

**REPORT OF ADUR AND WORTHING COUNCILS
JOINT INDEPENDENT REMUNERATION PANEL
JANUARY 2015**

1. 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. 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
Ms Barbara Nye
Mr Martin Phillips
1 x Vacancy

3. 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. 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);
- The current scheme of allowances paid to Members of Worthing Borough Council.

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

4.3 The panel interviewed Councillor Rod Hotton his role as a Committee Vice Chairman.

5. 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 make-up of the District.

5.2 That the level of Basic Allowance paid to Adur Councillors is significantly lower than that of Authorities in the South East and Neighbouring Authorities.

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

5.4 The Members' Allowances scheme should be simple to understand and administer.

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

5.6 That the work of Committee Vice-Chairmen is significant, they need to mirror the work of the Chairman should they be required to step in and take up the role of the Chairman at a meeting.

5.7 That Vice Chairmen at Worthing Borough Council get paid an allowance.

- 5.8 That Chairmen on the Council's Joint Committees carry out the same duties as their Worthing counterparts but receive a significantly less Special Responsibility Allowance.
- 5.9 The Panel noted that there had been no review or allowance raise for Adur Councillors since 2012/13.
- 5.10 The Panel noted that there had been a raise in allowances at Worthing Borough Council since 2012/13 as Worthing Borough Council had linked its allowance scheme to the Officer's NJC National Pay Bargaining agreement until 2016/17

6. Payment of SRAs to Vice Chairman

- 6.1 The Panel felt that Vice Chairmen should be paid an allowance in recognition of the significant work involved in the role.
- 6.2 The Panel considered that Vice Chairmen should be paid an allowance set at half the multiplier applied to Committee Chairmen.

7. Harmonisation of Allowances between Adur and Worthing Councils

- 7.1 The Panel noted that the significant difference in the basic allowance between Adur and Worthing Councils had increased further in the years following the last review.
- 7.2 The Panel gave consideration to the harmonising of allowances between Adur and Worthing based on the high level of joint working between the two Councils. At present, both the system for calculating SRAs and the level of allowances paid vary.
- 7.4 The Panel came to the conclusion that there was a need to begin to redress an imbalance of SRAs between Adur Chairmen Joint Committees and their Worthing counterparts.
- 7.5 The Chairman of the Joint Overview and Scrutiny Committee in Adur receives an SRA of £900 and the same position in Worthing receives £3,375. The Chairman of the Joint Governance Committee in Adur receives an SRA of £900 and the same position in Worthing attracts an SRA of £2,250. The Panel considered that the SRA multiplier for the Chairmen of these Committees be set at 0.5 *Members Basic Allowance (a raise from 0.25) as set out in options 1 and 2 below.
- 7.5 The level of basic allowances varied between the councils - £3,600 in Adur and £4,545 in Worthing. The Worthing basic allowance is £945 higher than the Adur basic allowance, a difference of approximately 21%.
- 7.6 The Panel noted that decision-making in relation to Council Services was the same for Adur and Worthing Councillors and that Worthing Councillors represented on average a greater number of residents per Councillor. However in the Panels view, the variations in weight of the number of residents represented did not justify the current significant difference in basic allowance between the two authorities.
- 7.8 The Panel concluded that a move towards some degree of harmonisation could be achieved through a modest raise in the Adur basic allowance for 2014/15 and 2015/16 as set out in options 1 and 2 below

8. Leaders of the Main Opposition

8.1 Section 5 of Part two of the Local Authorities (Members' Allowances) (England) Regulations 2003 states that:

a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group and has special responsibilities

this allowance should be paid to someone who is:

- (a) *acting as leader or deputy leader of a political group within the authority;*
- (b) *acting as the spokesman of a political group on a committee or sub-committee of the authority*

8.2 A change in the Council's newly agreed constitution states that

- (a) *At the Annual Council each year, subject to (c) below, the Full Council shall appoint a Leader of the Main Opposition who shall be entitled to receive any Special Responsibility Allowance payable to that office.*
- (b) *Where there is a political group or combination of political groups forming the Administration, the Leader of the Main Opposition shall be the leader of the next largest political group;*
- (c) *Where the next largest political group does not wish to nominate a Member to be the Leader of the Main Opposition, the Council shall not appoint any Member to that office.*

