



September 18th, 2018

Notice Of Meeting

You are invited to attend the Audit Committee Meeting to be held on **Thursday, 20th September 2018** at **2:00 pm** in the **Mourne Room, Downshire Civic Centre.**

The Members of the Committee are:-

Mr Joe Campbell (Independent Chairperson of Audit Committee)

Councillor Pete Byrne

Councillor Charlie Casey

Councillor Laura Devlin

Councillor Terry Hearty

Councillor Mark Murnin

Councillor Andrew McMurray

Councillor Michael Ruane

Councillor Gareth Sharvin

Councillor Jarlath Tinnelly

Councillor Roisin Mulgrew

Agenda

1.0 Apologies and Chairperson's remarks.

2.0 Declarations of Interest.

3.0 Action Sheet - Audit Committee Meeting. (Attached).

 *Audit Action Sheet.pdf*

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Internal Audit (CLOSED SESSION)

4.0 ASM Progress Summary Report. (To follow)

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

5.0 Internal Audit Plan 2018-2019. (To follow).

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

NIAO (CLOSED SESSION)

6.0 NIAO RTTCWG. (To follow).

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

Corporate (CLOSED SESSION)

7.0 Statement of Accounts 2017-2018. (To follow).

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

Corporate (OPEN SESSION)

8.0 Corporate Risk Register. (Attached).

 *Item 8 - CRR - September 2018 Update.pdf*

Page 5

9.0 Prompt Payments. (Attached).

10.0 Fraud and Whistleblowing update. (Attached).

Item 10 - Fraud and Whistleblowing Cover Sheet - September 2018.pdf

Page 32

11.0 Direct Award Contracts. (Attached).

Item 11 - STA-DAC Report.pdf

Page 36

12.0 Update on Audit recommendations. (Attached).

Item 12 - Update on Audit Recommendations - September 2018.pdf

Page 39

13.0 Update on procurement. (Attached).

Item 13 - Procurement update - September 2018.pdf

Page 50

14.0 Findings from the Local Government Auditors report. (Attached).

Item 14 - Report re LGA Report.pdf

Page 52

Performance (OPEN SESSION)

15.0 Assessment of Performance 2017-2018. (Attached).

Item 15 - Assessment of Performance.pdf

Page 117

Performance (CLOSED SESSION)

16.0 Tender for Internal Audit Contract. (Attached).

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

Item 16 - RESTRICTED - Internal Audit Contract.pdf

Not included

17.0 Recruitment of Independent Audit Committee Chairperson. (Attached).

This item is deemed to be restricted by virtue of para.3 of part 1 of schedule 6 of the Local Government Act (NI) 2014 – information relating to the financial or business affairs of any particular person. The public may, by resolution, be excluded during this item of business

Item 17 - RESTRICTED Audit Committee Chairperson Recruitment.pdf

Not included

ACTION SHEET – AUDIT COMMITTEE MEETING**OUTSTANDING ISSUES FROM 11 JANUARY 2018**

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/18/2018	Internal Audit Asset Summary Report	<ul style="list-style-type: none"> A status report on the Grants Database be brought back to Committee. 	D Carville/G Byrne	ITPG approved project mandate on 22.6.18. Business justification to proceed with procurement. Consultant developing Financial Assistance Policy which will the form the specification for a grants database.	N

OUTSTANDING ISSUES FROM 26 APRIL 2018

AC/31/2018	Managing the Risk of Bribery and Corruption	It was agreed that once approved at SPR Committee, the Conflicts of Interest Policy would be tabled	G Byrne	Policy approved by Council in September 2018.	Y
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		at Audit Committee Meeting. It was also agreed to note the Risk of Bribery and Corruption Report.		See COI policy at Fraud and Whistleblowing agenda item (Appendix 2)	
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ACTION SHEET – AUDIT COMMITTEE MEETING

FROM 5 JULY 2018

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/49/2018	To agree Start Time for Audit Committee Meetings 2018-19	The start times and timetable for Audit Committee Meetings 2018-19 were agreed, subject to officers advising further in relation to April and June 2019.		Start time of 2pm agreed	Y
AC/51/2018	Chairperson's Annual Report	The Chairperson's Annual Report was noted.	J Campbell	Noted	Y
AC/52/2018	Presentation of Financial Statements and Governance Statement	The presentation was noted.	K Montgomery	Noted	Y
AC/53/2018	Corporate Risk Register	It was agreed that the IT risk be expanded to show the ongoing	Gerard Byrne	IT risk has been expanded	Y

			actions and the Corporate Risk Register was noted.			
AC/54/2018	Prompt Payment Statistics		It was agreed to note the prompt payment statistics	K Montgomery	Noted	Y
AC/55/2018	Fraud & Whistleblowing Update		The Fraud & Whistleblowing Update was noted.	G Byrne	Noted	Y
AC/56/2018	Direct Award Contracts		It was agreed to note the Direct Award Contract Register	D Barter	Noted	Y
AC/57/2018	Update on Audit Recommendations		It was agreed to note the update on Audit Recommendations	G Byrne	Noted	Y
AC/58/2018	Update on Procurement		Overview Training to be provided for Members. It was agreed to note the update on procurement.	D Carville	Member procurement training delivered on the 22 August 2018.	Y
AC/59/2018	Training for Members		It was agreed that a date in late August be sourced for training for Members	D Carville	Training Agenda developed. Training needs to be delivered	N
AC/60/2018	Performance Improvement Plan 2018-19		It was agreed to note the Draft Performance Improvement Objectives 2018-19	K Bingham	Noted	Y

AC/61/2018	Performance Management for Outcomes – A Good Practice Guide for Public Bodies	It was agreed to note the Performance Management for Outcomes – Good Practice Guide for Public Bodies	K Bingham	Noted	Y
AC/62/2018	The National Fraud Initiative: Northern Ireland	It was agreed to note the report from NIAO regarding the National Fraud Initiative: Northern Ireland	Gerard Byrne	Noted	Y
AC/63/2018	Internal Audit Plan 2018-19 – Updated July 2018	It was agreed to approve the Internal Audit Plan 2018-19 as presented, with the changes proposed accepted.		Noted	Y
AC/64/2018	NMDDC Progress to Audit Committee	It was agreed to note the report from Internal Audit on the Progress to Audit Committee.		Noted	Y

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Corporate Risk Register
Reporting Officer (Including Job Title):	Dorinnia Carville, Director of Corporate Services
Contact Officer (Including Job Title):	Dorinnia Carville, Director of Corporate Services

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	x
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1.0	Purpose and Background:
1.1	The SMT routinely review the Corporate Risk Register on a quarterly basis. However during the period from the last Audit Committee, all Directorate Risk Registers were reviewed and updated by the Audit Services Manager at Directorate team meetings. The Director of Corporate Services and the Audit Services Manager discussed the key changes and issues from each Directorate and updated the Corporate Risk Register accordingly. SMT are going to review the Corporate Risk Register on the 2 nd October 2018.
2.0	Key issues:
2.1	<p>A number of key changes were made following the review of Directorate Risk Register, including;</p> <ul style="list-style-type: none"> • CR. 12 – New risk – Risk of industrial relations deteriorating as we go through a period of change which could potentially lead to industrial action and a disruption to services. This risk was escalated from the Corporate Services Directorate Risk Register due to the threat of industrial action from the Unions presently. • CR. 13 – New risk - Accidents/injuries may occur if health and safety of service users and staff is not considered, with a particular focus on Fire Risk Assessments and their associated actions. This risk was escalated from the Corporate Service Directorate Risk Register in the knowledge that there are multiple actions from recent Fire Risk Assessments remaining outstanding across the Council. • CR. 08 – IT services do not support the Statutory, Strategic or Operational requirements of the Council – The action in relation to the implementation of the IT strategy has been expanded to include key milestones. • Numerous other minor changes were made including new actions, updating the progress of actions and new detail included within certain risks. These can be evidenced on the Corporate Risk Register attached.
3.0	Recommendations:
3.1	For consideration by the Audit Committee on a quarterly basis.
4.0	Resource implications

4.1	None.
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
	Appendix 1 – Corporate Risk Register – September 2018
8.0	Background Documents
	None

1. Corporate Risk Register NMDDC

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Risk CR. 01 - Failure to develop and improve our tourism offering

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Risk Categories	Business operational/reputational
Risk Description	Failure to attract visitors and be considered a top destination in Ireland.
Potential Root Cause	Failure to engage stakeholders (public & private sector) Lack of central government buy in Lack of cohesive political buy in North & South Failure to identify appropriate market segments
Consequence	Loss of Civic pride and negative PR Negative economic impact on the borough Failure to deliver objectives of the tourism strategy Reduced visitor number and spend
Risk Owners	Marie Ward
Gross/Inherent Risk	Amber 12
Residual Risk	Yellow 8
Target Risk Level	Green 6
Last Review	07/09/2018
Next Review	02/10/2018
Risk Appetite	Risk Averse

Objectives

1. Become one of the premier tourism destination on the island of Ireland
2. Attracted investment and supported the creation of new jobs.
5. Lead the regeneration of our urban and rural area

Key Controls Identified

1. Effective engagement and collaboration political backing
2. Dedicated tourism team in place
3. Tourism Elected Members Task and Finish Group in place
4. Regular scrutiny of budget variances by SMT and within Directorates
5. Tourism Strategy Launched

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Tourism Forum	Establishment of a Tourism forum incorporating private and public sector stakeholders	In Progress	Marie Ward	31/10/2018	In progress - Visitor Experience Plans went to ERT committee in November 2017. Two different steering groups have been formed. One for Gap Park and one for visitor experience. These are at a critical stage and it is envisaged they will be merged to establish a tourism forum in the coming months.
Visitor Experience	To Develop two visitor experience plans, one for the Mourines and one for Slieve Gullion.	In Progress	Marie Ward	31/10/2018	Outline was presented to Tourism T&F group in November 2017. Plan now complete and new visitor experience being brought to the market from April 2018. Visitor experience plans were adopted by ERT Committee and training sessions held for all tourism clusters. Endorsement videos presented to ERT Committee in May 2018.

