

# Document Pack

**Democratic Services Section  
Chief Executive's Department  
Belfast City Council  
City Hall  
Belfast  
BT1 5GS**



5<sup>TH</sup> February, 2014

## **MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE**

Dear Councillor,

The above-named Committee will meet in the Lavery Room (Room G05), City Hall on Friday, 7th February, 2014 at 10.00 am, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

### **AGENDA:**

1. Routine Matters
  - (a) Apologies
  - (b) Minutes
  - (c) Declarations of Interest
2. Local Government Reform
  - (a) Update on Future Governance Arrangements for the Council (Pages 3 - 8)
  - (b) Councillors Remuneration Panel (Pages 9 - 82)
3. Investment Programme
  - (a) Belfast Connection Voucher Scheme Launch (Pages 83 - 100)

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**Belfast City Council**

<b>Report to</b>	<b>Strategic Policy and Resources Committee</b>
<b>Subject:</b>	<b>Update on Future Governance Arrangements for the Council</b>
<b>Date:</b>	7 February 2014
<b>Reporting Officer:</b>	Ronan Cregan, Director of Finance and Resources
<b>Contact Officer:</b>	Emer Husbands, Strategic Performance Manager Stephen McCrory, Democratic Services Manager

<b>1</b>	<b>Relevant Background Information</b>
1.1	The Committee, at its meetings on 13th December 2013 received an update on the three options for governance structures in the new Councils laid out in the Reorganisation Bill. The Committee also agreed a process of engagement with Members to facilitate discussions on possible new political management arrangements.
1.2	This included a high-level overview of the range of options: (i) Traditional Committee System, (ii) Cabinet System, (iii) Streamlined Committee System.
1.3	The first stage in the process was to hold party group briefings facilitated by Jonathan Huish to outline the various models in more detail and outline some of the issues in operating the different structures.
1.4	Members also agreed to re constitute the Governance Steering Group to allow detailed discussion on some of the complex issues before bringing these to committee for decisions.
1.5	The party group briefings were held in February and nominations have been made to the Governance Steering panel with its first meeting scheduled for the 10 February 2014. This paper provides an update on the process to date including feedback from the party group briefings and proposal for next steps including specific workshops with the Governance Steering Group and further feedback to party groups and committee.

<b>2</b>	<b>Key Issues</b>
2.1	<p data-bbox="325 230 852 264"><b>Feedback from Party Group Briefings</b></p> <p data-bbox="325 297 1378 398">Jonathan Huish will be in attendance at the Committee to provide feedback from the party group briefings on Governance held in January 2011. A summary of the emerging points are set out at Appendix One.</p> <p data-bbox="325 432 1406 566">The preference would be for an inclusive governance model. The broad feedback is that a Cabinet / Executive model would create two tiers of Members, and is unlikely to get support. A more efficient version of the current system has received positive feedback and a more strategic way of working is to be welcomed</p> <p data-bbox="325 600 1406 674">Area working is seen as positive, but the model needs to be clear particularly in relation to remit and relationship with committees - internal and external.</p> <p data-bbox="325 707 1406 808">Qualified Majority Voting - the principle is welcomed but there was some concern about the 80% level. The question was raised about what decisions will require QMV.</p> <p data-bbox="325 842 1406 916">Call-In was seen as a positive. There was concern that, without limits, it may slow / halt Council business.</p> <p data-bbox="325 949 1406 1023">Proportionality was viewed as essential and there is a need to think through protection of rights of smaller groups in terms of inclusivity.</p> <p data-bbox="325 1057 1406 1131">Appendix One provides a summary of common queries and responses is set out below.</p>
2.3	<p data-bbox="325 1126 804 1160"><b>Establishment of Shadow Council</b></p> <p data-bbox="325 1160 1406 1261">A consultation document is due to be released within the next week on the functions and powers of the Shadow Council. This is likely to state that the role of each Shadow Council should be to;</p> <p data-bbox="325 1294 1406 1473">Prepare itself for the assumption of its full functions and powers on 1 April 2015 by</p> <ul data-bbox="373 1328 1406 1473" style="list-style-type: none"> <li>• establishing governance arrangements - committees and sub-committees;</li> <li>• appointing staff and</li> <li>• preparing budgets, plans and schemes as are or will be needed for that purpose</li> </ul> <p data-bbox="325 1507 1406 1581">They will also be required to liaise with the existing Council for the purposes of ensuring continuity in the exercise of its functions on and after 1 April 2015</p> <p data-bbox="325 1603 1406 1839">There is a requirement on the STC to recommend for approval to the first meeting of the Shadow Council governance arrangements for the term of the Shadow Council. These arrangements will only be in place for one year and the new Council, when it officially comes into existence on 1 April 2015, will have to agree new governance structures to take account of the extended boundary, new powers and transferred functions. These will be developed by the Shadow Council during their term.</p> <p data-bbox="325 1872 1406 2036">The role for members now, through the STC, is to recommend to the Shadow Council interim governance structures which will take into account the functions to be delivered by the Shadow Council and possibly test some decision making processes relating to new areas, such as planning, in advance of them transferring in April 2015.</p>

	<p>At the same time consideration will need to be given to the operation of the existing Council and its role in relation to the Shadow Council including balance of work flow and time commitments on Members.</p> <p>It is therefore recommended that the work of the Governance Steering Panel focuses on detailed discussions on possible governance structures for the Shadow Council and how this will impact on the work on the current Council. The out workings of these discussions would then be brought back to Party Groups, SP&amp;R and STC.</p>
3.0	<p><b>Next Steps – Process of Engagement</b></p> <p>The first meeting of the Governance Steering Panel has been scheduled for the 10<sup>th</sup> February 2014 to begin to discuss the possible governance structures for the existing Council and Shadow Council.</p> <p>Options will be presented to Party Groups in March for discussion and consultation.</p> <p>Draft proposals on the governance arrangements will be brought to SP&amp;R and STC in April 2014 for consideration.</p> <p>Final governance structure to be agreed at the first meeting of the Shadow Council not more than 21 days after the election on 22 May 2014.</p> <p>The Shadow Council will, during their term, develop governance structures for the adoption by the new Council when it comes into operation on 1 April 2015.</p>

<b>4</b>	<b>Resource Implications</b>
4.1	All costs associated with this have been included in the previously agreed budget for Local Government Reform.

<b>5</b>	<b>Equality and Good Relations Implications</b>
	None.

<b>6</b>	<b>Recommendations</b>
5.1	<p>The Committee is requested to note the contents of the report and</p> <p>(i) To agree the proposals for the development of governance structures for the Shadow Council as outlined above.</p>

<b>6</b>	<b>Key to Abbreviations</b>
	STC – Statutory Transition Committee



**Appendix One: Summary of Member Queries**

**The role of the existing Council versus the role of the Shadow Council and the number of meetings of the various committees in each.**

Under the proposals there will be two separate Council meetings – one for existing Council and one for new Council acting in shadow form. They will be two separate legal entities and it would not be feasible for all Members to meet at the same time under separate legislation.

**To what extent will the existing Committees continue to work during the shadow period?**

The expectation would be that the work of existing committees would 'wind down', and would tend to focus on the purely operational aspects, seeing out existing programmes, etc. This will need to be agreed with Members.

**Area Working Groups – how will this work under the new arrangements, will there be 4 area working groups and will they have any powers?**

Members were advised that the number of and composition of any area working groups will be for the new Council to decide.

**The role of the Mayor and Deputy Lord Mayor in during the Shadow period**

The proposals provide for the existing Council to elect a Mayor and Deputy Mayor who would continue in their role during 2014 – 2015 as in previous years.

The Shadow Council will be required to select a Presiding and Deputy Presiding Officer (Chair and Deputy Chair) for the shadow period (one year term from May 2014 – April 2015) but they would have no ceremonial responsibilities / duties.

**Greater clarification was sought on what decisions QMV would apply**

The detail as to the decisions requiring QMV has yet to be agreed by the Minister but will definitely include the selection or changing of the governance model for the Council; the selection of the method for allocating positions of responsibility, and also altering the calculation of quota for allocating positions on committees.

The new Council will also be able, within standing orders, to select a range of decisions for which QMV would apply.

**Community Planning – queries around the need for Council objectives to be linked to the needs of communities and areas.**

Members were advised that community planning is addressed in the LG Bill and that the Council will be required to develop objectives with Community Planning partners and will be required to report on the Community Plan. The Community Plan will be linked to

agreed corporate objectives and the Local Development Plan.

**What will happen if the Local Government Bill was not passed before the election**

Members were advised that the election legislation is separate and that the new 11 Councils will be elected regardless of the Bill being in place or otherwise. In the absence of the Bill the new Council will operate under the provisions of the 1972 Act which apply to the current Councils.





### Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Councillors Remuneration Panel
<b>Date:</b>	7 February 2014
<b>Reporting Officer:</b>	Peter McNaney, Chief Executive
<b>Contact Officer:</b>	Ronan Cregan, Director of Finances (Ext: 6184)

<b>1</b>	<b>Relevant Background Information</b>
1.1	<p><b>Purpose</b></p> <p>The purpose of this report is to brief Members on the recommendations which have been put forward by the Councillor Remuneration Panel to the DOE Minister and the proposed Departmental response to the recommendations.</p> <p>Members are asked to note the contents of the report and also the scheduled dates for Focus Group events (organised by the DOE) to discuss the proposals before the final scheme of allowances is agreed by the Minister.</p>
1.2	<p><b>Background</b></p> <p>As part of the Local Government Reform Programme, the Councillor Remuneration Panel for Northern Ireland was tasked with conducting a review of councillors' remuneration and advising on the system and level of allowances appropriate for the 11 new councils.</p> <p>The Panel was asked to make recommendations that fairly reflect the roles and responsibilities that councillors will be taking on in the new councils, post reorganisation in April 2015. It was also to consider the allowances that should be paid during the shadow period following the local government elections in May 2014 when the new councils will operate alongside the existing 26.</p>
1.3	<p>A report on remuneration was provided to the Belfast Voluntary Transition Committee on 11 October 2013 and Members agreed that the Council would make a detailed submission to the Panel setting out the following basic principles:</p> <ul style="list-style-type: none"> <li>• that in calculating the basic allowance the role of a Councillor should be</li> </ul>

	<p>considered to be equivalent to 75% of a full-time job which would closely reflect the arrangements in Scotland.</p> <ul style="list-style-type: none"> <li>• That the Council is opposed to any proposal to impose any level of public service discount when considering a formula for remuneration of councillors in Northern Ireland.</li> <li>• that a framework be established for determining Special Responsibility Allowance and that the SRA should continue to be banded according to size of population and/or annual Council budget.</li> <li>• that the amount of SRA, both pre 2015 and following the creation of the 11 new councils, must be established at a level which reflects adequately the roles and responsibilities undertaken by key players in the Council.</li> </ul> <p>The Chief Executive wrote to the Panel on 14 October 2013 providing a detailed submission based on the principles above (see Appendix 1).</p>						
1.4	<p>The Councillor Remuneration Panel for NI reported to the Minister for the Environment on 1 November 2013 with its final recommendations but the report was not made available by the DOE at that time.</p> <p>The report, and the Department's analysis and proposed response has now (30 January 2013) been published on the DOE website and copies are attached at Appendix 2 and Appendix 3 for Members' information.</p>						
2	<p><b>Key Issues</b></p>						
2.1	<p><b>BASIC ALLOWANCE</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel recommended that all councillors be paid a basic allowance of £12,000pa – an increase on the <b>present basic allowance of £9,738</b>. The Panel also recommended that all councillors in DEAs with mean electorate larger than 3,000 should receive an additional £1,200pa (10%) because of the increased load of constituency work. This would result in a <b>basic allowance of £13,200</b> for those councillors in the more populated DEA's.</p> <p><b>Departments Recommendation</b></p> <p>The Department has recommended that the two allowances above should be combined, together with an additional allowance of £1,000 for office support, giving a total <b>basic allowance of £14,200</b>; this basic allowance would be the same for all councillors and is paid in recognition of a councillor's representational role.</p> <table border="1" data-bbox="327 1742 1401 1944"> <thead> <tr> <th data-bbox="327 1742 686 1816">Current</th> <th data-bbox="686 1742 1043 1816">Panel recommendation</th> <th data-bbox="1043 1742 1401 1816">DOE recommendation</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 1816 686 1944">£9,835</td> <td data-bbox="686 1816 1043 1944">£13,200 (for DEAs over 3000)</td> <td data-bbox="1043 1816 1401 1944"><b>£14.200</b></td> </tr> </tbody> </table>	Current	Panel recommendation	DOE recommendation	£9,835	£13,200 (for DEAs over 3000)	<b>£14.200</b>
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2.2	<p><b>SPECIAL RESPONSIBILITY ALLOWANCE FOR COMMITTEE CHAIRS OR CABINET MEMBERS</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel has recommended that Special Responsibility Allowances (SRA) for Committee Chairs or Cabinet Members should be <b>£9,000pa</b> for councils with electorates over 200,000.</p> <p>The Panel also recommended that councils with an electorate higher than 200,000 should pay a <b>maximum of 12</b> such SRAs.</p> <p><b>Departments Recommendation</b></p> <p>The Department have recommended that the current arrangement, whereby the amount a council can spend on SRA is subject to a maximum rate determined by the Department and banded by council population is continued. At present each council may have up to 50% of members receiving an SRA and a member can receive no more than one SRA.</p> <p>The Department has recommended that it is a matter for individual councils to determine the responsibilities and level of SRA and that the new maximum rate for a council with a population over 200,000 should be £81,000. This is £1,820 <b>less</b> than the current arrangements.</p> <table border="1" data-bbox="327 999 1401 1267"> <thead> <tr> <th colspan="2">Current</th> <th colspan="2">Panel recommendation</th> <th colspan="2">DOE recommendation</th> </tr> <tr> <th>Total amount payable</th> <th>Maximum rate to individual members</th> <th>Total amount payable</th> <th>Maximum rate to individual members</th> <th>Total amount payable</th> <th>Maximum rate to individual members</th> </tr> </thead> <tbody> <tr> <td>£82,820</td> <td>£16,564</td> <td>Not specified</td> <td>£9,000</td> <td>£81,000</td> <td>£16,200</td> </tr> </tbody> </table> <p>Belfast City Council currently pays an SRA to a range of posts (from £5,407 maximum down to £2,331) depending on the role.</p>	Current		Panel recommendation		DOE recommendation		Total amount payable	Maximum rate to individual members	Total amount payable	Maximum rate to individual members	Total amount payable	Maximum rate to individual members	£82,820	£16,564	Not specified	£9,000	£81,000	£16,200
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2.3	<p><b>SPECIAL RESPONSIBILITY ALLOWANCE FOR CHAIR OR MAYOR</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel recommended that SRA should be paid for Chair or Mayor should be set at £27,000pa for councils with electorates over 200,000.</p> <p><b>Departments Recommendation</b></p> <p>The Department stated that there is limited rationale or evidence to move away from the current system. It is therefore proposed that councils continue to decide how Mayors or Chairs are remunerated. Councils can choose to pay the allowance for Mayors or Chairs from the SRA allowance (£81,000) or from another budget.</p> <table border="1" data-bbox="327 1850 1401 2018"> <thead> <tr> <th>Current</th> <th>Panel recommendation</th> <th>DOE recommendation</th> </tr> </thead> <tbody> <tr> <td>£34,800 civic dignitary allowance for mayor</td> <td>£27,000</td> <td>Council to decide</td> </tr> </tbody> </table>	Current	Panel recommendation	DOE recommendation	£34,800 civic dignitary allowance for mayor	£27,000	Council to decide												
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2.4	<p><b>PRODUCTIVITY ALLOWANCE FOR CHAIR OR MAYOR</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel recommended that each council ask its constituents whether its chair or mayor should be awarded a productivity allowance based on an annual report. If more than 50% voting agree, the award could be up to a maximum of 50% extra of their special responsibility allowance.</p> <p><b>Departments Recommendation</b></p> <p>The Department states that this recommendation is impractical for the system of local government in Northern Ireland and recommends that it is not implemented.</p>						
2.5	<p><b>VICE CHAIRS</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel believe that Vice-Chairs of council or committees should only be paid extra when they are standing in for the Chair or should receive a pro-rate Special Responsibility Allowance for time actually spent in the respective role.</p> <p><b>Departments Recommendation</b></p> <p>The Department sees no evidence for a change in practice and recommends that the decision to pay allowances should be made by individual councils and paid from within the current SRA allowance.</p>						
2.6	<p><b>REMUNERATION IN SHADOW COUNCILS IN 2014</b></p> <p><b>Panel Recommendation</b></p> <p>The Panel recommends that 50% of the 2015 allowances should be paid to members in the shadow period. This is because the constituency work is likely to be shared with councillors of the existing 26 councils and will therefore be less demanding as shadow councils will concentrate on transition planning. Members of both current and shadow councils should be paid for both roles.</p> <p><b>Departments Recommendation</b></p> <p>The Department recommends that the new allowance is paid in full to all councillors elected to the new councils from the date of their constitution. Councillors who continue to sit on the existing council should have the allowance from the old council reduced by two thirds for the ten month transitional period. The Presiding Officer (for the Shadow Council) should be paid a Special Responsibility Allowance during the transitional period. Travel and Subsistence should be paid in full for new councillors during the shadow period.</p> <p><b>Basic allowance example</b></p> <table border="1" data-bbox="328 1783 1399 2027"> <thead> <tr> <th data-bbox="328 1783 687 1854">Current Council only</th> <th data-bbox="687 1783 1043 1854">Shadow Council only</th> <th data-bbox="1043 1783 1399 1854">Sitting on both</th> </tr> </thead> <tbody> <tr> <td data-bbox="328 1854 687 2027">£9,835</td> <td data-bbox="687 1854 1043 2027">£14,200</td> <td data-bbox="1043 1854 1399 2027">           £14,200 (shadow council)            £3,278 (1/3 current council)  <b>£17,478</b> </td> </tr> </tbody> </table>	Current Council only	Shadow Council only	Sitting on both	£9,835	£14,200	£14,200 (shadow council) £3,278 (1/3 current council) <b>£17,478</b>
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2.7	<p><b>OTHER RECOMMENDATIONS</b></p> <p>The Department rejected the Panel's proposal that all allowances be indexed to change with the median NI full-time wage as certified by ONS, preferring to retain the current system of increasing allowances in line with Council Officers pay increases.</p> <p>The Department also rejected a recommendation to change travel and subsistence mileage and rates in line with NICS rates and recommended that any case for change to travel and subsistence should be presented to the NJC.</p>
2.8	<p><b>FOCUS GROUP EVENTS</b></p> <p>Members will note that the DOE is currently holding a number of Focus Group events to discuss the emerging proposals of the Remuneration Panel and to inform the finalisation of the scheme of allowances that will apply.</p> <p>A Belfast based event is scheduled for 10 February 2014, 10am-1pm in Grosvenor House Conference Centre, 5 Glengall Street.</p> <p>Members were granted authority to attend this event as an approved duty at the 24 January SP&amp;R meeting.</p> <p>The Department will then collate the feedback from the Focus Group Events and will also consult the Political Reference Group before putting the final proposals to the Environment Minister. The Minister will then draw up the Scheme of allowances which will then be released as a Local Government Circular and published on the DOE website.</p>
3	<p><b>Resource Implications</b></p>
3.1	<p>It is not possible to calculate the exact resource implications of any revised remuneration arrangements until final proposals are provided on the way forward and are agreed by the Minister for the Environment.</p>
4	<p><b>Equality and Good Relations Implications</b></p>
4.1	<p>There are no equality and good relations implications contained within this report.</p>
5	<p><b>Recommendations</b></p>
5.1	<p>Members are asked to note content of the report.</p>
6	<p><b>Decision Tracking</b></p>
7	<p><b>Key to Abbreviations</b></p>
7.1	<p>CRWG – Councillors' Remuneration Working Group SRA – Special Responsibility Allowance</p>

ONS – Office for National Statistics

<b>8</b>	<b>Documents Attached</b>
8.1	Appendix 1 – Detailed submission to NI Councillors Remuneration Panel Appendix 2 – Report of Councillors Remuneration Panel Appendix 3 – DOE Departmental Analysis and Proposed Response

## Review of councillor remuneration in the UK and Ireland

### Current situation in Northern Ireland

Section 31 of the Local Government Finance Act (Northern Ireland) 2011 provides for the payment of allowances by councils to their councillors and committee members, in accordance with the regulations.

