

SYNOPSIS OF RESPONSES TO CONSULTATION ON SEVERANCE ARRANGEMENTS FOR COUNCILLORS

1. There were a total of 43 responses. The breakdown was as follows.

NUMBER	CATEGORY
2	Public Bodies
2	Voluntary Groups
1	Trade Union
4	Members of the Public
9	Councillors
23	Councils and Local Government Organisations
2	Political Party

2. Four of the respondents; two public bodies, a council and a voluntary group did not comment on the consultation document. One of the public bodies, HMRC, did, however, clarify the tax and national insurance position for severance awards.

Q.1 Do you have any comments to offer on the proposal to introduce a severance scheme for councillors?

3. Thirty two respondents commented on this question. Twenty seven were in favour of a severance scheme for councillors and 5 were not. Of the 27 who were in favour all but 3 were councils, councillors or local government organisations. A voluntary group which supported a severance scheme commented that it would be appropriate to have the contribution made by councillors recognised with a moderate severance package.
4. All four members of the public who commented were opposed to a severance scheme for councillors. One suggested that, against the background of the pressure on public finances, the Executive should reconsider the justification for a severance scheme. Another member

of the public suggested that if being a councillor was not classified as employment then perhaps a severance scheme was not warranted.

5. One of the 7 councillors who commented one suggested that there was no justification for the scheme and that it was likely to be unpopular given the current criticism about MPs use of expenses.

Q.2. Do you agree that MLAs, MPs, Members of the House of Lords and MEPs should not be eligible for an award?

6. Twenty nine respondents commented on this question. Ten respondents agreed but three of these added a caveat. One suggested that some consideration might be given to using severance as an inducement to get MLAs to stand down as councillors, another suggestion was it might deliver “twin tracking” and the final comment was that the eligibility should be discussed further with political parties.
7. One respondent took the view that no individual should hold more than one public office and severance should, therefore, be limited to those who leave public service altogether.
8. Seventeen respondents suggested that sitting councillors who are also MPs, MLAs, MEPs or Members of the House of Lords should be eligible for severance in respect of the periods in local government prior to their election (or in the case of the House of Lords appointment) to a higher tier of government.
9. One respondent said that all councillors should be treated equally whether or not they held another political office.

Q.3. Should the eligibility criteria include a minimum period of service? If yes, what should that period be?

10. All 29 respondents who answered this question agreed that there should be a minimum period of service. The majority, 18, suggested the minimum period of service should be more than one term.
11. Four respondents suggested a minimum of one term or 4 years. Six respondents suggested a greater minimum period of service. These were: 8 years; at least three terms (suggested by two respondents); 4 or 5 terms and a minimum of 20 years, with the caveat that it would be preferable not to have a severance scheme at all. An eligibility criterion of a minimum of one term before the introduction of the Basic Allowance (1998) and calculation of the award on the basis of only the periods before the Basic Allowance was introduced was also proposed.
12. A further respondent did not suggest a specific minimum period but commented that a set number of years would be clearer than using terms.

Q.4 Do you agree that a provision allowing a councillor's next of kin to receive the award should be included in the severance scheme?

13. A total of 30 responses were made to this question, 11 of whom agreed. Sixteen respondents suggested that councillors should be able to nominate a person or persons to receive the award, not just the next of kin, in the event that the councillor died after applying for an award but before the award was made. Three respondents did not agree that any provision for next of kin should be included.

Q.5. Which of the three options for the timing of the scheme do you consider most suitable?

14. Thirty respondents answered this question, 19 of whom preferred Option 1 (January 2010); 2 preferred Option 2 (January 2011 and 8

Option 3 (end of the local government term 2011). One response did not specify a preferred option but said it welcome the early introduction of a severance scheme.