Risk CR. 02 - Failure to deliver the capital investment programme for the District

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	Probability				
	Consequence				

Risk Categories
Buildings / Engineering / Environment
Business operational/reputational
Financial

Risk Description
Failure to adequately resource the capital programme
Failure to effectively manage capital contracts

Potential Root Cause
Contractors on key projects failure to deliver on time and on budget
Consultant Collusion
Procurement failures
Absence of adherence to policies and resources
Lack of awareness in staff and managers
Lack of resources -Economic downturn / Recession
Brexit - Lack of match funding

Consequence
Impact on service delivery
Financial impact - Loss of funding (i.e. SIF projects)
Legal challenge / Negative PR
Impact on quality/cost of projects

Risk Owners
Dorinnia Carville; Micheal Lipsitt

Gross/inherent Risk
Red 25

Residual Risk
Amber 16

Target Risk Level
Green 6

Last Review
07/09/2018

Next Review
02/10/2018

Risk Appetite
Risk Averse

Objectives

1. Become one of the premier tourism destination on the island of Ireland
2. Attracted investment and supported the creation of new jobs.
3. Supported improved health and wellbeing outcomes
5. Lead the regeneration of our urban and rural area
8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

1. Monthly review of spend against budget
2. Dedicated project management teams
3. Professionally qualified and experienced staff
4. monthly site progress meetings which are minuted
- 5 Project risk register in place for major projects - i.e. new leisure centres
6. Large projects are project managed by external consultants who report to the estates team.
7. Four year capital plan
8. Capital plan Annually approved at Council

Action Plans

Action Plan Strategy	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Asset Management Strategy	To identify surplus assets to sell and use sale proceeds to assist funding in the capital programme	In Progress	Dorinnia Carville	30/12/2018	In Progress - Newry DEA surpluses identified and brought out to SPWG. 5 properties has been forwarded to LPS to be put out on the Public Trawl. A further 4 properties are awaiting their legal title to be forwarded to LPS. 3 Downpatrick properties were identified and brought to the SPWG w/c 10 September 2018. No decision if they are surplus yet. Further DEAs to commence this month.
SIF Projects	Implement Sufficient cost and change control measures so projects are delivered within budget. The project board will continue to meet as and when required to update project risk register	In Progress	Michael Lipssett	31/01/2019	Three risk registers now in place. One for each project. Cost are significantly higher than estimated (communications group underestimated). Estates Oer than estimated (communications group underestimated). Estates Officers have submitted business cases to DOF. Kilcooley pitch now a non runner due to difficulties in Ards Council. The chosen site in Downpatrick has unsuitable ground conditions therefore estates are trying to find a suitable alternative. If suitable site is found estates are trying to get SIF to transfer the monies to DFC to allow more time for construction.
Structure and Training	Ensure the Capital / Estates structure is in place with the right number of resources and skill set	Completed	Dorinnia Carville	31/08/2018	In progress - Structure agreed and all positions now filled.

Risk CR. 03 - Breach of legislation in relation to the procurement

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	Probability					
Consequence						

Risk Categories	Financial Impact on individuals (staff or public) Quality of Service Statutory Duty (Legal/Regulatory)
Risk Description	Breach of legislation in relation to the procurement of goods and services and works
Potential Root Cause	Lack of awareness of legislation Lack of compliance to Council procurement policy Lack of training of staff Lack of a comprehensive policy for the new Council
Consequence	Negative PR Financial Loss to the Council Litigation
Risk Owners	Dorinnia Carville
Gross/inherent Risk	Red 20
Residual Risk	Amber 12
Target Risk Level	Yellow 8
Last Review	07/09/2018
Next Review	02/10/2018
Risk Appetite	Risk Averse

Objectives

8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

1. Procurement team
2. Financial regulations and procurement policy in place
3. Use of regional and national frameworks
4. Specialist legal advice available
5. Single Tender Actions list

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Contracts Register	Development of a Council contracts register, this should be maintained and reviewed by the procurement team.	Audit Recommendations	Ken Montgomery	30/12/2018	Currently legacy contracts are being analysed to see where contracts can be merged to achieve economies of scale, ongoing process.
Further Procurement Training	Due to training being oversubscribed, a new procurement training schedule has been devised. Due to feedback from the previous sessions, the upcoming sessions will be more specific and target particular users.	In Progress	Ken Montgomery	30/12/2018	Director of Corporate services, AD of finance and Audit Services Manager met with HR to discuss the future sessions. It was agreed that there are going to be 6 different sessions: 1. Overview of the Procurement Policy; 2. Use of e-Hub and creating Purchase Orders; 3. How to obtain VFM for orders with a value of less than £5k; 4. RFO process – Business Case and Specification; 5. ITT Process – Business Case and Specification; and 6. How to evaluate submissions. Training will commence mid-October. These sessions will be delivered mainly in-house, will be practical where necessary and will last between 1-2 hours.
Procurement Internal Audit - Stage 2	ASM will be commencing Stage 2 of the procurement Internal Audit in September 2018. This review will focus on the Council's compliance with the Procurement Policy and will review both high and low value contract awards.	In Progress	Ken Montgomery	31/10/2018	Terms of Reference agreed. Auditors came on sight 11 September 2018 and picked their sample. Final Report due October 2018.

Risk CR. 04 - Non-compliance with legislative requirements

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4	Green	Yellow	Orange	Red		
3	Green	Yellow	Orange	Red	R	
2	Green	Green	Yellow	Orange		
1	Green	Green	Green	Yellow		
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		Probability				
Consequence						

Risk Categories: Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)

Risk Description: Failure to have the necessary policies and procedures in place with staff adequately trained to comply with the necessary legislation.

Potential Root Cause: Failure to understand legal requirements in relation to H&S & Information Management (GDPR); Lack of resources Untrained staff

Consequence: Non-compliance leading to prosecution Reputational Damage Reduced trust and public confidence Increased number of complaints and queries

Risk Owners: Doninnia Carville; Michael Lipsitt; Roland Moore

Gross/inherent Risk: Red 25

Residual Risk: Amber 12

Target Risk Level: Green 6

Last Review: 07/09/2018

Next Review: 02/10/2018

Risk Appetite: Risk Averse

Objectives

- 3. Supported improved health and wellbeing outcomes
- 4. Protect our natural and built environment
- 8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

- 1. Policies and procedures in place
- 2. Dedicated skilled teams in place for:
 - Health and Safety
 - HR
 - Legal (including info mgt)
- 3. Health and Safety Committees in place and ongoing programme of training in place

Action Plans

General Data Protection Regulation (GDPR)	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
<p>Head of Services (Legal and Compliance)</p>	<p>The GDPR will apply in the UK from 25 May 2018.</p>	<p>In Progress</p>	<p>Alison Robb</p>	<p>31/03/2019</p>	<p>Implementation of Data Audit Recommendations to ensure Council meets its obligations under GDPR - 31/03/2019 Provision of training for all staff and elected members - 31/03/2019 To date members have been trained and Corporate Services Staff. Further training to be rolled out this Autumn. NMD specific guidance cannot be update until the ICO updates their own guidance for public bodies.</p>
<p>Head of Services (Legal and Compliance)</p>	<p>Head of Services for both Legal and Compliance need to filled with in Corporate Services (Administration). These positions are key for ensuring Councils comply with GDPR regulations.</p>	<p>Completed</p>	<p>Alison Robb</p>	<p>31/08/2018</p>	<p>Head of Legal Administration in place from 1 September 2018. Head of Compliance recruited and due to commence employment on the 24th September.</p>

Risk CR. 05 - Failure to effectively manage waste

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	Probability				
	Consequence				

Risk Categories Buildings / Engineering / Environment
Quality of Service
Statutory Duty (Legal/Regulatory)

Risk Description Failure to effectively manage waste

Potential Root Cause

Insufficient resources
Market forces enable commercial operators to increase prices
Failure to plan effectively for future (including financial planning)
Historic contract arrangements which are not providing the Council with VFM
Potential loss of operators licence
Future changes to waste management arrangements

Consequence

Reputational issues
Lower customer satisfaction
impact on service delivery and lost productivity

Risk Owners

Roland Moore

Gross/inherent Risk

Red 20

Last Review 07/09/2018

Residual Risk

Amber 12

Next Review 02/10/2018

Target Risk Level

Yellow 9

Risk Appetite Risk Averse

Objectives

- 1. Become on of the premier tourism destination on the island of Ireland
- 4. Protect our natural and built environment
- 8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

- 1. Long term waste strategic plan in place
- 2. Partnership working with key stakeholders
- 3. Strategic waste group meets quarterly. Members include the RTS Director,AD of Waste plus councillors

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Education Programme	To ensure the education programme with regards to recycling and targets reaches a wider audience	In Progress	Roland Moore	30/12/2018	AD of waste to implement education programme - Part complete with stickers on domestic bin to state what is allowed with regards to recycling. Ongoing. The LT strategic plan refers to the Councils 9 point plan. Each of these 9 points has a separate action and target date.
Long term strategic plan	Implementation of long term strategic plan to ensure we manage our wastes to ensure statutory compliance.	In Progress	Roland Moore	31/03/2019	A detailed project plan and the appointment of the project manager are expected by January 2019.
Neighbourhood Services Transformation Project	The Neighbourhood Services Transformation project will aim to make efficiencies within NS while still maintaining the level of service.	In Progress	Roland Moore	31/01/2019	Council approved a Report December 2017, presented by previous Interim Director, following a review of staffing levels relating to Refuse and Cleansing Services. The Report recommended the recruitment of additional staff members following assessment that the services were under-sourced. Current recruitment of front line resources nearing completion. Review of Neighbourhood Services commenced
RTS Resources	Review of the adequacy of resources within RTS in light of the rise in complaints	Completed	Roland Moore	31/08/2018	Completed September 2018.