The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 came into operation on 1 April 2012. The regulations state that a council shall make a scheme for the payment of allowances to councillors and committee members in respect of each year. The scheme must specify the amount of, or the means to calculate the amount of:

- Basic allowance
- Special responsibility allowance
- Dependents carers allowance (optional)
- Travel and subsistence allowances (optional)

### Current situation in Belfast City Council

Belfast City Council currently makes provision for the following types of payments to Councillors:

- a) Members allowances
  - *Basic allowance*
  - *Special responsibility allowance*
  - *Civic Dignitaries allowance*
  - *Policing and Community Safety Partnership allowance*
- b) Expenses
  - *Travel*
  - *Subsistence*

### Basic Allowance

At present, all Councillors receive a Basic Allowance of **£9,835**, the maximum level of allowance which is determined by the Department of the Environment.

Basic Allowance is intended to recognise the time commitment of all Councillors, including such inevitable calls on their time as meetings with officers and constituents. Basic Allowance is also intended to cover incidental costs incurred by Members in their official capacity, such as the use of their homes and the cost of any telephone calls, including mobile phone calls.

### Special Responsibility Allowance

The Council also pays Special Responsibility Allowances to those Councillors it considers to have significant, additional responsibilities over and above the generally accepted duties of a Councillor. The maximum rate of Special Responsibility Allowance is determined by the Department of the Environment and for Belfast City Council this is currently **£82,820** per annum.

The division of the Special Responsibility Allowance is based upon the positions held by individual Members either as Chairmen and Deputy Chairmen of Committees or as Officers within the Political Parties. The allocations are consistent with the Council's system of proportionality which seeks to allocate positions in accordance with the relative strength of the Parties within the Council. No councillor should be paid more than one SRA, and no more than 50% of councillors (excluding the council chairperson and vice-chairperson) should receive SRA. <sup>1</sup>

The amounts of SRA paid by Belfast City Council and the associated roles are outlined below.

Party Group Leader	£5,407 max (ranging down to £2,331 minimum)
Deputy Party Group Leader	£2,331
Party Secretary	£2,331
Chairman's Allowance	£5,176
Deputy Chairman's Allowance	£2,331

### Civic Dignitaries Allowance

Belfast City Council currently pays Civic Dignitary Allowance for the following roles:

	Personal Amount	Entertainment Amount
Lord Mayor	£34,800	£25,900
Deputy Lord Mayor	£6,250	£735
High Sheriff	£6,250	£735

**Dependents' Carers' Allowance** – rates of allowance determined by the Department of Environment

### Policing and Community Safety Partnership Allowances (PCSPs)

This allowance is 75 per cent funded by the NI Policing Board. Each councillor who is a member of the PCSP is allowed to claim £60 per attendance at each meeting (up to 20 meetings per year) and can also claim for mileage directly from the PCSP.

**Expenses** - standard subsistence allowances for conferences and visits as appropriate, and associated motor mileage and travel expenses.

<sup>1</sup> DOE Guidance for Councillor's Allowances, 6.9, pg13, March 2012



## Situation in other jurisdictions in Britain and Ireland

### Republic of Ireland

#### Basic Allowance

The Department of the Environment, Heritage and Local Government determines the level of Representational Payment which equates to the basic allowance for each councillor. The Representational Payment varies according to the type of Council with the highest level of payment, €16,724 – equivalent to **£14,021**, being made to councillors in County or City Councils as of 2013.

This year, the Minister for Local Government John Gormley capped the amount that councillors could claim in respect of attendance at conferences, seminars and other meetings or events. From this year city and county councils can pay a maximum of €4,700 – equivalent **£3940** (multiplied by the number of councillors in the local authority).

#### Special Allowance

An allowance of up to €6,000 (**£5,030**) per annum may be paid to councillors who chair Strategic Policy Committees (SPCs) in a city/county council. The decision to pay an allowance and its amount is a matter for determination by the members of the local authority.

### England

#### Basic Allowance

In England, local independent Remuneration Panels have the freedom to use any salary rate they feel is appropriate and, while many use the LGA rate, just as many use regional variations of the LGA rate or the straightforward GB all employees average salary.

Furthermore, it is the overwhelming practice in England for independent Remuneration Panels to apply a public service discount to the hours required to fulfil a backbench councillor role when determining the level of basic allowance. This usually varies from 25% to 50%, with 33% public discount appearing to be the norm. The public service discount is used to reflect an element of voluntary service and is a concept which is written into the statutory guidance which the independent Remuneration Panels in England must pay regard to when they consider allowances.

**Examples of highest basic allowance paid<sup>2</sup> in England are:**

- English County Council: Nottinghamshire - £12,906
- English Unitary Authority: Durham - £13,300
- English Metropolitan District: Birmingham - £16,267
- English Non-Metropolitan District: Bolsover - £9,902
- London Borough: Croydon - £11,239

## Examples of lowest basic allowance paid in England are:

- English County Council: Northamptonshire - £7,086
- English Unitary Authority: Rutland - £3,860
- English Metropolitan District: Trafford - £6,352
- English Non-Metropolitan District: South Ribble - £1,500
- London Borough: Kingston - £7,528

Given that local independent Remuneration Panels set the Basic Allowance in each local authority in England, it is difficult to make a direct comparison with any likely Basic Allowance for Elected Members across Northern Ireland.

Special Allowance

In England Special Responsibility Allowances (SRA) are paid to those Councillors who take on additional responsibilities, such as chairing a committee. The duties or responsibilities which may attract and SRA are set out in legislation<sup>3</sup>, although those duties and responsibilities are broadly defined. Some examples would be Chairman of the Council, Chair of a Committee, Group Leader and sometimes 'lesser' positions such as Vice Chair and Lead Member for a particular topic of interest or importance.

There is no restriction in England on the amount which may be allocated to SRAs by a Council.

<sup>2</sup> Source – The Taxpayers Alliance – Research Note 116 - 29 August 2012 – Councillors' Allowances

<sup>3</sup> The Local Authorities (Members' Allowances) (England) Regulations 2003

## Wales

Under the Local Government (Wales) Measure 2011, the Independent Remuneration Panel for Wales (IRPW) was given an extended remit for prescribing levels of remuneration for all Members of Local Authorities.

### Basic Allowance

In 2010/11 the IPRW had agreed to set the maximum basic allowance level at three fifths (60%) of the All Welsh Median Gross Salary level – which equated to **£13,868**.

However, evidence showed that the majority of councils chose not to implement the maxima and the IPRW has since decided to remove the link to the Median Gross Salary and issue a **prescribed amount**. The average gross salary in Wales had risen by 1.6%, which would have resulted in a significant rise in both levels of basic and senior councillor allowances if the link continued. The Panel determined that any increase in member remuneration would have been unacceptable to the wider public, as well as many councillors, at a time when the electorate's personal incomes and council services were under severe financial pressure.

The prescribed amount determined by the IPRW is now calculated as **-5%** of the previously set maxima (£13,868), which equates to a **basic allowance** of **£13,175**.

### Special Allowance

The SRAs for leadership and executive roles (which the evidence collected by the Panel indicated a requirement for a full-time commitment) were based on multipliers of the median salary geared to the relative population size of councils. SRAs for committee chairs were equalised throughout Wales to reflect the Panel's conclusion that these roles were functional and did not vary according to population. However, the link has now been broken with the median salary and **prescribed amount** determined by the IPRW is now calculated as **-10% of the previously set maxima**.

The responsibilities which may attract an SRA are specified in bands and placed in groups according to council population (See below for 2013/14 salaries).

**Prescribed amounts for Special Responsibility Allowance in Wales 2013/14**

	<b>Group A</b> (over 200,000)	<b>Group B</b> (between 100,000 and 200,000)	<b>Group C</b> (up to 100,000)
<b>Basic Salary</b>	<b>£13,175</b>	£13,175	£13,175
<b>Senior Salaries (inclusive of Basic Salary)</b>			
<b>Band 1</b>			
Leader	£52,700	£47,500	£42,300
Deputy Leader	£37,100	£33,460	£29,820
<b>Band 2</b>			
Other Executive	£31,900	£28,780	£25,660
<b>Band 3</b>			
Committee Chairs	£21,910	£21,910	£21,910
Leader of largest opposition group	£21,910	£21,910	£21,910
<b>Band 4</b>			
Leader of other political groups	£16,920	£16,920	£16,920
<b>Civic Salaries</b>			
Civic Head (Mayor)	£23,715	£21,375	£19,035
Deputy Civic Head (Deputy Mayor)	£18,445	£16,625	£14,805

Remuneration is also provided for care allowance (up to £435pm) and standard travel and subsistence allowance.

Northern Ireland implications

If the original IPRW calculating mechanism (three fifths of the median gross salary) was applied in Northern Ireland, it would result in a maximum **Basic Allowance** of **£14,407**.

However, if the maximum were to be reduced by 5% as it was in Wales, this would result in a **Basic Allowance** of **£13,687**.

With regards to the **Special Responsibility Allowance** - it is possible to carry out indicative calculations based on the same multipliers of the basic allowance for a population of over 200,000 which was used by the IPRW.

Using an indicative basic allowance of £13,687, the calculations for Northern Ireland if following the Welsh model would be as follows.

Executive	£33,140	(basic allowance X 2.42)
Committee Chairs	£22,761	(basic allowance X 1.66)
Mayor	£24,637	(basic allowance X 1.8)
Deputy Mayor	£19,162	(basic allowance X 1.4)

It is important to note that any proposal for increasing SRA will have to be reviewed following the creation of new councils in 2015. In 2015, when functions are transferred from Government Departments, Councillors will have additional responsibilities such as planning development and new functions such as community planning. These transferred and new functions may necessitate Elected Members undertaking specific roles which would warrant the payment of an SRA.

The amount of SRA, both pre 2015 and following the creation of the 11 new councils, must be established at a level which reflects adequately the roles and responsibilities undertaken by key players in the Council and at the very least should be **4 times** the current maximum of £82,800 – which would be **£331,200**.

## Scotland

### Basic Allowance

In Scotland, the most recent Scottish Local Authorities Remuneration Committee (SLARC) report in 2010 recommended that the benchmark to assess the worth of a Councillor's time should be the median gross salary in Scotland for full time employee. It is considered that the time required to undertake the duties of a Councillor was around 75% of the average working week.

Unlike in Wales, SLARC have decided to retain the link to the median gross salary which is currently £25,221 (Dec 2010). The recommended annual salary for Councillors is therefore **£18,916**. Significantly, SLARC has not explicitly built in a public service discount to the recommended Basic Salary.

### Special Allowance

With regards to the calculation of allowances for leaders, senior councillors and civic heads, SLARC recommended that the link to the median gross salary be retained. The starting point is the calculation of the leaders salary, with salaries for senior councillors being calculated using a formula based on the leaders salary.

SLARC have assigned councils into bands based on their estimated expenditure as opposed to their population size. The **Leaders' Salary** is based on multipliers of the median gross salary geared to the estimated expenditure of councils across the bands.

Leaders in Band A - £25,221 X 2.5	= £63,053
Leaders in Band B - £25,221 X 2	= £50,442
Leaders in Band C - £25,221 X 1.75	= £44,137

The **Senior Councillors' Salary** is calculated as 75% of the Leaders' salary as follows:

Band A councils - £63,053 X 0.75	= £47,290
Band B councils - £50,442 X 0.75	= £37,832
Band C councils - £44,137 X 0.75	= £33,103

The allocation from which councils may remunerate senior councillors (other than the leader) is calculated by taking the mid-point between the upper and lower salary levels, and multiplying that by the maximum permitted number of senior councillors (not including the leader whose salary is set centrally).

The **Civic Head and Deputy Civic Heads' salary** should be determined by the council up to 75% of the salary paid to the Leader.

Northern Ireland implications

In Northern Ireland, it would not be possible to run this system in the absence of a model which included a Council Leader. However, a hypothetical running of the formula would result in the following indicative figures for Belfast (which would naturally fall into Band B in the Scottish model):

Basic Salary - £24,011 X 0.75	= £18,008
Leaders Salary (Band B) - £24,011 X 2	= £48,022
Senior Councillor Salary - £48,022 X 0.75	= £36,017

Calculating the allocation amount from which councils can remunerate senior councillors (other than the leader)

- Step 1: Leader's salary = £48,022
- Step 2: minus 25 per cent = £36,016
- Step 3: minus councillor's basic salary of £18,008 = £18,008
- Step 4: divide by 2 to establish mid-point = £9,004
- Step 5: plus the councillor's basic salary of £18,916 = £27,012
- Step 6: multiply by permitted number of senior councillors (19) = **£513,228\***

\*This figure would depend on the permitted number of senior councillors by specific council. Band A (Glasgow are permitted 30 and Edinburgh 24), Band B – 19, Band C – 14 (with some exceptions), Band D – 9.

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**Report of the  
NI Councillors' Remuneration Panel  
to the  
Minister for the Environment**

Date: 1<sup>st</sup> November 2013

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## Chapter A: Summary of recommendations

We make the following main recommendations:

- **Remuneration in reformed councils in 2015:**

**(a) Basic allowance:** All councillors should be paid a basic allowance of **£12,000pa**. We believe that an increase on the present £9,738 is justified because of inflation since the rate was allowed and because of increased responsibilities of new councils. We concluded that approximately 50% of the median NI full-time wage in 2012 (ONS) would be fair. (The closest amount is £12,006pa but we rounded for simplicity and administrative ease.) We also recommend that all councillors in DEAs with mean electorate larger than 3,000 (i.e. 1: 3000 and higher councillor: electorate ratio) should be paid **£1,200pa** (10%) more, because of the increased load of constituency work there.

**(b) Special responsibility allowance for committee chairs or cabinet members:** These should be paid as per the following categories:

Council electorate less than 120,000	<b>£5,000pa</b>
Higher but less than 200,000	<b>£7,000pa</b>
Higher than 200,000	<b>£9,000pa</b>

The import of decisions increases broadly as populations and budgets increase. We based the amounts on a day a fortnight extra, related to a reasonable executive director salary, since a committee chair or cabinet member could be supervising their subject. We also recommend that councils with electorates up to 200,000 pay maximum **10** such SRAs and the council with electorate higher than 200,000 maximum **12**; we consider those should suffice to cover well all subjects/responsibilities in the new arrangements.

**(c) Special responsibility allowance for chair or mayor:** These should be as follows:

Council electorate less than 120,000	<b>£15,000pa</b>
Higher but less than 200,000	<b>£21,000pa</b>
Higher than 200,000	<b>£27,000pa</b>

We based these amounts on approximately a day a week extra, related to a reasonable chief executive salary, since the chair or mayor could be supervising their work. If a chair decided to split their civic duties with another member then we recommend that they share the allowance as that Council sees fit.

**(d) Productivity allowance for chair or mayor:** Given the great interest rate-payers show in rewarding councillors for jobs or economic results produced, we recommend that each council ask its constituents whether its chair or mayor should be awarded a productivity allowance based on an annual report. If more than 50% voting agree, the award could be up to a maximum of **50% extra** of their special responsibility allowance. We recognise that a suitable mechanism and guidance will have to be developed to facilitate this process.

**(e) Vice-chairs:** We believe that vice-chairs of council or committees should only be paid extra when they are standing in for the chair and should receive a pro-rata special responsibility allowance for time actually spent in the respective role.

**(f) Indexing:** We recommend that all these allowances be indexed to change with the median NI full-time wage as certified by ONS, so that dependence on economic well-being is established.

- **Remuneration in shadow councils in 2014: 50%** of all the 2015 allowances should be paid for the shadow period. This is because the constituency work is likely to be shared with councillors of the current 26 councils and will therefore be less demanding as shadow councils would concentrate on transition planning work. Councillors who are members of both current and shadow councils should be paid for both roles.
- **Travel and subsistence allowances for “approved duties”:** Either full repayment of public transport costs or a mileage rate as per NICS rates should be allowed. Maximum mileage per councillor should be increased to **10,000 miles pa** because data suggest some rural councillors might otherwise be disadvantaged. Subsistence should be the same as for council executive directors. These costs are a small share of the overall costs of councillors and thus more elaborate systems are unnecessary.
- **Caring or dependant carers’ allowance:** The limit for the standard care allowance should be increased to **£329 per month**, subject to present checks, to remove the perceived barrier to increased participation by underrepresented groups. The specialised care allowance should also be brought in line with this, increasing to **£658 per month**.
- **Office support allowance:** Each councillor should get either **£1,000pa** plus a mobile telephone, with all NI calls paid, or actuals, as agreed by that council. We find this essential for reasonable working and recommend that centralised procurement for all councils be considered for economies of scale.
- **Training and development (attendance) allowance: £200 per day** for maximum three days per year to each councillor and four days to each committee chair, cabinet member, chair or mayor should be paid if approved training and development is undertaken for that time. This is in addition to the actual cost of the training which should be covered from the council’s training budget. We consider putting greater value on training or development completion essential for tax-payer value.
- **Indexing of DCA, office support, training and development allowances:** CPI should be used, as it is appropriate for costs.
- **Tax-payer value:** The total cost to the tax-payer of all these recommendations will be approximately **£6.5m** and should not exceed present costs on councillors’ allowances.

