

Severance Arrangements for Councillors and draft Local Government (Severance Payments for Councillors) Regulations (Northern Ireland) 2013

Consultation Document



SEVERANCE ARRANGEMENTS FOR COUNCILLORS AND DRAFT LOCAL GOVERNMENT (SEVERANCE PAYMENTS FOR COUNCILLORS) REGULATIONS (NORTHERN IRELAND) 2013

This Consultation Document seeks views on the Department's proposals for a severance scheme for councillors, and the proposed Local Government (Severance Payments for Councillors) Regulations (Northern Ireland) 2013.

Comments should be sent by 31 May 2013 to:

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SEVERANCE ARRANGEMENTS FOR COUNCILLORS AND DRAFT LOCAL GOVERNMENT (SEVERANCE PAYMENTS FOR COUNCILLORS) REGULATIONS (NORTHERN IRELAND) 2013

PURPOSE OF THE CONSULTATION DOCUMENT

 The Department of the Environment is seeking views from consultees on the proposed arrangements for severance payments to district councillors.

BACKGROUND

- 2. In a statement to the Assembly on 3 July 2012 the Minister of the Environment, Alex Attwood, advised that he would bring forward proposals for a one-off severance scheme for councillors who were leaving political life in the run up to local government reorganisation. Minister Attwood said the severance scheme would recognise the contribution made by those councillors who have served their communities for a long time, much of which was during the period of civil unrest.
- 3. The Department had previously consulted on a severance scheme in 2009. Those proposals have been reviewed in the light of the Executive and Assembly decisions on the total number of councillors in the 11 new district councils and the economic downturn with its consequent pressure on public finances.

- 4. The core components of the proposed councillor severance scheme would include:
 - a minimum eligibility period;
 - calibration of payments; and
 - a cap on individual payments.
- 5. 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. The regulations would 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.
- 6. 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.
- 7. On 12 June 2012 the Assembly approved the boundaries of 11 new local government districts, and the 462 wards making up those districts. As the number of wards equates to the number of council seats, there will be 120 fewer councillors than there are at present.

- 8. The proposed Local Government (Severance Payments to Councillors) Regulations (Northern Ireland) 2013 ("the Regulations") outline the terms of a one-off severance scheme for councillors, linked to local government reorganisation and the resulting reduction in the number of council seats across Northern Ireland. A draft of the Regulations is provided at Annex A.
- The Department intends to make the Regulations before the Assembly rises for its summer recess and bring them into operation in August 2013.

DETAILS OF THE PROPOSALS

Eligibility – the prescribed period

- 10. Section 19(1) of the 2010 Act, requires that an individual applying for a severance payment must have been a councillor immediately before the start of a period prescribed in regulations, and must resign their council membership before the end of that prescribed period.
- 11. The prescribed period is, therefore, the period during which councillors will be able to apply for severance and be required to resign their council membership.
- 12. It is proposed that the prescribed period will start on the date the Regulations come into operation, and end on 31 March 2015. The prescribed period would run until the current 26 district councils are dissolved.

Application periods

- 14. It is proposed to have two periods during which councillors can apply for severance. Both periods would be before the next local government elections.
- 15. The Secretary of State has agreed in principle that the next local government elections will be held in 2014. The date of the election will not, however, be determined until the legislation is made to establish the district electoral areas for the 11 new local government

districts. Councillors who were elected to the 26 councils remain as such until either, they resign, or their term of office expires. The existing 26 councils will continue to provide services until 1 April 2015 when the 11 councils will take over.

Stage One

- 16. The first period, stage one, would be from the date the Regulations come into operation to 31 December 2013. Councillors who apply during stage one would resign their seat immediately. The vacant seat would then be filled using the co-option arrangements.
- 17. It is expected that some councillors who are sure that they do not want to seek re-election in 2014 would stand down during stage one. Political parties will be able to put forward individuals who intend to stand for election in 2014 to fill the vacant seats. This will have the advantage of enabling those individuals to gain some experience of the role and responsibilities of a councillor before they stand for election.

