

**LOCAL GOVERNMENT TASKFORCE
FINANCE SUB-GROUP**

**MEETING HELD ON MONDAY 15 MAY 2006
AT 10.00am IN GOODWOOD HOUSE, MAY STREET, BELFAST**

MINUTES

Present:	Leo O'Reilly	DFP (Chair)
	Cllr Jim White	Democratic Unionist Party
	Dara O'Hagan	Sinn Fein
	Cllr Gary Stokes	Social Democratic & Labour Party
	David Bell	Chair of ALGFO/Coleraine Borough Council
	Richard Lewis	Moyle District Council
	Dave Clarke	Ards Borough Council
	Trevor Salmon	Belfast City Council
	Ian Eagleson	Carrickfergus Borough Council
	Brona Slevin	Craigavon Borough Council
	Brendan Hegarty	Fermanagh District Council
	John Buchanan	Local Government Audit Office
	Richard Pengelly	DFP – Central Expenditure Division
	Julie Anderson	DFP – Central Expenditure Division
	Peter Aiken	DOE – Central Finance
	Shaun Donnelly	DOE – Planning Division (Finance)
	Marie Finnegan	DOE – Local Government Division
	Felicity Boyd	DOE – Local Government Division (Legislation)
	John McNeill	DRD – Roads Service
	Donald Henry	DRD – Finance
	Stephen Boyd	DSD – Financial Management
	Brenda Dickson	DOE - Local Government Division (Secretariat)

Action

1. Introductions/Apologies

The Chair welcomed everyone to the second meeting of the Local Government Taskforce Finance Sub-Group and advised members that all political nominations had now been received. Marie Finnegan introduced new members and substitute members, as follows; Dara O'Hagan, Sinn Fein representative; Trevor Salmon, Belfast City Council; Ian Eagleson, Carrickfergus Borough Council; Stephen Boyd, DSD; Felicity Boyd, DOE; and Shaun Donnelly, DOE.

Apologies were recorded from Cllr Alan Lawther, Alliance, Joe Campbell, Derry City Council and Cllr Vera McWilliam, Ulster Unionist Party.

2. Draft Minutes of meeting held on Tuesday 25 April 2006

The draft minutes were agreed as an accurate record. Approved minutes will be placed on the Local Government Taskforce website.

DoE

*Discussion under matters arising:*Lessons learned from the past

Marie Finnegan advised members that contact had been made with the Scottish Executive and this will be followed up. Dara O'Hagan suggested that the experience of other regions might be investigated, including that in Ireland and more widely in Europe, and this was agreed.

DoE

Revised Table 4 for LGT/FSG No.3

As requested at the previous meeting, this table was revised to include population.

Council Reserves – Addendum to LGT/FSG No.3

A new table, to reflect the balance in the District Fund Summary and other reserves as at 31 March 2005, was circulated.

Extract from The Local Government Act (NI) 1972 – LGTFSG No.5 (ii)

This document was tabled for information. The legislation includes general provisions, following the review of local government in 1972. It is likely to be of interest to some of the other sub-groups, as well as the Finance Sub-Group, as it also relates to property and human resources.

Other matters arising are recorded under the relevant agenda item below.

3. Terms of Reference for the Sub-Group – Final Draft

The draft Terms of Reference was updated for the meeting and the Chair recommended that this document should be finalised for the next meeting. Dara O'Hagan suggested that the wording of paragraphs 3 (d) should include equality provisions and should also address new TSN. She agreed to suggest appropriate wording.

DO'H

The Chair asked that members pass any final comments to the secretariat and requested that absent members should also be asked for their final comments.

All

4. Timetable of this Sub-Group and other Sub-Groups

The timetable for delivery of the group's outcomes is the end of June 2006. It was confirmed that policy proposals were to be submitted by that date and instructions would go to the Office of Legislative Counsel by the end of September 2006.

5. Functions transferring from Central Government/Quangos to Local Government

Document LGT/FSG No.5(i) contained two lists ie transfers which would require legislation and transfers which would not. The detail, which is as up-to-date as possible, is based on RPA background papers and some further analysis provided for the RPA Steering Group.

Members were advised that Ian Maye, (responsible for taking forward the Local Government Transfer of Functions (NI) Order) has undertaken a scoping exercise. A proforma has been circulated to the policy and legislative liaison officers across Departments for completion, and the Finance Sub-Group will be kept informed of developments.

Members, with a finance role within Departments, indicated that they were not aware of this exercise. It was agreed that Ian Maye's Branch would be contacted and asked to provide copies of the material to Finance Directors of Departments. DFP undertook to provide a list of same.

**DoE/
DFP**

Cllr Gary Stokes suggested that some sort of audit would be necessary, to ensure that appropriate financial resources would be transferred to local government. This point was noted.

6. Financing of Local Government Post RPA – Options Paper

Richard Pengelly summarised the content of this paper, which he advised had been prepared jointly by DFP and ALGFO representatives. He briefly outlined four options for the future of local government finance. Discussion followed, particularly about Option (iv) and serious concerns were expressed by a number of members.

It was agreed that this paper would be the focal point of the next meeting or workshop on 23 May 2006 when options and issues could be discussed at length. The Chair expressed that it was important that all of the views and perspectives of members are recorded. The Chair also advised the meeting of some written comments forwarded by Cllr Alan Lawther. These would be included in the draft report of the sub group when it was prepared.

7. Local Government Reform – Future Legislation

Paper LGT/FSG No.6 outlined the lists of legislation to be prepared. There are 9 pieces of legislation, 7 of which were primary and 2 subordinate. Three of these were related to the boundaries, 3 to restructuring and 3 to individual pieces of legislation ie the transfer of functions; libraries; and public authorities reform.

Ian Eagleson asked about 'shadow' councils and queried the December 2008 date against the District Electoral Areas Order, suggesting that this was not compatible with the proposed date of the Local Government elections. Marie Finnegan advised that dates in the document were those recorded at present for each of the Orders but recognised this inconsistency. She agreed to seek clarification

DoE

8. Identification of relevant Legislation – Update

Julie Anderson and Marie Finnegan informed members that a list of legislation was currently being prepared, however this was not yet in a suitable format for circulation. Efforts will be made to provide a paper for the next meeting.

**DFP/
DoE**

9. Rating Reform

Julie Anderson presented the paper on Rating Reform. She explained that capital values were due to be published over the two months from June 2006. Marie Finnegan talked members through the three tables attached to this document, which were produced to illustrate the distribution of General Grant, using capital values and also a new 7-council structure.

10. Any Other Business

No other business was recorded

11. Date and Location of next meeting

The date of the next meeting was confirmed as Tuesday 23 May 2006 10am – 1pm, for which the Antrim Civic Centre was provisionally booked. The details will be confirmed by email.

Members were advised that Cllr Stokes had offered Newry & Mourne offices as a venue for a future meeting. It was agreed that this would be considered for the meeting to be held on Tuesday 6 June 2-5pm.

**Brenda Dickson
May 2006**