## Chapter B: Chair's Introduction

The Minister for the Environment asked us to make recommendations so that councillors are fairly compensated for increased responsibilities that councils will take on in 2015 after the reform programme. He also asked us specifically to consider remuneration in other jurisdictions such as Scotland, Wales and Ireland, and to attract "non-traditional" applicants.

Thinking through these issues we were able to isolate the following main criteria:

- Acceptance by rate-payers
- Affordability and relevance to the public-sector
- Simplicity and administrative ease
- Fair reward.

As we worked we reaffirmed that councillors fulfil valuable and respected roles. However, we did not find enough parity with other jurisdictions. In most other places, councils are responsible for other subjects such as state schools as well as social care, which are sizeable subjects for reach and expenditure. We also found that unfortunately rate-payers' interest in and knowledge of the councillor role are limited. When pressed, they found an allowance of £10,000pa adequate and were keen that councillors were rewarded for outcomes they produced, mainly to do with jobs and economic activity.

Of course we tried very hard to travel all over Northern Ireland (NI), meet and listen to as many people as possible and to read as much as possible in the six months we had. We gave particular attention to listening to present councillors and bodies either representative of them or relevant to the subject as well as recent studies of remuneration. Annexes to the report will give you examples of this.

I think we are recommending fair allowances. Fair to councillors, fair to rate-payers and fair to the important work new councils will do. We are also recommending a few innovations, for example:

- (i) testing of a productivity allowance for chairs/mayors,
- (ii) indexing the allowances to the median NI full-time wage.

Both would link reward to jobs or economic outcomes and respond to rate-payers' demand.

Lastly, we recommend that the Minister commissions a review of all these allowances in due course, by which time evidence whether non-traditional applicants have been attracted and engagement built with the public should be available.

We remain grateful that we were given this important role and hope we can play a role in implementation of the Minister's decisions. We would welcome views from anyone interested so that our future work can be further improved. Last but not least, thanks are due to many people listed in an annex, but I would like to warmly thank all members of the panel (see annex for biographies) and the secretariat for their unfailing devotion and collaboration.

Deep Sagar

## Chapter C: What we set out to do (and what we chose not to do and why)

1. **Pay for responsibility:** We decided that responsibilities must determine reward. Thus to determine the right balance we looked at three alternative methods of arriving at responsibility: (a) a conceptual framework, (b) comparing with other jurisdictions and (c) comparing with other jobs.
2. A conceptual definition proved very difficult. It is easy to see that a councillor handles constituency work, i.e. supporting and advocating for constituents, and attending council and committee meetings, as well as some other relevant meetings. However, the evidence we received shows that a councillor's working pattern varies substantially according to their personal circumstances, with a wide variation in the reported time spent on council duties -- ranging from one to seven days per week. While the latter was inconceivable, we interpreted it to mean that councillors are available 24-7 to their constituents. We also completed some work on a role description and person specification (see annex). Longer-term this whole area is potentially important.
3. At the same time, from some of our listening to rate-payers (see annex for surveys), we found that they generally understood the role to be part-time, but acknowledged that it could place demands on the councillor to be available in the evenings or over weekends as well.
4. We also received different estimates of the time committee chairs and chairs/mayors spent on their extra responsibilities. It was a widely held perception that most committee chairs simply ensured order and due process at meetings rather than strategically managing their subject. While chairs or mayors may work full-time this was largely on civic, representational duties. We believe there is a real opportunity for chairs/mayors and committee chairs or cabinet members to take a much more valuable strategic and influential role than at present, setting the agenda and supervising the work of the relevant director and department or, in the case of the chair/mayor, the chief executive and full council. We concluded that committee chairs or cabinet members would need an extra day a fortnight and chairs or mayors need an extra day per week to deliver these leadership responsibilities, with the latter possibly needing more time for civic duties.
5. While we considered a comprehensive list of schemes applicable in Ireland, Scotland, Wales and some English councils (see annex) we found relevant lessons from them to be limited. For one thing there was no precedent of a similar shadow period nor were the responsibilities being fulfilled uniform across boundaries. In particular, responsibilities for state schools and social care impose major demands on many councils elsewhere in terms of significance of decisions and amounts of money spent.
6. **Functions in shadow form:** We are aware that much work is proceeding to get councils ready for the shadow period. We determined that transition to the statutory reformed council in 2015 would be their main responsibility. Thus something akin to mergers in the private sector – getting structures, systems and compliance right.

7. **Comparable jobs:** Once again there was no unanimity about which other jobs in society the councillor job could be fairly valued equal to. Older councillors thought of a trades-union official, younger ones a retail store manager or school head teacher, while rate-payers gave the example of head teacher, middle management or a civil servant.
8. **Outcomes:** Most people we spoke with were keen that councillors should be encouraged to deliver real outcomes to meet local priorities. Councillors in general wondered if performance measurement was practicable at all and felt content that voters had their say every four years in effect, preferring if pressed to have attendance at meetings monitored. Rate-payers on the other hand were keener on performance being measured and rewarded and would like a link with achievement of jobs or economic growth. Many expressed concern about the current difficult economic climate and some indicated a desire for councillors' remuneration to reflect typical NI wages.
9. **Non-traditional applicants:** We thought deeply about how working people with other employment or self-employment and others such as women, younger people and minorities could be attracted to stand for councillor. We agreed that caring or dependant carers' allowances could be important in addressing some of the barriers for a sizeable section of the population. We specifically considered if a financial loss allowance could be used so that people from all walks in life could be compensated for losing their other income. However, we determined that for equality and practicality reasons this could not be recommended. Similarly, we could not go further on issues such as maternity pay, given the limited data we had (see annex 6).
10. **Office support and training and development:** Given the demands on councillors we concluded that office support, of the kind that councils are already providing, was crucial. Broadband, mobile telephones, laptop, printer and the like are essential and we feel that councils could extract significant economies through central procurement. We did consider office space and secretarial support specifically for all councillors but in the event dropped the subject since costs and practicality were difficult to work through given the almost 500 councillors and 11 councils in play. On training and development we noted that most councils and councillor bodies have programmes to support training and development. We still felt that councillors should be encouraged to participate and rewarded by token amounts for completing relevant training and development.
11. **Mileage:** Many councillors raised the income-tax implications related to mileage issues with us. Given the time and data available we could not do justice to the subject but feel that HM Revenue and Customs (HMRC) should be encouraged to consider a councillor's home as their office location when considering official travel. Rural councillors raised the issue of the limit of 8,500 miles pa being a barrier. Having considered the data for the new proposed council boundaries we concluded that it could be so for some councillors who will have to travel further and recommend that the limit be taken up to 10,000 miles pa. On the rate for mileage we considered that it could be pegged to local council rates but for simplicity and practicality concluded that parity with NI Civil Service (NICS) would be fair and in line with current HMRC mileage rate limits, which have been pegged to encourage environmentally friendly vehicle use. We would also recommend that councillors

increase car sharing to council meetings and follow the council's guidelines as far as possible on the Green Agenda by increasing the use of alternative modes of transport such as public transport using the bus or train, cycling to meetings and by considering walking whenever possible. Councils should give consideration to discounted travel cards on public transport, workplace parking for bicycles and incentivising the purchase of bicycles and safety equipment.

12. **Pension:** We did some work on councillor pensions and met with a representative of NI Local Government Officers' Superannuation Committee. However, it became clear that the subject of pensions was beyond our remit and therefore we did not pursue this analysis. We did notice however that although membership was automatic some councillors had opted out of the scheme with some of the current councils having 27 members in the scheme whilst other councils had only two or three councillors contributing. We did feel that the present scheme is a good one with a defined benefit of  $1/60^{\text{th}}$  of career average of each year served. The pension scheme should be seen as another part of the total remuneration package and we recommend that it should be positioned as such in any future awareness or attraction campaigns. However, we feel that the local government pension scheme could be improved further if portability, i.e. taking it away to a new scheme after a councillor leaves or bringing in from an old pension when a councillor first starts, could be introduced.



## Chapter D: How did we do it?

1. As an independent panel we tried to maximise the value to the work from the experience each of us had from different fields. Thus we worked such that all decisions were made collectively and all the work was shared. Thus one member took lead responsibility for a discrete element and all others played a supporting, value-adding role. While we had frequent meetings (see annex 3) we were in almost daily touch by email and on an intranet workspace.
2. **Challenge and rigour** were the defining principles of our work. Thus all the material we read or heard we questioned, debated and looked for supporting evidence.
3. **Consultation:** Since the councillor role is hugely important and a critical public service, we were passionate about consulting widely and listening to others, although we were disappointed at the poor response to advertised public consultation sessions (see annex). Among the people and organisations we consulted were the following:
  - Other jurisdictions – remuneration reports from Ireland, Scotland, Wales, parts of England
  - NI Department for Environment (DOE) officials and the Minister
  - Councillors – a cross-section of present councillors, committee chairs, chairs/mayors
  - Relevant bodies like the National Association of Councillors (NAC), NI Local Government Association (NILGA), NI Society of Local Authority Chief Executives and Senior Officers (SOLACE)
  - NI Council for Voluntary Action (NICVA) publicised the consultation through their emailed bulletin to over 1,000 community and voluntary sector organisations
  - Political parties of the Political Reference Group
  - Academics and politics students
  - Ratepayers
  - The Public

We made significant efforts to engage with ratepayers and the wider public, as key stakeholders and users of council services. Specifically, we commissioned two pieces of research, conducting regional focus groups and an online survey, which provided us with views on the role of the councillor and remuneration from more than 500 ratepayers who were targeted to represent the NI population (see annexes 7).

To accomplish our extensive consultation we travelled widely. We went to many parts of Northern Ireland including Newtownabbey, Coleraine, Ballymena, Craigavon, Derry/Londonderry, Strabane, Enniskillen, and Stormont, and indeed offered to go to many more.

4. Very early on we settled on a broad project methodology and timetable and stuck rigorously to them while challenging our preconceptions as well as preliminary conclusions. This methodology emphasised defining the roles and responsibilities, considering remuneration alternatives based on the criteria, listening carefully to

submissions and research and specifically addressing each, considering barriers/perceptions and so on in the context of non-traditional applicants specifically, thinking about shadow and reform council responsibilities, and learning from others. We promptly reported all our agendas and minutes on the DOE web site and welcomed contact from anyone interested.

5. We did have limitations of budget and resources but, subject to those, fulfilled all Nolan values. In particular we were sensitive to the ones demanding openness and transparency.

## Chapter E: What did we learn?

Obviously we learnt a huge amount. But the main insights to report are as follows:

- **The public:** We will not pretend that we could not have done more to contact the public and rate-payers. However, we could not but conclude that the public showed limited interest in the subject of councillors and unfortunately demonstrated limited knowledge of what councillors and councils do. At the same time the public and rate-payers show a lot of interest in linking pay to outcomes produced and the concept of performance pay. They are also keenly aware of the difficult economic situation that the median NI full-time wage is about £24,000pa and that jobs and economic activity are the main results they would want from councillors. (see annex )
- **Non-traditional applicants:** We spoke to students, academics/researchers and used our own experiences and insight to get a handle on this vital issue. We heard that non-traditional applicants feel constrained because becoming a councillor may require them to join a political party. We also felt that the knowledge of rewards on offer is limited. More work is also necessary than we could do, on examining issues such as financial loss allowance, maternity pay, job-share and evening meetings, so that possible barriers could be removed or reduced.
- **Present councillors:** We talked to councillors from a wide range of backgrounds, political affiliations and circumstance. These included councillors who are employed or self-employed elsewhere full-time or part-time, and those who are retired. Our overwhelming feeling towards the councillors we met was of respect. Those we met showed a high degree of selflessness and huge commitment to their constituents and council areas. Most appear to be available to constituents at all times of the day and night and few, if any, appear to be motivated to do this work for financial reasons. Yet we did feel that councils and political parties add to an already heavy work-load by asking councillors to be at many meetings where they have very limited, if any, influence by definition and are not the best use of their capacity. Many councillors are also involved in meetings and forums where again the link to a council's responsibilities is tenuous or where council staff could possibly handle that contact. Councillors participate in some external roles which some of them believe they should be remunerated for, yet these are voluntary roles fulfilled by non-councillors as well. We also heard that some political parties handle committee chair and chair/mayor roles by rotation. We would encourage greater efforts to put the right expertise in the right roles for longer periods of time to improve outcomes.
- **Shadow and reformed 11 councils:** We are aware that DOE, NILGA and others are doing a lot of work on shadow and reformed councils. However, among existing councillors we did find very limited conceptualisation and understanding of what shadow and reformed councils will do and how they would structure and organise themselves for best results.
- **Pay increase:** We do realise that pay is a sensitive subject and asking for your own pay to increase is not the easiest of issues to handle, especially in public service. While we did receive many submissions for increase in allowances (only rate-payers and a rare councillor or two suggested a decrease or voluntary work), very few offered rationales that were fully reasoned. Three main arguments were put forward;

each was incomplete as conceived. First, new responsibilities of councils, especially planning, were highlighted. However, not many could counter why -- if the role was as an employer and similar to a board -- governance could not handle the addition of new subjects without substantial ill effects since organisations, i.e. staff, would be employed below that structure to execute. (The general duty of competence was also mentioned as a game-changer. While it could be so, the evidence from England is unclear and we agreed that evidence of its working was essential before major conclusions were drawn.)

Second, a lot of store was set by the time required to do the job and many suggested they worked full-time. However, this was of course inconsistent (the last survey of councillors showed, e.g., over 60% with second jobs and MLAs doing this role reported spending about 12 hours a week) and difficult to reconcile with what other boards are able to do, albeit without constituent representation responsibilities.

Third, many pointed to other jurisdictions like Scotland and Wales paying more. We believe such comparisons failed to take into consideration the much larger role of councils in these jurisdictions, including the responsibility for subjects such as state schools and social care which fall outside the role of reformed NI councils.

- **Current perceptions:** One of the saddest points was the widely held perception among many including elected representatives that present councillors might not be doing justice to their roles or remuneration. We were frequently told that councillors, committee chairs and chairs/mayors were “rubber-stamping” what council staff wanted and were “puppets” of the council chief executive. We concluded that there may be a range of reasons for this, including possibly limited training and development and/or confidence to challenge.
- **Mileage idiosyncrasy:** The subject had its share of idiosyncrasies. Many councillors raised the issue of car mileage, both that the 8,500 miles’ limit was not enough in rural councils and that HMRC was causing difficulty by questioning if home to council travel could be counted as tax-free. We were also asked by some to consider if HMRC’s limit on tax-free travel (10,000 miles at the higher rate) was fair but we concluded this was beyond our purview.

## Chapter F: What do we think should happen?

We make the following main recommendations:

- **Remuneration in councils in 2015:**

**(a) Basic allowance:** All councillors should be paid **£12,000pa**. We believe that an increase on the present £9,738 is justified because of inflation since the rate was allowed and because of increased responsibilities of new councils. We concluded that approximately 50% of the median NI full-time wage in 2012 (Office for National Statistics, ONS) would be fair. We rounded the amount so that it is administratively simple to execute (the ONS report the median full-time annual earning to be £24,011.) We also recommend that all councillors in DEAs with mean electorate larger than 3,000 (ie, 1: 3,000 and more councillor: electorate ratio) should be paid **£1,200pa** (10%) more, because of the increased load of constituency work there. (The mean electorate per councillor will be 2,696 but the smallest DEA councillor to electorate ratio is 1 : 1,938 and the largest 1 : 3,796. Making a cut-off at 3,000 given that many districts have larger electorates appears not unreasonable.) We specifically considered if councillors should get a per day or per meeting fee, as suggested by some. We rejected that, as remuneration should not be based on inputs and rather than incentivising inputs we need to be focusing if possible on outcomes, or outputs.

**(b) Special responsibility allowance for committee chairs or cabinet members:**

These should be paid as per the following categories:

Council electorate less than 120,000	<b>£5,000pa</b>
Higher but less than 200,000	<b>£7,000pa</b>
Higher than 200,000	<b>£9,000pa</b>

The importance, financial scale and potential impact of decisions increases as populations and budgets increase. (The mean local authority electorate as per current proposals would be 113,247 though the smallest would be 81,065 and just three would be above the mean: Newry and Mourne and Down 120,095, Armagh, Banbridge and Craigavon 139,285 and Belfast 214,337.) We based the amounts on a day a fortnight extra related approximately to a reasonable executive director salary, since a committee chair or cabinet member could be supervising their subject. We also recommend that councils with electorates up to 200,000 pay maximum **10** such SRAs and the larger council maximum **12**; we consider those should suffice to cover well all subjects/responsibilities in the new arrangements.

**(c) Special responsibility allowance for chair or mayor:** These should be as follows:

Council electorate less than 120,000	<b>£15,000pa</b>
Higher but less than 200,000	<b>£21,000pa</b>
Higher than 200,000	<b>£27,000pa</b>

We based these amounts on approximately a day per week extra related to a reasonable chief executive salary since the chair or mayor could be supervising their

work. If a chair decided to split their civic duties with another member then we recommend that they share the allowance on an appropriate basis as determined by their council.

**(d) Productivity allowance for chair or mayor:** Given the great interest rate-payers show in rewarding councillors for jobs or economic results produced, we recommend that each council ask its constituents based on an annual report if its chair or mayor be awarded a productivity allowance. If more than 50% voting agree, the award should be up to a maximum of **50% extra** of their special responsibility allowance. We would then recommend that tests of similar productivity allowances be carried out for committee chairs or cabinet members and all councillors in a phased manner. We recognise that a suitable mechanism and guidance for this process will be required. We were asked by some to consider the number or percentage of meetings attended as a proxy for productivity. While we can understand that constituents would want their interests represented, we rejected this as measuring inputs and thus not a welcome way of assessing productivity. At the same time we feel that councils should be able to enforce attendance requirements if they would like to, without our intervention.

**(e) Vice-chairs:** We recommend that vice-chairs of council or committees only be paid the respective chair's special responsibility allowance for the meetings they actually chair on a pro-rata basis. We believe that the vice-chair's role should be: working as chair if the chair is absent; we do not believe that compensation is deserved for other support that the vice-chair offers.

**(f) Indexing:** We recommend that all these allowances be indexed to change with the median NI full-time wage as certified by ONS, so that dependence on economic well-being is established.

