

Ex councillor to stand again despite receiving £16k 'golden goodbye'

A former Edinburgh councillor looking to make a comeback is facing calls to hand back a £16,000 'golden goodbye' she received on the condition she wouldn't run for the council again in future.

Sheila Gilmore has been selected as Labour's candidate for November's Colinton/Fairmilehead by-election to replace Scott Arthur – 17 years after she left the City Chambers.

It comes after Mr Arthur resigned as a councillor to focus on his new role as Edinburgh South West MP.

No stranger to politics herself, Ms Gilmore served as MP for Edinburgh East from 2010 to 2015.

She was also a city councillor for 16 years until 2007, when she accepted a payout offered by the then-Scottish Executive as part of a scheme aimed at encouraging long-serving councillors to retire and make way for fresh candidates ahead of the introduction of proportional representation for council elections.

It was agreed anyone in receipt of a severance payment could not stand to be a councillor in Scotland ever again – but MSPs scrapped the lifetime ban in 2020.

Following the announcement of her candidacy on Sunday, September 15, Conservative councillor for Colinton/Fairmilehead Jason Rust called on Ms Gilmore to return the £16k to the public purse.

“It will seem odd to the taxpayer that a politician can receive a golden goodbye with conditions attached, but then be permitted to stand again, even if in a completely different part of the city,” he said.

“While regulations about standing may have subsequently changed, I trust that if the Labour candidate received a substantial severance payment that she will consider her position in advance of the by-election, at this time of hard pressed public finances.”

A Scottish Labour spokesperson responded saying “all relevant rules and laws” had been followed.

They said: “After inflicting 14 years of chaos, scandal and sleaze on our country, the Tories’ desperate attacks on other parties have no credibility.

“Sheila Gilmore would be a fantastic champion for the people of Colinton, Oxfords and Fairmilehead.”

Simita Kumar, SNP group leader on Edinburgh Council, said Ms Gilmore had received a “huge sum from the public purse”.

She added: “Regardless of any change to the law, this payment was made on the basis that Ms Gilmore would not stand again as a councillor.

“As she is standing in the forthcoming by-election, the only principled thing to do is to repay the full amount immediately.”

More than one-third of Scotland’s councillors applied for similar payouts between £10k and £20k, depending on their length of service, which ended up costing the taxpayer around

£7m in total.

The Single Transferable Vote (STV) system replaced smaller, single member wards with multi-member wards. As a result Labour – which had 500 of the country's 1,222 councillors on 33 per cent of the vote in 2003 – has been less dominant in Scottish local authorities.

The severance scheme offered members elected pre-2003 £1,000 for each year's service, up to a maximum of 30 years, recognising the "long-service given by many councillors, during which time they have not been eligible to join an occupational pension scheme," a Scottish Executive Finance and Central Services Department note from 2006 stated.

It acknowledged there were "fundamental changes to local government being introduced . . . which will affect the role of councillor.

"The change to multi-member wards means that each councillor will be one of three or four councillors serving a much larger ward. The scheme therefore recognises that many serving councillors who started their career serving their own ward may not wish to take part in the new working arrangements that will be introduced."

Those who stood again were not eligible for payouts, even if not re-elected.

Originally any councillor who received a payment was "precluded from standing for election as a councillor in Scotland in the future" but were free to seek election to Holyrood and Westminster.

Despite her 'golden goodbye' Ms Gilmore was selected as Labour's Morningside candidate for the 2017 local elections, but had to quit the race after being made aware the severance agreement meant she couldn't run.

At the time she said at the time she “genuinely didn’t know about the ban,” adding she didn’t “recall being told it was a forever thing”.

She added she wouldn’t have put her name forward if she’d known the details. It was reported she offered to pay back the £16k to enable her to stand again, but was told this was not possible.

The disqualification was removed in 2020 after former Labour MSP Neil Findlay successfully tabled an amendment in the Scottish Parliament, as he argued 13 years had passed and those who wanted to commit to public service “should not prevent them from doing so”.

He said this would end “what is in effect a lifetime ban on one group of people whose only offence is to have served their community.”

Greens MSP Mark Ruskell pointed out a “number of councillors decided to stay on and to fight for election to new multi-member wards didn’t take their severance money at that point”.

He said: “This was a particular moment where we were reforming local democracy with people who had been there for many decades and provided great service.

“Their electoral wards they had served in for many years were being abolished and therefore they had a choice to make about whether they stepped away from that system or indeed fought elections under a completely new system.”

Ms Gilmore told the LDRS: “I thought it was a slightly draconian rule in the first place when I realised it had no end point.

“There’s all sorts of things you can be disqualified for, but actually work out your disqualification. For example if somebody’s bankrupt, but if their bankruptcy is dealt with and

their free from that it's open to them to stand again.

"This was unusual and seemed to have no end point at all – I don't think that was intended."

Responding to calls to return the money, she said: "After such a long time I'm not sure entirely how relevant that is. In some ways it was intended to be a reflection of the fact at that time councillors didn't have any pension provision."

By Donald Turvill Local Democracy Reporter