

## Appendix 1

<b>Belfast City Council's Draft Response to the Department of the Environment Consultation Document on Severance Arrangements for Councillors</b>	
<b>Question 1:</b>	<b>Do you have any comments about the proposal to introduce a severance scheme for Councillors?</b>
	<p>Belfast City Council, having long lobbied for a severance scheme for Councillors, welcomes the proposal to award Members' severance payments in recognition of their long and valued service to Local Government.</p>
<b>Question 2:</b>	<b>Do you agree that MLAs, MPs, Members of the House of Lords and MEPs should not be eligible for a severance award?</b>
	<p>On the basis that MLAs, MPs, Members of the House of Lords and MEPs continue to participate in a tier of Government and are remunerated for doing so the Council is of the view that they should not be eligible for a severance award. In addition, MLAs, MPs, Members of the House of Lords and MEPs are eligible for pensions and/or Resettlement Grants when they are either not re-elected or choose to retire from public life whereas Councillors do not benefit from any such provision.</p> <p>This exclusion from the severance scheme is also in line with those schemes implemented in Scotland and Wales.</p>
<b>Question 3:</b>	<b>Should the eligibility criteria include a minimum period of service? If yes, what should that period be?</b>
	<p>The Council is of the opinion that the eligibility criteria should include a minimum period of service. It is felt that it is appropriate for the minimum term to be served by a Member before they become eligible for severance to be at least two Council terms. A minimum of two terms is more likely to be acceptable to the general public in terms of the definition of long service and the actual costs of any scheme.</p> <p>The Council is also in favour of cumulative service being applied to determine the level of award.</p>
<b>Question 4:</b>	<b>Do you agree that a provision allowing a Councillor's next of kin to receive the award should be included in the severance scheme?</b>
	<p>It is recognised that serving as an Elected Representative involves a significant amount of time being spent both on Council and constituency business. This commitment undoubtedly impacts on family life and therefore the Council feels that it is wholly appropriate</p>

that in the event of a Councillor dying after applying for severance but before the payment has been made the next of kin should be entitled to receive the full amount.

**Question 5: With regard to the timing of the scheme which of the three options listed below do you consider most suitable?**

***Option 1 - Introduce the scheme in January 2010***

***Option 2 - Introduce the scheme from January 2011***

***Option 3 - Introduce the scheme at the end of the Local Government term in 2011***

The Council is in favour of option one, implementing the scheme from January 2010, providing that appropriate legislation is enacted to prevent by-elections being held to fill vacancies which have arisen as the result of Members opting to take severance. Implementing the scheme from January 2010 would also help ensure that new Councillors would gain valuable experience of Local Government in preparation for Councils' assuming additional powers in 2011. In addition, this lead-in time would allow capacity-building issues for new Members to be addressed in a structured and comprehensive manner, thereby helping to ensure a smooth and efficient transition to the new Local Government structures. A phased approach will help reduce the impact of losing experienced Councillors.

The second option would potentially result in some Councils trying to conduct their business with a significantly reduced number of Members in the last months of the Council term. This scenario could also be potentially very disruptive to the efficient running of the Council as well as forcing Councils to revisit their proportionality arrangements.

The third option is the least favourable in that in the crucial period leading up to the full implementation of the Review of Public Administration it may result in Councils being faced with working through a complex transition process with retiring Members who may have a peripheral interest only in the restructuring of Local Government and the additional powers which Councils will assume.

**Question 6: Is there another more suitable time to make the scheme available?**

No.

**Question 7: Which of the two methods set out below for calculating the award do you consider most suitable?**

***Option 1 – A set amount for each year of Service as a Councillor***

***Option 2 – Level of award grouped by a number of bands according to length of service***

The Council considers that option 1 is the most suitable. This is in line

with the recommendation of the Councillors' Remuneration Working Group and mirrors the scheme implemented in Wales in 2003. The Council would recommend that for each complete year of service an amount of £1,000 should be payable up to a maximum of £36,000. As with the scheme implemented in Scotland in 2007, in calculating service a continuous period of six months or more within a complete year should be rounded up to a complete year.

**Question 8: Should there be a maximum amount for an individual award? If yes, what sum should that be?**

The Council is of the view that it is reasonable to set a maximum amount of £36,000 for an individual award. This sum, for which a relatively low number of Members will be eligible, ensures that those with the longest service are not in fact disadvantaged financially in terms of the amount which they would be entitled to for each year of service given.

**Question 9: Who do you think should meet the cost of a severance scheme?**

Of the two options for meeting the costs of the scheme, that is, the costs should be met by Councils or by Central Government, the Council is of the opinion that the cost should be met by Central Government. In both Scotland and Wales the costs of the schemes were borne by the devolved administrations. Given that the Review of Public Administration and the reorganisation of Local Government is an initiative which is being undertaken by the Northern Ireland Assembly it would seem reasonable that the costs associated with the introduction of a severance scheme as part of the overall reorganisation should be met by Central Government.

Should Councils be required to finance the costs of introducing a severance scheme, applying eligibility criteria of a minimum service of two terms and a maximum amount of £36,000, the potential maximum cost to Belfast City Council would be £255,000. In the current climate where Councils are striving, in an exceptionally difficult economic downturn, to manage finances in order to ensure value for money for the ratepayer it is difficult to see how they could bear the costs of a severance scheme without it resulting in costs being passed on to citizens.

**Question 10: Should a recipient of an award be required to repay it in full in the event that he/she is elected or co-opted to a Council at a future date?**

The Council is of the opinion that a recipient of an award who subsequently returns to serve in Local Government should be expected to repay the award in full.

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