- **Remuneration in shadow councils in 2014:** 50% of all the 2015 allowances should be paid for the shadow period. This is because constituency work would be much less and shadow councils will concentrate on transition planning work. The very few representations we did receive specifically on shadow councils suggested the pay should be the same as the new councils, or as at present, but we do not agree, as we have seen no compelling evidence to suggest the work-load or responsibilities would be comparable to those of councillors in current 26 councils. Councillors who are members of both current and shadow councils should be paid for both roles, as we support the principle of reward for responsibility. Existing councillors of 26 current councils will continue on the current level (£9,738 per annum) as they were not within our remit.
- **Travel and subsistence allowances for "approved duties":** We believe the present definition of "approved duties" by DOE – for which travel and subsistence are allowed – is appropriate. For "approved duties" either full payment of public transport costs or a mileage rate as per NI Civil Service (NICS) rate should be allowed. Maximum mileage per councillor should be increased to **10,000 miles pa** because data suggest some rural councillors are otherwise disadvantaged. Subsistence should be the same as for council executive directors. We did not receive any representation on subsistence. Travel and subsistence costs are a small

share of the overall costs of councillors and thus more elaborate systems are unnecessary.

- **Caring or dependant carers' allowance (DCA):** The limit for the standard care allowance should be increased to **£329 per month**, subject to present checks, to remove the perceived barrier to increased participation by minority groups. The specialised care allowance should also be brought in line with this, increasing to £658 per month. Based on our experience and limited research we think this change would help and the increased allowance better reflects the actual current cost of such caring support.
- **Office support allowance:** Each councillor should get either **£1,000pa** plus a mobile telephone with all NI calls paid, or actuals, as agreed by that council. We find this essential for reasonable working and recommend that centralised procurement for all councils be considered for economies of scale.
- **Training and development (attendance) allowance: £200 per day** for a maximum of three days per year to each councillor and four days to each committee chair, cabinet member, chair or mayor should be paid to encourage participation, if approved training and development is undertaken for that time. This training and development activity has to be relevant and job-focused and thus should be authorised in advance by either the chair/mayor or the chief executive of the council. This allowance should not be used to pay for training costs which should continue to be covered by training and development budgets within council. We do support placing greater value on relevant training and development, so that tax-payer value is increased over time.
- **Indexing of DCA, office support, training and development allowances:** The Consumer Prices Index (CPI) should be used, as it is appropriate for costs.
- **Tax-payer value:** The total cost to the tax-payer of all these recommendations will be approximately £6.5m and should not exceed present costs on councillors' allowances. We were not specifically charged with being within a budget but our criteria dictated that at least we made some attempts at quantification, without implying that public servants do not deserve more.

## Chapter G: What else would be useful?

We cannot resist the temptation of suggesting some practical things, as follows, which could improve matters, given all the things that we have learnt:

- **Rate-payers/the public:** The strongest recommendation we have is for DOE and all councils and relevant bodies to engage with the public and rate-payers so that they understand more of the councillor and council roles and participate in their important decisions. Helping each councillor and council to have better, closer contact with constituents using the internet and mobile telephones would be a positive step; one simple step would be to have a web portal with each councillor having a micro-site with interactive contact with readers.
- **The media:** We wrote to the larger local newspapers, BBC NI and Radio Ulster to publicise our consultation with the public but sadly none of them published our letter. (In fact the only media mention of our work was in an intrepid regional newspaper.) We think the media need to be actively encouraged to publicise councillor and council work. Thus televising council proceedings or streaming those on to the internet should be de riguer. Lessons should be learnt from the greater awareness the public have of MLAs and MPs' work because proceedings are televised.
- **Mentoring:** Mentoring or awareness programmes for new councillors should help bring more women, minorities and non-traditional applicants to be councillors.
- **Productivity allowance:** Testing this as follows is recommended: chairs/mayors (2014), committee chairs or cabinet members (2015), all councillors (2016-2018).
- **Annual outcomes' report:** Requiring each chair/mayor and committee chair/cabinet member to write an annual outcomes' report for public circulation would help.
- **Training and development:** Offering all councillors a week a year shadowing either an MLA or MP would be a good investment.
- **Governance training:** Councillors should be offered training in corporate governance or boards' work and placement with public or private-sector boards, so that equivalence of councils' work with corporate governance (outside of constituent representation) is better understood.
- **Locally relevant remuneration:** DOE could allow councils the opportunity to propose variations on a central remuneration model, on the basis that a business case would be required and all costs would be borne by that council's existing budget so that rate-payers could have some influence. The Councillors' Remuneration Panel could develop broad parameters for assessment of any proposed variations at a later date.
- **Role descriptions, person specification, and appraisal:** Groups of councillors should be encouraged to work together to agree an NI-wide set of role descriptions, person specification descriptions and appraisal methods including peer reviews.



## Chapter H: What will we do now?

We will consult DOE to see if we could help them or councils to do either the following or other relevant work:

- Help with implementation of the Minister's decisions consequent to our recommendations
- Test new initiatives such as the productivity allowance
- Help with council-specific business cases for variation of remuneration
- Work with NILGA and others to develop a recruitment, training, development, appraisal and communication plan for councillors
- Develop specific measures to attract non-traditional applicants to the role
- Review the outcomes consequent to our recommendations, once the role and responsibilities of councillors, chairs/mayors, committee chairs and cabinet members (if appropriate) in reformed councils have been better developed
- Consider the development of mechanisms for better engagement of the public in council life and approaches to improve understanding of councillors' role and councils' functions
- Support the development of organisational and governance structures including issues such as cabinet system, in the shadow period of new councils.

## Annex 1: Panel biographies and terms of reference

**Deep Sagar** (Chair): Deep Sagar is a non-executive director and management consultant with experience of remuneration and reward systems across sectors. His main background has been as a senior manager in multinationals like Coca-Cola. More recently he has worked closely with councillors including being member of a planning committee and chairing local authority owned companies. His other present roles include being non-executive director of NI Water, independent board member of NI Department for Social Development and chair of audit at the Social Security Agency.

**Alison McVitty** is an independent Human Resources Consultant with a career that spans the private, public and voluntary sectors. She brings expertise across a spectrum of HR areas, and, with a consultancy background in financial services with Ulster Bank, she also has significant experience in project and change management, including e.g. introducing new terms and conditions of employment, performance management systems and people development initiatives. Alison has experience of working directly with councillors through her involvement in the recruitment processes for District Policing Partnerships and, more recently, the Policing and Community Safety Partnerships. She was also, until recently an Independent Assessor for the Commissioner for Public Appointments. Alison is a graduate of Queen's University Belfast, and is a Chartered Fellow of the Chartered Institute of Personnel and Development.

**Sarah Havlin** lives in Bangor and is currently the Certification Officer for Northern Ireland dealing with the regulation of Trade Unions. She has a wealth of experience in the legal profession where she specialised in employment law and in the public sector where she has focused on HR, regulation and compliance. She gained experience of local government in her role as Assistant Boundaries Commissioner and she sits on several remuneration panels for the Health and Agriculture sectors focusing on terms and conditions of pay. Sarah has extensive legal skills and experience in the area of the application and interpretation of law and practical cross sectoral experience in the specific area of the setting pay rates and the assessment of terms and conditions of service. She has strong communication and negotiation skills, has undertaken public consultations exercises, understands how to build consensus and has worked successfully in and with teams.

**David Williamson** lives in Lisburn. He runs a consultancy business specialising in HR, corporate governance and organisational development. He has worked with a number of councils, understands the role of councillors and has experience of salary management and remuneration issues in his role with the Doctors and Dentists Review Body, where he has reported on the remuneration of dentists and consultants across the UK jurisdictions. David has extensive experience of remuneration management in both public and voluntary sector contexts and has 25 years in depth experience in public sector consultancy covering a range of areas including leisure and community services, advice, health, social housing and regeneration. This work involved regular deadline-driven sensitive projects.

**Hugh Bonner** lives in Ballynahinch. He has just retired from BT after 40 years' service and has been on a board of governors of a secondary school for over 22 years and is currently Chair of the Finance Committee. Through this experience, he has demonstrated knowledge of organisational development, HR and corporate governance. He has developed good communication skills, particularly in dealing with staff to deliver difficult HR messages and he successfully completed a pay and grading project for BTNI, following a national model. He also has experience of negotiating large contracts and has played a lead role in the roll out of super-fast fibre optic broadband on behalf of DETI to over 90% of the population in NI. As Senior Resource Manager in BTNI Hugh has a proven track record of delivering world class quality of service targets for repair and provision.

**TERMS OF REFERENCE**

1. The Local Government (Councillors' Remuneration Panel) Regulations (Northern Ireland) 2012, which came into operation on 10 September 2012, provide for the establishment of the Councillors' Remuneration Panel for Northern Ireland. This is an independent panel which will conduct a review of councillors' remuneration and advise on the system and level of allowances that would be appropriate for the new councils.
2. The Local Government (Councillors' Remuneration Panel) Regulations (Northern Ireland) 2012 provide that the work of the Councillors' Remuneration Panel for Northern Ireland will be directed by the Department of the Environment.
3. The Councillors' Remuneration Panel for Northern Ireland will advise the Minister of the Environment and the Department on a system and level of allowances that will fairly reflect the roles and responsibilities that councillors will be taking on in the new councils, post-reform.
4. The allowances which are currently available to NI councillors are:
  - basic allowance which covers anything done in connection with service as a councillor;
  - special responsibility allowance (SRA) which is a payment in addition to the basic allowance where the council is satisfied that the councillor has special responsibilities in relation to the discharge of the functions of the council;
  - dependants' carers' allowance (DCA) which is designed to help councillors with expenses incurred for the care of children or dependants while they carry out approved duties; and
  - travel and subsistence allowances.
5. The Councillors' Remuneration Panel for Northern Ireland will also consider:
  - the allowances that should be paid during the shadow period following the next local government elections and the establishment of the 11 new councils in April 2015, and
  - the allowances which should apply for council chairpersons and vice-chairpersons.
6. The key objectives of the Councillors' Remuneration Panel for Northern Ireland will be to consider and make recommendations on:
  - both the system and level of allowances which would be available to councillors from 1 April 2015 taking into consideration the role and responsibilities of councillors post-reform, the proposed new governance arrangements (particularly in relation to SRA) and schemes of remuneration for councillors in other jurisdictions in Britain and Ireland;
  - the system of remuneration/allowances which would apply for a council chairperson and vice-chairperson; and
  - the allowances which would be payable to councillors during the shadow period.
7. The Councillors' Remuneration Panel for Northern Ireland will meet as required in order to provide recommendations to the Minister within 6 months of appointment.

**Annex 2: List of schemes and jurisdictions specifically considered**

<b>Source data</b>	<b>Subject</b>	<b>Date published</b>
<b>Northern Ireland</b>		
Councillors Remuneration Working Group	Review of Councillors Remuneration in Northern Ireland	June 2006
Belfast City Council	National Joint Council for Local Government Services Scales	March 2009
DOE	Guidance on Councillors Allowances	March 2012
Statutory Rules of NI	Local Government Regulations 2012 No 85 Payment to Councillors	2 March 2012
Median Gross Earnings	Full Time Employees Pay by Region April 1997 to 2012	April 2012
NICRP6	Chief Executive Pay Bands – Councils in each Band	April 2012
NI Direct	NI Deprivation Statistics	April 2012
Statutory Rules of NI	Local Government Regulations 2012 No 279 Councillors Remuneration Panel	5 July 2012
Panel research	NICRP Compare and Contrast Table NI; Wales ; Scotland; Ireland	May 2013
DOE/13/300591	Chief Executive Pay Bands by Council	July 2013
DOE/13/227420	Comparison of Basic Allowance; Special Responsibility; Carers Allowance; Travel - between England; Scotland; Wales; Republic of Ireland & Northern Ireland	July 2013
MRNI Research	Councillors Remuneration Focus Group Consultation	September 2013
ComRes	Quantitative Survey of 500 rate-payers	October 2013
<b>Rest of UK</b>		
Scottish Local Authorities Remuneration Committee	2010 Review of Remuneration for Local Authority Councillors	November 2010
Annual Report	Independent Remuneration Panel for Wales	December 2011
Independent Remuneration Panel for Wales	Cardiff Council Standards and Ethics Committee	29 January 2013
IPSA	MP's Pay & pensions	July 2013
<b>Republic of Ireland</b>		
Panel research	Councillor Remuneration in Republic of Ireland	April 2012
<b>Europe</b>		
Panel research	Swiss Local Government	June 2013

**Annex 3: List of meetings of the panel and links to notes**

9 <sup>th</sup> May 2013	1 <sup>st</sup> Meeting of NICRP No Minutes Taken
28 <sup>th</sup> May	2 <sup>nd</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/remuneration_panel_notes_of_meeting.pdf">http://www.doeni.gov.uk/remuneration_panel_notes_of_meeting.pdf</a>
21 <sup>st</sup> June	3 <sup>rd</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_21_june_2013.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_21_june_2013.pdf</a>
26 <sup>th</sup> July	4 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/agreed_notes_of_meeting_held_on_26_july_2013-2.pdf">http://www.doeni.gov.uk/agreed_notes_of_meeting_held_on_26_july_2013-2.pdf</a>
9 <sup>th</sup> August	5 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_9_august_2013.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_9_august_2013.pdf</a>
20 <sup>th</sup> August	6 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/agreed_notes_of_meeting_held_on_20_august_2013.pdf">http://www.doeni.gov.uk/agreed_notes_of_meeting_held_on_20_august_2013.pdf</a>
06 <sup>th</sup> September	7 <sup>th</sup> Meeting of NICRP in Ballymena <a href="http://www.doeni.gov.uk/final_notes_of_meeting_held_on_6_september_2013.pdf">http://www.doeni.gov.uk/final_notes_of_meeting_held_on_6_september_2013.pdf</a>
17 <sup>th</sup> September	8 <sup>th</sup> Meeting of NICRP in Belfast <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_17_september_2013_2.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_17_september_2013_2.pdf</a>
23 <sup>rd</sup> September	9 <sup>th</sup> Meeting of NICRP in Craigavon <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_23_september_2013.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_23_september_2013.pdf</a>
27 <sup>th</sup> September	10 <sup>th</sup> Meeting of NICRP in Derry/Londonderry <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_27_september_2013.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_27_september_2013.pdf</a>
30 <sup>th</sup> September	11 <sup>th</sup> Meeting of NICRP in Enniskillen <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_30_september_2013.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_30_september_2013.pdf</a>
11 <sup>th</sup> October	12 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/nicrp_notes_of_meeting_held_on_11_10_13.pdf">http://www.doeni.gov.uk/nicrp_notes_of_meeting_held_on_11_10_13.pdf</a>
16 <sup>th</sup> October	13 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_16_10_13.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_16_10_13.pdf</a>
24 <sup>th</sup> October	14 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_24_10_13.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_24_10_13.pdf</a>
1 <sup>st</sup> November	15 <sup>th</sup> Meeting of NICRP <a href="http://www.doeni.gov.uk/notes_of_meeting_held_on_01_11_13.pdf">http://www.doeni.gov.uk/notes_of_meeting_held_on_01_11_13.pdf</a>

**Annex 4: List of people or organisations specifically consulted**

NILGA (Northern Ireland Local Government Association)

LGSCNI (Local Government Staff Commission for Northern Ireland)

SOLACE NI (Society of Local Authority Chief Executives and Senior Officers)

Political parties of The Northern Ireland Political Reference Group

Professor Y Galligan, Queen's University Belfast

E Grossman, Northern Ireland Assembly Legislative Strengthening Trust

The Washington Ireland Programme Alumni – Ben Mallon, Bronagh O'Hagan, Jonny Elliott, Aaron Callan, Daniel Smith and Claire Savage.

Councillors of Newtownabbey Borough Council

Councillors of Coleraine Borough Council

Councillors of Strabane Borough Council

National Association of Councillors

NI Council for Voluntary Action (which emailed its affiliates)

Institute of Directors

Confederation of British Industry

NI Chambers of Commerce

## Annex 5: Public consultation events and written public consultation: summary

1. We held five public consultation events across Northern Ireland in September 2013: in Ballymena, Belfast, Craigavon, Derry/Londonderry and Enniskillen. We also held a written public consultation open between September 7<sup>th</sup> and October 14<sup>th</sup> 2013.
2. Eleven councillors attended the events, one gave views by telephone, one by email. Two groups of councillors requested separate meetings. One member of the public gave views and we received two written submissions from councils. We also received representations separately from five political parties of the Political Reference Group.
3. The mid-point of principal views are as follows:
  - (a) Amount: £9,738 as basic allowance should be increased. A reasonable figure would be £13-15,000pa.
  - (b) Amount for committee chairs and chairs: Committee chair's supplementary allowance should be increased. Chairs' supplementary allowance in large councils at about £25,000pa is large.
  - (c) Role: A councillor spends two to two and a half days a week on council duty. Chairs or mayors spend much more, possibly at least four days a week, mainly on civic duties. Separating the civic mayoral role from chair would help.
  - (d) Shadow councils: It is unclear what the role will be. Should be paid the same as other councillors or the present basic allowance.
  - (e) Reformed 2015 councils: The role would be much bigger, with especially the planning responsibility. However, most councils and councillors need to be much more than what they appear to be today – "rubber-stamping" the executive's advice. It is unclear how chairs and councillors will work in the new councils.
  - (f) Councillors having other employment or self-employment at the same time: Present remuneration does not attract many who are employed or in business. Many who start like that end up giving more time to councillor role. Many present councillors who are employed work in offices of MLAs.
  - (g) Constituents' support or advocacy work: This is the most time-consuming part, with MLAs passing work down. Constituents are however apathetic and only interested if media says councillors are ripping off tax-payer.
  - (h) Travel costs: Mileage limits are seen as a barrier by many councillors from rural areas.
  - (i) The public's demands: The rate-payer would welcome performance based pay and greater accountability on councillors' achieving jobs and economic growth.
4. Overall, we can conclude the following from the consultations:
  - (a) We did not reach the public at large because of the limited advertising we were able to afford. We did let all councillors know but found the small numbers engaging with us disappointing. We could infer that many were restricted because of their political parties' perceived positions and that many wanted to talk off the record since asking for a raise on the record was seen as risky.
  - (b) Subject to that, we found the public's involvement in the role, outcomes and reward poor and feel that the department and councils have to do much more to engage them.
  - (c) We did not receive a reasoned argument from councillors for why raises are appropriate. We also found arguments for committee chairs and chairs/mayors few and far between. Nor did we perceive a great amount of thought about how shadow councils and reformed councils need to work and organise themselves to achieve outcomes for the public.
  - (d) We did not find a lot of interest in becoming a councillor in many walks of life such as businesspeople, younger people or employed people. Most seem to see becoming a politician as the primary question to answer rather than becoming a councillor.