Stage Two

- 18. It is proposed that the second application period, stage two, would be from 1 January 2014 to the closing date for nominations to stand at the next local government elections (the closing date).
- 19. It is recognised, however, that there are councillors who do not wish to seek election again but who do want to complete their term of office. Furthermore, there are other councillors who have not yet decided whether they wish to seek election to the 11 new councils. Some of those councillors may consider that they cannot make a

decision until they know what the district electoral areas will be. A District Electoral Area Commissioner (DEAC) has recently been appointed and is expected to report to the Secretary of State in early 2014.

- 20. The severance scheme is designed to recognise the service given by councillors who are retiring from public life. It is not intended that an individual who is currently a councillor in one of the 26 councils and who stands for election in 2014 but is unsuccessful should then be able to apply for a severance payment. The closing date for stage two has been chosen to limit that possibility. In addition, applicants will be required to submit a signed declaration that they will not seek re-election.
- 21. Councillors will be free to decide when, within the prescribed period, they wish to resign from office. They will, however, be required to provide a written declaration of their date of resignation when they apply for the severance scheme.
- 22. The severance payment would be made on, or after, the date of the councillor's resignation. This is because a councillor who has received a severance payment is disqualified from being a councillor.
- 23. Section 11 of the Electoral Law Act (Northern Ireland) 1962, as amended, prevents a vacancy which occurs after the 1st of January in an election year being filled before the election. The local government elections in 2014 will, however, be to the 11 new councils.

24. There may be a risk that an existing council would have insufficient councillors to conduct its business or meet its quorum, for some of the period from 1 January 2014 to 31 March 2015.

Question One

Do you agree with the proposed two stage application process? If not, what alternative would you suggest?

Question Two

Do you foresee any practical or administrative difficulties with the prescribed period ending on 31 March 2015?

25. As it is important that the reorganisation of local government proceeds as smoothly as possible, the Minister has indicated that he would consider discussing the possibility of amending the electoral legislation to allow a vacancy on an existing council to be filled by co-option after 1 January 2014, with the Secretary of State. The views of consultees on whether the electoral law should be amended would be welcomed.

Question Three

Do you agree that the Secretary of State should be asked to amend the electoral law to allow a vacancy in any of the 26 existing councils to be filled by co-option after 1 January 2014? If yes, what benefits do you think would result from such an amendment.

Eligibility - the qualifying period

- 26. The proposed severance scheme will take account of all periods of service as an elected member of a council, from the local government elections in May 1973 to the date of the councillor's resignation.
- 27. It is proposed that length of service should be measured in years, rather than council terms of office. This will take account of mandates that exceeded or fell short of the standard 4-year term, for example, councillors elected in the 2005 elections had their term extended to 6 years. This method also recognises the service of councillors elected at a by-election, or co-opted between elections.
- 28. It is also proposed that a councillor should have served for a minimum qualifying period of 12 years before becoming eligible for a severance payment. Periods when the councillor was also a Member of the Assembly, MP or MEP would not count for the qualifying period.
- 29. In his statement to the Assembly, Minister Attwood said he would consider views on whether it would be more suitable to set the minimum eligible period at 16 years or more.
- 30. The length of the qualifying period will affect the number of councillors who are able to apply for severance. If the qualifying period is 12-years, an estimated 267 councillors would be in the eligible group. The eligible group would fall to an estimated 177 councillors, if a 16-year qualifying period is used.

Question Four

Do you agree that periods when a councillor was also a Member of the Assembly, the House of Commons or the European Parliament should be excluded when determining the eligibility of councillors? If not, what alternative would you propose?

Question Five

Do you think that the minimum qualifying period for severance should be longer than 12 years? If so, what do you think the minimum qualifying period should be and why?

Reckonable service within the qualifying period

- 31. The severance payment will be based on the cumulative total of all periods of reckonable service since 7th May 1973.
- 32. Reckonable service is a period of service as a councillor, excluding any periods when the councillor was also a member of the Assembly, the House of Commons or the European Parliament.
- 33. It is unlikely that the total reckonable service will be in complete years for all applicants. It is, therefore, proposed that a part period of six months or more will be treated as a full year in office, while a part period of less than six months will be disregarded.

Question Six

Do you agree with the proposed method of dealing with part periods of service? If not, what alternative would you suggest?

