

Local Government Division

Clerk & Chief Executive of each District Council
Mr Trevor Polley,
Secretary, Society of Local Authority Chief
Executives
Mrs Iris McCleery,
Secretary, Association of Local Government Finance
Officers
Mr Ronnie Ferguson,
Secretary, National Association of Councillors
Ms Heather Moorhead
Chief Executive, Northern Ireland Local Government
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Your reference:
Our reference: LGD 8/76/05
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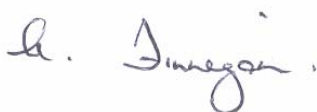
Dear Sir/Madam

GUIDANCE ON COUNCILLORS' ALLOWANCES – APRIL 2007

1. The purpose of this circular is to:-
 - (i) issue determinations covering basic allowance; special responsibility allowance; and dependants' carers' allowance; and
 - (ii) provide councils with guidance, relating to the package of allowances for councillors.
2. The Minister, David Cairns, MP agreed with the National Association of Councillors that he would take forward some of the recommendations of the Councillors' Remuneration Working Group, by amendment of subordinate legislation. He undertook to have a new package of allowances in place for 1 April 2007.
3. The Local Government (Payments to Councillors) (Amendment) Regulations (Northern Ireland) 2007 have been made with an operational date of 6 April 2007 and the enclosed determinations have to match that date. However, to honour the commitment made by the Minister and also, to avoid administrative problems for councils, the Department, under Articles 19 and 20 of the Local Government (Northern Ireland) Order 2005, grants approval for all councils to **apply the new rates of allowance from 1 April 2007.**

4. In Circular No LG/03/07, issued on 22 January 2007, you were advised that the Department would provide guidance relating to the new package of allowances, by 1 April 2007. Following the consultation process, comments made on the draft Regulations were being considered, as were queries from local government organisations and individual councils. In an attempt to capture **all** of these concerns, the Department held one meeting with representatives of the National Association of Councillors, the Northern Ireland Local Government Association, the Society of Local Authority Chief Executives, and the Association of Local Government Finance Officers to explore and discuss the issues. It is hoped that the enclosed 'Guidance on Councillors' Allowances – April 2007' deals adequately with the matters raised.
5. In the guidance, the recommendations that are being taken forward now have been highlighted and the remaining recommendations, which have been accepted by the Minister, are not yet provided for in legislation. However, the Department would encourage members to, at least, give these points some consideration when establishing their council's scheme of allowances.
6. I must emphasise that, in relation to special responsibility allowance, it is not for the Department to be prescriptive as to how councils distribute their total sum. Councils should retain the flexibility to address their local requirements and strive to achieve as fair a distribution as possible.
7. Each allowance, including dependants' carers' allowance, which is being introduced for the first time, is dealt with separately in the guidance. Detailed information has not yet been prepared on the implications for tax and social security benefits. These areas will be addressed early in 2007/2008 and will be included in a fuller version of the guidance.
8. Meantime, should you need any clarification about matters referred to in the circular, you could contact me or Brenda Dickson (telephone nos: 028 9025 6079 and 028 9025 6081, respectively)

Yours faithfully



MFT FINNEGAN (Miss)

Encs.

cc All Finance Officers of district councils