## Annex 6: Other documents considered either for relevance or insight

Rationale	Document considered
Role of Councillor	Councillors Commission – Representing the Future (December 2007)
	Councillors Commission for England – Report of the Councillors Commission (December 2007)
	Becoming a Councillor – Woking Borough Council 2010
	Councillors Guide – NILGA (May 2011)
	A Guide to the Role and Duties of an Aberdeenshire Councillor (April 2012)
	Role Profile (Chairman, Committee Chairperson, Elected Representative) - Down District Council (June 2012)
	Councillors on the Front Line – House of Commons, Communities and Local Government Committee (December 2012)
	Councillors' Responsibilities, Northern Ireland – National Association of Councillors 2013
	On Board 4 – Guide for Board Members of Public Bodies in Northern Ireland (2013)
	Planning – The Changing Role of the Councillor post 2015 (DoENI 2013)
	Chichester District Council – documentation on role of Councillor
	List of Approved Duties – North Down Borough Council
	London Borough of Newham – documentation on role of Councillor
	London Councils – documentation on role of Councillor
	Medway Council – documentation on role of Councillor
	WLGA Framework – Member Role
York City Council – information on role of Councillor	
Remuneration	Department of the Environment (NI) – Circular on Travelling and Subsistence Allowances (2006) LG 16-06
	Government Response to the Councillors Commission (2008)
	Department of the Environment (NI) – Circular on Travelling and Subsistence Allowances (2009) LG 15-09
	Department of the Environment (NI) – Circular on Travelling and Subsistence Allowances (2010-11)
	Councillors' Guide to the Local Government Pension Scheme – NILGOSC (April 2011)
	Annual Survey of Hours and Earnings 2012 (Office of National Statistics)
	Department of the Environment (NI) – Circular on Dependants Carers' Allowance from October 2012 (2012) LG 23-12
	MP's Pay and Pensions, A New Package – Independent Parliamentary Standards Authority (July 2013)
	HR Connect – Guidance on Travel and Subsistence and Special Leave
Women in politics	Galligan Y, Dowds L, <i>Women's Hour</i> , ARK Northern Ireland Social and Political Archive, Research Update Number 26, February 2004,
	Women and the Review of Public Administration, Hinds B, Gray AM, The Review of Public Administration in Northern Ireland, November 2005
	Enhancing the Capacity of Women Elected Representatives
Public contact with elected representatives	Institute of Fiscal Studies – Fiscal Studies Journal (June 2013)
	Internet and Electronic Research Paper (DoENI 2013)
	Swiss Local Government – CRP Research into Voting Mechanisms (2013)
	Elected Members Skills Profile – PDP Self-Assessment (Rotherham Metropolitan Borough Council)
	Local Government Reform Inform E-zine – various dates (DoENI)
NI councillor demographics	National Census of Local Government Councillors in Northern Ireland – 2011 (NILGA/NAC)
Reform programme data	Local Government Service Delivery Economic Appraisal – Price Waterhouse Coopers (2012)
	Local Government Electoral Areas – District Electoral Areas Commissioner - Provisional Recommendations (May 2013)
	Job Definition Comparison – Existing, Shadow and New Councils
Training	The Good Councillors' Guide – National Training Strategy for Town and Parish Councils (2013)
Deprivation and impact on Councillor	Northern Ireland Multiple Deprivation Measures 2010 – NISRA



## **Annex 7a: Rate-payers' focus groups' summary**

### **Background**

A local research company was commissioned to conduct focus groups with a small sample of Northern Ireland ratepayers to obtain an indication of the public's views on the role and responsibilities of councillors, and attitudes to how councillors should be remunerated. Two focus groups were held during September 2013, one in Derry/Londonderry and one in Belfast. A total of fifteen individuals attended.

### **Findings**

- Councillors were perceived as local leaders and custodians, however lack of visibility and low levels of public awareness means that the public does not generally know what councillors do or how effective they are.
- There was general consensus that the councillor role carried some collective power, but no actual power as an individual. Many would prefer to by-pass their local councillor and go straight to their MLA, who is seen to have more influence.
- Comparator roles perceived to be of similar value to the role of the councillor included a Senior Civil Servant, Middle Management, and Head Teacher.
- There was acknowledgment that the role of councillor should carry significant responsibility and required a very specific skills set. However there was real concern that many councillors do not possess the required level of skills.
- Views on what councillors are currently paid varied from working on a voluntary basis to up to £20,000 per year.
- After discussion on councillors' actual responsibilities, it was felt by the majority that the current basic allowance was sufficient, so long as those who work hardest and those who take on additional responsibilities were suitably remunerated. The ability to claim expenses, in particular mileage, was deemed to be of significant value. The current basic allowance was also seen to be very attractive for councillors who only fulfil the bare minimum of the role.
- In both groups it emerged spontaneously that there should be some level of basic remuneration with a performance related element. This was deemed to be fair, ensuring those that work hardest would earn more. It was felt councillors' performance should be measured and published.
- It was seen to be difficult to attract people into standing as councillor, particularly women, young people and ethnic minorities. The strong domination of political parties at council level was seen to be a major factor in this for all.
- It was felt that remuneration needs to be enough to attract people of the right calibre, and should also reflect the level of input required in terms of time and unsociable hours.
- Whilst the current basic allowance was felt to be reasonable, few would be prepared to give up their personal time over and above an existing job to become a councillor.

### **Conclusions**

- In real terms, few people understood what a councillor actually does.
- There was concern around the skills of some councillors to perform in the role to an acceptable level, and that this should be balanced with the need to have representation from all walks of society.
- The current basic allowance was perceived to be more than adequate as it remunerates those who cover the bare minimum of the role.
- Performance related pay with a basic allowance for performing mandatory elements of the role, with additional monies for performing over and above this, was seen as a good starting point for remunerating councillors.
- The desire for some element of scrutiny and justification for councillors' remuneration was strong.

## **Annex 7b: Rate-payers' on-line survey summary**

### **Background**

A national market research agency was commissioned to conduct a survey of ratepayers in Northern Ireland to explore and assess their views on the role of local councillors, and how the role is remunerated. The survey was administered on-line, with a total of 500 ratepayers participating and contributing views.

### **Findings**

The majority of ratepayers were broadly familiar with the role of the councillor, and there was a high level of consensus on the importance of councillors to the smooth running of local government, although awareness of the specific responsibilities held by councillors was often incomplete. Councillors were generally seen as representing the people they serve, although some ratepayers raised concerns about how representative the role is, particularly with regard to young people and diversity of religious backgrounds.

The large majority of those surveyed would not consider running for a position as a councillor, mostly because they do not want to become involved in politics. For those who were more positive about becoming a councillor, the overwhelming motivation was to contribute to improving the local community; remuneration was only a factor for a small minority. The role of the councillor is of greater appeal to men than women, with twice as many men saying that they would be interested in running for a position as a local councillor. Becoming a councillor was not generally viewed as a career choice.

Ratepayers tended to overestimate the current basic allowance for councillors, and those who said that they were familiar with the role were no more accurate than those who said that they were not, suggesting that this is a poorly understood area. When told what the current basic allowance was, the majority of respondents said that this was 'about right', although a sizeable minority believed that it was too much. The role of the councillor was most commonly seen as being of equal value to that of a civil servant, potentially due to both roles being government-based. Views on possible comparator roles for a council chair/mayor were less clear, with comparatively smaller proportions of ratepayers identifying comparable roles. Attitudes towards remuneration are therefore unlikely to be grounded in a comparison to other professions.

Based on survey responses, there is general support for a slight increase in the basic allowance for a councillor in the new councils (average £9,805). The suggested appropriate level for the special responsibility allowance for committee chairs was an average of £2,766, for vice-chairs/mayors an average of £3,542, and for council chairs or mayors an average of £6,683. There was support for these allowances only up to a certain point for each position, beyond which backing decreased rapidly. Familiarity with the councillor role did not significantly affect perceptions of what remuneration should be received. More important were the perceptions of the importance and representativeness of councillors. Those who held positive opinions of councillors on these measures were more likely to support a higher level of allowance. Those who believed that the current allowance was 'about right' suggested a mean new basic allowance of £10,946.

There was good support for performance-based remuneration among survey respondents. A majority would like to see councillors rewarded for getting quick results for their constituents, contributing a notable amount of time or improving the efficiency of the council as a whole. There was also support for the principle of chairs or mayors of larger areas receiving a higher allowance, in recognition of the increased responsibility held.

### **Conclusions**

- There was a broad level of familiarity with the councillor role but less awareness of specific areas of responsibility.
- Becoming a councillor was not seen to be a career choice, and did not interest the majority of respondents, who largely were uninterested because of the strong political link. Men were twice as interested as women in potentially becoming a councillor. Remuneration was not perceived to be a significant factor in attracting interest in the role.
- The current basic allowance was perceived to be about right, and overall there was support for a slight increase in the basic allowance for councillors in the new councils to £9,805. Those who thought the current allowance was about right suggested a mean new basic allowance of £10,946.

- An appropriate level of remuneration for committee chairs was seen to be around £2,766, for vice chairs/mayors around £3,542, and for chairs/mayors around £6,683.
- The concept of performance related remuneration was supported by a significant majority of ratepayers, with more than half of the respondents suggesting that councillors should be rewarded for getting quick results for their constituents, contributing a notable amount of time or improving the efficiency of council operations.

## **Annex 8: Councillors' Role Descriptions work**

At an early stage in the review process the panel considered utilising a Job Evaluation approach to benchmark the Mayors'/Chairs', Committee Chairs' and Councillors' roles with comparable posts. This was never expected to provide a definitive remuneration level but might be one of the tools used to assist the panel in setting parameters within which remuneration could be considered.

As the review process progressed it became apparent that the Councillors' role would be difficult to compare with a normal job. While Councillors are, in theory, "available" 24 hours a day, the actual workload varies considerably, with Councillors self-reporting time spent ranging from 7 to 80 hours per week. The panel considered that time spent on the role was not necessarily a predictor of its value. It was noted that some Councillors who spent less time were very effective, while some who had more time available might take a less planned and more relaxed approach to the workload. According to feedback from Councillors, there was a wide variety of approaches taken and some believed that roles others perform on a voluntary basis were included within their Council functions. There was clearly a need to clarify what should be considered to be core Council work (which should be remunerated) and what was an optional role which any member of the public might otherwise undertake on a voluntary basis.

As part of this process, members of the panel consulted with NILGA and individual Councillors. As it was considered the Councillors' role was not a job, there was a general lack of appetite for Job Evaluation approaches or appraisals which might assess effectiveness in this role.

While the panel was impressed by the huge commitment shown by many hard-working elected members in long hours of work, it felt that the most effective Councillors, Committee Chairs and Mayors/Chairs are likely to be those who understand the strategic importance of the role and take a strong governance approach, rather than those with the greatest time commitment.

The panel considered that the increased demands of the role could require the development of additional skills and the full potential of the role might be achieved if Councillors feel equipped to undertake genuine strategic decision making and perform a full challenge function. The panel is fully supportive of all initiatives that provide these skills and professionalise the role including the Councillors' Charter. The future skills requirements should also be taken into consideration by political parties in encouraging new candidates for electoral office. However, it is recognised that this may need to be balanced with achieving diversity and a representative Council. Furthermore, new structures, particularly if the 'cabinet' approach is taken, could require some roles to have a greater range of skills and expertise.

The panel recognises that a standard Job Description would not adequately describe this complex role. However it remains important to understand and agree the key functions and purpose of the role, both to inform potential candidates as to its scope and skills requirements and to assist anyone involved in seeking to value it. To this end, the following Role Descriptions have been developed and used as a broad guide to the roles. These documents take into consideration role descriptions already developed by some Councils and by NILGA and advice received from key informants during the review process.

## **NI Councillor Role Description – April 2015 (as used by the CRPNI)**

### **Accountable to:**

- All residents of the Council area
- The Council
- The party

### **Purpose of Role**

- Developing policy to meet local need and fulfil Council's role
- Provide a means for local people's views to be understood and acted on by Council
- Ensure that Council fulfils its statutorily defined role and responsibilities
- Ensuring that Council's plans, priorities and actions reflect local wishes and best practice
- Hold officers to account for effective and efficient use of public resources
- Highlight specific community concerns to the relevant Council officers and ensure that, where relevant to Council's role, these are tabled for Council consideration
- Represent Council's views on outside bodies

### **Key Activities**

#### **Representing the Community**

- Maintain regular contact with residents in your electoral area and across the Council area to ensure a good understanding of their needs, wishes and priorities
- Represent local community views at Council and Committee level
- Communicate Council plans and decisions back to the community and explain actions when necessary
- Promote the role of Council and Councillors seeking to increase public awareness and to improve communication and understanding

#### **Representing the Council**

- Represent local people's and Council's views on wider area structures as required by Council such as waste management partnerships (This does not include voluntary roles such as School Governors, Library Service, Museum Council, Education and Library Boards, Leader Groups or Peace Fora.)
- Ensure that the priorities of local people are reflected in discussions about regional policies and plan

#### **Strategic Leadership**

- Develop an effective working relationship with all Council members and officers
- Work with Council officers and members to develop policies and plans which reflect local needs and Council's role
- Promote Council's policies, strategy and role
- Contribute to Council debates to facilitate sound decision making and best practice
- Monitor Council's performance in delivering strategic plans and in fulfilling its role and work with officers and members to address any shortfalls
- Play a role in setting Council's budgets in line with strategic priorities and in monitoring compliance with these to ensure efficiency in use of resources
- Taking into consideration local people's views, work with officers, members and other professionals to develop local planning policy and a local development plan
- Identify areas where Council needs to act to meet need and deliver its strategy and progress these with officers and other elected members

## **Governance and Oversight**

- Demonstrate the highest standards of governance and ethics in line with current guidance
- Participate fully and constructively in main Council meetings, Committees and Subcommittees as required
- Hold officers and other Council members to account for plans and actions and ensure that these are consistent with good practice, standards in public life and local people's needs and priorities
- Participate in all opportunities to develop relevant skills and knowledge required to be an effective Councillor
- If required, participate in Planning and other committees, taking into consideration relevant guidance and professional advice, make decisions on planning applications

## **Skills, Abilities and Attitudes**

- Desire to serve the public and to facilitate effective, open and accountable local government
- Strategic thinking and openness to change
- Ability to strategically balance the needs and priorities of different organisations and stakeholders
- Excellent communication skills
- Ability to work with, and be credible to, people at all levels
- Influencing and leadership
- Ability to understand and assimilate policy and reports
- Ability to analyse and challenge constructively
- Understanding of ethical and moral issues and willing to respond accordingly
- Ability to understand and assess other perspectives
- Partnership and team working
- Relationship building
- Corporate Governance
- Financial management
- Decision making
- Time management
- Knowledge of relevant legislation and policy (planning, regulation, etc.)

## **Council Chair/Mayor**

Responsibilities and skills are assumed to be as for the Councillor's role but in addition the following are required:

### **Civic/Ceremonial Role**

- Undertake a wide range of ceremonial functions and civic obligations

### **Representing the Council**

- Represent the Council at a wide range of local public events and functions throughout the year, ensuring that these fully reflect the profile of the local community
- Represent the area/borough at an NI level during key regionally significant events acting as an ambassador for the area
- Acting as First Citizen, carry out a range of public engagements to raise the profile of Council and the office of Mayor
- Working with key officers, promote the image of the area and Council and represent the Council to the media on a wide range of relevant issues

### **Chairing Meetings**

- Work with the Chief Executive/Town Clerk and relevant officers to plan for Council meetings and contribute to agendas
- Chair meetings of full Council ensuring that Standing Orders are observed, business is conducted efficiently and that all members get appropriate opportunity to contribute.

### **Management Functions**

- Work closely with the Chief Executive and senior officers to plan Council's work
- Act as line manager for the Chief Executive and provide informal feedback on key issues (*It is noted that the autonomy of the CEO varies substantially depending on the culture of the council and the individuals involved and this may not happen in some areas.*)

### **Additional Skills, Abilities and Attitudes**

- Ability to chair meetings in an even handed and objective manner
- Public speaking skills
- Media skills

## **Committee Chair**

Responsibilities and skills are as for the Councillor but in addition the following are required:

### **Chairing Meetings**

- Work with the Department Director and relevant officers to plan for Committee meetings and contribute to agendas
- Chair meetings of the Committee in an efficient and effective manner, ensuring that all members get appropriate opportunity to contribute and that good decisions are made within a reasonable time scale
- Ensure that meetings are conducted in line with Council policy and procedures
- If required assist officers in preparing presentations and recommendations from the Committee to full Council for ratification and provide a verbal recommendation or feedback when necessary
- When necessary, facilitate input from the public or relevant professionals to enhance the Committee's knowledge base and quality of decision making

### **Committee Leadership**

- Monitor the outcomes of Committee meetings and play a part in ensuring that the key recommendations progress through Council
- Work with officers to plan any action required to address Committee recommendations or information needs
- Maintain good relationships with the Mayor/Council Chair, Committee Chairs and Party Leaders to ensure a sound understanding of wider contextual issues and views and communicate these to Committee members to facilitate cohesive and effective decision making
- As required respond to other Council Committees, officers or the media on the Committee's role, decisions and recommendations
- Support and advise Committee members to develop the skills necessary to be effective in this role

### **Additional Skills, Abilities and Attitudes**

- Ability to chair meetings in an even handed and objective manner
- Effective networking skills
- Media skills
- "Political antenna" – scope views across parties and plan actions accordingly
- Ability to bring a meeting to consensus or achieve a strong majority decision with widespread acceptance
- Willingness to progress decision making but aware of when to refer decisions to full Council and of the governance and legal implications of such action



## **Annex 9: Widening participation: feedback from students/academics**

We consulted with a number of local younger people including students at both undergraduate and post graduate level who were identified as having civic leadership potential and who have an evidenced interest or active role in community and civic work. The panel also specifically consulted with Professor Yvonne Galligan, Director of The Queen's University Gender Initiative and Centre for Advancement of Women in Politics and who is currently a Professor of Irish Comparative Politics at Queen's University. We further consulted with Eva Grosman, Head of Programmes at the Northern Ireland Assembly Legislative Strengthening Trust which was established to support 'the strengthening of democracy and engaging people in creating a better future for all.' Eva is also extensively involved in community and civic leadership in Northern Ireland and was a co-founder of the Unite Against Hate Campaign, the founder of Polish Cultural Week and the Polish Film Festival.

### **THEMES EMERGING**

#### **1. Under representation of women, particularly younger women**

Professor Galligan made a persuasive and very interesting submission to the Panel identifying barriers to participation for women councillors, outlining that in Northern Ireland 25% of councillors are female compared to the 32% average across the European Union.

Professor Galligan believes that a remuneration package should reflect the intention of Government to facilitate people from a diverse range of backgrounds with a range of skills. Thus the remuneration panel should consider providing adequate provision for childcare and other caring expenses, the possibility of maternity, paternity and absence pay, a system of flexible working and adequate resourcing for councillors to make innovative use of technology from home (skype call, videolink etc) which can remove participation barriers for any new mothers, pregnant women or other incapacitated or disabled individuals who may take part in meetings by video link. Professor Galligan also argued for the requirement for councils to have a gender equality plan with financial incentives attached to encourage councils to achieve such goals as family friendly working practices which could contribute to '*changing the culture of the chamber*' and would go a long way to addressing sexual discriminatory attitudes and practices in political life.

