



ADUR & WORTHING
COUNCILS

Ward(s) Affected: All Adur

Scheme of Allowances for Adur District Council in 2022/23

Report by the Director for Communities

Executive Summary

1. Purpose

- 1.1. The Joint Governance Committee is asked to consider the report of the Joint Independent Remuneration Panel and make recommendations to Adur District Council on the level of Members' Allowances for the municipal year 2022/23.
- 1.2. Recommendations from the Committee on the level of allowances will be considered at the Full Council meeting in April 2022.

2. Recommendations

- 2.1. That the Joint Governance Committee recommend to Adur District Council that Members Basic Allowance be linked to the outcome of the Officers' NJC Pay bargaining agreement for the year 2022/23.

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. Adur District Council last reviewed its allowances in 2019 and the Panel's findings were reported to the Joint Governance Committee on 23 November 2019 and subsequently to Full Council at its meeting on 12 December 2019.
- 3.2.1. The Joint Governance Committee recommended that the Council adopt option 3 of the Joint Independent Remuneration Panel's report which recommended
- 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;
 - 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; and
 - iii) that an additional 1% increase be added for 2020/21 in view of the panel's view that Adur and Worthing Councillors should be remunerated the same.
- 3.2.2. The Council at its meeting on the 12 December 2019 approved the recommendation made by the Joint Governance Committee.
- 3.3. The Adur and Worthing Joint Independent Remuneration Panel began its review of Adur Allowances at the beginning of September 2021 and the review concluded in early March 2022. 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 asked to make a recommendation to Adur District Council in respect of setting the level of allowances for 2022/23.
- 4.2. The Panel has set out 1 costed option for Members to consider which is that the basic allowance be linked to the outcome of the Officers' NJC Pay bargaining agreement for the year 2022/23.

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.
- 5.2. 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 2022/23 to fund member allowances:

Adur: £225,010
Worthing : £285,780

- 6.2 The budget strategy allows for a 2% inflation on all salary budgets which would include members allowances for 2022/23. Consequently, the options proposed by the independent remuneration would have the following financial impacts if the NJC agreement is 2%:-

	Adur £
Estimated 2022/23 budget	225,010
Option 1 : NJC pay award (2% total)	225,353
Growth / saving (-) against budget	343

- 6.3 Any small shortfall will be funded from the Council's inflation contingency budget.

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 and Adur Full Council
- LGA National Local authority census - local government councillors
- South East Employers allowance survey 2021
- 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**

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 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 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 traveling 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 Adur District Council;
- Fees and charges for babysitting and caring.

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

4.3 Members of the Panel are aware that the scheme is late coming forward this year. The review was slowed by a number of factors including availability of officer time, the delay in the NJC pay bargaining agreement (for 2021/22) and the proposed creation of a new committee adding uncertainty to the scheme overall.

5.0 General Principles

5.1 The Panel last undertook a review in late 2019 for the years 2020/21 and 2021/22 as a result of its recommendations the council agreed that the basic allowance be referenced to the outcome of the Officers' NJC Pay bargaining agreement for a period of two years until March 2021/2022 as well as a change to the Special Responsibility Allowance for Chairmen of the Joint Overview and Scrutiny Committee and Joint Governance Committee that it be raised in line with what was offered at Worthing. An additional 1% for 2020/21 was also agreed. At the time the panel acknowledged that they could have referenced the level of allowance to the NJC pay bargaining agreement for a period of four years, however they chose to do this for two years in case something significant arose in the intervening period (i.e the NJC levels fluctuated significantly).

5.2 The level of the NJC bargaining agreement has stayed close to the 2% budgeted for over the previous two years

- 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 recognised 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 five 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 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.
- 6.2 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 its 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. A further Survey in 2020/21 had 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 and that 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 Previous decisions of 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 six years that the basic allowance had been indexed to the Officer's NJC National Pay Bargaining agreement and believed that the principle of linking the basic allowance to raises in Officer remuneration is a fair method and should be retained.

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 2020/21 and 2021/22 review of allowances.
- 7.2 The Panel has noted that the Authority has increased its level of allowance 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 one costed option for the council to consider
- 7.4 The Panel is aware that the creation of a new committee is imminent and that recruitment will be undertaken for the panel in the next municipal year. Given these facts the panel believe that there needs to be a fresh review in the next municipal year

8.0 Proposals

- 8.1 That the basic allowance be linked to the outcome of the Officers' NJC Pay bargaining agreement for the year 2022/23

8.2 Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance

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

8.3 Special Responsibility Allowances

- 8.3.1 The panel is satisfied that no changes need to be made to the levels of special responsibility allowances.

9.0 Recommendation

- 9.1 The Panel recommends that the Council determine the level of allowances for 2022/23 based upon the options given above.

Mr Barry Hillman (Chairman)
Ms Verity Lockhart
Mr Andrew Murton