



ADUR & WORTHING COUNCILS

Joint Governance Committee
26 November 2019
Agenda Item 9

Key Decision [~~Yes~~/No]

Ward(s) Affected: n/a

Scheme of Allowances for Adur District Council 2020/21 - 2024/25

Report by the Director for 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 December

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 Last year a Review of Adur allowances was carried in August / September 2018 and the Panel's findings were reported to Joint Governance Committee on the 25 September 2018 and subsequently at Full Council at its meeting on 1 November 2018
- 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 2% increase in the basic allowance over and above the 2% NJC allowance increase
- 3.2.2 The Council at its meeting on the 1 November 2018 took another option recommended by the Panel basic allowance was raised in line with the NJC award given to Officers.
- 3.3 The Adur and Worthing Joint Independent Remuneration Panel began their review of Adur Allowances at the beginning of August 2019 and the review concluded at the beginning of November 2019. 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 3 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 which would mean a saving of £1 in the current budget based on the assumption that a 2% raise is negotiated as part of the settlement and as budgeted for by the Council
 - **Option 2** The Panel is suggesting a second option which is an increase tied to the NJC National Pay Bargaining agreement as well as an increase in the allowance to the Chairs and Vice Chairs of the Joint Governance and Joint Overview and Scrutiny Committees so that they are on par with the

allowances set by Worthing Borough Council. This along with the assumed raise would mean an increase in the budget of £747.

- **Option 3** The Panel is suggesting a third option which is an increase tied to the NJC National Pay Bargaining agreement as well as an increase in the allowance to the Chairs and Vice Chairs of Joint Governance and Joint Overview and Scrutiny Committees so that they are on par with the allowances set by Worthing Borough Council. On top of this the panel is suggesting an additional 1% in order to bring allowances closer to those of Worthing Borough Council. This along with the assumed NJC raise would mean an increase in the budget of £2135.57

5. Engagement and Communication

- 5.1 The Panel contacted group Leaders to ask for any comments they may have prior to the commencement of the review. The panel also undertook a survey of all councillors.
- 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 2019/20 to fund member allowances:

Adur: £208,640
Worthing : £267,437

- 6.2 The budget strategy allows for a 2% inflation on all salary budgets which would include members allowances for 2020/21. Consequently, the options proposed by the independent remuneration would have the following financial impacts:

	Adur £
Estimated 2020/21 budget	212,810
Option 1 : NJC pay award (2% total)	212,809
Growth / saving (-) against budget	-1

Option 2 : NJC pay award (2%) + Increase in Joint Chairs allowance	213,557
Growth / saving (-) against budget	747
Option 3: NJC pay award (2%) + Increase in Joint Chairs allowance + 1%	214,946
Growth / saving against the budget	2792

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 2018 and Adur Full Council 1 November 2018
- LGA National Local authority census - local government councillors
- South East Employers allowance survey 2019
- Results of internal survey of Adur Councillors August 2016/ 17 and 2018/19

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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
November 2019**

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

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 31st January 2015 and thereafter by the 30th 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;
- Members Allowances paid by other local authorities in the south east were obtained from South East Employers (SEE);
- Part Four of the Constitution of Worthing Borough Council
- Fees and charges for babysitting and caring

4.2 All Members were offered the opportunity to submit their thoughts via a Survey which was circulated electronically to all Members on 17 September 2019. The Survey results were presented to the Panel at its meeting on 16 October 2019.

4.3 Group Leaders were canvassed on their views regarding levels of allowance

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. Responses received from members supported this view and it was recognised that the role of a councillor is more of a vocation than an occupation

5.2 That the level of Basic Allowance paid to Worthing Borough Council is at a similar level to other Boroughs throughout the Southeast area.

5.3 That the workloads of individual Councillors will vary according to their roles.

5.4 That there are expenses associated with being a Member of the Council.

5.5 That since the last review there has been an increase in time and commitment needed to carry out the role.

- 5.6 That joint chairs special responsibility roles should be treated in a similar manner across Adur and Worthing.

