



Department of the

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**The Apportionment of Costs  
Associated with the Ethical Standards Framework  
between Councils**

Consultation Document

1 August 2014

## **THE APPORTIONMENT OF COSTS ASSOCIATED WITH THE ETHICAL STANDARDS FRAMEWORK BETWEEN COUNCILS**

This Consultation Document seeks views on how costs associated with the investigation and adjudication processes within the revised ethical standards framework should be apportioned between councils

**Comments should be sent by 1 October 2014 to:**

**Local Government Policy Division 1  
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**or by email to:**

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The following people will be able to answer queries in relation to the apportionment of costs:

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# HOW COSTS ASSOCIATED WITH THE ETHICAL STANDARDS FRAMEWORK SHOULD BE APPORTIONED BETWEEN COUNCILS

## PURPOSE OF THE CONSULTATION DOCUMENT

1. Part 9 section 64 (1) of the Local Government Act (Northern Ireland) 2014, sets out that before the commencement of each financial year the Northern Ireland Commissioner of Complaints' (Commissioner) office must prepare an estimate of the amount of the expenses of the Commissioner under this Act.
2. Subsection 2 outlines that the Department must apportion the amount estimated in accordance with subsection (1) between all the councils in Northern Ireland in such manner as the Department, after consultation in accordance with subsection (3), considers appropriate.
3. Subsection 3 sets out that the Department must consult—
  - a) councils; and
  - b) such associations or bodies representative of councils as appear to the Department to be appropriate, about the manner in which the amount mentioned in subsection (2) is to be apportioned.
4. The set up costs and any costs relating to casework of the ethical standards framework this year are being met by the Executive. This consultation, therefore, seeks views on the proposed method for apportioning costs from April 2015 onwards.

## BACKGROUND

5. The Local Government Act (Northern Ireland) 2014 has put in place a new ethical standards regime for local government, including a mandatory Code of Conduct for Councillors. The Northern Ireland Commissioner of Complaints (Commissioner) will be responsible for handling any allegations made against councillors of breaches of this Code.
6. This is a change to the original proposal that each Council would have its own ethical standards framework. It has a number of advantages:
  - a. it removes the need for appointing monitoring officers and establishing standards committees (including any independent membership) in councils;
  - b. the involvement of the Commissioner's office adds transparency, independence and ensures fairness and these factors are likely to improve public confidence in the system;
  - c. it ensures a uniform approach to all complaints; and
  - d. the Commissioner is experienced in carrying out investigations.
7. Councils will be obliged to cover the Commissioner's costs in providing this service, and the Act provides for the Department to apportion the cost between councils. The Act places a requirement on the Department to consult with councils, and representatives of

councils, on the method of apportionment, prior to finalising the amount due.

## **APPORTIONMENT OPTIONS**

8. Four options for apportioning costs have been identified:
  - A. Number of councils (11);
  - B. Number of councillors (462);
  - C. Total population (1,823,600) based on the small area population estimates 2012 (published by NISRA on 27 March 2014); and
  - D. Tax base, as measured by Gross Penny Rate Product at 30 September 2013 (22,459,998).
  
9. In order to demonstrate how the costs would be distributed, based on an estimated cost of £380,000 for 2015/16, the table below sets out each scenario:

**Table 1: Apportionment of Costs**

<b>Council</b>	<b>Option A Number of Councils</b>	<b>Option B Number of Councillors</b>	<b>Option C Population</b>	<b>Option D Gross Penny Rate Product</b>
Antrim and Newtownabbey District	£34,545	£32,900	£29,006	£28,553
Armagh, Banbridge and Craigavon District	£34,545	£33,723	£42,175	£35,237
Belfast District	£34,545	£49,350	£69,598	£94,103
Causeway Coast and Glens District	£34,545	£32,900	£29,464	£25,781
Derry and Strabane District	£34,545	£32,900	£30,965	£27,419
Fermanagh and Omagh District	£34,545	£32,900	£23,796	£23,200
Lisburn and Castlereagh District	£34,545	£32,900	£28,402	£31,721
Mid and East Antrim District	£34,545	£32,900	£28,297	£27,163
Mid Ulster District	£34,545	£32,900	£29,256	£23,577
Newry, Mourne and Down District	£34,545	£33,723	£36,195	£31,354
North Down and Ards District	£34,545	£32,900	£32,840	£31,886
<b>Total</b>	<b>£380,000</b>	<b>£380,000</b>	<b>£380,000</b>	<b>£380,000</b>

**Note: Totals rounded**

10. The costs set out in Table 1 do not include legal challenges. Should legal challenges materialise, the additional costs will be apportioned between the new councils. In addition, any other additional costs associated with the work of the Commissioner will also be apportioned between the new councils, using the preferred option.

## PROS AND CONS OF OPTIONS

### 11. Four options considered:

- Option A – number of councils (11). This option would result in an equal split in costs between the councils which would put an inequitable pressure burden on the budgets of those less wealthy council clusters. This option is the easiest to administer.
- Option B – number of councillors (462). This method would give a more accurate representation as it includes the councillors in each cluster and has a clear linkage to the work and costs of the Commissioner. This option requires minimal calculation to apportion the cost and provides the most equitable solution.
- Option C – population (1,823,600). This option gives an accurate representation of the total population, as it includes groups such as children and those not registered to vote. However, this could be interpreted as the more urban areas subsidising the more rural areas irrespective of the number of councillors in that cluster.
- Option D – gross penny rate product (22,459,998). This method represents the biggest disparity between the four apportionment methods. This method assumes that the only method of paying for reform was through rates, and this is not the case. It also bears no relationship to the work and associated costs of the Commissioner.



## CONSULTATION

12. The Finance Working Group and the Financial Matters Sub Group, which consists of senior local government officers and central government officials, have assessed the options and consider that Option B (number of councillors 462) is the preferred option and should be consulted with councils and bodies representative of councils.
13. That the method of apportionment should be reviewed in 2017/18 when the actual costs, and the impact of casework on the Commission becomes available

## COMMENTS

14. Comments on the preferred option on how the costs associated with the ethical standards framework should be apportioned and the proposed review in 2017/18 should be sent by 1 October 2014 to the address below or by email to:  
[stephen.western@doeni.gov.uk](mailto:stephen.western@doeni.gov.uk)
15. If you have any queries in relation to the proposals, you should contact:

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16. This Consultation Document is being circulated to councils and bodies representative of councils listed in Annex A.

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**List of Consultees**

All Northern Ireland District Councils

National Association of Councillors

Northern Ireland Local Government Association

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