

EXPLANATORY MEMORANDUM TO
Local Government (Payments to Councillors) Regulations (Northern Ireland)
2012

SR 2012 No. 85

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of the Environment ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under section 31(1), (3) and (4) and section 43(2) of the Local Government Finance Act (Northern Ireland) 2011 ("the Act") and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Statutory Rule introduces a requirement for councils to make and publish schemes of the allowances payable to councillors in the exercise of their duties.
- 2.2. The Statutory Rule makes provision for payment, in accordance with each council's scheme, of a basic allowance, special responsibility allowance and dependants' carers' allowance to councillors, and of travel and subsistence allowances to councillors and council committee members.
- 2.3. The Statutory Rule introduces a requirement for councils to keep a record of the allowances actually paid, detailing the names of the recipients, the amount and the nature of each payment, a requirement to make this record available for inspection, free of charge, at all times, and a requirement for each council to publish this information on its website at the end of each year.
- 2.4. The Statutory Rule introduces a restriction on payment of special responsibility allowance to no more than half of the members of a council, unless approved by the Department.

3. Background

- 3.1. Part 3 of the Act (Payments to councillors, etc.) updates the legislative framework for councillors' remuneration by repealing the provisions in the Local Government Act (Northern Ireland) 1972 which deal with payments to councillors and re-enacting them, with some amendments.
- 3.2. The Act introduces a requirement for councils to make and publish a scheme of the allowances they intend to pay to councillors and, at the end of each year, to publish a record of the amounts paid to each individual, as recommended by the Councillors' Remuneration Working Group.
- 3.3. The Councillors' Remuneration Working Group was established in March 2005 by the then Minister with responsibility for local government, and its membership included representatives from the National Association of Councillors, Northern Ireland Local Government Association, trade unions, business and voluntary sectors together with an independent

member. The Group's recommendations were published in the report titled Review of Councillors' Remuneration in Northern Ireland (issued June 2006).

- 3.4. The Statutory Rule repeals the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1999, as amended in 2007, and the Local Government (Travelling and Subsistence Allowances to Councillors) (No.2) Regulations (Northern Ireland) 1973, as amended in 1979, 1981, 1997 and 2003.

4. Consultation

- 4.1. In accordance with section 44(1) of the Act, consultation on the draft Statutory Rule was conducted between 17th December 2010 and 24th February 2011.
- 4.2. The Department received seventeen responses to the consultation, none of which opposed the purpose of the Statutory Rule.
- 4.3. As a result of comments received during consultation, provision has been made that will allow a council to apply to the Department for approval to pay special responsibility allowance to more than half of its members. This will not affect the maximum amount of special responsibility allowance available to a council; only its distribution to more than half of the members of that council.
- 4.4. From 10th October 2011 to 16th December 2011, the Department consulted on proposals to reduce the amount of basic allowance and special responsibility allowance payable to councillors who are also members of the Northern Ireland Assembly, the House of Commons or the House of Lords ("multiple mandate councillors").
- 4.5. The Department received thirteen responses, none of which opposed the proposed reduction.
- 4.6. As a result of this consultation, the definition of multiple mandate councillors has been extended to include councillors who are also members of the European Parliament. Provision has been made in the Statutory Rule to reduce, by two-thirds, the amount of basic allowance and special responsibility allowance that may be paid to multiple mandate councillors.

5. Equality Impact

- 5.1. Under the terms of section 75 of the Northern Ireland Act 1998, and prior to consultation, the Department carried out equality screening exercises on the draft Statutory Rule and the policy proposals regarding the allowances payable to multiple mandate councillors.
- 5.2. A final equality screening exercise was conducted before the making of the Statutory Rule, which took account of the changes made following consultation.
- 5.3. The provision for dependants' carers' allowance will continue to have a positive impact on councillors with dependants and may encourage people with dependants to become councillors.

- 5.4. No adverse impacts for any of the nine section 75 categories were identified, and the Statutory Rule does not present an opportunity to better promote equality of opportunity or good relations. A full Equality Impact Assessment was therefore not required.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment is not necessary, as the Statutory Rule has no impact on the costs of businesses, charities, social economy enterprises or the voluntary sector, and no significant financial impact on any public bodies.

7. Financial Implications

- 7.1. The Statutory Rule has no significant financial implications.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Statutory Rule is considered compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable.

10. Parity or Replicatory Measure

- 10.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 make provision for the payment of basic allowance, special responsibility allowance, dependants' carers' allowance and travelling and subsistence allowance, and the preparation and publication of schemes of allowances.
- 10.2. The Local Authorities (Allowances for Members) (Wales) Regulations 2007 make similar provision for basic allowance, special responsibility allowance, dependants' carers' allowance and travelling and subsistence allowance, and the preparation and publication of schemes of allowances. In Wales, the maximum amount for each allowance is prescribed by the Independent Remuneration Panel for Wales.
- 10.3. The approach in Scotland is different. The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 specify four grades of councillor for remuneration purposes, namely, the Leader of the Council, Civic Head, Senior Councillors and Councillors. Although there is no requirement for local authorities in Scotland to publish schemes of the allowances they intend to pay, they are required, under provision of the Local Government (Allowances and Expenses) (Scotland) Regulations 2007, to publish a record of the allowances and expenses paid to each councillor in the previous year on the council's website.

11. Additional Information

- 11.1. Not applicable.