



Department of
the Environment
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Local Government Division

Clerk and Chief Executives of each District Council

Mr John McGrillen, Secretary, Society of Local
Authority Chief Executives

Ms Heather Moorhead, Chief Executive, NILGA

Mr Ronnie Ferguson, Secretary, National
Association of Councillors

Mr John Buchanan, Chief Local Government
Auditor

Other Interested Parties

Circular No. LG 18/05

Room 5-42
Clarence Court
10-18 Adelaide Street
BELFAST
BT2 8GB

Telephone: (028) 9054 1009
Facsimile: (028) 9054 0025
Email: marie.finnegan@doeni.gov.uk

Our reference: ~~LG 14/05~~ LGD-14/05

25 August 2005

Dear Sir/Madam

BASIC ALLOWANCE FOR COUNCILLORS

1. The Department has determined a revised maximum rate of Basic Allowance, payable under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1999. This determination supersedes the rate about which you were advised in Circular LG 13/05, dated 1 July 2005.
2. In his concluding comments on the recent High Court case on mobile phones, Judge Coghlin suggested that the Department might devise a scheme, under section 36 of the Local Government Act (Northern Ireland) 1972 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1999, to accommodate costs associated with mobile phones.
3. The Councillors' Remuneration Working Group, established earlier this year, will address this area, when reviewing the various allowances and also when analysing member services and support systems.
4. You will be aware that over the last few weeks, the Department carried out a brief survey across the 26 district councils, to ascertain the various arrangements relating to mobile phones. Returns have now been completed.

In summary, the current position is as follows:-

- 8 district councils do not supply mobile phones to their members;
- 18 district councils do supply mobile phones to their members;
- 16 district councils do not meet the direct cost of official calls (assumed to be covered from Basic Allowance); and
- 10 district councils meet the cost of mobile phone rental and/or calls

(No account has been taken in the above analyses of mobile phones supplied to mayors/chairmen or their deputies, as associated costs could be covered by sections 12 and 13 of the Local Government Act (Northern Ireland) 1972) allowances.

- 5. Pending the recommendations of the Councillors' Remuneration Working Group as to how incidental costs incurred by councillors might be met – the Department has decided to increase the level of Basic Allowance in the interim, by some £300. With effect from 1 July 2005, the maximum rate of basic allowance has been revised and is therefore, £4,800 per annum. It is for individual councils to decide on the level of allowance to be paid to their members, within this ceiling.
- 6. I should make it clear that the additional allowance is not to be ring-fenced, as this amount is not specifically to cover costs associated with mobile phones. It is an increase in Basic Allowance, which is intended to recognise a time and expense commitment of councillors and also to cover any incidental costs incurred by them in their official capacity.
- 7. Enclosed is a copy of the formal determination, detailing the revised maximum rate of Basic Allowance, which is effective from 1 July 2005.
- 8. Should you have any queries about the content of this circular, please do not hesitate to contact me.

Yours faithfully

Signed

MFT FINNEGAN (MISS)

cc Finance Officers of district councils

Enc.

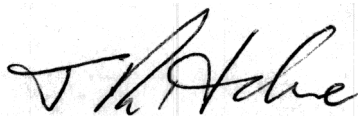
LOCAL GOVERNMENT ACT (NORTHERN IRELAND) 1972

**LOCAL GOVERNMENT (PAYMENTS TO COUNCILLORS) REGULATIONS
(NORTHERN IRELAND) 1999**

DETERMINATION OF MAXIMUM RATE OF BASIC ALLOWANCE

The Department of the Environment, in exercise of the powers conferred by section 36 of the Local Government Act (Northern Ireland) 1972(a), as amended by Article 9 of the Financial Provisions (Northern Ireland) Order 1978(b), and now vested in it(c), hereby determines that, with effect from 1 July 2005, the maximum amount of basic allowance payable under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1999(d) shall not exceed £4,800 per councillor per annum.

Dated this *26th* day of August 2005.



Senior Officer of the Department of the Environment

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- (a) 1972 c.9 (N.I.)
(b) S.I.1978/1041 (N.I. 11)
(c) S.R. & O. (N.I.) 1973 No.504 Art.7 (1); Northern Ireland Constitution Act 1973 (c.36) Sch.5 para 8(1)
S.I. 1976/424 (N.I. 6)
(d) S.R. 1999 No.449