#### **2. Under representation of young people in general**

Many of the students consulted agreed that there was an under-representation of younger people in local government and most of the young people we spoke to felt a disconnect and were apathetic towards local politics.

Most of the students found the current remuneration package available to councillors to be quite attractive for part time working. The most common reason for not considering a career in local politics was the tribal nature of Northern Ireland Politics.

#### **3. Under representation of ethnic minorities and people with disabilities**

Eva Grosman felt strongly about the need for Councils and Political Parties to have an inclusive strategy for minority communities with the possibility of financial incentives to help achieve this.

Whilst it may not be directly connected to individual councillor's remuneration, Eva believes that financial incentives could be used by Government to encourage more minority candidates to be put forward for election and she drew comparison with the initiative of the Department of Education awarding extra funds to schools based on their number of pupils from minority communities.

Many students also commented negatively about the absence of minority communities from local politics and felt that increasing diversity would encourage a more strategic approach from councils as opposed to traditional sectarian posturing. Some students also commented that people with disabilities were not visible in representative roles and that an overall strategy to diversify the types of people being put forward for these roles is overdue.

#### 4. **Negative Perceptions**

Most of the young people surveyed expressed the above negative perceptions about councils and voiced strong reservations about considering the role of councillor as a career choice. It was interesting to note that none of the young people said that the current remuneration would deter them from the job. Common views expressed included:

- Perceived lack of prestige attaching to the role of councillor, public distrust in councillors
- Perceived lack of strategic capacity within elected councils/perceived reliance on tribal politics to get elected
- Perception that nomination for election is a 'closed shop' controlled by political parties and that councils are controlled on tribal lines
- Perceived lack of visibility of councillor's achievements for their local areas, public apathy, negative media, lack of engagement of the general public in local politics

#### 5. **The Need for New Thinking and Practices**

There was a very strong desire to see councils develop innovative technological practices to increase public participation in the evaluation of the work of councillors, to increase transparency and accountability and that it was highly desirable to see remuneration and bonuses linked to performance and productivity measurement or the attainment of more strategic and policy based objectives.

There was strong support for councillors and councils to be equipped and resourced adequately to make full use of technology. Some students mentioned Facebook, twitter and smart phone apps as a way to help people engage and to make it easier to rate the value of councillors and to test their performance and productivity.

## **Annex 10: Acknowledgements**

### **All councillors and councils who contributed**

#### **Political Reference Group parties:**

Sinn Fein  
Social Democratic and Labour Party (SDLP)  
Democratic Unionist Party (DUP)  
Green Party  
Ulster Unionist Party (UUP)

#### **Organisations:**

Local Government Staff Commission (LGSC)  
National Association of Councillors (NAC)  
NI Direct  
Northern Ireland Local Government Association (NILGA)

Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)  
Society of Local Authority Chief Executives (SOLACE)  
Northern Ireland Local Government Association (NILGA)

#### **Research companies:**

Market Research Northern Ireland (MRNI)  
Communicate Research Ltd  
Morrow Communications

#### **Consultees:**

Mayor David Harding  
Alderman Ronnie Ferguson  
Councillor Mary Hamilton  
Alderman May Beattie  
Alderman Arnold Hatch  
Councillor Dermot Curran  
Councillor Evelyne Robinson  
Councillor Sean McPeake  
Councillor Mervyn Jones  
Peter McNaney, Chief Executive  
Liam Hannaway, Chief Executive  
Mary Casey  
Councillor Declan O'Loan  
Alderman P J McAvoy  
Councillor Roy Gillespie  
Alderman Maurice T Mills  
Councillor Beth Adgur

Councillor Tommy Nicholl  
Councillor Audrey Wales  
Councillor James McClean  
Councillor Stephen Huggett  
Councillor Barry Doherty  
Councillor Thomas Maguire  
Nick Rogers  
Ben Mallon  
Professor Y Galligan  
E Grossman  
Councillor Connaire McGreevy  
Councillor Brian Wilson  
Mayor Andrew Muir  
Fermanagh District Council  
Belfast City Council

#### **DOE Local Government Policy Division**

Linda MacHugh  
Liz Loughran  
Linda Barlow  
Norma McCrory  
Justin Boyle  
Paul Farr

#### **Panel Secretariat**

Wendy McClenaghan  
Gillian McClurg

**Annex 11: Contact details for the NI Councillors' Remuneration Panel**

Telephone: 02890 416745 / 02890 416716

Email: [LocalGovernmentPolicyDivision.Reform@doeni.gov.uk](mailto:LocalGovernmentPolicyDivision.Reform@doeni.gov.uk)

Web:

[http://www.doeni.gov.uk/index/local\\_government/local\\_government\\_reform/councillors\\_remuneration\\_panel.htm](http://www.doeni.gov.uk/index/local_government/local_government_reform/councillors_remuneration_panel.htm)

*The panel welcomes contact for clarifications or meetings*

## **Remuneration Panel Recommendations Departmental Analysis and Proposed Response**

### **(a) Basic Allowance**

#### **PANEL RECOMMENDATION**

- All councillors should be paid a basic allowance of **£12,000pa**. An increase on the present £9,738 is thought to be justified because of inflation since the rate was allowed and because of increased responsibilities of new councils. We concluded that approximately 50% of the median NI full-time wage in 2012 (ONS) would be fair. (The closest amount is £12,006pa but we rounded for simplicity and administrative ease.) We also recommend that all councillors in DEAs with mean electorate larger than 3,000 (i.e. 1: 3000 and higher councillor: electorate ratio) should be paid **£1,200pa** (10%) more, because of the increased load of constituency work there.

#### **PANEL RATIONALE**

- The panel decided that responsibilities must determine reward. To determine the right balance the panel looked at three alternative methods of arriving at responsibility: (a) a conceptual framework, (b) comparing with other jurisdictions and (c) comparing with other jobs. Conceptual definition proved very difficult. The evidence provided shows that councillors working pattern varies substantially with a wide variation in the reported time spent on council duties.
- This allowance was recommended by the panel because of inflation and because of the increased responsibilities of new councils. It was concluded that approximately 50% of the median NI full-time wage in 2012 (Office for National Statistics, ONS) would be fair. The ONS report the median full-time annual earning to be £24,011. The panel also recommend that all councillors in DEAs with mean electorate larger than 3,000 should be paid £1,200 (10%) more. This was based on the rationale that the work-load for a councillor would increase if he or she has more constituents as at least half councillor work-load is managing constituent issues. It was specifically considered if councillors should get a day or per meeting fee. This was rejected as

remuneration should not be based on inputs and rather than incentivising inputs it needed to be focused if possible on outcomes, or outputs.

- At the request of the panel, Communication Research Ltd was commissioned to carry out a Ratepayers opinion survey, the findings of which were reported to the Panel for consideration. Rate payers were asked specifically about the rate of remuneration for councillors. The information obtained from this survey did not provide the panel with any further detail. Rate payers interest in and knowledge of the councillor role was limited and when pressed they found that an allowance of £10,000 pa was adequate and were keen that councillors were rewarded for the outcomes they produced, mainly to do with jobs and economic activity. Rate payers generally understood that role of the councillor to be part time.
- Market Research Northern Ireland facilitated two focus group events and a number of public events were held; again these events did not provide the panel with any further detail.
- A comprehensive list of schemes applicable in Ireland, Scotland, Wales and England were considered. There was no precedent nor were the responsibilities being fulfilled uniform across boundaries.
- The panel found that there was no consensus about which other jobs in society that the councillor job could be fairly valued equal to. Older councillors thought of a trade-union official, younger ones a retail store manager or school head teacher, while rate payers gave the example of head teacher, middle management or a civil servant.

### **DEPARTMENTAL RESPONSE**

- Currently, to recognise the time commitment of all councillors, each council must make provision in its scheme of allowances for a basic allowance payable to all its councillors. No council may pay more than one basic allowance to each councillor. Each council determines the basic allowance up to a maximum of £9,738 set by the Department. The amount of basic allowance determined by a council must be the same for each councillor but is subject to a two-thirds reduction for any councillor who is also an MLA, a MP, a member of the House of Lords, or an MEP.

- The basic allowance that is currently paid to councillors in Scotland is £16,234 and in Wales councillors are paid £13,828.
- The recommendation allows for an extra £1,200 per year for all councillors in DEAs with a mean electorate larger than 3,000. If this were to be applied, then all councillors in Armagh, Banbridge & Craigavon, Belfast and those councillors representing the electoral areas Newry & Crotlieve in Newry, Mourne and Down would attract the extra £1,200 allowance. However, on balance the similarities across the council areas appear to outweigh the differences.

### **PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that these two allowances are combined together with the allowance of £1,000 recommended for office support at (j) of this paper giving a total basic allowance of £14,200. The basic allowance should be the same for all councillors and is paid recognition of a councillor's representational role. The basic allowance of £14,200 provides an allowance comparable to Wales and recognises the time commitment made by councillors to deliver real outcomes to meet local priorities.

**(b) Special Responsibility Allowance for Committee Chairs or Cabinet Members:**

**PANEL RECOMMENDATION**

- Special Responsibility Allowances (SRA) should be paid as per the following categories:

Council electorate less than 120,000	<b>£5,000pa</b>
Higher but less than 200,000	<b>£7,000pa</b>
Higher than 200,000	<b>£9,000pa</b>

**PANEL RATIONALE**

- The Panel was provided with information that showed the level of SRA that a Mayor, Deputy Mayor, Chairman and Vice-chairman currently receive. This information was obtained from the latest council accounts that were submitted to the DOE.
- The importance, financial scale and potential impact of decisions increases as populations and budgets increase. The panel based the amounts on a day a fortnight extra, related to a reasonable executive director salary, since a committee chair or cabinet member could be supervising their subject. We also recommend that Councils with electorates up to 200,000 pay a maximum of **10** such SRAs and the council with electorate higher than 200,000 maximum **12**. The panel considered those should be sufficient to cover well all subjects/ responsibilities in the new arrangements.
- The panel recommendation was based on the assumption that an executive director gets paid for 250 working days; thus, giving the committee chair or cabinet member the same rate, means that 10% of that executive director's salary should be paid.

**DEPARTMENTAL RESPONSE**

- The SRA is a payment made to a councillor by way of an allowance if the council is satisfied that he/she has special responsibilities in relation to the discharge of functions including chairing a committee or subcommittee.



- The amount a council may spend on SRA is subject to a maximum rate determined by the Department and is banded by the size of the council population.

Currently, Population bands are as follows:-

<b>A DISTRICT COUNCIL WITH A POPULATION</b>	<b>TOTAL AMOUNT PAYABLE IN A FINANCIAL YEAR</b>	<b>MAXIMUM RATE PAYABLE TO INDIVIDUAL MEMBERS</b>
Less than 50,000	£20,705	£4,141
50,000 – 99,999 (inclusive)	£31,058	£6,211
100,000 – 199,999 (inclusive)	£62,115	£12,423
200,000 or more	£82,820	£16,564

- At present, each council may have up to a maximum of 50% of its members receiving a SRA and a member should be paid no more than one SRA. The 50% figure is calculated against the total number of seats on the council. It is currently a matter for individual councils to identify the responsibilities and the level of SRA to be awarded to councillors.
- The main advantage to this system is that it gives a council the flexibility to remunerate responsibilities which accord with its particular priorities and the population bandings distinguish between large and small councils. It also allows for councils to decide at what intervals payment of SRA should be made.

#### **PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that the following maximum limits should apply :-

<b>A DISTRICT COUNCIL WITH A POPULATION</b>	<b>TOTAL AMOUNT PAYABLE IN A FINANCIAL YEAR</b>	<b>MAXIMUM RATE PAYABLE TO INDIVIDUAL MEMBERS</b>
Council electorate less than 120,000	£50,000	£10,000
120,000 – 200,000	£70,000	£14,000
200,000 +	£81,000	£16,200

The 50% limit should remain and each council will be able to continue to set the level of individual SRAs for those councillors that it has decided hold posts of additional responsibility.

**(c) Special Responsibility Allowance for Chair or Mayor:****PANEL RECOMMENDATION**

- Special Responsibility Allowances (SRA) should be paid as follows:

Council electorate less than 120,000	<b>£15,000pa</b>
Higher but less than 200,000	<b>£21,000pa</b>
Higher than 200,000	<b>£27,000pa</b>

**PANEL RATIONALE**

- The Panel was provided with information on the level of SRA that Mayors, Deputy Mayors, Chairmen and Vice-chairmen currently receive. The information was obtained from the latest council accounts that were submitted to the DOE.
- The Panel based these amounts on approximately one day a week extra work, related to a reasonable chief executive salary, since the Chair or Mayor could be supervising the council's work. If a Chair decided to split their civic duties with another member then we recommend that they share the allowance as that Council sees fit.
- The panel rationale was similar to that for committee chairs or cabinet members, except that the chair or mayor supervises the chief executive and the whole council and not just one subject. The panel estimated that the councillor nominated as chair or mayor needs one day a week extra to do this job. Thus they need 50 days extra a year. This means that they should get 20% of the chief executive's salary since that can be assumed for 250 days a year.

**DEPARTMENTAL RESPONSE**

- Currently there is considerable variation in practice regarding the remuneration of the mayor/deputy mayor and chairperson/vice chairperson across councils. Some councils award an allowance whilst others reimburse receipted expenses only. Some councils pay part of their SRA allocation to their mayor/deputy mayor and

chairperson/vice- chairperson, whilst others split the allowance between the SRA and expenses headings. At present the Department recommends that, where it is feasible, councils should use their SRA allocation for the mayor/deputy mayor and chairperson/vice chairperson allowance. The Department also recommends that expenses for these offices, which should be receipted, should be met under section 32 of the Finance Act. Any SRA paid to the mayor/deputy mayor of chairperson/vice chairperson is not included in the calculation that restricts payment of the allowance to no more than half of the councillors of a council.

### **PROPOSED DEPARTMENTAL RECOMMENDATION**

- There is limited rationale or evidence in the recommendation from the panel to move away from the current system. The Department recommends that councils continue to decide how Mayors and Chairs are remunerated. Councils can chose to pay the allowance for Mayors and Chairs from the SRA allowance or from another budget.

**(d) Productivity Allowance for Chair or Mayor:**

**PANEL RECOMMENDATION**

- Given the great interest rate-payers show in rewarding councillors for jobs or economic results produced, the panel recommended that each council ask its constituents whether its chair or mayor should be awarded a productivity allowance based on an annual report. If more than 50% voting agree, the award could be up to a maximum of **50% extra** of their special responsibility allowance.

**PANEL RATIONALE**

- The Panel requested that it be provided with research on Internet voting for performance based pay. The results were very limited but did show that 11 countries have used remote internet voting for binding political elections or referenda. This research also showed that there were still many issues being experienced with internet voting such as Cryptographic protocols, Digital signatures and Voter authentication.

**DEPARTMENTAL RESPONSE**

- This recommendation appears impractical as it is difficult to differentiate between an individual's inputs as opposed to other outside contributions (i.e. Invest NI). As Mayors/Chairs are elected annually by Councils at AGMs and tend to serve for only a year, it would be very difficult to link results to a particular term, during that term, in time to pay an enhanced SRA. The process of setting up a voting system could also be problematic and costly. There is also a question of fairness. There is a lack of clear evidence and rationale from the Panel to support this recommendation.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that this recommendation from the panel is not implemented. The Department views the panel recommendation as being impractical for the system of Local Government in Northern Ireland. The Department recommends that the payment of SRAs remains flexible within the bands set out at (b) above and that each council cluster is able to continue to set the level of

individual SRAs for those councillors it has decided hold posts of additional responsibility.

**(e) Vice-Chairs:**

**PANEL RECOMMENDATION**

- We believe that Vice-Chairs of council or committees should only be paid extra when they are standing in for the Chair and should receive a pro-rata Special Responsibility Allowance for time actually spent in the respective role.

**PANEL RATIONALE**

- The Panel were provided with information on what a Mayor, Deputy Mayor, Chairman and Vice-chairman receive for Special Responsibility Allowance for each Council. This information was obtained from the latest council accounts that were submitted to the DOE. There is rationale provided in the report for his panel recommendation.

**DEPARTMENTAL RESPONSE**

- There is currently considerable variation in practice regarding the remuneration of Vice-Chairs across councils. Some councils award an allowance whilst others reimburse receipted expenses only. The current advice from the Department to councils is that they use their SRA allocation. The wording of this recommendation would indicate that this also applies to Deputy Mayors/Chairs. There is however no rationale or evidence for a change in practice. Section 32 of the Local Government Finance Act (Northern Ireland) 2011 would need modified if this recommendation were to be implemented.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Departmental recommends that, in the interest of best practice, there should be a consistent and transparent approach to the payment of allowances. The decision to pay allowances should be made by individual councils and paid from within the current SRA allowance.

(f) **Indexing:**

**PANEL RECOMMENDATION**

- We recommend that all these allowances be indexed to change with the median NI full-time wage as certified by ONS, so that dependence on economic well-being is established.

**PANEL RATIONALE**

- The panel rationale was based on its proposal that the allowances be linked to the ONS median wage.

**DEPARTMENTAL RESPONSE**

- Currently allowances are increased in line with the Council Officers pay increase. There appears to be no compelling case for change. For basic allowance this could mean a decrease in councillor allowances paid if the NI full-time wage reduces. The required data full time wage/CPI may not be readily available.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that the current indexing system is retained.



**(g) Remuneration in Shadow Councils in 2014:**

**PANEL RECOMMENDATION**

- **50%** of all the 2015 allowances should be paid for the shadow period. This is because the constituency work is likely to be shared with councillors of the current 26 councils and this will therefore be less demanding as shadow councils would concentrate on transition planning work. Councillors who are members of both current and shadow councils should be paid for both roles.

**PANEL RATIONALE**

- The panel have made the assumption that constituency work would be much less for new councillors, while the old councils exist and shadow councils will concentrate on transition planning work.

**DEPARTMENTAL RESPONSE**

- The councils will exist in shadow form for 10 months and during this time allowances for the new councils should be paid in full. The shadow period will be the beginning of a major change for many of the councillors in terms of workload and tasks. By paying allowances in full it will reflect the additional workload as well as the complex and demanding environment that councillors will be required to work in. However, it appears inequitable for those who sit on the old and the new councils to be paid both allowances. Therefore, those receiving the new allowance should only received one third of the basic allowance in respect of the old council, if they remain a member of that council.
- During the shadow period the new councillors will not have a Mayor/Chair but rather a 'presiding councillor'. Monetary award for this post could be through a SRA.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Departmental recommends that the new allowance is paid in full to all councillors elected to the new councils from the date of their constitution. Councillors

who also continue to sit on the existing council should have the allowance from the old council reduced by two thirds for the ten month transitional period. The Presiding Councillor should be paid a Special Responsibility Allowance during the transitional period. Travel and Subsistence should be paid in full for new councillors during the shadow period.