Calculation of individual severance payments

- 34. The amount of severance payable will be calculated on the basis of a set amount for each year of reckonable service. To achieve the Minister's intention that the severance scheme treats councillors with longer periods of service in a fair and proportionate manner, it is proposed to have a graduated scheme of payments. Service in the earliest years of the current 26 councils, when civil unrest was at its height and the remuneration for councillors was relatively low, would be recognised through a higher annual rate. More recent service would receive a lower annual rate.
- 35. To reflect the proposals for a scheme of graduated payments, the Regulations will be drafted on the basis of bands of service. Options include:
 - Option 1 service falling into two bands, and
 - Option 2 service falling into three bands.

Option 1

- 36. In this option there would be two bands for the periods of service.

 These would be:
 - Band 1: commencing on 7 May 1973 and ending on 10 May
 1998; and
 - Band 2: commencing on 11 May 1998 and ending with the date of the councillor's resignation.
- 37. The yearly amount in Band 1 will be higher than the yearly amount in Band 2. Proposed annual payment amounts are given below.

| | BAND 1 | BAND 2 |
|---------------|-------------|-------------|
| Band range | 7 May 1973 | 11 May 1998 |
| | to | to |
| | 10 May 1998 | the date of |
| | | resignation |
| Yearly amount | £1,000 | £600 |

38. The use of 1998 as a break point is in recognition of the major changes to the security and political situation in Northern Ireland initiated by the Belfast/Good Friday Agreement. Also at that time there was a change to the system of remuneration for councillors with the introduction of a basic allowance. Basic allowance is paid in recognition of a councillor's representational role and to assist with incidental expenses such as the use of their home and private telephones.

Option 2

- 39. In Option 2 there would be three-bands for the periods of service.

 These would be:
 - Band 1: commencing on 7 May 1973 and ending on 10 May 1987;
 - Band 2: commencing on 11 May 1987 and ending on 6 May 2001; and
 - Band 3: commencing on 7 May 2001 and ending on the date of the councillor's resignation.

The 3 Bands are of approximately equal duration. The proposed level of annual payment for each band is given below.

| | BAND 1 | BAND 2 | BAND 3 |
|---------------|-------------|-------------|-------------|
| Band range | | | |
| | 7 May 1973 | 11 May 1987 | 7 May 2001 |
| | to | to | to the |
| | 10 May 1987 | 6 May 2001 | date of |
| | | | resignation |
| Yearly amount | £1,000 | £750 | £550 |

Question Seven

Do you agree with calibration based on service bands?

If not, what alternative basis for calibration would you suggest?

Question Eight

Which of the two options do you consider most suitable? If neither, what alternative would you suggest?

40. It is proposed that the maximum amount of an individual severance payment should be capped at £35,000. At the moment tax would only be payable on the amount over £30,000. The rate of tax which would apply to the amount above £30,000 will depend on the individual councillor's income.

Question Nine

Do you agree that individual severance payments should be capped at £35,000? If not, what alternative limit would you suggest?

41. To illustrate the possible effects of using Option 1 or Option 2, worked examples, showing calculation of possible individual severance payments, are provided at Annex B.

Death of an Applicant for a Severance Payment

- 42. When applying for severance, a councillor will be able to nominate a beneficiary, or beneficiaries, to receive the payment in the event of the councillor's death.
- 43. The severance will be paid only to the beneficiary or beneficiaries nominated by the councillor.

Total estimated cost of severance

- 44. From the date of the 1973 local government elections, the maximum time a councillor could have served by 13 March 2015 would be nearly 42 years the equivalent of more than 10 standard local government terms.
- 45. The total cost of the severance scheme has been calculated on the basis that all eligible councillors would apply and they would remain in office until 30 March 2015 in two possible scenarios.

Scenario 1

- 46. Minimum qualifying period of 12 years, and reckonable service falls into two service bands, attracting:
 - £1,000 per year in Band 1; and
 - £600 per year in Band 2.

47. The total maximum cost of the scheme, if all councillors who were eligible applied for severance, is approximately £4.29m.

Scenario 2

- 48. Minimum qualifying period of 12 years, and reckonable service falls into 3 service bands, attracting:
 - £1,000 per year in Band 1;
 - £750 per year in Band 2; and
 - £550 per year in Band 3.
- 49. The total maximum cost of the scheme, if all councillors who were eligible applied for severance, is approximately £3.88m.

