



2011 CHAPTER 10

PART 2

GRANTS TO COUNCILS

Reductions in grants under section 26 or 27

28.—(1) Subsection (2) applies where the Department is satisfied, from information contained in a relevant report relating to a council, that as regards any financial year—

- (a) the council has failed to achieve or maintain a reasonable standard of economy, efficiency and effectiveness in the discharge of its functions, or
- (b) the expenditure of the council has been excessive having regard to the council's financial resources and other circumstances relevant to the council.

(2) Where this subsection applies, the Department shall prepare and lay before the Assembly—

- (a) a draft order providing that, in such financial year as is specified in the order (or in each of such financial years as are so specified), the amount of any grants payable to the council under section 26 or 27 shall be reduced by such amount as is so specified (or is so specified in relation to that year); and
- (b) a document setting out—
 - (i) the reasons for making any reduction specified in the order; and
 - (ii) such details of the relevant report as the Department thinks appropriate.

(3) If the draft order laid before the Assembly under subsection (2)(a) is approved by resolution of the Assembly, the Department shall make the order in the same terms as the draft.

(4) If that draft order is not so approved, the Department may prepare and lay before the Assembly a new draft order and document complying with subsection (2), and subsection (3) and this subsection apply in relation to that draft order as they apply in relation to the original draft order.

(5) In subsections (1) and (2) “relevant report” means a report made by a local government auditor under Part 2 of the [Local Government \(Northern Ireland\) Order 2005 \(NI 18\)](#).

(6) The Department may—

- (a) defray any expenditure incurred in any financial year in the provision of services for a council by a body specified in regulations; and
- (b) deduct from the amount of any grant payable under section 26 or 27 to the council for that year such amount (not exceeding the total of the expenditure so defrayed) as the Department considers appropriate.

(7) Before exercising its powers under subsection (6) the Department shall consult councils and—

- (a) such associations representative of councils;
- (b) such associations representative of officers of councils; and
- (c) such other persons or bodies,

as appear to the Department to be appropriate.