

## TABLE OF ISSUES FOR FUTURE WORK

No	Issue	Comments	Legislative Issues
<b>General Principles</b>			
1.	Legislation	<ul style="list-style-type: none"> <li>• Proposals for inclusion in the Local Government Restructuring (NI) Order 2007 (ref Annex 7(ii))</li> </ul>	
2.	Transfer of functions	<ul style="list-style-type: none"> <li>• Confirm functions transferring from government departments</li> <li>• Confirm new functions for which local government will have responsibility</li> <li>• Determine current financial arrangements</li> <li>• Determine future funding arrangements (grant/rates income)</li> <li>• Establish existing baselines</li> <li>• Arrange independent validation of funds to be transferred</li> </ul>	
3.	Regional Rate	<ul style="list-style-type: none"> <li>• A significantly reduced element of the rates bill</li> </ul>	
4.	District Rate	<ul style="list-style-type: none"> <li>• Will be the largest element of both District Council Revenue and rates bills</li> <li>• Should different increases be set for domestic and non-domestic elements?</li> </ul>	
5.	Equalisation Grant	<ul style="list-style-type: none"> <li>• Need to consider further ongoing need for equalisation and how it should</li> </ul>	

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		be calculated. <ul style="list-style-type: none"> <li>• EQIA to ensure fair distribution of resources available</li> </ul>	
6.	Specific Grants	<ul style="list-style-type: none"> <li>• Will central government determine minimum quality standards for certain services (e.g. roads) with implications for funding (e.g. creation of “Roads Fund”)</li> </ul>	
7.	Financial Arrangements	<ul style="list-style-type: none"> <li>• Best practice in other countries, including the structure of their taxation systems</li> <li>• Chief Executive/Chief Financial Officer – separation of roles</li> </ul>	
8.	Miscellaneous	<ul style="list-style-type: none"> <li>• Consider closer working relationships between RCA / VLA and Local Government</li> <li>• Sub-groups – cross cutting issues</li> </ul>	

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<b>Transitional Issues</b>			
	Borrowing / Debt	<ul style="list-style-type: none"> <li>• What will happen to existing loan / lease commitments?</li> <li>• Penalties for early redemption</li> <li>• Restructuring / refinancing</li> <li>• GLF outstanding loans</li> <li>• Market loans outstanding</li> <li>• NIHE loans outstanding (also long-term debtors)</li> <li>• Loans pools</li> <li>• High interest rate borrowings being thrust upon new Council</li> </ul>	
	Liabilities & long-term commitments (excluding borrowing)	<ul style="list-style-type: none"> <li>• Landfill site closure costs and after care (audit issue regarding compliance before 2009)</li> <li>• Airport costs</li> <li>• Waste Management</li> <li>• Partnerships e.g. Millennium Forum, Economic development, LSP's, Waste Mgt</li> <li>• Penalties associated with the missing of recycling targets</li> <li>• Control over new commitments / arrangements</li> </ul>	

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		<ul style="list-style-type: none"> <li>• Outstanding legal cases</li> <li>• Letters of offer for grants – Economic Development, Waste Management, Good Relations, Community Services, Tourism etc</li> <li>• Deferred government grants</li> </ul>	
	Reserves	<ul style="list-style-type: none"> <li>• What happens to existing reserves?</li> <li>• Review of controls on use of capital reserves</li> <li>• Identification of surplus assets – who decides &amp; when?</li> </ul>	
	Transitional Arrangements	<ul style="list-style-type: none"> <li>• Funding of start-up costs of shadow body</li> <li>• Funding of termination costs</li> <li>• Control on redundancy in the interim</li> <li>• Councillor severance / termination payments</li> <li>• Spend approvals / new capital spend in the interim</li> <li>• Election reserves – who will fund next elections?</li> <li>• Location / staff / systems etc</li> </ul>	

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	Accounting	<ul style="list-style-type: none"> <li>• Basis of accounting (DOE direction, based on SORP?)</li> <li>• Common revaluation date for all assets - transfer of Assets (potential difference in valuation dates)</li> <li>• Assets under construction / work-in-progress</li> <li>• Assets owned but leased to other bodies / commitments given to lease assets</li> <li>• Impairment costs</li> <li>• Implementation of new Financial Systems</li> <li>• Centralisation v decentralisation of support services &amp; systems</li> <li>• Accounts consolidation</li> <li>• Debtor / Creditor amalgamation – contra inter council balances</li> <li>• Financial Regulations/Policies–equality proofing etc</li> <li>• Standing orders etc</li> <li>• DPP accounting &amp; funding</li> <li>• Accounts preparation for Shadow Council / Old Council</li> </ul>	
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	Financial Management	<ul style="list-style-type: none"> <li>• Interim financial controls</li> <li>• SIC issues</li> <li>• Insurance contracts / self-insurance funds</li> <li>• Banking arrangements / transfer of balances etc</li> </ul>	
	Pensions	<ul style="list-style-type: none"> <li>• Will existing Council staff continue to be (i.e. pre and post change) members of NILGOS, therefore not a major issue?</li> <li>• Staff to transfer from central government – funding accrued pension liabilities</li> </ul>	
	Insurance	<ul style="list-style-type: none"> <li>• Insurance / self-insurance costs</li> </ul>	
	VAT	<ul style="list-style-type: none"> <li>• HM Revenue &amp; Customs advice to be considered</li> </ul>	