Meeting the Cost of the Severance Scheme

50. The Northern Ireland Executive agreed (20 February 2013) that some financial support is required to deliver the reform of local government. The Executive agreed to fund various transitional elements including a severance scheme for councillors. Although councils will be responsible for making the severance payments, the cost will be reimbursed by the Department.

Proposed Regulations

51. A copy of the proposed Regulations, based on Option 1 (details of Option 1 are given on page 10) is attached at Annex A. The Department would welcome comments on the draft regulations.

HUMAN RIGHTS

52. The Department believes that the proposals are compatible with the Human Rights Act 1998.

EQUALITY

53. Under the terms of section 75 of the Northern Ireland Act 1998, the Department carried out screening for equality impact and is satisfied that the proposed legislation will not lead to discriminatory or negative differential impact on any of the section 75 groups. A copy of the screening form can be viewed on the Department's website http://www.doeni.gov.uk/index/information/equality_unit.htm.

REGULATORY IMPACT ASSESSMENT

54. The Department has not conducted a regulatory impact assessment as the proposed regulations do not impose any associated costs on, or result in savings for, businesses, charities, social economy enterprises or the voluntary sector.

RURAL PROOFING

55. The Department has assessed the proposed measures and considers that there would be no differential impact in rural areas or on rural communities.

FREEDOM OF INFORMATION ACT 2000 - CONFIDENTIALITY OF CONSULTATIONS

56. The Department will publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read Annex E on the confidentiality of consultations, which will provide guidance on the legal position about any information given by you in response to this consultation.

ALTERNATIVE FORMAT

57. This document is available in alternative formats. Please contact us to discuss your requirements.

CONSULTATION

- 58. Comments should be sent by 31 May 2013 to the address below, or by e-mail to LGPDConsultations@doeni.gov.uk
- 59. The following persons will be able to answer queries in relation to the proposals:

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60. This Consultation Document is being circulated to the persons and bodies listed in Annex F, and is also available to view at:

http://www.doeni.gov.uk/index/local_government/local_government_consultations.htm.

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STATUTORY RULES OF NORTHERN IRELAND

2013 No.

LOCAL GOVERNMENT

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

Made - - - - ***

Coming into operation - 1st August 2013

The Department of the Environment makes the following Regulations in exercise of the powers conferred upon it by section 19 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010(a).

Citation and commencement

1. These Regulations may be cited as the Local Government (Severance Payments to Councillors) Regulations (Northern Ireland) 2013 and shall come into operation on 1st August2013.

Interpretation

- 2. In these Regulations—
 - "calculation period 1973 to 1998" means the period that commences on 7th May 1973 and ends on 10th May 1998;
 - "calculation period 1998 to 2015" means the period that commences on 11th May 1998 and ends on the councillor's date of resignation;
 - "clerk of the council" means the clerk of an existing council;
 - "councillor" means a member of an existing council;
 - "prescribed period" means the period that commences on 1st August 2013 and ends on 31st March 2015;
 - "qualifying period" means the period that commences on 7th May 1973 and ends on 31st March 2015;
 - "resignation" means a resignation in accordance with section 8 of the Local Government Act (Northern Ireland) 1972(b); and
 - "severance payment" means a payment made in accordance with these regulations.

Eligibility for severance payment – prescribed conditions

- **3.** For the purposes of section 19(1)(c) of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010, the prescribed conditions are:-
 - (a) by the date of making an application for a severance payment, the councillor has accrued a minimum of twelve years reckonable service as a member of any existing council during the qualifying period; and
 - (b) in accordance with regulation 4, the councillor has made an application for a severance payment.

⁽a) 2010 c.7 (N.I.)

⁽b) 1972 c.9 (N.I.)

Application for a severance payment

- **4.**—(1) An application for a severance payment shall be made to an existing council.
- (2) An application for a severance payment shall be—
 - (a) (i) made between the beginning of the prescribed period and 31st December 2013; or
 - (ii) made between 1st January 2014 and the closing date for nomination as a candidate in the next local government elections;
 - (b) written, and in such form as the council may direct;
 - (c) made to the clerk of the council;
 - (d) accompanied by a written declaration of the councillor's date of resignation; and
 - (e) a written declaration that the individual will not stand for election at the next local government elections.
- (3) The date of resignation mentioned in (2)(d) shall be-
 - (a) in the case of an application made under (2)(a)(i), between the dates mentioned in that paragraph; or
 - (b) in the case of an application made under (2)(a)(ii), before 31st March 2015.
- (4) An application for a severance payment shall be accompanied by the councillor's nomination of one or more beneficiaries to receive the severance payment in the event of the councillor's death before payment is made.