Risk CR. 06 - Failure to provide timely planning decisions

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Risk Categories	Business operational/reputational Financial	Last Review	07/09/2018
Risk Description	Failure to provide timely planning decisions	Next Review	02/10/2018
Potential Root Cause	Significant back log in planning decisions inherited from DoE Ineffective and/or inadequate resources Insufficient capacity building for members Cultural inertia Ineffective technology - EPIC system changes	Risk Appetite	Risk Averse
Consequence	Litigation Reputational issues Lower Customer satisfaction Impact on service delivery and lost productivity Financial implications resulting in budget constraints		
Risk Owners	Marie Ward		
Gross/Inherent Risk	Red 20		
Residual Risk	Amber 16		
Target Risk Level	Yellow 9		

Objectives

1. Become one of the premier tourism destinations on the island of Ireland
2. Attracted investment and supported the creation of new jobs.
4. Protect our natural and built environment
5. Lead the regeneration of our urban and rural area
8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

1. Dedicated Planning Committee in operation
2. Programme in place to build officer and member capacity
3. Action plan in place to reduce backlog
4. Ongoing training for officers and members
5. Increase in numbers in the enforcement team

Action Plans

Backlog cases	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Date	Comments
	Implement action plan to reduce backlog in line with timeframe set	In Progress	Anthony McKay	31/12/2018	The backlog has reduced from 1600 cases to approximately 900 as at end of March 2018. Dedicated team in place to reduce back log - The target is to get the number of live cases to 750.
Delivery of a new Development Plan	The target is to issue a local development plan in March 2018. From this point it will be a 40 month programme. There are 5 dedicated officers including a manager working on the development plan.	In Progress	Anthony McKay	30/09/2018	The Council is at Stage 1, which includes the development of the evidence base, preparation of the LDP Timetable and Statement of Community Involvement (SCI) and the production of Preferred Options Paper (POP). The POP was launched on the 29 May 2018 and the consultation period for the POP runs for a period of 12 weeks from 1 June 2018 to 24 August 2018. All Council will be getting their IT infrastructure upgraded at the same time. AD meets other Councils regularly to discuss options/issues.
IT	Upgrade of technical IT infrastructure (EPIC Replacement)	In Progress	Anthony McKay	30/09/2018	

Risk CR. 07 - Failure to have necessary staffing structures and resourcing to deliver efficient and effective services

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Risk Categories Business operational/reputational Impact on individuals (staff or public) Quality of Service

Risk Description Failure to have necessary staffing structures and resourcing to deliver efficient and effective services

Potential Root Cause Due to TUPE protection of the T&C's of transferred employees, a range of T&C's exist which reflect different contractual arrangements -Length of hour contracts, Annual Leave, Public holidays and job roles and descriptions need consistency. Failure to have an effective working relationship with Trade Unions Failure to attract and retain employees Cultural differences between the two legacy Councils and a resistance to change Restructuring the number of Directorates from five to four - SPP no longer exists

Consequence Low staff morale and increase in absenteeism Industrial Action Increase in use of overtime and also increase in the use of agency staff Negative impact on service delivery and lost productivity Negative PR for the Council

Risk Owners Dorrinnia Carville

Gross/inherent Risk Red 25

Residual Risk Amber 12

Target Risk Level Green 4

Last Review 07/09/2018

Next Review 02/10/2018

Risk Appetite Risk Averse

Objectives

2. Attracted investment and supported the creation of new jobs.
6. Advocate on your behalf specifically in relation to those issues which matter to you
8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

1. Policies and procedures in place
2. Monitoring of absenteeism by SMT
3. Qualified HR, IT & Finance professionals in place
4. Detailed budgeting process in operation
5. Member led efficiency working group
6. Processes in place for specifying and filling posts (Matching, trawling, public advert)
7. Dedicated Learning and Development Policy in place
8. SMT managed the transition of the restructuring the number of Directorates from five to four

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Organisation Design	Embedding org. design -Commence Tier 4 appointments process	In Progress	Catrina Miskelly	30/11/2018	Tier 4 now complete, with the exception of 3 Heads of Services posts.
Succession Planning	Succession planning to be completed for replacement RTS Director	Completed	Liam Hannaway	30/11/2018	Acting RTS (now NS) Director in place since February 2018. The recruitment for the permanent NS Director is well underway. Assessment centres have taken place and interviews are scheduled.

Risk CR. 08 - IT Services do not support the Statutory, Strategic or Operational requirements of Council

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	Probability				

Risk Categories	Business operational/reputational Impact on individuals (staff or public) Quality of Service
Risk Description	Failure to provide an effective IT Service Failure to respond to and recover from a major incident within, or impacting upon, the Council Failure to predict service requirements
Potential Root Cause	Resistance to change both internally and externally Lack of resources for new IT system / network Lack of staff with specialist expertise
Consequence	Resources not used effectively Poor service delivery IT system becoming obsolete
Risk Owners	Dorinnia Carville
Gross/inherent Risk	Red 25
Residual Risk	Amber 16
Target Risk Level	Yellow 9
Last Review	07/09/2018
Next Review	02/10/2018
Risk Appetite	Risk Averse

Objectives

8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

1. IT Strategy now in place
2. Clustered and/or replicated server and storage architecture
3. off site back ups
4. Business Continuity Plans
5. IT project Boards in operation
6. Leisure Services System introduced

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
IT Disaster Recovery/Business Continuity Plans Identify and address gaps in IT Disaster Recovery/Business Continuity Plans and increase resilience of legacy IT systems until IT Strategy is fully implemented	In Progress	Gavin Ringland	30/09/2018	A number of audits and assessments have taken place, with actions ongoing to address recommendations. Keys systems to enhance reliability of systems at procurement stage.
IT Strategy (1) In order to implement the Councils IT strategy, Council have to procure and implement the infrastructure projects in order to stabilise the IT platform.	In Progress	Gavin Ringland	31/03/2019	1. WAN/LAN at implementation phase. Expected completion date 31 March 2019.
IT Strategy (2) Procure and implement the 'fundamental' transformation program identified as a priority	In Progress	Gavin Ringland	31/03/2019	Email/Fixed Telephony at procurement stage. Expected completion date is 31 March 2019.

Risk CR. 09 - Failure to develop a transformational programme of organisational change that addresses Local Government Reform and delivers efficiencies and improvement

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Risk Categories
 Business operational/reputational
 Financial
 Impact on individuals (staff or public)
 Quality of Service

Risk Description

Failure to develop a transformational programme of organisational change that addresses Local Government Reform and delivers efficiencies and improvement, as well as supporting the realisation of the strategic outcomes of the Community and Corporate Plans.

Potential Root Cause

- The requirement to transform the Council is a direct consequence of the merger of the two predecessor Councils arising from LGR and will support the realisation of organisational improvement and efficiencies.
- The Council has not defined the business changes it wants from transformation to support investment in new IT and the resolution of fundamental business differences arising from legacy arrangements (i.e. T&Cs)
- Corporate efficiency projects and other improvement activities are not currently joined-up with wider transformational activity
- The Council is currently unable to track the realisation of benefits (financial or non-financial) arising from investment in new IT systems (i.e. Legend)
- A lack of corporate capacity currently exists to support transformational activity

Consequence

- We are not fundamentally addressing the merger (aka LGR) leading to reputational damage
- The budget situation will continue to get worse (salaries & wages) therefore not providing VFM
- Our ability to provide citizens / customers with the services they require will be significantly constrained
- We will potentially lag behind other Councils & other public sector organisations

Risk Owners

Liam Hannaway

Gross/Inherent Risk

Red 20

Last Review 07/09/2018

Residual Risk

Amber 16

Next Review 02/10/2018

Target Risk Level

Amber 12

Risk Appetite Risk Neutral

Objectives

8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

- GMT have been tasked with delivering transformational activities
- IT Project Group in place and meets monthly
- SMT will have an oversight of all transformational activities
- Specialist independent IT consultants have been tasked with implementing the IT strategy
- ToM document produced and approved by SMT

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Appoint a programme co-ordinator to improve capacity and support.	In Progress	Johnny McBride	30/12/2018	Job description completed and the post is out for job matching currently.
Develop and implement controls for tracking the realisation of business benefits.	In Progress	Johnny McBride	31/12/2018	In progress
Develop, Plan and implement a programme of transformational (business and IT) change that aligns all (business and IT) change that aligns all improvement / Efficiency activity across the Council.	In Progress	Johnny McBride	30/12/2018	In progress
SMT to promote transformational projects to be progressed	In Progress	Johnny McBride	30/12/2018	In progress

Risk CR. 10 - Failure to adequately react to a major incident which would minimise any negative consequences/impact

5									
4			T						
3									
2									
1									
		1	2	3	4	5	Probability		

Risk Categories	Buildings / Engineering / Environment Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)
Risk Description	In the event of a disaster or an emergency, the Council may not respond in a way which minimises any negative consequences/impact
Potential Root Cause	Natural disasters, Localised flooding, Harbour disasters, Fire Camlough Reservoir Significant IT failure Inadequate preparedness to be able to respond in the event of an emergency
Consequence	Reputational damage through inadequate civic leadership to provide adequate community emergency support Loss of income Litigation - civil/criminal increased insurance premiums
Risk Owners	Dorinnia Carville
Gross/inherent Risk	Red 20
Residual Risk	Amber 12
Target Risk Level	Yellow 8
Last Review	07/09/2018
Next Review	02/10/2018
Risk Appetite	Risk Averse

Objectives

- 3. Supported improved health and wellbeing outcomes
- 4. Protect our natural and built environment
- 6. Advocate on your behalf specifically in relation to those issues which matter to you

Key Controls Identified

- 1. Business Continuity Plan in place
- 2. Emergency planning measures in place, including:
-Flood risk plan
-Inter-agency group
- 3. Dedicated Emergency Planning team and professionally trained and experienced staff
- 4. Member of Southern Region Emergency Planning Group
- 5. Annual Winter resilience plan in place
- 6. New regional local government regional model

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Drills/testing of plans on a regular basis	In Progress	Dorinnia Carville	31/01/2019	ongoing - recent severe weather incidents provided assurance of the adequacy of procedures. Steps taken to enhance/learn from experiences on an ongoing basis.

