**EXPLANATORY MEMORANDUM TO**

**The Local Government (Contracts) Regulations (Northern Ireland) 2011**

**SR 2011 No. 228**

## 1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of the Environment to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under section 3(2)(e) and (f) and 3(3) of the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010 (the 2010 Act) and is subject to the negative resolution procedure.

## 2. Purpose

2.1. The Regulations make provision in connection with the certification requirements a contract, which is to be a certified contract for the purposes of Part 1 of the 2010 Act, must satisfy.

## 3. Background

3.1. Part 1 of the 2010 Act sets out a number of "certification requirements" a council must satisfy for a contract to be certified. Those "certification requirements" are that a council must have issued a certificate which:

- includes details of the period for which the contract operates or is to operate;
- describes the purpose of the contract;
- contains a statement that the contract is or is to be a contract falling within subsection (5) or (6) (subsections (5) and (6) essentially provide that a contract is with another person, or their financier, and that the contract operates or will operate for a period of at least 5 years);
- states that the council has the powers to enter into the contract and specifies what those powers are;
- states that a copy of the certificate has been given (or will be given) to those parties required by regulations;
- deals with any other matters required to be dealt with by regulations; and
- confirms that the council has complied (or will comply with) any requirement imposed by regulations with respect to the issue of a certificate.

3.2. Two further "certification requirements" are set out in the 2010 Act. These are that a council must:

- ensure a certificate is signed by any person who is required to sign it by regulations; and
- have obtained the consent to the issue of the certificate from each of the persons with whom the council has entered into the contract.

3.3. The Regulations complement the above mentioned requirements.

## 4. Consultation

4.1. The Department conducted a 12 week consultation from December 2009 to March 2010 on a draft of the Regulations. The Department received seven responses. Having considered the content of the responses the Department concluded there was no need to make any changes to the proposed Regulations.

## 5. Equality Impact

5.1. The Department carried out an equality screening exercise on the draft legislation. No adverse impacts for any of the nine section 75 categories were identified. A full Equality Impact Assessment was therefore not required.

## 6. Regulatory Impact

6.1. A Regulatory Impact Assessment was not considered necessary as the proposals have no impact on business, charities or voluntary bodies.

## 7. Financial Implications

7.1. There are no financial implications associated with the Regulations.

## 8. Section 24 of the Northern Ireland Act 1998

8.1. The proposed legislation is considered compatible with section 24 of the Northern Ireland Act 1998.

## 9. EU Implications

9.1. Not applicable.

## 10. Parity or Replicatory Measure

10.1. The Regulations are similar to the Local Authorities (Contracts) Regulations 1997 in England and Wales and to the Local Authorities (Contracts) (Scotland) Regulations 1997 in Scotland. The Regulations permit a procedure which has been established in those areas to be extended to Northern Ireland.

## 11. Additional Information

11.1. Not applicable.