Amount and calculation of severance payment

- 5.—(1) Subject to paragraph (2), the amount of severance payment shall be determined by the existing council.
 - (2) The amount of severance payment shall be the lesser of—
 - (a) the sum of—
 - (i) £1,000 per year for each year of reckonable service in the calculation period 1973 to 1998, plus
 - (ii) £600 per year for each year of reckonable service in the calculation period 1998 to 2015; or
 - (b) £35,000.

Calculation of reckonable service

- **6.**—(1) For the purposes of regulations 3 and 5, a period of reckonable service shall—
 - (a) commence on the day the councillor came into office and end on the councillor's last day in office; and
 - (b) exclude all periods for which the councillor was both a councillor and—
 - (i) a member of the Assembly (within the meaning of the Northern Ireland Act 1998(a));
 - (ii) a member of the House of Commons; or
 - (iii) a member of the European Parliament.
- (2) All periods of reckonable service shall be aggregated to give a total amount.
- (3) Where total reckonable service includes a part year, that part year—
 - (a) being a period of 6 months or more, shall be rounded up to count as one year; or
 - (b) being a period of less than 6 months, shall be disregarded.

⁽a) 1998 c.47

Annex A

Payment of a severance payment

- 7.—(1) Severance payments shall not be made to those councillors who satisfy the prescribed conditions before the councillor's date of resignation.
 - (2) An existing council shall not make more than one severance payment to a councillor.

Sealed with the Official Seal of the Department of the Environment on ** 2013

Linda MacHugh
A senior officer of the Department of the Environment

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the payment of severance payments to councillors under section 19 of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010.

Regulation 3 provides the prescribed conditions for eligibility for severance payment. It specifies that councillors must have accrued a minimum of twelve years reckonable service by the date of application to be eligible for a severance payment.

Regulation 4 provides for applications for a severance payment. It specifies how and when such applications are to be made. It also provides for the resignation dates of councillors making such applications.

Regulation 5 provides for the calculation of the amount of a severance payment.

Regulation 6 provides for the calculation of total reckonable service.

Regulation 7 provides for the making of severance payments. It also provides that only one severance payment shall be issued to eligible councillors.

Examples of Severance Payments

Example 1

Mr Smith is currently a councillor of AB Council. He intends to apply for severance during stage one of the application period and resign on 1 December 2013.

Mr Smith was first elected as a councillor in May 1973 and was reelected in May 1977. He chose not to stand for election in the next 4 local government elections (1981, 1985, 1989 and 1993). Mr Smith stood again for election as a councillor in May 1997 and was successful in that election and subsequent elections. He has accrued the following periods of service as a councillor.

| Election year | May 1973 | May 1977 | May 1981 | May 1985 | May 1989 | May 1993 | May 1997 | May 2001 | May 2005 | May 2011 |
|--------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------------------------|
| Mr Smith's service | Full term | Full term | Х | Х | Х | Х | Full term | Full term | Full term | Currently a councillor |
| Duration of reckonable service | 4 years | 4 years | None | None | None | None | 4 years | 4 years | 6 years | 2.5 years - ending on 1.12 13 |

By the date of application, Mr Smith has accrued just over 24.5 years of reckonable service, and is therefore eligible for severance.

Under a 2-band scheme, with Band 2 commencing on 11 May 1998, Mr Smith has served 9 years in Band 1, and 15.5 years in Band 2.

| | BAND 1 | BAND 2 | | |
|---|---------------------------------|--------------------------------------|--|--|
| Reckonable service | 7 May 1973 to 10 May 1998 | 11 May 1998 to 1 December 2013 | | |
| Actual | 9 years | 15.5 years | | |
| Reckonable service (Rounded as proposed in paragraph 25) | 9 years | 16 years | | |
| Yearly amount | £1,000 | £600 | | |
| Total | £9,000 | £9,600 | | |

Mr Smith's severance payment, under a 2-band scheme would be £18,600

Example 2

Mrs Jones is currently a councillor of YZ Council and intends to apply for severance in February 2014. Mrs Jones has decided to complete her term of office and will resign on 30 March 2015.