Risk CR. 11 - Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties caused by the current economic and political climate

5						
4				R	G	
3			T			
2						
1						
	1	2	3	4	5	
Consequence	Probability					
Risk Categories	Impact on individuals (staff or public) Quality of Service					
Risk Description	Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties caused by the current economic and political climate					
Potential Root Cause	Failure to engage stakeholders (public and private sector) Lack of resources Reduction in rates income Economic downturn and economic uncertainty Impact of Brexit on funding Permanent Secretaries not able to make decisions in absence of Minister Impact of City Deals Reduced funding from Central Government due to lack of a NI Executive The fall and continuing weakness in sterling driving inflation expectations higher					
Consequence	Lack of investment and economic activity Loss of confidence from the private sector Negative PR Poor service delivery					
Risk Owners	Liam Hannaway; Mane Ward					
Gross/inherent Risk	Red 20					
Residual Risk	Amber 16					
Target Risk Level	Yellow 9					
Last Review	07/09/2018					
Next Review	02/10/2018					
Risk Appetite	Risk Averse					

Objectives

2. Attracted investment and supported the creation of new jobs.
5. Lead the regeneration of our urban and rural area

Key Controls Identified

1. Economic development and investment strategy in place
2. Establishment of Economic Forum including public and private sector stakeholder
3. Rural Development Programme in place
4. Engagement with other Councils, The NI Executive, NILGA and the Private Sector through the Chamber of Commerce

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Brexit	Continue to closely monitor effects of Brexit on on-going funding	In Progress	Liam Hannaway Jonathan McGilly	30/11/2018	Various initiatives ongoing
City Deals	Actively engage in Belfast Region City Deals process planning	In Progress	Liam Hannaway	30/12/2018	Engagement and planning ongoing

Risk CR. 12. Risk of industrial relations deteriorating as we go through a period of change which could potentially lead to industrial action and a disruption to services

5	4	3	2	1	Consequence	Risk Categories	Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service
						Risk Description	Risk of industrial relations deteriorating as we go through a period of change which could potentially lead to industrial action and a disruption to services
						Potential Root Cause	Culture changes between the two legacy councils Poor communication Lack of completed structure Resistance to change Lack of resources in certain areas – increase in grievance and appeals cases
						Consequence	Industrial action Reputational damage to the Council Low staff morale Increased sickness absence Poor service delivery and VFM
						Risk Owners	Donnina Carville; Liam Hannaway
						Gross/inherent Risk	Red 20
						Residual Risk	Amber 16
						Target Risk Level	Amber 12
						Last Review	07/09/2018
						Next Review	02/10/2018
						Risk Appetite	Risk Averse

Objectives

- 6. Advocate on your behalf specifically in relation to those issues which matter to you
- 8. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

- 1. Working Group established for consultation on key people policies for the new organisation – being facilitated by LRA
- 2. Attendance Management and Grievance Procedures as well as constitution for Local Joint Consultative Committee
- 3. Chief Executive conducts regular 121 briefings & Regular employee bulletins
- 4. Negotiating Forum established between management and trade union sides (LCNF)
- 5. Other arrangements to assist with Attendance Management
- 6. Sickness absence reporting
- 7. Sickness Absence Reports

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Absence Management	A single absence management to be developed to replace the five policies which are currently in place.	In Progress	Catrina Miskelly	11/10/2018	The Policy has been agreed with Trade Union, however further discussion is required regarding the implementation of procedures.
Labour Relation Agency	The Labour Relations Agency have been called in by Management to support effective industrial relations.	In Progress	Dorinda Carville	31/03/2019	Labour Relations Agency conciliation commenced on the 3 September 2019. A further meeting is scheduled for the 26 September.
Policy Alignment for NMDCC - phase 1	Adopt and implement phase 1 of the agreed new policies	In Progress	Catrina Miskelly	11/10/2018	Completed in June 2018 with the exception of absence management procedures.
Policy alignment for NMDCC - phase 2	Commence and implement phase 2 of HR policies	Proposed	Catrina Miskelly	11/10/2018	Phase 2 to commence in November 2019.
Tier 4 Job Matching (Department Heads)	Tier 4 Job Matching (Department Heads)	In Progress	Catrina Miskelly	11/10/2018	Tier 4 now complete with the exception of 3 Heads of Service in ERT Department.

Risk CR. 13 Accidents/injuries may occur if health and safety of service users and staff is not considered, with a particular focus on Fire Risk Assessments

Consequence	Probability					Risk Categories	Risk Description	Potential Root Cause	Consequence	Risk Owners	Gross/Inherent Risk	Residual Risk	Target Risk Level	Last Review	Next Review	Risk Appetite
	1	2	3	4	5											
5	Green	Yellow	Red	Red	Red	Buildings / Engineering / Environment Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)	Accidents/injuries may occur if health and safety of service users and staff is not considered, with a particular focus on fire risk assessments and their associated actions	Lack of H&S Planning Training inadequacies Lack of responsibility - public negligence Unforeseen event Absence of or ineffective operational procedures / policies / systems or processes Fire Risk Assessments of Council Buildings not be undertaken Actions from Fire Risk Assessments not being implemented	injury/death to staff or public Damage to Council reputation Loss of income Personal liability/Corporate Manslaughter Litigation - Civil/Criminal Increased insurance premiums	Dorinnia Carville	Red 20	Amber 15	Yellow 10	07/09/2018	02/10/2018	Risk Averse

Objectives

B. Transform and modernise the Council, providing accessible as well as value for money services

Key Controls Identified

- Compliance reporting to SMT and H&S Committees
- Corporate H&S Policy
- Dedicated H&S unit
- H&S induction for all new staffs
- H&S training needs assessments and training delivery

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Actions from Fire Risk Assessment Audits	The actions from the Fire Risk Assessments which have been completed need to be actioned as soon as possible for all Council properties by the Facilities Management and Maintenance Department.	In Progress	Kevin Scullion	30/12/2018	Ongoing
Fire Risk Assessment Audit	Estates are due to complete an audit of Fire Risk Assessments which have been completed.	In Progress	Conor Mallon	31/10/2018	The Downshire Civic Centre and Monaghan Row Fire Risk Assessments are to be audited to see which actions have been implemented.
Health and Safety Policy	Review of the current Health and Safety Policy to ensure it complies with best practice and it is fit for purpose.	In Progress	Conor Mallon	31/03/2019	Head of H&S to complete

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Prompt Payment Statistics
Reporting Officer (Including Job Title):	Ken Montgomery, Assistant Director of Finance
Contact Officer (Including Job Title):	Ken Montgomery, Assistant Director of Finance

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	x
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1.0	Purpose and Background:																									
1.1	<p>'Prompt payment' is the payment of valid supplier invoices within 10 working days by public bodies, as set in government targets.</p> <p>This dataset contains:</p> <ul style="list-style-type: none"> total amount paid by each Northern Ireland council to suppliers total number of invoices number of invoices paid within 10 working days number of invoices paid within 30 calendar days number of invoices paid outside 30 calendar days <p>The Stormont Executive's Prompt Payment Policy recommends that government departments should, "aim to pay 90% of valid invoices within 10 working days", with councils encouraged to match that.</p> <p>Adherence to the policy is not mandatory for councils, but in a letter issued to council chief executives in October 2013, the Department of Environment's Local Government Policy Division said that: "District councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by Northern Ireland Executive in response to the current economic position".</p>																									
2.0	Key issues:																									
2.1	<p>Due to the timing of the Audit Committee the statistics for the period 1 July 2018 to the 30 September 2018 are not yet available. The statistics provided from the 1 April 2018 to the 30 June 2018 are highlighted below:</p> <p>1 April 2018 to 30 June 2018</p> <table border="1"> <thead> <tr> <th></th> <th>Paid within 10 Days</th> <th>Paid within 30 Days</th> <th>Paid outside payment period</th> <th>Total Invoices</th> </tr> </thead> <tbody> <tr> <td>Number of Invoices</td> <td>598</td> <td>5983</td> <td>649</td> <td>6632</td> </tr> <tr> <td>Percentage</td> <td>9%</td> <td>90%</td> <td>10%</td> <td>100%</td> </tr> <tr> <td>Value</td> <td>£1,957,483</td> <td>£16,316,551</td> <td>£1,429,057</td> <td>£17,745,608</td> </tr> <tr> <td colspan="5">Average number of days to pay suppliers – 20</td> </tr> </tbody> </table>		Paid within 10 Days	Paid within 30 Days	Paid outside payment period	Total Invoices	Number of Invoices	598	5983	649	6632	Percentage	9%	90%	10%	100%	Value	£1,957,483	£16,316,551	£1,429,057	£17,745,608	Average number of days to pay suppliers – 20				
	Paid within 10 Days	Paid within 30 Days	Paid outside payment period	Total Invoices																						
Number of Invoices	598	5983	649	6632																						
Percentage	9%	90%	10%	100%																						
Value	£1,957,483	£16,316,551	£1,429,057	£17,745,608																						
Average number of days to pay suppliers – 20																										

