

Ward(s) Affected: All

Members Allowances 2022/23

Report by the Director for Communities

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Executive Summary

1. Purpose

1.1. The report provides details of the Officers' National Joint Council (NJC) pay bargaining agreement for 2022/23 and requests that the Joint Audit & Governance Committee consider the percentage rise to be applied to Members Allowances for 2022/23.

2. Recommendations

- 2.1. The Joint Audit & Governance Committee is asked to consider recommending to Adur and Worthing Councils an increase in the basic allowance of either:
 - 5.82% in line with the median average of the NJC pay bargaining agreement for 2022/23; or
 - 2% in line with the amount that was budgeted for in the 2022/23 budget.

3. Context

- 3.1. Adur District and Worthing Borough Councils agreed in April 2022 that Members Basic Allowance should be linked to the outcome of the Officers' NJC pay bargaining agreement for the year 2022/23 following recommendations from the Joint Independent Remuneration Panel.
- 3.2. It had been anticipated that this would result in a percentage increase which could be applied to Members Basic Allowance. The Councils had allowed for an increase of 2% in their budgets to allow for this projected rise.
- 3.3. The NJC pay bargaining agreement for 2022/23 resulted in an increase of £1,925 on all NJC pay points plus an increase of one day to all employees' annual leave entitlement from April 2023 onwards. The award was equivalent to a weighted average increase of 5.82%.
- 3.4. The nature of the 2022/23 pay award means that the recommendation of the Joint Independent Remuneration Panel (the Panel) requires interpretation of the award to be applied to members allowances.
- 3.5. The current allowance scheme is published on the Councils' website. The basic allowance is as follows for each Council:
 - Adur £4,762.10
 - Worthing £5,153.93

If the £1,925 monetary increase was applied to the basic allowance, this would be equivalent to a 40.4% increase for Adur and 37.3% for Worthing which was not the intention of the Panel when making its recommendations.

4. Issues for consideration

- 4.1. The Joint Audit & Governance Committee is asked to consider the percentage increase to be applied to Members Basic Allowance for 2022/23 following the outcome of the NJC pay bargaining agreement.
- 4.2. Members could apply the mean average percentage of 5.82% in line with the NJC agreement, or, apply a 2% increase in line with the allowances budget provision for 2022/23.

5. Engagement and Communication

- 5.1. The Joint Independent Remuneration Panel (JIRP) 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 Councils engages and consults with when setting the level of their allowances.

6. Financial Implications

- 6.1. The Councils currently have the following budgets for members expenses:
 - Adur £220,860
 - Worthing £286,780

These budgets include an allowance for a 2% pay award.

- 6.2. The nature of the 2022/23 pay award meant that pay awards for Officers ranged between 10.5% and 2.28% with a weighted average increase of 5.82%.
- 6.3. If the increase of 5.82% is approved, this will result in a budget pressure of:
 - Adur £8,270
 - Worthing £10,740

Provision for the impact of the 2022/23 pay award has been made in the draft budget for 2023/24.

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

- <u>JGC Report Scheme of Allowances for Adur District Council in 2022/23 22</u> <u>March 2023</u>
- <u>JGC Report Scheme of Allowances for Worthing Borough Council in</u> 2022/23 March 2022

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.