15. Of the 19 respondents who preferred Option 1, 15 did so with the proviso that legislation to allow for co-option to fill all the consequent vacancies is in place. One respondent commented that if it was not possible to amend the legislation on co-option then Option 2 or 3 would be preferable. Another respondent, however, suggested that every effort should effort should be made to get cross party support for co-option to fill vacancies but concerns about the cost of potential by-elections should not deter the transition to the reform of local government.
16. Five of the 18 who preferred a severance scheme being available from January 2010 suggested some form of variation to the timing. Two suggested that severance should also be available at the end of the local government term, one proposed that it should be available on a quarterly basis from January 2010; another suggested the scheme should be available in January 2010, June 2010, January 2011 and May 2011 and one respondent said it but did not specify a preferred phasing.
17. Of the 8 respondents who preferred Option 3, two commented on the issue of capacity training for councillors. One said it was not needed as councils will still have a relatively minor role after reorganisation, but, if necessary, political parties and potential members should address capacity. The other respondent said capacity building could be addressed by the existing councils and induction training in the new councils.
18. Two other respondents who preferred Option 3 said the retention of experienced councillors would aid transition to the reform of local government.

Q.6. Is there another more suitable time to make the scheme available?

19. No alternative times were suggested.

Q.7. Which of the following two methods of calculating the scheme do you consider most suitable?

Option 1 – a set amount for each year of service as a councillor; or

Option 2 – level of award grouped by a number of bands according to length of service.

20. Twenty nine respondents answered this question, of which 24 preferred Option 1 and three Option 2. One respondent stated the award should be calculated on actual years of service provided that only service before the introduction of Basic Allowance was counted. A further respondent did not specify an option but stated that the scheme should treat all those availing of it equally.

21. Thirteen of the respondents stated that service of six months or more in a year should be treated as a complete year for calculation of the award as was the case in the severance scheme in Scotland.

Q.8. Should there be a maximum amount for an individual award?

22. Of the 27 respondents who answered this question, 5 said there should be no maximum, 14 suggested £38,000, three said £20,000 and one suggested £7,500 for over 20 years' service. Four respondents suggested limited the service that could be used in calculating the award, two proposed 20 years and the other two 38 years.

23. Fifteen of the respondents said the award should include an additional amount to cover any tax and national insurance deductions. HMRC

has advised that there is no national insurance liability on the severance award. An award up to and including £30,000 would be paid without tax. The excess over £30,000 would be taxable as employment income and should be included in gross pay for PAYE purposes.

Q.9. Who do you think should meet the cost of a severance scheme?

24. Of the 32 respondents who answered this question 31 considered the cost should be met by central government, mainly because the Review of Public Administration was a central government initiative. Two of 31 who opted for central government commented that if severance was to become a permanent policy then councils should meet the costs of future awards. The one respondent who said that local government should meet the cost also said that the legislation should give each council the discretion to determine its stance on the matter.

Q. 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?

25. All 28 respondents to this question agreed that a recipient of a severance award should be required to repay it in the event of election or co-option. Eighteen of the 28 said the repayment provision should be time-bound. One respondent suggested a period of 4 years and the rest 8 years.

Other Comments

26. One member of the public commented that although there would be an overall reduction in the number of councillors of 120 the Assembly has a compliment of 108 members, many of whom are also councillors and there would only be a net reduction of 12 local representatives in the

administration of public services which hardly warranted a severance scheme on the scale proposed.

27. Another member of the public said it was inappropriate for the Minister of the Environment, or any of his Executive colleagues who are also councillors, to make decisions on severance for councillors.

28. Two respondents commented that they would welcome the early establishment of a group to consider councillors remuneration in the new councils. Another respondent commented that full consideration could not be given to severance arrangements without deliberation of the future financial recognition of councillors in the new structure. The two issues needed to be considered together to allow for an informed opinion and for greater clarity on potential costs.

29. A respondent commented that the figures quoted in the consultation document were misleading as it is impossible to predict the precise number of councillors who would apply for a severance scheme. The respondent suggested that the number of councillors availing of the scheme could fall far short of the projected numbers.