3.0	Recommendations:
3.1	For noting by the Audit Committee
4.0	Resource implications
4.1	None
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
7.1	None
8.0	Background Documents
8.1	None

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Fraud and Whistleblowing
Reporting Officer (Including Job Title):	Gerard Byrne, Audit Services Manager
Contact Officer (Including Job Title):	Gerard Byrne, Audit Services Manager

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	x
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1.0	Purpose and Background:
1.1	<ul style="list-style-type: none"> To Notify the Audit Committee of any suspected Fraud and Whistleblowing cases since the last meeting until the 14 September 2018. To Notify the Audit Committee of any developments from previous Fraud and Whistleblowing Cases since the last meeting until 14 September 2018.
2.0	Key issues:
2.1	<ul style="list-style-type: none"> No new suspected fraud cases since the last Committee. One new whistleblowing case since the last Audit Committee. See Appendix for more details. The 2017/18 NFI exercise will be commencing in the coming weeks, with the data upload to be completed in October 2018. Privacy notice will be included on all payslips at the end of September 2018 and a Chief Executive brief will be sent out in relation to this notice.
3.0	Recommendations:
3.1	Fraud and Whistleblowing cases for consideration by the Audit Committee on a quarterly basis.
4.0	Resource implications
4.1	None
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
	Appendix 1 – Summary Fraud and Whistleblowing register
8.0	Background Documents

	None
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Summary Fraud Register – 2018/19 Financial Year

Reference no.	Directorate	Sender / Notifier	Brief Summary	Latest update	Date Audit Services Manager was Informed	Date Audit Committee was informed
F003	SPP	Staff Member from Corporate Services	Allegation that a Council Officer was falsifying documentation and not complying with the Councils Retention and Disposal Policy of information.	Internal Audit brought a procurement lessons learned report to the January 2018 Audit Committee. Case ongoing.	22 February 2017	27 April 2017

Summary Whistleblowing Register – 2018/19 Financial Year

Reference no.	Directorate	Sender / Notifier	Brief Summary	Latest update	Date Audit Services Manager was Informed	Date Audit Committee was informed
WB 15	RTS	Anonymous letter to CE	A council officer was coerced into accepting the blame for a vehicle collision for financial and repair gain.	Contacted insurance department for information. Accident occurred in legacy Newry Council in 2013. The insurance file and investigation report directly contradict the allegations within the letter. Meeting held with the Council Officer in question. Allegations were without substance. Case Closed.	18/01/2018	26/04/2018
WB 16	ERT	Anonymous letter to Councillors	Allegation that the members of the planning department acted favourably to an applicant.	Investigations underway.	20/06/2018	05/08/2018
WB 17	ERT	Member of the Public	Allegations into breaches of policy by planning officers	Contact made planning department. Contact to be made with whistle-blower to arrange a meeting for further details.	27/08/2018	20/09/2018

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Direct Award Contract (DAC) Register
Reporting Officer (Including Job Title):	Gerard Byrne, Audit Services Manager
Contact Officer (Including Job Title):	David Barter, Procurement Manager

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	x
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1.0	Purpose and Background:
1.1	Direct Award Contracts (DAC's) or Single Tender Actions (STA's) occur when any partly or fully funded contract over £5k is awarded to a contractor/supplier without a competition, or where there is a material change to an existing contract. It is considered best practice to bring Direct Award Contracts to the attention of the Audit Committee.
2.0	Key issues:
2.1	In the second quarter of the 2018-19 financial year, the Council awarded 20 contracts by way of Direct Award. The total value of these contracts was £202,798.
3.0	Recommendations:
3.1	For noting by the Audit Committee.
4.0	Resource implications
4.1	None
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
	Appendix 1: DAC/STA Report – 2nd Quarter 2018/19
8.0	Background Documents
	None

STA REPORT FROM 1 APR 2018 - 31 MARCH 2019

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Product	STA Total Price	Reasoning Provided	Company	Requisitioner	PO Number	Date of PO	Authoriser
		Hardware and software already in operation due to Legacy Newry Contract. Therefore Single Supplier. Recruitment exercise unsuccessful.	Sysco	Ken Montgomery/Gavin Ringland	130209	14/06/18	Dorinnia Carville
Kontrolia and Konducta Software support & licences	£5,828.00	Due to time and H&S delays STA was awarded.	GDN Cleaning	Gail Kane	131118	03/07/18	Roland Moore
Cleaning of Public Conveniences in Newcastle July & August 2018	£17,445.60	H&S and public health reasons, and there was an upcoming event in Newcastle.	Tergo Solutions	David Hanna	131404	09/12/18	Roland Moore
Deep Cleaning of Paved Areas in Newcastle	£7,500.00	Trial period has been successful. Tender to go out in October 2018.					
Processing of Rubble Waste from HRCs	£9,600.00	£800 per month	McParland's, Jerrettspass	Liam Dinsmore	131663	18/07/18	Roland Moore
Mowing Bucket for Canal Boat	£7,641.75	Single Source Supplier	South Shore Marine & Diesel	Aidan Mallon	131889	24/07/18	Kevin Scullion
Ring of Gullion Landscape Partnership Scheme	£6,450.00	Local Artists to deliver a local event.	ROGHA	Darren Rice	132398	02/08/18	Marie Ward
Media Partner for Newcastle Festival of Flight	£10,320.00	It was decided that this radio station can reach the widest audience. Few reasons. Quotes were obtained and lowest selected. Did not have time to go on e-hub prior to school year starting.	U105	Aislaein McGill	132544	07/08/18	Marie Ward
Passive Fire Protection- Bunscoil	£12,710.00	Supply and demand - limited market for multiple events taking place. Local event required a local supplier of crafts. Warranty reasons and they were familiar with the complicated installation.	Crossfire Specialist Contractors Ltd	Kevin Scullion	132768	10/08/18	Roland Moore
Characters for Wake the Giant Festival 2018	£1,850.00	Local event required a local supplier of crafts. Warranty reasons and they were familiar with the complicated installation.	Premiere Circus	Donna Mulholland	132800	10/08/18	Marie Ward
Interactive Arts & Crafts for Wake the Giant Festival 2018	£3,000.00	Local event required a local supplier of crafts. Warranty reasons and they were familiar with the complicated installation.	Rogha	Donna Mulholland	132799	10/08/18	Marie Ward
Council Taxis for Wake the Giant Festival 2018	£2,200.00	Installation.	Magnakata	Donna Mulholland	132801	10/08/18	Marie Ward
MoD Insurance- Festival of Flight 2018	£19,660.00	Single Source Supplier with expertise.	Ministry of Defence	Andy Patterson	132808	10/08/18	Marie Ward
Aerosubatics Wing Walkers Festival of Flight	£6,874.00	Single Source Supplier with expertise.	Wing Walkers	Andy Patterson	132824	13/08/18	Marie Ward
2Excel Aviation Blades Festival of Flight	£5,076.00	Single Source Supplier with expertise.	2Excel Aviation Ltd	Andy Patterson	132825	13/08/18	Marie Ward

Max Media Avert Tourism Ireland GoT	There is only one set of Tourism Ireland Consumers books produced annually by supplier.	€ 5,000.00	Maxmedia Ireland Ltd	Mark Mohan	132874	13/08/18	Andy Patterson
Northern Ireland Mapping Agreement Licence	Single Source Supplier for all Councils. Land & Property Services recruitment exercise unsuccessful.	€51,653.88	Land & Property Services	Johnny McBride	133267	22/08/18	Liam Hannaway
Cleaning of Public Conveniences in Newcastle September 2018	There due to time and H&S delays STA was awarded.	€5,616.00	GON Cleaning	Gail Kane		03/09/18	Roland Moore
Passive Fire Protection Bunscoil	H&S reasons. Quotes were obtained and lowest selected. Did not have time to go on e-hub prior to school year starting.	€13,930.00	Crossfire Specialist Contractors Ltd	Kevin Scullion	133941	07/09/18	Roland Moore
Annual Support & Hosting of PAMS and e-Recruit	Hardware and Software already in operation. Therefore Single Supplier. There is only one set of Tourism Ireland Consumers books produced annually by supplier	€9,585.00	Hallmark Solutions Carryduff	Louise Fitzsimons	134060	11/09/18	Dorinnia Carville
Advertising Tourism Ireland Market Books		€ 6,500	Maxmedia Ireland Ltd	Mark Mohan	134111	11/09/18	Andy Patterson
		€202,798.48					

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Update on Audit Recommendations
Reporting Officer (Including Job Title):	Gerard Byrne, Audit Services Manager
Contact Officer (Including Job Title):	Gerard Byrne, Audit Services Manager

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	x
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1.0 Purpose and Background:

1.1 At the Audit Committee meeting of 27 April 2017, it was agreed that the Audit Committee would concentrate on monitoring internal audit recommendations which have been made since NMDDC has formed. Therefore the detail below relates to recommendations realised in the 2015-16 and the 2016-17 financial years.

