close partner, Worthing Borough Council. This gap in basic allowance has been reduced over the past three years (between Worthing and other West Sussex Authorities) and both authorities maintain the same multipliers to determine special responsibility allowances.

#### **6.0 Basic Allowance**

6.1 The Panel has noted that the basic allowance in Adur is less than its partner authority in Worthing. It had previously been argued that this difference was

accounted for by the different sizes of the authorities, however, the Panel does not agree with this view and believes that the role carried out by members is similar across both areas, this has been determined by looking at comparative data collected as part of a previous review. The Panel is due to undertake another review of both authorities next year and will revisit this data to see if any changes have occurred in the intervening years.

- 6.2 The Panel is of the opinion that Adur Councillors are underpaid when compared to its partner authority to the West. The Panel, as part of its previous report, concluded that it would recommend to the Council introducing parity over a period of time with the basic allowance of Worthing Borough Council. However the Panel recognises that the Council rejected its recommendations for 2018/19 and from discussions with some members recognises that there is little appetite for a further raise.
- 6.3 Worthing Borough Council has tied its basic allowance to the Officer's NJC National Pay Bargaining agreement for four years from 2016/17 so to reach parity Adur District Council would need to approve a raise above that agreement.
- 6.4 As part of previous reviews the Panel acknowledged that some expenditure would be needed to achieve this aim so recommending a graduated increment with the aim to achieving near parity over a period of time depending upon the level of the increment. The level of increment should be reviewed annually. However with the rejection of the panel's previous recommendation, an increase for 2018/19 to bring both authorities' basic allowance into line would be significant. This has caused the panel some difficulty in determining recommendations for 2019/20.
- 6.5 The Panel is of the continuing feeling that the basic allowance should be brought into line with the basic allowance afforded to Members in Worthing.
- 6.6 The Panel is also conscious of the financial background in which the Council (and indeed all local authorities) finds itself and the difficulties that a decreasing Government grant along with increasing demand causes.

## **7.0 Consideration**

- 7.1 As previously stated the Panel feels that the basic allowance across Adur and Worthing should be equal. Having said that, the panel has for this review given more weight than in previous reviews to the wider financial environment and also to the previous decision of Council for the 2018/19 review of allowances.
- 7.2 The Panel has noted that the Authority has increased its level of allowance over the last three years and although it is still lower than other authorities in West Sussex it is not as grossly low in comparison as it has been in the past.
- 7.3 After consideration of the matters listed above the panel is putting forward two costed options for the council to consider
- 7.4 The Panel is aware that a review of both Adur and Worthing is due next year for 2020/21 and at this time the Panel intend to revisit in considerable detail the following

1 - Basic Allowance calculations and settings

2 - Basic Allowance differentials between Adur and Worthing

- 3 - Review SRA 's and the methods for their calculation
- 4 - The basis for any inter-review percentage increases

## **8.0 Proposals**

### **8.1 Option 1**

- 8.1.2 This option is indexed to the Officer's NJC National Pay Bargaining agreement plus an increase of 2% which would mean an increase in the current budget of £2175.
- 8.1.3 This, the Panel feels, is a modest rise and although does not bring allowances in line with those in Worthing, recognises somewhat the time and commitment exhibited by Adur Councillors in the carrying out their duties. Worthing Borough Council ties it's allowance to the NJC rise and the Panel believes that this is a fair index by which to tie allowances to.

### **8.2 Option 2**

- 8.2.1 The Panel is suggesting a second option which is an increase tied to the NJC National Pay Bargaining agreement only. Approving this option would mean a £2004 saving to the budget.
- 8.2.2 The panel has put this option forward so that the Council has a costed option should they choose to reject option 1.

### **8.3 Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance (applicable to both option 1 and option 2)**

- 8.4.1 The panel is satisfied that the current scheme is satisfactory and is therefore not proposing any changes.

### **8.5 Special Responsibility Allowances**

- 8.5.1 The panel is satisfied that no changes need to be made to the levels of special responsibility allowances as set as part of a previous review.