**(h) Travel and Subsistence Allowances for “Approved Duties”:**

**PANEL RECOMMENDATION**

- Either full repayment of public transport costs or a mileage rate as per NICS rates should be allowed. Maximum mileage per councillor should be increased to **10,000 miles pa** because data suggest some rural councillors might otherwise be disadvantaged. Subsistence should be the same as for council executive directors. These costs are a small share of the overall costs of councillors and thus more elaborate systems are unnecessary.

**PANEL RATIONALE**

- Information was provided to the panel on the mileage that a councillor may be required to travel from the furthest point in each District Electoral Area to each current council address within the Cluster. In addition each council was asked to confirm how many councillors within their council area claimed mileage and what the overall cost was for the years 2011, 2012 and 2013.

**DEPARTMENTAL RESPONSE**

- There does not appear to be any rationale to hybridise two different Travel & Subsistence Schemes – the NICS scheme and the NJC scheme. At present, councillors are paid the same Travel & Subsistence as council officials who will also be affected by the larger council areas. The Department believes that councillors should continue to have similar travel and subsistence arrangements to officers, as it maintains equality of treatment and simplifies administrative arrangements for councils. The council scheme is the responsibility of the NJC.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department does not accept this recommendation. Any case for change should be presented to the NJC.

(i) Caring or Dependant Carers' Allowance:

**PANEL RECOMMENDATION**

- The limit for the standard care allowance should be increased to **£329 per month**, subject to present checks, to remove the perceived barrier to increased participation by underrepresented groups. The specialised care allowance should also be brought in line with this, increasing to £658 per month.

**PANEL RATIONALE**

- The panel were provided with details of how many councillors had claimed careers allowance in 2011, 2012 and 2013 and the overall cost.
- The panel were of the view that doubling the caring allowance would provide approximately 13 hours care per week (52 hrs per month), thereby making significant contribution to the cost of care for dependents, and potentially helping to reduce barriers to participation and that future adjustments to the Carers' Allowance should follow changes in the National Minimum Wage, which was last increased on 1 October 2013 to £6.31.

**DEPARTMENTAL RESPONSE**

- At present the Dependant Carers Allowance does not reflect the actual costs that may be incurred by a councillor, but is intended to provide a reasonable amount towards the care of dependants. The allowance is currently set at the hourly minimum wage for age 21 or over at £6.31 per hour (max £164 per month) which equates to 26 hours per month; the rate for specialised care is double the rate for standard care. (max £328 per month). Currently, only 1.3% of all councillors claim this allowance. Assembly Members have a Child Allowance of £174 per month for pre-school children reducing to £86 for children of school age up to 14 years old.
- Increasing this allowance would send a strong positive signal about widening access to participation in local government.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that the allowance is increased as suggested by the Remuneration Panel up to a maximum of £329 for the standard allowance and up to a maximum of £658 for the specialist allowance.

**(j) Office Support Allowance:**

**PANEL RECOMMENDATION**

- Each councillor should get either **£1,000pa** plus a mobile telephone, with all NI calls paid, or actuals, as agreed by that council.

**PANEL RATIONALE**

- Councils were asked how many Councillors received Office Support (e.g. laptops) for the years 2011, 2012 and 2013. The panel found this essential for reasonable working and recommend that centralised procurement for all councils be considered for economies of scale.

**DEPARTMENTAL RESPONSE**

- Councils currently provide various levels of office support to their councillors. There is no specific legislative provision for support services. As well as recognition of time and commitment of all councillors, the basic allowance is also intended to cover incidental costs incurred by councillors in their official capacity, such as the use of their homes and the cost of any telephones calls, including mobile phone calls. Figures from council accounts show office support ranging from NIL to £115,508 to councillors. In the NI Assembly, up to £1,000 is allowed for office consumables.

**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department recommends that this allowance is included as part of the Basic Allowance, as suggested at recommendation (a).

**(k) Training and Development (Attendance) Allowance:**

**PANEL RECOMMENDATION**

- **£200 per day** for maximum three days per year to each councillor and four days to each committee chair, cabinet member, chair or mayor should be paid to encourage participation, if approved training and development is undertaken for that time. This training and development activity has to be relevant and job focused and thus should be authorised in advance by either the chair/mayor or the chief executive of the council. This is in addition to the actual cost of the training which should be covered from the council's training budget.

**PANEL RATIONALE**

- The panel considered that putting greater value on relevant training and development completion was essential so that tax payer value is increased over time.

**DEPARTMENTAL RESPONSE**

- At present, councils cover the costs of all appropriate training and individual councillors are reimbursed for incidental expenses such as meals and travel. To receive an additional £200 per day training session up to a maximum of 3 training days per year (4 days for committee chairs) would appear to be excessive and place an unnecessary burden on rate payers. Historically it has been the case that expenses for training are reimbursed but no allowance has been paid for attendance.

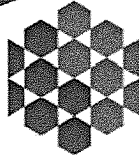
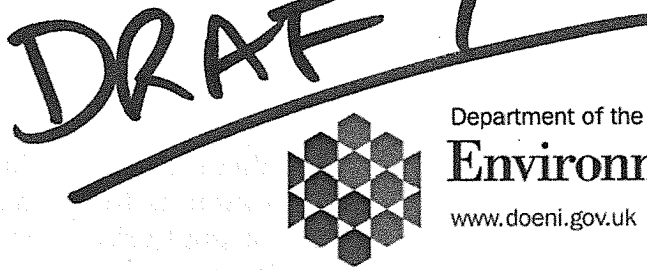
**PROPOSED DEPARTMENTAL RECOMMENDATION**

- The Department does not accept this recommendation. There is no rationale to pay this allowance, nor is there any evidence of other councils or bodies paying staff to attend training courses.

**Papers provided to panel**

- Circular LG15/09 was issued to the panel members for information which determines the maximum rate of the current special responsibility allowance.
- DOE's Guidance on Councillors Allowances March 2012 for information.
- Circular LG16/06 Travelling & Subsistence Allowances,
- Circular LG02/10 Travelling Allowance.
- Circular LG13/10 Subsistence Allowance.
- Circular LG23/12 Dependants carers allowance.





Department of the  
**Environment**

www.doeni.gov.uk

**Local Government Policy Division 1**

Clerk and Chief Executive of each  
District Council

1<sup>ST</sup> Floor  
Millennium House  
17-25 Great Victoria Street  
Malone Lower  
BELFAST  
BT2 7BN

Telephone: (028) 90416711

Circular LG 0X/2014 REFORM

Email: Jeff.glass@doeni.gov.uk

Our reference:  
Date: January 2014

Dear Chief Executive

**EXECUTIVE FUNDING TO SUPPORT SHADOW COUNCILS**

As you will be aware, the 11 new local government districts will have 462 councillors, made up as follows:

- Antrim and Newtownabbey District (40)
- Armagh, Banbridge and Craigavon District (41)
- Belfast District (60)
- Causeway Coast and Glens District (40)
- Derry and Strabane District (40)
- Fermanagh and Omagh District (40)
- Lisburn and Castlereagh District (40)
- Mid and East Antrim District (40)
- Mid Ulster District (40)
- Newry, Mourne and Down District (41)
- North Down and Ards District (40)

As part of the Executive funding package of £47.8 million to support the implementation of local government reform, the Executive has agreed to provide £5.2 million for new councils in shadow mode. The £5.2 million was based on £4.5 million for councillors' basic allowances (@ £9,738 per councillor) and £0.7 million for travel & subsistence and other expenses (@ £1,515 per councillor). The maximum funding available will not vary irrespective of the recommendations of the Northern Ireland Councillors' Remuneration Panel and is set out below for each cluster:

Cluster	Maximum available for councillor's basic allowances	Maximum available for travel & subsistence and other expenses
Antrim and Newtownabbey District (40)	£389,520	£60,600
Armagh, Banbridge and Craigavon District (41)	£399,258	£62,115
Belfast District (60)	£584,280	£90,900
Causeway Coast and Glens District (40)	£389,520	£60,600
Derry and Strabane District (40)	£389,520	£60,600
Fermanagh and Omagh District (40)	£389,520	£60,600
Lisburn and Castlereagh District (40)	£389,520	£60,600
Mid and East Antrim District (40)	£389,520	£60,600
Mid Ulster District (40)	£389,520	£60,600
Newry, Mourne and Down District (41)	£399,258	£62,115
North Down and Ards District (40)	£389,520	£60,600
<b>TOTAL</b>	<b>£4,498,956</b>	<b>£699,930</b>

Guidance notes on reimbursement procedures will issue in due course.

**JEFF GLASS**



### Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	<b>Belfast Connection Voucher Scheme Launch</b>
<b>Date:</b>	7th February 2013
<b>Reporting Officer:</b>	Ronan Cregan, Director of Finance & Resources
<b>Contact Officer:</b>	Paul Gribben, Head of Digital Services

<b>1.</b>	<b>Relevant Background Information</b>
1.1	The Belfast Connection Voucher Scheme (BCVS) allows small businesses and social enterprises within the new Belfast City Council boundary area to apply for grants of up to £3,000, to get high-speed broadband connections into their premises.
1.2	Following a successful market test phase which targeted seven areas in the city, the Belfast Connection Voucher scheme has now been opened up across the whole city. The official launch of the scheme which all Members are invited to attend, will take place in the City Hall on the 14 <sup>th</sup> February.

<b>2.</b>	<b>Key Issues</b>
2.1	The official launch of the Belfast Connection Voucher Scheme will provide us with the opportunity to promote the benefits of the scheme to the wider business community. We aim to outline the benefits of superfast broadband demonstrating how it can give businesses a competitive advantage.
2.1	Business leaders and business owners have been invited to the launch to hear the benefits of the scheme and how they can apply for a connection voucher. One of the businesses that took advantage of the voucher scheme during last year's market test phase will also explain how their business is already reaping the benefits of superfast broadband through increased turnover and new clients.
2.3	Alongside the launch event we are inviting all registered communications providers for the BCVS to take part in a supplier expo. This will give telecoms providers the opportunity to promote their products and services that can be paid for with a connection voucher.

2.4	Appendix 1 provides an update of the scheme to date and an outline of the application process is also provided. Appendix Two includes the detailed guidance on the scheme.
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<b>3.</b>	<b>Resource Implications</b>
3.1	The Super-connected Project Team will continue to administer applications to the scheme.

<b>4.</b>	<b>Equality and Good Relations Implications</b>
	N/A

<b>5.</b>	<b>Recommendations</b>
5.1	Invitations have been sent to all Members who are asked to support the Belfast Voucher Scheme Launch on the 14 <sup>th</sup> February 2014.

<b>6.</b>	<b>Decision Tracking</b>
	Officer responsible: Ronan Cregan

<b>7.</b>	<b>Key to abbreviations</b>
	DCMS – Department for Culture, Media and Sport

<b>8.</b>	<b>Documents Attached</b>
	N/A

## Appendix 1: Belfast Connection Scheme – Update

### Background

The Belfast Connection Voucher Scheme allows small businesses and social enterprises within the Belfast City Council area to apply for grants of up to £3,000, to get high-speed broadband connections into their premises.

The improved connection will allow organisations take advantage of the benefits of doing business online. These benefits include:

- a more reliable service;
- business growth through increased competitiveness in local and international markets;
- better communication with partners, suppliers, customers and staff;
- reduced costs through more efficient working;
- improved data storage and accessibility;
- faster upload and download for large files.

Hopefully the support will not stop with financing improved connectivity. The Development department is putting together an application for ERDF funding that will allow the creation of training and development packages for companies so that they can maximize the benefits that the technology brings.

Over the summer, a market test was conducted across seven areas throughout the city. The market test was very successful and that success allowed us to continue to a full city-wide launch in early December. The official launch will take place on the 14<sup>th</sup> February.

### Status

#### Voucher Scheme Figures

Applications	256
Vouchers	130

#### Suppliers:

The scheme currently has approximately 129 registered suppliers and is made up of national and local organisations. So far, all vouchers have been won by local suppliers:

- Tibus
- Atlas
- Novosco
- Rainbow
- Leaf

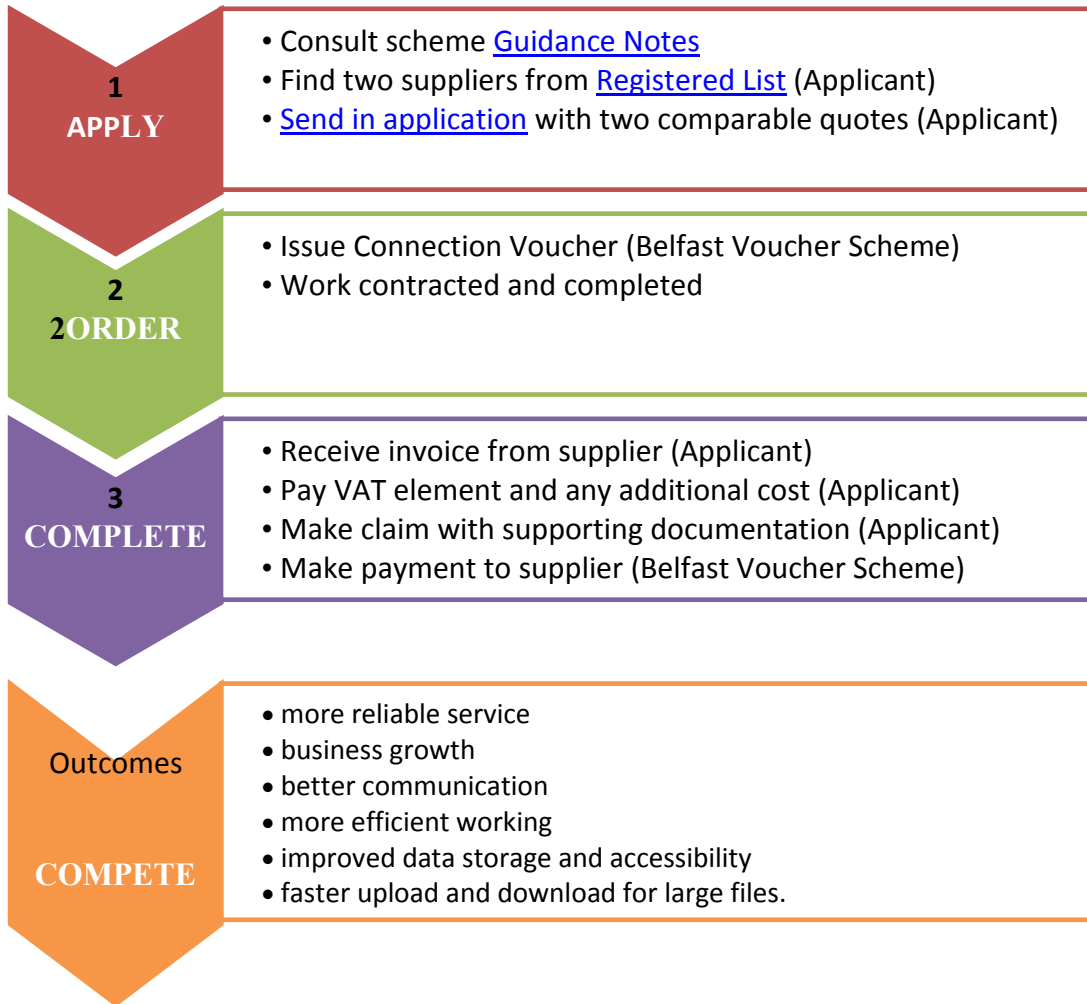
### Benefits

Businesses have indicated through their applications that the benefits that a voucher will bring are:

	Year 1	Year 2
<b>Jobs</b>	187	487

Turnover (£)	9,801,361	22,318,610
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### Application Process



## BELFAST CONNECTION VOUCHERS SCHEME

### Guidance for applicants

The purpose of the Connection Vouchers Scheme is to assist businesses and third sector organisations to meet the upfront capital costs of a high-speed or high grade broadband connection to their premises.

This guidance contains information on who is eligible to apply, how the process works and contains a step-by-step guide on the BCVS Application Form.

#### 1. Am I eligible to apply?

To be eligible for funding under the Connection Voucher Scheme:

- i. You must be a small or medium-sized enterprise (SME) as defined by the European Commission.

Registered charities, social enterprises and sole traders that meet the SME criteria below are welcome to apply.

- You are a sole trader or employ between one and 249 persons AND
- You have an annual turnover not exceeding €50 million AND/OR
- You have an annual balance sheet total not exceeding €43 million.

If you are a start-up or pre-start-up business, you may be eligible to apply as long as you have or can gain start-up approval from the City in advance.

If you are unsure if you meet the SME criteria, there is a guide you can check on our FAQ on the website at <https://www.connectionvouchers.co.uk/belfast/registered-suppliers-in-belfast>.

- ii. Your business property must be located within the Belfast City Council area.

You can check your postcode on our website to make sure that you are in an eligible area [www.connectionvouchers.co.uk](http://www.connectionvouchers.co.uk). The address must be the registered office or trading address of your business. If you work from a residential property as your main business base you can still apply. You **cannot** apply if you are employed and work from home.

- iii. If you are a tenant of a business park or a commercial property landlord, additionally you must have the approval of your landlord to proceed with the work.

## 2. What can I use my Connection Voucher for?

For more information on what the technology terms mean, please visit [www.connectionvouchers.co.uk](http://www.connectionvouchers.co.uk) where there is a guide to the kinds of connections available.

- i. To be eligible for a Connection Voucher you need to show us that the new connection is a 'step change' from what you had before. The following conditions therefore apply, depending on what kind of new connection you choose:
  - For new NGA Connections, your supplier must provide a minimum of 30Mbit/s to your premises. If your existing NGA-based broadband service is 30Mbit/s or greater, then the upgraded NGA-based broadband service must deliver at least a doubling of speeds compared to the service you currently use. So for example if you already have 30Mbit/s, you must upgrade to at least 60Mbit/s.
  - If you have chosen a business grade connection as your new service, it must have **both** of the following characteristics:
    - offer a minimum of 20Mbit/s services to your premises now and be capable of being configured/upgraded in the future to support at least 30Mbit/s services to your premises; and
    - deliver at least a doubling of speeds when compared to your current business grade connection. So if you are already on business grade, you must for example go from 20 to 40Mbit/s or 30 to 60Mbit/s. If you are transferring from NGA to business grade, the requirement for a doubling of speed does not apply.