8.3 The allowance for Leader of the Main Opposition is currently set with a multiplier of 0.25 * Members Basic Allowance

8.4 If the Council were not to appoint a Leader of the main opposition as set out above the Council would be at risk of being in contravention with Section 5 of Part two of the Local Authorities (Members' Allowances) (England) Regulations 2003

9. Proposals

9.1 The Panel propose two options for the Councils consideration.

9.2 Option 1

9.2.1 This option is based upon a 5% increase in 2014/15 and a further 5% in 2015/2016 the Members Basic Allowance from which is justified by the following findings:-

- (i) The Panel believes that the current level of Basic Allowance is low in comparison with neighbouring authorities;
- (ii) The Panel were informed that the current rate of Basic Allowance did little to attract economically active people to becoming Councillors;
- (iii) The Panel acknowledged that as a result of joint working, the Basic Allowances of Adur and Worthing Councillors should be more closely aligned.

9.2.2 It is proposed that the unit based multiplier model be revised to reflect the role of Vice Chairmen and the role of Joint Committee Chairmen. The suggested multiples to be used for calculating each Special Responsibility Allowance are outlined in Appendix 1 and based on the following findings:-

- (i) An increase in Special Responsibility Allowance for Chairmen of the Joint Overview and Scrutiny Committee and the Joint Governance Committee to begin to move towards harmonisation with Worthing Borough Council;
- (ii) The workload and accountability of Vice-Chairmen was deemed, by the Panel, as sufficient to warrant a Special Responsibility Allowance.

9.2.3 The proposal results in a small overspend in the Members Allowances Budget of £1,173 for 2014/15 and a further £5,494 for 2015/16

9.2.4 It is proposed that Carers Allowance (contribution towards the costs of employing a carer for children or sick and / or disabled dependants) should continue to be paid at £10.25 per hour.

9.2.5 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.

9.3 **Option 2**

9.3.1. Based purely on their independent assessment of the evidence, the Panel favours option 1. However, the panel recognised that any increase in the basic allowance may be difficult for Councillors to support in the present economic climate. Having said that and based upon evidence received, the Panel does not think it reasonable to expect that Councillors receive no raise in the level of basic allowance. The panel is therefore putting forward option 2 which offers a reduced increase. This option is based upon the increase afforded to Worthing Borough Council's allowance scheme which has been linked to the Officer's NJC National Pay Bargaining agreement until 2015/16

9.3.2. The allowance would therefore set an increase of 1% backdated to the start of 2014/15 and a further 2.2% increase from January 2015 until the end of 2015/16

9.3.3 As in option 1, the Panel proposes that the unit based multiplier model be revised to reflect the role of Vice Chairmen and the role of Joint Committee Chairmen. The suggested multiples to be used for calculating each Special Responsibility Allowance are outlined in Appendix 1 and based on the following findings:-

- (iii) An increase in Special Responsibility Allowance for Chairmen of the Joint Overview and Scrutiny Committee and the Joint Governance Committee to begin to move towards harmonisation with Worthing Borough Council;
- (iv) The workload and accountability of Vice-Chairmen was deemed, by the Panel, as sufficient to warrant a Special Responsibility Allowance.

9.3.4 The proposal results in an underspend in the Members Allowances Budget for 2014/15 of £4,059 and a further underspend in 2015/16 of £4,567.

- 9.3.5 It is proposed that Carers Allowance (contribution towards the costs of employing a carer for children or sick and / or disabled dependants) should continue to be paid at £10.25 per hour.
- 9.3.6 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.

10. Recommendations

The Independent Remuneration Panel recommends that Council adopts option 1, but if that is not acceptable, adopts option 2 instead.

Mr Barry Hillman (Chairman)
Ms Verity Lockhart
Mr Andrew Murton
Ms Barbara Nye
Mr Martin Phillips