6.0 Basic Allowance

- 6.1 The Panel noted from Survey responses that a small majority of Members felt that the current level of allowances was unsatisfactory although some felt that a higher level of allowances could attract a more diverse range of members including younger people.
- 6.2 The Panel also noted that there had been a mean average rise in the time spent on Councillor activities which amounted to 52% - a significant number. The committee could not attribute any route cause for this rise in hours but on average members are spending more time across a range of council activities and in supporting their communities. On a general note the Panel applauds the increased time commitment given by members.
- 6.3 The basic allowance on average pays less than the current minimum wage. The Panel felt that a paid similar role, given the levels of responsibility, would attract a higher than minimum wage rate. Therefore the panel was of the view that (if looking at hard figures) Councillors performing their role give a significant public discount rate for the hours that they put in. However, as stated before in the report, the Panel is minded that the members' allowances scheme recognises that public service, rather than material reward, should remain the primary motivation for involvement in local government. The allowance should be in place so that members are 'not out of pocket' for taking up the responsibility.
- 6.4 Given comparisons regionally the level of allowance for Adur District Council is slightly below average when compared with other Boroughs and Districts in the South East. It is also lower than it's partner authority to the West, Worthing Borough Council. The panel has held a long standing belief that members from both authorities should be paid the same or similar amounts. This finding led from a previous survey in 2016/17 which showed that members from both authorities spent similar amounts of time on their work for the councils. The 20/21 survey has shown that Adur Councillors on average spend similar amounts of time as Worthing Councillors and in some areas more time. The panel acknowledges that this issue is complex other factors could be taken into account such as the larger population and budget of Worthing or the Housing stock maintained by Adur.
- 6.5 In the previous two recommendations to Adur District Council have led the panel to believe and acknowledge that there is little desire for the level of basic allowance to increase significantly and be brought into line with the level of allowance in Worthing.
- 6.6 Given what is set out above and the fact that inflation is a pressure on personal finance, on balance the Committee felt that it was reasonable for members to expect some increase in the level of allowances.
- 6.7 The Panel has noted that over the previous four years that the basic allowance had been indexed to the Officer's NJC National Pay Bargaining agreement and believe that the principal of linking the basic allowance to raises in Officer remuneration is a fair method and should be retained.

8.0 Joint Overview and Scrutiny Chairman and Vice Chairmen and the Joint Governance Chairmen and Vice Chairmen

- 8.1 The Panel has noted that Joint Chairmen and Vice Chairmen across Adur and Worthing take equal Chairing responsibilities, they are however paid different levels of allowance. Given this the panel is recommending that these allowances are raised and are set to mirror those offered in Worthing.

11.0 Proposals

- 11.1 The Panel proposes the following for the Councils consideration.

Option One

- i) that the basic allowance be referenced to the outcome of the Officers' NJC Pay bargaining agreement for a period of two years until March 2022/2023;

Option Two

- i) that the basic allowance be referenced to the outcome of the Officers' NJC Pay bargaining agreement for a period of two years until March 2022/2023;
- ii) that the Special Responsibility Allowance for Chairmen of the Joint Overview and Scrutiny Committee and Joint Governance Committee be raised in line with what is offered at Worthing

Option Three

- i) that the basic allowance be referenced to the outcome of the Officers' NJC Pay bargaining agreement for a period of two years until March 2022/2023;
- ii) that the Special Responsibility Allowance for Chairmen of the Joint Overview and Scrutiny Committee and Joint Governance Committee be raised in line with what is offered at Worthing
- iii) that an additional 1% increase be added for 20/21 in view of the panels view that Adur and Worthing Councillors should be paid the same.

11.2 Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance

- 11.3 It is proposed that Childcare Allowance (contribution towards the cost of employing a carer for children) should be paid at £10.25 per hour, the panel investigated this cost and found that £10.25 was sufficient to cover the costs of childcare and should be maintained at this rate.
- 11.4 Having investigated the costs of carers (carers for sick and / or disabled / elderly dependants) the panel were of the view that the rate for carers allowance should remain at £15 per hour.
- 11.5 It is proposed that Travelling and Subsistence should be paid at the appropriate rates set by the National Joint Council for Local Government Services from time to time and based on claims submitted by Members.

- 11.6 It was noted by the panel that some comments in the survey indicated that some members did not claim for childcare, carers or travel and subsistence allowance because they are wary of the claim being used to discredit them in some way. The panel is disappointed that this situation exists and would encourage members to claim expenses that are essential for carrying out their role. In particular, those with childcare / carer responsibilities will face both financial and time associated pressures not faced by other members. The Panel would respectfully submit that they should make claims and not burden themselves with such costs unnecessarily

12.0 Recommendations

- 12.1 It is recommended that the Councils adopt the members scheme of allowances in line with the panel's recommendation iii) and note its comments surrounding the claiming of Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance. The Panel has costed two other options should the Council feel another option is more desirable.

