

**STRATEGIC LEADERSHIP BOARD MEETING – 15 JANUARY 2007**

**UPDATE REPORT ON DRAFT LEGISLATION**

**AGENDA ITEM:** 7

**SUMMARY:** Providing members with an update on the position in relation to the preparation of the draft Local Government (NI) Order and the Local Government (Transfer of Functions) (NI) Order

**ACTION REQUIRED:** For Information

**(A) DRAFT LOCAL GOVERNMENT (NI) ORDER 2006**  
*(formerly known as the Local Government (Structures) (Northern Ireland) Order)*

1. The Department proposes to introduce, by way of Order in Council, a Local Government (Northern Ireland) Order which will update the local government legislative framework and give effect to the decisions on the Review of Public Administration which were announced by the Secretary of State on 22 November 2005. The proposed Order will amend the legislation relating to local government administration, finance and audit in Northern Ireland in order to provide more modern powers for the new 7-council structure.
2. The proposed Order in Council will cover the following issues:
  - the creation of 7 new district councils and dissolution of the current 26 local government districts;
  - governance arrangements;
  - standards and a mandatory code of conduct for councillors;
  - central/local government relations;
  - community planning and well-being powers;
  - performance management;
  - local government finance arrangements;
  - remuneration and severance arrangements for councillors; and
  - arrangements for the shadow period (between the local government elections and assumption of new powers) and transitional provisions.

3. The Department received Ministerial approval for the preparation of the draft Order in Council on 25 August 2006.
4. In 2005, the Department set up 2 working groups to consult with local government interests and carry out reviews on:
  - the remuneration system for councillors; and
  - the Code of Conduct for councillors.
5. Following on from decisions on the RPA, the Department set up a Local Government Taskforce in March 2006, in consultation with the local government sector and other relevant stakeholders, to produce proposals for modern and effective local government in the light of requirements of the Review of Public Administration (RPA) and other drivers for change. Nine sub-groups were set up to take forward work on local government finance, human resources, estate, governance, community planning, capacity building, shared services, performance management and the central/local government relationship.
6. The recommendations of the Councillors' Remuneration Working Group, the Code of Conduct Working Group and the Taskforce sub-groups have informed the proposals to be included in the draft Order.
7. Just over 50% of the instructions (including finance arrangements, remuneration, & severance, community planning & well-being, central/local relations and civil contingencies) have been forwarded to OLC. Policy development on the remaining issues (including governance and performance management) is being finalised and instructions will be drafted during January 2007. The target date for having complete instructions submitted to the Office of Legislative Counsel (OLC) is 28 February 2007.

**(B) DRAFT LOCAL GOVERNMENT (TRANSFER OF FUNCTIONS) (NI) ORDER 2007**

8. In April 2006, the Department of the Environment's Local Government Reform Division was tasked with co-ordinating the delivery of the Local Government (Transfer of Functions) (Northern Ireland) Order 2007. This is the primary legislation required to transfer a range of key functions (e.g., fire and rescue services, planning, local roads maintenance and development, urban regeneration and certain housing related functions), from central to local government, and to establish any new statutory relationships between Departments and the new district councils following the transfer of functions in 2009.
9. Shortly after its formation, the Local Government Reform Division set up an inter-Departmental Working Group to further define the functions and help develop policy which would inform the transfer of functions to local government. The Group met regularly throughout 2006, during which time the Group was made aware of the recommendations arising from the 9 Local Government Task Force Sub-Groups, so that they might better inform policy development on cross cutting issues across Departments.
10. In order to engage further with the Task Force, both at official and political level, presentations were made by Departments to the Task Force Working Group and Political Panel in late summer/early autumn of both the emerging policies and of the final recommendations that were to be put to Ministers for approval. Those presentations were largely well received and work has been continuing to date on the preparation of Instructions to the Office of the Legislative Council (OLC) for a draft Transfer of Functions Order.
11. 99% of the instructions have been forwarded to OLC. Policy development on the remaining issues is being finalised and the drafting of Instructions will continue during January 2007. The target date for having complete Instructions submitted to OLC is 28 February 2007.