At the Audit Committee on the 26 September 2017, it was agreed that the Audit Committee would also review an update on NIAO recommendations.

2.0 Key issues:

2.1 The table below demonstrates a breakdown of the 2015/16 Audit Recommendations by priority rating and their status. This was tabled at the April 2017 Audit Committee.

April 2017

	Fully Implemented	Partially implemented	Not implemented	N/A	Unable to test	Not yet due for implementation	Total
Priority 1	3	3	1	1	2	1	11
Priority 2	15	5	0	1	0	0	21
Priority 3	8	1	1	0	0	0	10
Total	26	9	2	2	2	1	42

The table below demonstrates the progress made to September 2018.

September 2018

	Fully Implemented	Partially implemented	Not implemented	N/A	Not yet due for implementation	Total
Priority 1	5	3	0	3	0	11
Priority 2	20	0	0	1	0	21
Priority 3	9	0	0	1	0	10
Total	34	3	0	5	0	42

The table below demonstrates a breakdown of the 2016/17 Audit Recommendations by priority rating and their status. This was tabled at the April 2018 Audit Committee.

April 2018

	Fully Implemented	Partially implemented	Not implemented	Superseded	No longer Accepted	Total
Priority 1	0	1	0	0	0	1
Priority 2	6	14	7	0	0	27
Priority 3	20	7	4	1	3	35
Total	26	22	11	1	3	63

The table below demonstrates the progress made to September 2018.

September 2018

	Fully Implemented	Partially implemented	Not implemented	Superseded	No longer accepted	Total
Priority 1	0	1	0	0	0	1
Priority 2	10	10	4	1	0	25
Priority 3	20	9	4	1	3	37
Total	30	20	8	2	3	63

NIAO Recommendations

2016/17

	Fully Implemented	Partially implemented	Not implemented	N/A	Not yet due for implementation	Total
Priority 1	1	1				2
Priority 2	2	2				4
Total	3	3	0	0	0	6

In 2017/18 (December 2017), Internal Audit issued a limited assurance report on the governance of grants at the Strategic Programmes Unit. We instructed ASM to complete an early follow up audit of the recommendations issued, to see if sufficient action had been taken. A number of bodies award grant funding based on our assurances within our Governance Statement that our internal controls are sufficient.

The follow up audit concluded that sufficient progress had been made in implementation the actions to move the governance of grants at the Strategic Programmes Unit from a limited to a satisfactory assurance level. This has been documented within the Annual Governance Statement 2017-18.

3.0

Recommendations:

3.1

Audit Committee members to note column headed 'Status at September 2018' as an indication of progress being made and actions being taken to address recommendations as noted by management.

4.0	Resource implications
4.1	A number of the recommendations contain significant resource implications, both officer time and, in some cases capital cost.
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
	Appendix 1: 2015/16 Follow up tracker Appendix 2: 2016/17 Follow up tracker Appendix 3: NIAO recommendations
8.0	Background Documents
	None

ASM Ref	Recommendation	Priority	Management Comment	Status	Responsibility	Timeframe	At March 2017	Status at September 2018
A5	<p>Off Street Car Parking - RIS - Limited Assurance Rating</p> <p>We recommend that the Working Group establishes a time bound action plan addressing the Council's responsibilities in respect of setting a policy for off street car parking, over the short, medium and longer term.</p>		<p>The Working Group will make initial proposals to the SMT, in terms of a time bound action plan.</p>	Partially Implemented	Colle Jackson	Mar-19	<p>Our review identified that while the Council did not develop a time bound action plan, we note that the Council signed a 3 year extension to the Agency Agreement with TransportNI, effective from 1 November 2016. In the short and medium term, the Council are therefore "locked" into these arrangements. In the longer term, a sub-committee of the working group has been established to take forward proposals for an exit strategy after the 3 year extension period, ending in October 2019.</p>	P1 - No LT can be developed until the Agency Agreement with TransportNI ceases in October 2022.
C1	<p>We recommend that in addition to recommendation at A5 above, that once a decision is taken in respect of charging, that the Council's role, or support role, in enforcement is defined and agreed.</p>	1	<p>We are unlikely to be in a position to take this decision for some considerable time as the charging issues will be integral to our Economic Development and Tourism strategies.</p>	Not Yet due for Implementation	Colle Jackson	Unknown, dependent on Economic Development & Tourism Strategies	<p>Our review identified that the responsibility for enforcement remains with TransportNI until October 2019, at which point a decision will need to be taken by the Council in respect of charging, and the related need for enforcement.</p>	P1 - No LT can be developed until the Agency Agreement with TransportNI ceases in October 2022.
C3	<p>We recommend that in addition to recommendation at A5 above, that once a decision is taken in respect of charging, that the Council's role, or support role, in enforcement is defined and agreed.</p>	1	<p>We are unlikely to be in a position to take this decision for some considerable time as the charging issues will be integral to our Economic Development and Tourism strategies.</p>	Not Yet due for Implementation	Colle Jackson	Oct-19	<p>Our review identified that the responsibility for enforcement remains with TransportNI until October 2019, at which point a decision will need to be taken by the Council in respect of charging, and the related need for enforcement.</p>	P1 - No LT can be developed until the Agency Agreement with TransportNI ceases in October 2022.

ASM REF	Recommendation	Priority	Management Comment	Status	Responsibility	Timeframe	At April 2018	At September 2018
Cash Handling Policy - May 2017								
A5	We recommend that a Council wide policy in respect of expected cash handling processes be developed and implemented across each site. In the interim period, we recommend that those local procedures developed in relation to Newry Sports Centre be disseminated to staff at the site and in relation to Ballynahinch Community Centre be updated and circulated to staff at this site.		New Council wide policy will be drafted and implemented at all sites. Local procedures at Newry Sports Centre will be communicated to staff and current procedures at Ballynahinch will be updated.	Accepted	Ken Montgomery	Oct-17	Partially implemented	Partially implemented
A7	We recommend that the Council review the petty cash procedures, dated February 2015, to ensure they continue to be appropriate and issue these to each of the cash generating sites as soon as possible.		The petty cash procedures document will be updated and issued to each Council outstation.	Accepted	Ken Montgomery	Oct-17	Partially implemented	Partially implemented
C1	We recommend that the Council ensures that adequate insurance cover is in place for cash held at all cash generating sites including specifically Newry Leisure Centre, Newcastle Leisure Centre and Ballynahinch Community Centre.		Finance will clarify the insurance cover that is in place for each outstation that holds cash and ensure that the cover is satisfactory.	Accepted	Ken Montgomery	Oct-17	Not implemented	not implemented
D3	We recommend that management review the current arrangements at St Colman's College to determine if more robust segregation of duties can be implemented.		Recommendation A5 involves the roll out of a Council wide cash handling procedure. Once implemented this recommendation will be achieved.	Accepted	Ken Montgomery	Oct-17	Not implemented	not implemented
E7	We recommend that the till in Ballynahinch Community Centre is cashed up and reconciled at the end of each shift.		Recommendation A5 involves the roll out of a Council wide cash handling procedure. Once implemented this recommendation will be achieved.	Accepted	Ken Montgomery	Oct-17	Partially implemented	Partially implemented
Building Control - October 2016								
A3	We recommend that the Council reviews the need for payments for building control applications received in Cowpatrick having to go to the Administration Department.		Shall refer this recommendation to Administration and Finance for consideration and response.	Accepted	Ken Montgomery	Apr-17	Not implemented	not implemented

We recommend that in the absence of a software solution, the Council reviews the time lines by which the Council's Finance Department notifies the Building Control Department of the clearance of payments and consider the impact of this on the Council's performance target.

A4 We recommend that the Council establishes documented procedures to support the processing and enforcement of licences across the Council for entertainment, amusement, marriage and petroleum licences.

B5 We recommend that the Council reviews the current organisational structures responsible for licensing and consider the need to establish and staff a dedicated licensing unit.

Fleet Management – January 2017

A3 We recommend that the Council establish a suitable process to identify when safety inspections are required to be completed on each vehicle and ensure that this process is

C5 We recommend that the Council considers and standardises its approach to reporting back to drivers in respect of reported driver hour infringements. We consider that repeat offenders should be monitored to ensure that the driver's end the public's health and safety is not compromised.

This recommendation has already been identified and considered as part of the Council's IT Strategy.

Accepted

Nov-18

partially implemented

Written procedure to be developed when the new Licensing Unit is established.

Accepted

Jun-17

partially implemented

Process has commenced and should be complete within 1 year.

Accepted

Oct-17

partially implemented

partially implemented Our review identified that the Council have undertaken to standardise procedures in relation to identifying when safety inspections are done across the two legacy sites, with the development and maintenance of an appropriate spreadsheet by the Council's Fleet Managers. However, our review identified that the Downpatrick site staff are reluctant to move away from the use of the "whiteboard" system and that there is also considered to be an IT skills shortage at that site preventing staff from using the spreadsheet model. The Council's fleet of fleet will keep the impact of this under review.

Accepted

Jan 17

partially implemented

Not implemented Our discussions with the Head of Fleet confirmed that, until the Council's Fleet Policy is approved and implemented, work on implementing a standardised practice across the Council has not been possible. Our review identified that an independent review of Fleet Management, by the Vehicle and Operator Service Agency ("VOSA") in November 2017, also identified a need for the Council to "put a driver's hours policy in place that covers all aspects of tachograph use, EU and domestic regulations".