Mr Barry Hillman (Chairman)

Ms Verity Lockhart

Mr Andrew Murton

Members' Allowances



ADUR DISTRICT
COUNCIL

Notes

2% NJC Pay Award **4,601.28**
Plus additional 2%
0% increase to SRA **4,601.28**

Raise Joint Chair/Vice chairs to Worthing level
2% NJC Pay Award **4,601.28**
Plus additional 5%
0% increase to SRA **4,601.28**

Raise Worthing level (with 1% pay award increase)
2% NJC Pay Award **4,601.26**
Plus additional 5%
1% increase to SRA **4,647.27**

	Adur allowance 2019/20 (2% Pay Award) wef 1/4/19				Adur allowance 2020/21 Option 1				Adur allowance 2020/21 Option 2				Adur allowance 2020/21 Option 3			
	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £
Basic Allowance	29	1	4,511.04	130,820	29	1	4,601.28	133,437	29	1	4,601.28	133,437	29	1	4,647.24	134,770
Special Responsibility Allowances																
Leader of the Council	1	3	13,533.12	13,533	1	3	13,803.84	13,804	1	3	13,803.84	13,804	1	3	13,941.72	13,942
Deputy Leader	1	1.5	6,766.56	6,767	1	1.5	6,901.92	6,902	1	1.5	6,901.92	6,902	1	1.5	6,970.92	6,971
Executive Portfolio Holders																
Environment	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Health and Wellbeing	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Customer Services	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Leader	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Regeneration	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Resources	1	1.25	5,638.80	5,639	1	1.25	5,751.60	5,752	1	1.25	5,751.54	5,752	1	1.25	5,809.08	5,809
Main Opposition Leader	1	0.5	2,255.52	2,256	1	0.5	2,300.64	2,301	1	0.5	2,300.64	2,301	1	0.5	2,323.68	2,324
Chairpersons																
Council	1	0.5	2,255.52	2,256	1	0.5	2,300.64	2,301	1	0.5	2,300.64	2,301	1	0.5	2,323.68	2,324
Planning Committee	1	1	4,511.04	4,511	1	1	4,601.28	4,601	1	1	4,601.28	4,601	1	1	4,647.24	4,647
Licensing	1	0.75	3,383.28	3,383	1	0.75	3,450.96	3,451	1	0.75	3,450.96	3,451	1	0.75	3,485.40	3,485
Joint Overview & Scrutiny*	1	0.75	3,383.28	3,383	1	0.75	3,450.96	3,451	1	0.75	3,771.24	3,771	1	0.75	3,771.24	3,771
Joint Governance Committee*	1	0.5	2,255.52	2,256	1	0.5	2,300.64	2,301	1	0.5	2,514.24	2,514	1	0.5	2,514.24	2,514
Joint Staff Committee																
Joint Senior Staff Committee																
Joint Senior Staff Appeals Committee																
Vice Chairpersons																
Council	1	0.25	1,127.76	1,128	1	0.25	1,150.32	1,150	1	0.25	1,150.38	1,150	1	0.25	1,161.84	1,162
Planning Committee	1	0.25	1,127.76	1,128	1	0.25	1,150.32	1,150	1	0.25	1,150.38	1,150	1	0.25	1,161.84	1,162
Licensing	1	0.25	1,127.76	1,128	1	0.25	1,150.32	1,150	1	0.25	1,150.38	1,150	1	0.25	1,161.84	1,162
Joint Overview & Scrutiny*	1	0.25	1,127.76	1,128	1	0.25	1,150.32	1,150	1	0.25	1,257.12	1,257	1	0.25	1,257.12	1,257
Joint Governance Committee*	1	0.25	1,127.76	1,128	1	0.25	1,150.32	1,150	1	0.25	1,257.12	1,257	1	0.25	1,257.12	1,257
Joint Staff Committee																
Joint Senior Staff Committee																
Joint Senior Staff Appeals Committee																
TOTAL				208,636				212,809				213,557				215,602

13000-1001-0

Approved Budget 19/20 **£208,640**

Growth / (Saving) against Budget **(£4)**

Approved Budget 19/20 **£212,810**

(Plus 2% inflationary increase)

Growth / (Saving) against Budget **(£1)**

Approved Budget 19/20 **£212,810**

(Plus 2% inflationary increase)

Growth / (Saving) against Budget **£747**

Approved Budget 19/20 **£212,810**

(Plus 2% inflationary increase)

Growth / (Saving) against Budget **£2,792**