## **9.0 Recommendation**

- 9.1 The Panel recommends that the Council determine the level of allowances for 2019/20 based upon the options given above

**Mr Barry Hillman (Chairman)**

**Ms Verity Lockhart**

**Mr Andrew Murton**

**Mr Martin Phillips**

# Members' Allowances



## ADUR DISTRICT COUNCIL

Notes

2% NJC Pay Award 4,511.17  
 Plus additional 2%  
 2% increase to SRA 4,601.40

2% NJC Pay Award 4,511.04  
 Plus additional 0%  
 0% increase to SRA 4,511.04

	Adur allowance 2018/19 (2% Pay Award) wef 1/4/18				Adur allowance 2018/19 - Option 1				Adur allowance 2019/20 - Option 2			
	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £
<b>Basic Allowance</b>	29	1	4,422.72	128,259	29	1	4,601.40	133,441	29	1	4,511.04	130,820
<b>Special Responsibility Allowances</b>												
Leader of the Council	1	3	13,268.16	13,268	1	3	13,804.20	13,804	1	3	13,533.12	13,533
Deputy Leader	1	1.5	6,634.08	6,634	1	1.5	6,902.16	6,902	1	1.5	6,766.56	6,767
Executive Portfolio Holders												
Environment	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Health and Wellbeing	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Customer Services	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Leader	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Regeneration	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Resources	1	1.25	5,528.40	5,528	1	1.25	5,751.72	5,752	1	1.25	5,638.80	5,639
Main Opposition Leader	1	0.5	2,211.36	2,211	1	0.5	2,300.76	2,301	1	0.5	2,255.52	2,256
<b>Chairpersons</b>												
Council	1	0.5	2,211.36	2,211	1	0.5	2,300.76	2,301	1	0.5	2,255.52	2,256
Planning Committee	1	1	4,422.72	4,423	1	1	4,601.40	4,601	1	1	4,511.04	4,511
Joint Overview & Scrutiny	1	0.75	3,317.04	3,317	1	0.75	3,451.08	3,451	1	0.75	3,383.28	3,383
Licensing	1	0.75	3,317.04	3,317	1	0.75	3,451.08	3,451	1	0.75	3,383.28	3,383
Joint Governance Committee	1	0.5	2,211.36	2,211	1	0.5	2,300.76	2,301	1	0.5	2,255.52	2,256
Joint Staff Committee												
Joint Senior Staff Committee												
Joint Senior Staff Appeals Committee												
<b>Vice Chairpersons</b>												
Council	1	0.25	1,105.68	1,106	1	0.25	1,150.44	1,150	1	0.25	1,127.76	1,128
Planning Committee	1	0.25	1,105.68	1,106	1	0.25	1,150.44	1,150	1	0.25	1,127.76	1,128
Joint Overview & Scrutiny	1	0.25	1,105.68	1,106	1	0.25	1,150.44	1,150	1	0.25	1,127.76	1,128
Licensing	1	0.25	1,105.68	1,106	1	0.25	1,150.44	1,150	1	0.25	1,127.76	1,128
Joint Governance Committee	1	0.25	1,105.68	1,106	1	0.25	1,150.44	1,150	1	0.25	1,127.76	1,128
Joint Staff Committee												
Joint Senior Staff Committee												
Joint Senior Staff Appeals Committee												
<b>TOTAL</b>				<b>204,551</b>				<b>212,815</b>				<b>208,636</b>

13000-1001-0      **Approved Budget 18/19**      **£206,510**  
**Growth / (Saving) against Budget**      **(£1,959)**

**Approved Budget 18/19**      **£210,640**  
 (Plus 2% inflationary increase)  
**Growth / (Saving) against Budget**      **£2,175**

**Approved Budget 18/19**      **£210,640**  
 (Plus 2% inflationary increase)  
**Growth / (Saving) against Budget**      **(£2,004)**