Accepted

May-17

not implemented

C7	<p>We recommend that in respect of the Driver's Handbook, the Council could provide clarity to drivers: a) in respect of the expectations of what is to be completed as part of the vehicle checking review, and b) in respect of the definitions of what is considered a low/medium/high risk fault.</p> <p>We recommend that the Council consider the need to provide training on the expectations of drivers in respect of their responsibilities as set out in the Driver's Handbook.</p>	<p>a) review of procedures as per D5 above; and b) definitions to be clarified within the Driver's Handbook.</p> <p>2. Handbook.</p> <p>Planned to be covered by future CPC training and ongoing "Tool-Box" talks.</p>	Accepted	head of fleet	dec 17 / may 17	<p>Not implemented Our review identified that the Driver's Handbook has not yet been updated. However, it is noted that this is now considered a priority in order to comply with recommendations also arising in the JOSA audit. Our review identified that the low/medium/high risk ratings are to be removed from the handbook as these are considered to be too subjective. A revised priority system is expected to be established.</p> <p>Not implemented Our review identified that training on the expectations of drivers in respect of their responsibilities as set out in the Driver's Handbook has not yet been provided.</p>
C8	<p>Copies of the Fleet Management Policy, Strategy and Driver's Handbook to be made available on the Council's intranet site and an email sent out to all staff to notify them of these documents with a direct link to relevant site.</p>	3. Legacy Capita Report	Accepted	Head of Fleet	n/a	<p>Partially implemented Our review identified that, while the Council's intranet site is now operational, no fleet management documents have been uploaded to it. All drivers do however have access to the required documentation.</p>
C3	<p>The Council should consider investment in computer based IT systems that will enhance security of fleet data, eliminate multiple duplication demands which exist in current manual systems and provide real-time management cost information that will allow Management to make strategic investment plans and decisions to assure the effectiveness of the fleet. The consideration of the Vehicle Telemetry system may result in the required data enhancement in this area.</p>	2. Legacy Capita Report	Accepted	Head of Fleet	n/a	<p>Partially implemented Our review identified that, while a business case for a new Fleet Management IT system has been prepared, it has not yet been approved. We note that the need for investment in a Fleet Management IT system forms part of the Council's IT Strategy.</p>
C4	<p>The Health and Safety Policy should be updated to refer specifically to Fleet Management issues.</p>	2. Legacy Capita Report	Accepted	Head of Fleet	n/a	<p>Not implemented Our review identified that the Council's most up to date Health and Safety Policy continues to be that which was approved in February 2012, which does not specifically refer to fleet management issues.</p>

Internal audit recommends that an additional central record of vehicle defects should be maintained to record details including registration, defect, Drivers daily Report Form numbers, date left in and date returned [i.e. the Council currently maintains an excel document which records the vehicles, the dates of the most recent and next scheduled vehicle inspections, and the most recent and next scheduled service date]. This could be maintained on an excel sheet or word document and should be a shared document accessible to all supervisors. This would assist in the tracking of all vehicles currently being repaired and assist with planning. A fleet management system should be considered, this will reduce the man hours spent on administrative work and avoid the dependencies on spreadsheets that can lead to errors.

C10

2. Legacy Capita Report

Accepted Head of Fleet n/a

not implemented

Not implemented Our review identified that the maintenance of such records is considered to be resource intensive. However, the actions arising from this recommendation continue to be considered as part of the proposed Fleet Management System (currently at business case stage).

A telemetry (tracking system) should be introduced in to all fleet, this will monitor staff driving, fuel inefficiencies, staff breaks, routes taken by drivers, the weight and speed of the vehicles. Monitoring of fleet vehicles will reduce inefficiencies and ensure that drivers are acting in accordance with the Council's procedures and policies.

C16

2. Legacy Capita Report

Accepted Head of Fleet n/a

Partially implemented

Partially implemented Our review identified that introduction of telemetry systems to all of the Council's fleet is being considered as part of the proposed Fleet Management System (which is at Business Case stage).

Trade Waste Management - October 2016

As agreed at the Strategic Waste Working Group meeting on 23 August 2016, a detailed report, including options, alternatives, costs, benefits and operational considerations, in relation to dramatically changing the refuse collection service across the new district, in order to meet our 2020 landfill diversion and recycling targets is to be presented to the R&TS Committee for consideration, early in the new year. This report will include recommendations for rationalising the Trade Waste collection service.

We recommend that the Council develops a project plan to support the rationalisation of the Council's trade waste management service. We consider that the key elements of this project plan could include:

- a) key functions to change;
- b) clear timescales for action; and
- c) details of responsible officers.

A5

Accepted Joe Parkes

Partially implemented

Partially implemented Our review identified that while a project plan to support the rationalisation of the Council's trade waste management service has been drafted for agreement by the responsible officers, we note that no agreement on those actions was undertaken at that time and no progress has been made on these at the time of writing. Our review identified that a revised project plan is expected to be formalised by June 2018.

01-Apr-17

A6	<p>We recommend that the Council develops a formal procedural guidance document to support the administration of the Council's trade waste management service. We consider that, once approved, this procedure should be issued to all relevant staff.</p>	<p>Will be addressed as part of above mentioned work.</p>	<p>Accepted</p>	<p>Joe Parkes</p>	<p>01-Apr-17</p> <p>Partially implemented</p>
A7	<p>We recommend that the frequency of trade waste collections be consistent across all of the Council.</p>	<p>Will be addressed as part of above mentioned work.</p>	<p>Accepted</p>	<p>Joe Parkes</p>	<p>01-Apr-17</p> <p>Partially implemented</p>
A8	<p>We recommend that the Council reviews the rates currently applicable to both charities and caravan parks to ensure that they remain appropriate and to make these charges consistent across the Council.</p>	<p>Will be addressed as part of above mentioned work.</p>	<p>Accepted</p>	<p>Joe Parkes</p>	<p>01-Apr-17</p> <p>Partially implemented</p>
A9	<p>We recommend that the Council considers the need to implement the use of collection stickers across all of the Council.</p>	<p>Will be addressed as part of above mentioned work.</p>	<p>Accepted</p>	<p>Joe Parkes</p>	<p>01-Apr-17</p> <p>Partially implemented</p>
B5	<p>We recommend that management considers the costs and benefits to the Council of centrally managing the financial aspects of trade waste management through the Council's Finance department. As a result of any decision taken, we consider that management should clarify the expected duties of administrative officers with respect to trade waste management.</p>	<p>Completed financial aspects of trade waste will be handled by the Finance Department. Given the changes agreed as a result of the audit, outcomes, the admin role in relation to Trade Waste will be reviewed, clarified and new processes/procedures will be introduced.</p>	<p>Accepted</p>	<p>Joe Parkes / Ken Montgomery</p>	<p>01-Apr-17</p> <p>Partially implemented</p>

<p>87</p> <p>We recommend that the Council reconsiders the need to manually record income received outside of the Sun Finance System (i.e. in Kalamazoo or Excel ledgers) and reports the receipt of income directly to the Sun Finance System at the time of receipt.</p>	<p>All income received will be receipted directly into the SUM financial system.</p>	<p>Accepted</p>	<p>Ken Montipomary</p>	<p>31 Dec-16</p>	<p>Partially implemented</p> <p>Partially implemented Our review identified that the Council have reviewed the available payment options and are now directing customers to pay for trade waste services by direct debit only. However, it is noted that some cash and cheque payments are still being accepted and further time will be needed to eliminate cash from the process.</p>
<p>88</p> <p>We recommend that the Council reviews the available payment options for trade waste customers and to consider the need to accept cash for trade waste services at the trade waste sites only.</p>	<p>All customers will be required to pay by direct debit, with cash and cheque payments to cease upon new pending.</p>	<p>Accepted</p>	<p>Joe Parkes</p>	<p>01-Apr-17</p>	<p>Partially implemented</p>