Business Grade connections are those that are provided on a dedicated or uncontended basis to customers and are supported with service level guarantees. We recognise that these services can be provided in the form of leased lines (including Ethernet services) or point-to-point microwave links but we do not specify a particular type of service.

- ii. You cannot use the voucher to provide a second high-speed or high grade connection to your business premises or property, or for inter-site connectivity.
- iii. You can only apply for one Connection Voucher. If you have multiple premises you need to choose which one you wish to connect using the Voucher.
- iv. You cannot use the voucher to pay early termination charges if you switch from another supplier.
- v. The cost of your connection must be more than £250. If it is below that, we cannot offer you a grant.

## 3. What other conditions apply?

- i. You must not have already received public sector funding to improve the broadband connectivity to your business premises/ property.
- ii. You or your business/organisation must have no outstanding debts to the Local Authority at the time you apply.



- iii. You must confirm that you have not already received de minimis aid that, together with this voucher, would exceed the threshold of €200k (approximately £165k) over a three-year fiscal period. You will have been issued with a letter by any schemes that grant de minimis aid telling you how much aid you have received. You can find more guidance at

<http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/10-951-state-aid-beginners-guide.pdf>

or see the full EU de minimis Regulation at<sup>1</sup>

*Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid*, L 379/5, OJEU, 28 December 2006,  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:en:PDF>

Businesses in certain sectors are not eligible for de minimis aid. If your business/organisation is active in the fisheries, agricultural or coal sectors, or if you are unsure of your entitlement to benefit from de minimis aid, it is recommended that you seek professional advice before participating in the scheme.

- iv. Your business must be financially viable at the time you apply.

#### 4. What's the process?

You can start by using our postcode checker to make sure you are in an eligible area.

If you are, then on the website you can **register your interest** if you'd like us to get in touch with you, or to find out if your organisation fits the criteria for grant funding. If you wish to apply as part of a group of organisations working with a landlord or agent, please contact us for further guidance.

If you are eligible, you need to get two quotes from suppliers for comparable services; the two quotes need to offer the same kinds of speeds or services (both NGA or both Business Grade), even if the technologies are different. You need to use suppliers that have registered with us; they are listed on the main website and on the city pages in the **Who provides the Connection** section.

Now you are ready to apply. Follow the guidance on the Belfast City Council Connection Voucher website page on how to access the application form.

When we receive your form we will check your eligibility, check that the supplier quotes are appropriate for the kind of connection that you have requested and, if both are ok, we will send you an email or a letter confirming that you have an offer of a Connection Voucher and confirm the value of that voucher. If you have provided estimates rather than firm quotes,

you will need to send us the firm quote once the supplier has completed their survey before we can confirm your voucher offer.

You have 28 days to place your order with your chosen supplier. Please make sure you complete the process in that time. We may withdraw your offer if you do not place your order quickly.

When the connection is made, you need to make your claim and send us the supplier invoice and the service delivery certificate that confirms the new high-speed connection is now live, together with the speed check that provides evidence that the connection is working at the right speed. You pay any VAT due to the supplier, and we pay the value of the voucher directly to your supplier.

We then send you a letter to say how much grant you have received from the Connection Voucher Scheme.

The Connection Voucher Scheme has final end dates for applications and claims that are listed in the Terms and Conditions. Please make sure that you apply and make your final claim before the end dates.

If you have any questions at any time through the process, contact us on 0800 587 4695.

## Application form Step by Step guide

### SECTION 1 – YOUR INFORMATION

Choose applicant type either business, third sector or charity

#### 1. Applicant Details

- Select Title (e.g. Mr, Miss, Mrs, Ms etc)
- Enter first name of applicant *This should be the person responsible for making the application*
- Enter surname of applicant (this will be the primary contact for the application)
- Enter phone number of application address
- Enter mobile number
- Enter email address (follow up emails for your application will be sent to this address, please ensure all details are accurate)
- Choose preferred method of contact

#### 2. Address that the Connection Voucher is to be used for

- Enter full address for connection installation

#### 3. Organisation details

- Enter your position within the organisation *Please tell us your role in your organisation, for example Finance Director, Proprietor, Trustee. The person applying must be able to accept any offer made on behalf of the organisation*
- Enter business or organisation name. *Your organisation name may be published if you are awarded a connection voucher*
- Please select which of the provided business sectors most accurately relates to your application business
- Confirm if installation address is also trading address *If your registered address above is not where you usually do business, please also include your trading address (if no, enter full trading address)*

#### 4. Please tell us which sector your business belongs to

- Please indicate as accurately as possible the sector to which your business belongs more information on sector codes can be found at:  
<http://www.companieshouse.gov.uk/infoAndGuide/sic/sic2007.shtml>

#### 5. Are you registered with Companies House?

- If you are a limited company (Ltd), LLP, public limited company (plc) or Charitable Incorporated Organisation, you will be registered with companies house
- If yes enter registration number

#### 6. Are you a registered charity?

- You should be registered with the Charity Commission for Northern Ireland (CCNI) or a deemed charity with HM Revenue and Customs (HMRC).
- If yes enter registration number

#### 7. Are you registered for VAT?

- If yes enter VAT registration number
- 8. Number of paid employees**
- Enter number of paid employees
- 9. Number of volunteers if 3rd sector organisation**
- Enter number of volunteers (if charitable organisation). If you are a charity, you should list both employees and volunteers separately
- 10. Business/organisation turnover**
- Enter business/organisation turnover. This should be from your most recent accounts
- 11. Balance sheet total**
- Enter balance sheet amount - Total assets net of depreciation. This should be from your most recent accounts and the same accounts from which turnover is taken.
- 12. Date of last accounts**
- Enter date of last accounts
- 13. Does your business have a parent company or are you part of a group of linked enterprises?**
- *If you have a parent company or are part of a group, we need to know more about the other companies you are associated with.*
  - *If yes, please enter the relevant information below:*
    - i. Enter parent company number
    - ii. Enter parent company name
    - iii. Enter parent company postcode
    - iv. Enter parent company address
    - v. Enter parent company city
    - vi. Enter number of employees of parent company
- 14. Please tell us which sector your parent company belongs to**
- Please indicate as accurately as possible the sector to which your business belongs more information on sector codes can be found at:  
<http://www.companieshouse.gov.uk/infoAndGuide/sic/sic2007.shtml>
  - Enter parent company business turnover *This should be from your most recent accounts*
  - Enter balance sheet amount *Total assets net of depreciation. This should be from your most recent accounts and the same accounts from which turnover is taken.*
  - Enter date of last accounts
  - Enter percentage of applicant business owned by parent company

## Section 2 - Your Existing Connection

Do you have a current connection? yes / no

**15. What kind of connection do you have currently?**

- Check with our glossary below for explanations of the connection types
- You might also consult your current provider (if relevant)

- Confirm current connection type

**16. What kind of service do you get from your supplier of your current service?**

- Confirm if current service is uncontended or contended (See glossary below for explanation of these terms).

**17. What speeds can you upload and download with your current connection?**

- You can discover your existing connection speeds by noting your current contract terms and/or measuring your connection using an online broadband speed test such as:

<http://www.broadbandspeedchecker.co.uk/>

- Enter current upload speed
- Enter current download speed
- See Glossary below for explanation of these terms

**18. What is the monthly cost of your current connection?**

- Please tell us how much a month you pay for your current connection

**19. What were the initial set up costs for your current connection?**

- Please tell us if there were any connection charges when you took out your current connection

**20. Are there any other costs associated with your current connection?**

- Please use the boxes below to describe what the costs are and how much per month you pay (e.g. for exceeding data limits, ongoing service charges)

**21. Are there any service constraints on your old connection?**

- Please use the text box to describe any restrictions on the use of the connection

## Section 3 – Your preferred quotation

**22. What is the supplier name?**

- Enter preferred service provider name Please enter details of your chosen service provider. Please note that they must be chosen from the list of pre-registered suppliers.
- A full list of the registered suppliers for Belfast can be found at [www.connectionvouchers.co.uk](http://www.connectionvouchers.co.uk)

**23. What kind of connection have you selected?**

- Check with our glossary below for explanations of the connection types
- You might also consult the supplier
- Confirm connection type

**24. What kind of service do you get from your supplier of your new service?**

- Confirm if service will be uncontended or contended (See Glossary below for explanation of these terms).

**25. What is the product name?**

- Enter supplier product name *Please give the name of the product chosen*

**26. What speeds can you upload/download with your new connection?**

- Enter upload speed
- Enter download speed
- See Glossary below for explanation of these terms

**27. What is the cost of the supplier quotation?**

- Please enter the cost from the service provider quotation. Please note that we may ask for a detailed breakdown of how the costs have been calculated.

**28. Is the quote an estimate or a firm quotation?**

- Confirm if your quote is an estimate or a firm quotation. Some suppliers are only able to provide firm quotations after survey. If they have provided you with an estimate, we need to know as your Connection Voucher offer will need to be confirmed once the final cost is agreed.

**29. What is the estimated date of connection?**

- Please enter the estimated date that the work will be completed

**30. How long is the contract for your new connection (months)?**

- Please enter the length of contract of your new connection in months

**31. What is the monthly cost of your new connection?**

- Please tell us how much a month you pay for your current connection

**32. Are there any other costs associated with your new connection?**

- Please use the boxes below to describe what the costs are and how much per month you pay (e.g. for exceeding data limits, ongoing service charges)

**33. Are there any service constraints on your new connection?**

- Please use the text box to describe any restrictions on the use of the connection

**34. What is the Supplier Ref number?**

- Enter supplier reference number Please provide the unique reference number from your chosen supplier's quotation. Contact your supplier if you cannot locate it.

## Section 4 – Your rejected quotation

**35. What is the supplier name?**

- Enter preferred service provider name Please enter details of your chosen service provider. Please note that they must be chosen from the list of pre-registered suppliers.

**36. What kind of connection was proposed?**

- Check with our Glossary below for explanations of the connection types



- You might also consult the supplier
- Confirm connection type

**37. What kind of service would you have got from the supplier you rejected?**

- Confirm if service is uncontended or contended (See Glossary below for explanation of these terms).

**38. What is the product name?**

- Enter supplier product name *Please give the name of the product chosen*

**39. What were the proposed upload/download speeds with the proposed new connection?**

- Enter upload speed
- Enter download speed
- See Glossary below for explanation of these terms

**40. What is the cost of the supplier quotation?**

- Please enter the cost from the service provider quotation. Please note that we may ask for a detailed breakdown of how the costs have been calculated.

**41. Is the quote an estimate or a firm quotation?**

- Confirm if quote is an estimate or a firm quotation. Some suppliers are only able to provide firm quotations after survey. If they have provided you with an estimate, we need to know as your Connection Voucher offer will need to be confirmed once the final cost is agreed.

**42. What is the estimated date of connection?**

- Please enter the estimated date that the work will be completed

**43. How long is the contract for the proposed connection (months)?**

- Please enter the length of contract of your new connection in months

**44. What is the monthly cost of the connection?**

- Please tell us how much a month you pay for your current connection

**45. Are there any other costs associated with the connection?**

- Please use the boxes below to describe what the costs are and how much per month you pay (e.g. for exceeding data limits, ongoing service charges)

**46. Are there any service constraints on the connection?**

- Please use the text box to describe any restrictions on the use of the connection

**47. What is the Supplier Ref number?**

- Enter supplier reference number Please provide the unique reference number from your chosen supplier's quotation. Contact your supplier if you cannot locate it.

## Section 5 - The benefits of your connection

Please select as many benefits as are appropriate

**48. Please tell us the impact on your business of taking the new connection**

- Enter business turnover in £
- In one year (if known)
- In three years (if known)
- Enter number of new jobs in year one (if any)
- Enter number of new jobs in year three (if any)

**49. Are there any other benefits you expect to see as a result of taking the new connection?**

- Detail any other benefits from taking the new connection

## Section 6 – Maximising the benefits of your connection

Whilst the benefits of the high speed broadband access can be realised immediately, Belfast City Council is putting together a programme of support for participating organisations to help them get maximum benefit from the investment.

These schemes will be tailored to the requirements of the participating organisations and as such, it is vital that the relevant areas are selected.

## Section 7 - Data protection

Please complete as necessary.

## Section 8 - Declaration

Please ensure that the first four statements have been read and boxes ticked before submission. Also please tick that appropriate landlord permission has been received if relevant to your application. **FAILURE TO CONSENT TO ALL RELEVANT STATEMENTS WILL RESULT IN THE APPLICATION NOT BEING PROGRESSED.**

**Signature** - The person signing this form must be able to take financial responsibility on behalf of the business/organisation

**Before you send in your application, please ensure that you have completed all sections of this form. Your application may be delayed if the information is incomplete**



## Glossary

### What are the services available?

These are some of the descriptions you will see when you start to look for a broadband connection.

<p><b>Contended or sShared Service</b></p>	<p>A shared link or contended connection will provide the advertised download and upload speeds only when there are no other users sharing the service. You probably won't know that you're sharing a line or who you're sharing it with. To optimise the amount of time end-users actually get those speeds a provider calculates the overall speed they need on the main 'pipeline' to give each customer the service requested most of the time. The minimum service that can be expected can be calculated by looking at number of shared users. This is called the 'contention ratio'. For example a contention ration of 20:1 means that at peak time twenty other users could be using the same capability and so each user experiences a 20th of quoted download and upload speeds in a busy period. In reality, users aren't often all making heavy demands on the service at the same time. A shared service can be perfectly acceptable and cost far less than a similar dedicated service. The fact that the service is contended will be identified in the terms and conditions of contract.</p>
<p><b>Uncontended or dedicated Service</b></p>	<p>A dedicated or uncontended connection will provide your business with the full quoted download and upload speeds at all times, which you can chose how to configure. The price of uncontended services is usually higher as the costs of provision, by definition, are not shared with other users. These services will also often come with a detailed service level agreement that specifies quality of service for reliability and maintenance. You need to consider how important it is to your business to have certainty of the speeds available to you and whether it is worth the additional cost.</p>
<p><b>Broadband Speed</b></p>	<p>Speed is measured in Megabits per second (Mbit/s or Mbps – you will see the term shortened in several ways). There are 8 Megabits in a Megabyte with a Megabyte representing approximately 1 million characters of text. You will see terms such as superfast and ultrafast but there is no official fixed definition of the terms.</p>

<b>Download speed</b>	Download speed is the rate at which data (including emails, web pages, video etc) can be transferred from another network (or the Internet) to your end of a broadband connection.
<b>Upload speed</b>	Upload speed is the rate at which data be transferred from your business to another network (or the Internet). Upload speed may be the same or different from the download speed depending on which service you select. Most consumer services have much lower upload speeds; you should consider carefully how much upload capacity your business needs
<b>Symmetric/Asymmetric</b>	A symmetric connection will offer you the same upload and download speeds. An asymmetric service will usually offer you a considerably lower upload speed than download speed and will typically cost less. . Think about how your business uses the connection and whether having a fast upload speed is important to you.
<b>Speed checker</b>	There are a number of commercially available speed checkers where you can input your phone number or address to see what the estimated performance of your broadband connection would be, download and upload. These are normally offered on the websites of service providers. There are other kinds of speed checker where your computer can measure the

### What do all the technologies mean?

In this section, we describe the main technologies used by suppliers to bring you your broadband connection. We have taken out as much 'jargon' as we can, but in places the only way to describe the technology is with some technical language that can't be translated. If you have questions, remember that you can ask your suppliers to talk you through how it all works.

The suppliers you talk to will have product names for their services that may not be exactly the same as the wording below. We can't list all supplier products but you can use these definitions with your suppliers to help you understand which category their product falls into.

<b>Fibre To The Premise (FTTP)</b>	Where an optical fibre runs all of the way from the provider's network to your premises. Very high download and upload speed (e.g. 10 Gigabytes per second and above) are possible with some types of active fibre systems. However, lower cost passive optical networks (PON), also classified as FTTP, are often used by suppliers and typically offer asymmetric speeds of up to 330Mbit/s download speed and 30Mbit/s upload speed.
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<b>Fibre to the Cabinet (FTTC)</b>	Where optical fibre is run to a street side cabinet, the additional expense of running fibre right up to a user's premise is avoided. However the existing copper telephone lines that are used for the final connection to the premises from the cabinet have lower capacity than fibre, typically up to 80Mbit/s download speed and 20Mbit/s upload speed. Speeds depend on how far you are from the cabinet: the speed will be lower the farther the copper has to run.
<b>Fibre on demand</b>	Where a supplier usually offers FTTC to customers as a standard product rather than FTTP (because of the high deployment costs), or if FTTC would not provide a sufficiently fast service to meet an individual customer's needs, then some network operators would offer FTTP for an additional charge by offering what suppliers call an 'on-demand' product. Charges are often considerable and are payable upfront.
<b>Cable (DOCSIS 3.0)</b>	The original Cable TV networks used fibre optic links from the network to street side distribution points and coaxial copper lines to users' premises. Coaxial copper lines have a higher capacity over longer distances than traditional twisted pair copper telephone lines and this TV technology has been adapted to provide data communications at up to 120Mbit/s download speeds and 12Mbit/s upload speeds.
<b>Mobile</b>	Mobile telephone technologies can provide high maximum download speeds. However its reliability and performance varies with the location, environment, loading of the network by other users and the available radio spectrum. Mobile connections are not eligible under the Connection Voucher Scheme as costs of connection typically fall below the minimum grant level. Mobile technologies can however be used as part of another solution (see below).
<b>Ethernet First Mile (EFM)</b>	Ethernet is the communications protocol (a kind of language) used by most wired office networks. You may be familiar with it in your office wiring systems. Connections to the external broadband network in the past have used other communications protocols (another one is called ATM) which need both equipment to translate protocols (to let different parts of the system talk to each other) and add extra operational costs for network providers. EFM allows the Ethernet protocol to be conveniently transmitted over the existing copper telephone lines and optical fibre links, and can reduce costs to users.
<b>Fixed Wireless Access (FWA)</b>	Wireless links can be used instead of copper or optical fibre links to connect users from a wireless base station. Usually the base station is mounted on a mast or



	building at your premises. The connection's performance is designed to be more stable and predictable than mobile because user equipment is in a fixed location. Often FWA uses mobile technologies adapted for fixed operations.
<b>Leased line</b>	A leased line is a copper or fibre connection providing a data service with a Service Level Agreement (for example, this may cover download speeds, repair times and so on.). Depending upon the type of service ordered the sockets and connectors, and their electrical characteristics, might differ from the usual Ethernet components that you may be familiar with.
<b>Leased line – Ethernet</b>	An Ethernet leased line can be connected to existing office-based Ethernet networks without additional protocol translation equipment. It 'presents' an Ethernet interface to the user.
<b>Microwave</b>	Microwave is a kind of leased line that uses a radio link rather than copper or fibre. Generally it requires a line of sight from the network location to an antenna dish mounted on or near your premises.