Mrs Jones was first elected as a councillor in May 1977. She was elected again in the following local government elections, in May 1981 but was not successful in the 1985 elections. Mrs Jones was subsequently elected in May 1989 but was not re-elected again until May 2005. She was elected in the subsequent election in May 2011. For a period of 2 years from May 1989 she was both an MP and a councillor. She has accrued the following periods of reckonable service as a councillor.

| Election year | May 1973 | May 1977 | May 1981 | May 1985 | May 1989 | May 1993 | May 1997 | May 2001 | May 2005 | May 2011 |
|--------------------------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|--------------|--------------------------------|
| Mr Smylie's service | Х | Full term | Full term | None | Full term | Х | Х | Х | Full term | Currently a councillor |
| Duration of service | None | 4 years | 4 years | None | 4 years | None | None | None | 6 years | 4 years - ending in 2015 |
| Duration of reckonable service | None | 4 years | 4 years | None | 2 years | None | None | None | 6 years | 4 years - ending in 2015 |

By the date of application, Mrs Jones has accrued almost 20 years reckonable service, and is therefore eligible for severance.

Under a 2-band scheme, with Band 2 commencing on 11 May 1998, Mrs Jones has served 10 years in Band 1, and 10 years in Band 2.

| | BAND 1 | BAND 2 |
|--------------------|---------------------------------|----------------------------------|
| | 7 May 1973 to 10 May 1998 | 11 May 1998 to 13 Mar 2015 |
| Reckonable service | 10 years | 10 years |
| Yearly amount | £1,000 | £600 |
| Total | £10,000 | £6,000 |

Mrs Jones' severance payment, under a 2-band scheme would be £16,000

Example 3

Mr Smith is currently a councillor of AB Council. He intends to apply for severance during stage one of the application period and resign on 1 December 2013.

Mr Smith was first elected as a councillor in May 1973 and was reelected in May 1977. He chose not to stand for election in the next 4 local government elections (1981, 1985, 1989 and 1993). Mr Smith stood again for election as councillor in May 1997 and was successful in that election and subsequent elections. He has accrued the following periods of service as a councillor.

| Election year | May 1973 | May 1977 | May 1981 | May 1985 | May 1989 | May 1993 | May 1997 | May 2001 | May 2005 | May 2011 |
|--------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------------------------|
| Mr Smith's service | Full term | Full term | Х | X | Х | Х | Full term | Full term | Full term | Currently a councillor |
| Duration of reckonable service | 4 years | 4 years | None | None | None | None | 4 years | 4 years | 6 years | 2.5 years - ending on 1.12.13 |

By the date of application, Mr Smith has accrued just over 24.5 years of reckonable service, and is therefore eligible for severance.

Under a 3-band scheme, with Band 2 commencing on 11 May 1987 and Band 3 commencing on 7 May 2001, Mr Smith has served 8 years in Band 1, 4 years in Band 2, and 12.5 years in Band 3.

| | BAND 1 | BAND 2 | BAND 3 |
|--|-------------|-------------|------------|
| Reckonable | 7 May 1973 | 11 May 1987 | 7 May 2001 |
| service | to | to | to |
| | 10 May 1987 | 6 May 2001 | 1 Dec 2013 |
| | | | |
| Actual | 8 years | 4 years | 12.5 years |
| Reckonable service rounded as proposed at paragraph 25) | 8 years | 4 years | 13 years |
| Yearly amount | £1,000 | £750 | £550 |
| Total | £8,000 | £3,000 | £7,150 |

Mr Smith's severance payment would be £18,150

Example 4

Mrs Jones is currently a councillor of YZ Council and intends to apply for severance in February 2014. Mrs Jones has decided to complete her term of office and will resign on 30 March 2015.

