

EXPLANATORY MEMORANDUM TO

Local Government (Severance Payments to Councillors) Regulations (Northern Ireland) 2013

S.R. 2013 No. 183

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 19 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. This Statutory Rule makes provision for a one-off severance scheme for councillors who are leaving political life in the run up to local government reorganisation.

3. Background

- 3.1. Section 19 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 (the 2010 Act) contains a power enabling the Department to make regulations for severance payments by councils.
- 3.2. The regulations provide for-
 - the amount of severance payments;
 - the method of calculating the amount of severance payments; and
 - the procedure for applying for severance payments and for dealing with such applications.
- 3.3. The 2010 Act also provides that:
 - any period when a councillor was also a member of the Assembly, the House of Commons or the European Parliament is disregarded when calculating a severance payment; and
 - a recipient of a severance payment is disqualified from being elected, or being, a councillor.

Summary of Statutory Rule Provisions

- 3.4. Regulation 3 sets out the prescribed period and prescribed conditions which a councillor must meet in order to be eligible for severance payment. It specifies that councillors must have accrued a minimum of 12 years reckonable service by the date of the councillor's application to be eligible for a severance payment and that the application must be made in accordance with regulation 4.

- 3.5. Regulation 4 provides for applications for a severance payment. It specifies how and when such applications are to be made and sets out the administrative requirements for each application. It also provides that where a councillor applies for a severance payment, and is nominated for election in the next local government elections the application will be deemed to have no effect. The next local government elections, which will be to the 11 new councils, are scheduled for May 2014.
- 3.6. Regulation 5 specifies the calibration of the annual payments to be used for the calculation of the amount of a severance payment subject to a maximum amount of £35,000. That calibration is-
- £1,000 per year of service between May 1973 and May 1998; and
 - £600 per year of service between May 1998 and March 2015.
- 3.7. Regulation 6 defines reckonable service. It also specifies how to deal with any period which is part of a year.
- 3.8. Regulation 7 makes it clear that a council must not pay a severance payment to a councillor before the date of his or her resignation and provides that only one severance payment shall be paid to each eligible councillor. It also places a duty on the council to pay the severance payment to the councillor's beneficiaries named by the councillor on his or her nomination form, in the event that the councillor dies between becoming entitled for a severance payment and receiving payment of it.

4. Consultation

- 4.1. The Department has carried out a consultation on the proposed severance arrangements for councillors and draft regulations from 5 April to 31 May 2013. A total of 33 responses were received. The majority of respondents (21) welcomed/accepted or were broadly content with the proposed severance scheme for councillors.
- 4.2. A summary of the consultation responses received has been prepared and will be placed on the DOE website. The consultation report sets out the key points raised by respondents and the Department's response.

5. Equality Impact

- 5.1. Under the terms of section 75 of the Northern Ireland Act 1998, the Department carried out a screening for equality impact and is satisfied that the Statutory Rule will not lead to a significant discriminatory or negative differential impact.

6. Regulatory Impact

- 6.1. A regulatory impact assessment has not been produced for this Statutory Rule as it has a negligible impact on the cost of businesses, charities, social economy enterprises or voluntary sector.

7. Financial Implications

- 7.1. The Northern Ireland Executive has agreed to allocate £3.5m towards the cost of the severance scheme for councillors. The payments will be made by councils and the Department will reimburse the cost.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department is satisfied that the Statutory Rule complies with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable.

10. Parity or Replicatory Measure

- 10.1. Not applicable.

11. Additional Information

- 11.1. Not applicable.