Mrs Jones was first elected as a councillor in May 1977. She was elected again in the following local government elections, in May 1981, but was not successful in the 1985 elections. Mrs Jones was subsequently elected in May 1989 but was not re-elected again until May 2005. She was elected in the subsequent election in May 2011. For a period of 2 years from May 1989 she was both an MP and a councillor. She has accrued the following periods of reckonable service as a councillor.

| Election year | May 1973 | May 1977 | May 1981 | May 1985 | May 1989 | May 1993 | May 1997 | May 2001 | May 2005 | May 2011 |
|--------------------------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|--------------|--------------------------------|
| Mr Smylie's service | X | Full term | Full term | None | Full term | Х | Х | X | Full term | Currently a councillor |
| Duration of service | None | 4 years | 4 years | None | 4 years | None | None | None | 6 years | 4 years - ending in 2015 |
| Duration of reckonable service | None | 4 years | 4 years | None | 2 years | None | None | None | 6 years | 4 years - ending in 2015 |

By the date of application, Mrs Jones has accrued almost 20 years reckonable service, and is therefore eligible for severance.

Under a 3-band scheme, with Band 2 commencing on 11 May 1987 and Band 3 commencing on 7 May 2001; Mrs Jones has served reckonable service of 8 years in Band 1, 2 years in Band 2, and 10 years in Band 3.

| | BAND 1 | BAND 2 | BAND 3 |
|--------------------|------------------------|------------------------|------------------------|
| | May 1973 to 1987 | May 1987 to 2001 | May 2001 to 2014 |
| Reckonable service | 8 years | 2 years | 10 years |
| Yearly amount | £1,000 | £750 | £550 |
| Total | £8,000 | £1,500 | £5,500 |

Mrs Jones' severance payment would be £15,000

The Freedom of Information Act 2000 – confidentiality of consultations

- 1. The Department will publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read the paragraphs below on the confidentiality of consultations for guidance on the legal position about any information given by you in response to this consultation.
- 2. The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this consultation, including information about your identity, should be made public or be treated as confidential.
- 3. This means that information provided by you in response to the consultation is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that:
 - the Department should only accept information from third parties in confidence if it is necessary to obtain that information in

- connection with the exercise of any of the Department's functions and it would not otherwise be provided;
- the Department should not agree to hold information received from third parties "in confidence" which is not confidential in nature; and
- acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.
- 4. For further information about confidentiality of responses please contact the Information Commissioner's Office (or see website at: http://www.informationcommissioner.gov.uk).

List of Consultees

Age Concern NI

All Northern Ireland District Councillors

All Northern Ireland District Councils

An Munia Tober

Association of Local Government Finance Officers

British Chamber of Commerce

Belfast Solicitors Association

Carers NI

Chief Local Government Auditor

Church of Ireland

Civil Law Reform Division

Coalition on Sexual Orientation

Commission for Older People NI

Community Relations Council

Confederation of British Industry

Construction and Employers Federation

Disability Action

District Judge - Magistrates Court

Equality Commission for NI

Equality Forum NI

Federation of Small Businesses

Food Standards Agency for Northern Ireland

Gingerbread

Help the Aged NI

HM Revenue & Customs

Human Rights Commission

Irish Bankers Federation

Law Centre (NI)

Law Society of Northern Ireland

Local Government Staff Commission

MENCAP

Men's Project

MEPs

Methodist Church in Ireland

Ministry of Defence

MLAs

MPs

National Association of Councillors

NI Assembly / Committee for the Environment

NI Association of Citizens Advice Bureaux

NI Chamber of Commerce and Industry

NI Chamber of Trade

NI Council for Voluntary Action

NI Gay Rights Association

NI Political Parties

NI Public Service Alliance

Northern Ireland Court Service

Northern Committee of the Irish Congress of Trade Unions

Northern Ireland Judicial Appointments Commission

Northern Ireland Law Commission

Northern Ireland Local Government Association

Participation and the Practice of Rights Project

Presbyterian Church in Ireland

QUB - School of Law

RNIB

RNID

Save the Children

Secretary - Catholic Bishops of Northern Ireland

Society of Local Authority Chief Executives

The Executive Council of the Inn of Court Northern Ireland

The General Consumer Council for Northern Ireland

The Law Society of Northern Ireland

The Northern Ireland Council for Ethnic Minorities

UU - School of Law

Women's Support Network

Youthnet