2016/17 RITCWS	Recommendation	Priority	Management Comment	Status	Responsibility	Timeline	As At September 2018
1. Procurement	<p>The Council should undertake a comprehensive review of the application of procurement procedures. In particular, the Council should ensure that all applicable expenditure being incurred is supported by formal contracts / service level agreements.</p> <p>It should be ensured that expenditure currently being incurred meets the requirements of the procurement procedures e.g. ideally there should be no instances where payments are on-going but not necessarily supported by a formal contract, in which breach council policy as set out below.</p> <p>The Council should consider adopting a rolling contracts register to monitor and evaluate contracts – consideration should be given as to whether this should be maintained centrally or at a Directorate level (and periodically forwarded to procurement manager for review).</p> <p>Council should consider the current level of single tender actions in line with the procurement procedures to ensure every effort is made to seek quotes / tenders where necessary.</p> <p>The Council should continue implementation of formal delegated authorities.</p>	3	Accepted	Partially Implemented	Ken Montgomery	Jan-18	<p>1. Revised Procurement policy along with a suite of new procedures and templates documents was tabled at the December 2017 SMT and SPM meetings. This was ratified by Council on the 8 January 2018. This has now rolled out to the relevant officers in June 2018.</p> <p>2. A rolling contracts register is being developed and will be completed in the summer.</p> <p>3. Training on the new procurement policy received to start the procedures to be adopted in respect of STAs.</p> <p>4. Formal delegated authorities were approved by SMT on the 3 May 2017 and are now in operation.</p>
2. Procurement	<p>Council should ensure that if procurement policy is fully followed and that tendering of good / services takes place as required, valid expiry dates of all contracts should be known, so that no tendering can take place before they are expired. Appropriate training of the e-tend and procurement staff.</p>	3	Accepted	Fully Implemented	Ken Montgomery	Feb-18	<p>Similar to the point above. A new procurement policy is effective from the January 2018. Training has been rolled out.</p>
3. Waste Charges	<p>The Council should ensure that invoices are only authorised after being reviewed and checked against applicable supporting documentation.</p> <p>The Council should review other areas where costs are dictated by volumes and ensure that the appropriate costs are being incurred.</p> <p>The Council may wish to consider if any rationalisation of the recycling centres would be feasible.</p>	2	Accepted	Partially Implemented	Ken Montgomery	Mar-18	<p>A revised receipts payable policy will be introduced in December 2017 which will reinforce to staff that invoices are only authorised after being reviewed and checked against applicable supporting documentation and that checks are carried out where costs are dictated by volumes.</p> <p>Council considered this as part of the rates and rates process last year but there was no political appetite at that time. This is something the RFS Directorate will keep under review.</p>
4. Fixed Assets	<p>The Council should address the weaknesses in controls which appear to be the cause of an asset survey being undertaken in 2017-18 and we will review the findings from this exercise during our 2017-18 audit.</p> <p>The large recurring differences in RSM from legacy council balance sheets should be investigated with RSM advised as needed.</p> <p>The negative balances in assets under construction should be investigated with appropriate accounting entries processed as needed.</p> <p>Both headquarters buildings and the Stratford Road site should be included in the list of assets to be valued in the first set of valuations.</p>	3	Accepted	Partially Implemented	Ken Montgomery	Mar-18	<p>The Asset Management Intern of Audit report finished in September 2017 raising many of the same issues. A fixed asset ledger has been developed and all recommendations which haven't been actioned to date will be acted upon before the end of the financial year.</p>
5. Management Accounts	<p>The Council should undertake a comprehensive review of its management accounts function to ensure it is meeting the expectations of users from having a satisfactory management accounts function in place. Following this review formal procedures governing the management accounts function should be put in place.</p>	2	Partially Accepted	Fully Implemented	Ken Montgomery	Mar-18	<p>Much of the recommunication was already in progress in jobs.</p> <p>A review of management accounts was undertaken and presented to the Audit Committee on the 8 December 2016.</p>
6. Income	<p>We recommend Council consider the controls over income, particularly cash income. Consideration should be given to a separate 'top officer' salary package for ticket sales as it could mean the ticket deals along with the sales income and revenue the duplication of information.</p>	2	Accepted	Fully Implemented	Ken Montgomery	Jan-18	<p>An Internal Audit report on cash handling in May 2017 recommended that the Council develops a Council-wide Cash Handling Policy. This will be completed in January 2018 and training rolled out to staff in cash handling positions. A new box office system has already been identified as part of the Council IT Strategy with work to commence on signing this in 2018.</p>

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Update on Procurement
Reporting Officer (Including Job Title):	Gerard Byrne, Audit Services Manager
Contact Officer (Including Job Title):	Ken Montgomery, Assistant Director of Finance

Decisions required:	
Confirm how this Report should be treated by placing an x in either:-	
<input type="checkbox"/> For decision	<input checked="" type="checkbox"/> For noting only
1.0	Purpose and Background:
1.1	At the Audit Committee meeting of 29 June April 2017 it was agreed that procurement would be standing agenda item.
2.0	Key issues:
2.1	<p>Work has been on-going over the last number of months to help strengthen the Councils controls in relation to procurement, and to put forward an action plan to implement ASM's recommendations.</p> <p>The NMDDC Procurement Policy and Procedures was approved by the SP&R committee on the 14 December 2017 and subsequently ratified by Council on the 8 January 2018. Policy was updated in August 2018.</p> <p>ASM completed stage one of their procurement internal audit that focused on the robustness of the new Procurement Policy and the adequacy of the supporting documentation needed to effectively procure goods and services at the Council in April 2018. The revised policy and suite of documents received a satisfactory assurance.</p> <p>ASM have commenced stage two of the procurement Internal Audit on the 11 September 2018. This review is focusing Council's compliance with the Procurement Policy and will review both high and low value contract awards as well as the use of Purchase Orders.</p> <p>Training has now been delivered by procurement expert, Florence Gregg. The training covered drafting business cases, drafting tender documents, tender evaluation and training on the Councils e-hub system. The 7 sessions delivered were oversubscribed with officers, in total 130 have attended the scheduled sessions to date. Members training was also delivered by Florence on the 22 August 2018.</p> <p>Due to training being oversubscribed, a new procurement training schedule has been devised. Due to feedback from the previous sessions, the upcoming sessions will be more specific and target particular users. There are going to be six</p>

	<p>separate sessions including:</p> <ol style="list-style-type: none"> 1. Overview of the Procurement Policy; 2. Use of e-Hub and creating Purchase Orders; 3. How to obtain VFM for orders with a value of less than £5k; 4. RFQ process – Business Case and Specification; 5. ITT Process – Business Case and Specification; and 6. How to evaluate submissions. <p>Training will commence mid-October. These session will be delivered mainly in-house, will be practical where necessary and will last between 1-2 hours.</p>
3.0	Recommendations:
3.1	Audit Committee members to note progress being made from last committee.
4.0	Resource implications:
4.1	A number of the actions contain significant resource implications in officer time.
5.0	Equality and good relations implications:
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
7.1	None
8.0	Background Documents
8.1	None

Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Local Government Auditor's Report - 2018
Reporting Officer (Including Job Title):	Dorinnia Carville, Director of Corporate Services
Contact Officer (Including Job Title):	Dorinnia Carville, Director of Corporate Services

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	X
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1.0	Purpose and Background
1.1	<p>The Local Government Auditor (LGA) published her annual report on 4 September 2018.</p> <p>The report contains a review of the exercise of her functions in the year to 31 March 2018, including the audit of the accounts of the 11 Councils in 2016-17 financial year.</p>
1.2	The report contains a number of recommendations which are contained in Appendix 1, together with management's assessment of the current NMD status in relation to each recommendation, where applicable.
2.0	Key issues
2.1	<p>Of interest to the Audit Committee are some of the findings noted in relation to the audit of the 2016-17 financial statements of all Councils.</p> <p>In relation to the Governance Statement, the local government auditor noted [she] found the governance statements to be comprehensive and of good quality (2.3). Common themes identified by Councils included "waste management; procurement and contract management; and legal issues. New themes emerging included ICT security and the threat of external fraud, and budgetary uncertainty in the absence of a Northern Ireland Executive". She noted that "An issue found during the audit of most councils was weaknesses in procurement procedures and guidance (in seven councils). Audit issues were also raised regarding income recording and cash handling procedures (six councils) and fixed asset recording and management (in six councils)".</p>
2.2	<p>At paragraph 2.9, the LGA comments on an effective Audit Committee as follows:</p> <p>"In order to improve their effectiveness, and in line with CIPFA's guidance, I consider councils need to ensure their audit and risk committees have the key characteristics set out below:</p> <ul style="list-style-type: none"> • a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil the role. As members become more effective with experience, it is advisable to have some continuity of membership on the

	<p>committee;</p> <ul style="list-style-type: none"> • a strong, independently minded chair displaying a depth of knowledge, skills and interest. In determining the tenure of the Chair, it should be recognised that a period of continuity is helpful for the development of greater knowledge and expertise, while rotation also helps to deliver a new perspective; • regular committee meetings – at least four times a year. Care should be taken to balance the frequency of meetings against the needs to give the business of the committee sufficient focused attention without lengthy or unproductive meetings. The audit and risk committee should operate at a strategic level and avoid straying into matters of operational detail; and • independent members – in addition to bringing additional knowledge and expertise to the committee, independent members assist in maintaining continuity through the electoral cycle.
2.3	At paragraph 3.34 the LGA comments on the prompt payment performance of councils in 2016-17, with Newry, Mourne and Down achieving 84% within 30 days and 9% within 10 days. The LGA comments that there is considerable scope for councils to improve their performance in this area.
2.4	<p>At paragraph 3.42 the LGA comments on Performance Improvement noting "All of the councils met their key performance improvement responsibilities and all received the same overall assessment. Although councils are at different stages of development, all strengthened their performance improvement arrangements in year and each council delivered some measurable improvements to services. With sufficient resources, councils' arrangements to deliver improvement should develop further and mature over time. Until this happens and councils can demonstrate a track record of on-going improvement, I am unable to determine the extent to which improvements will be made in future.</p> <p>Councils have a wide degree of discretion on their performance improvement arrangements within the overall statutory framework".</p> <p>See further notes that "In 2017-18, councils were required for the first time to report on their performance against that of other councils in delivering the same or similar functions, where it was reasonably practicable to do so. I found most published comparisons to be limited in content. In my view, this requirement will remain difficult to achieve until it is supported by an agreed framework between councils. While most councils have been working with the Department to consider how to undertake such comparisons, progress to date has been limited".</p>
2.5	Part Two of the Report deals with good governance with the LGA commenting on the importance of managing conflicts of interest including obtaining members' registers of interest; reporting of actual and suspected frauds to the LGA; having effective whistleblowing arrangements in place and taking a risk based approach to investigating NFI data matches. Audit Committee members will be aware that Newry, Mourne and Down District Council have carried out much work in these areas over the last two years and they are of continued importance as evidenced in the recent update of Council's Whistleblowing Policy.
2.6	Part Three of the LGA Report focuses on service delivery including efficiency savings, staffing and absence. These areas will be explored further with members as part of the EWG.
3.0	Recommendations
3.1	For members to consider and note sections highlighted for their information.

4.0	Resource implications
4.1	None
5.0	Equality and good relations implications
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
6.0	Rural Proofing implications
6.1	A rural needs impact assessment is not required at this time.
7.0	Appendices
	Appendix 1 – Local Government Auditor’s Report 2018 – Recommendations Appendix 2 – NIAO LGA report 2018
8.0	Background Documents
	None

Appendix 1

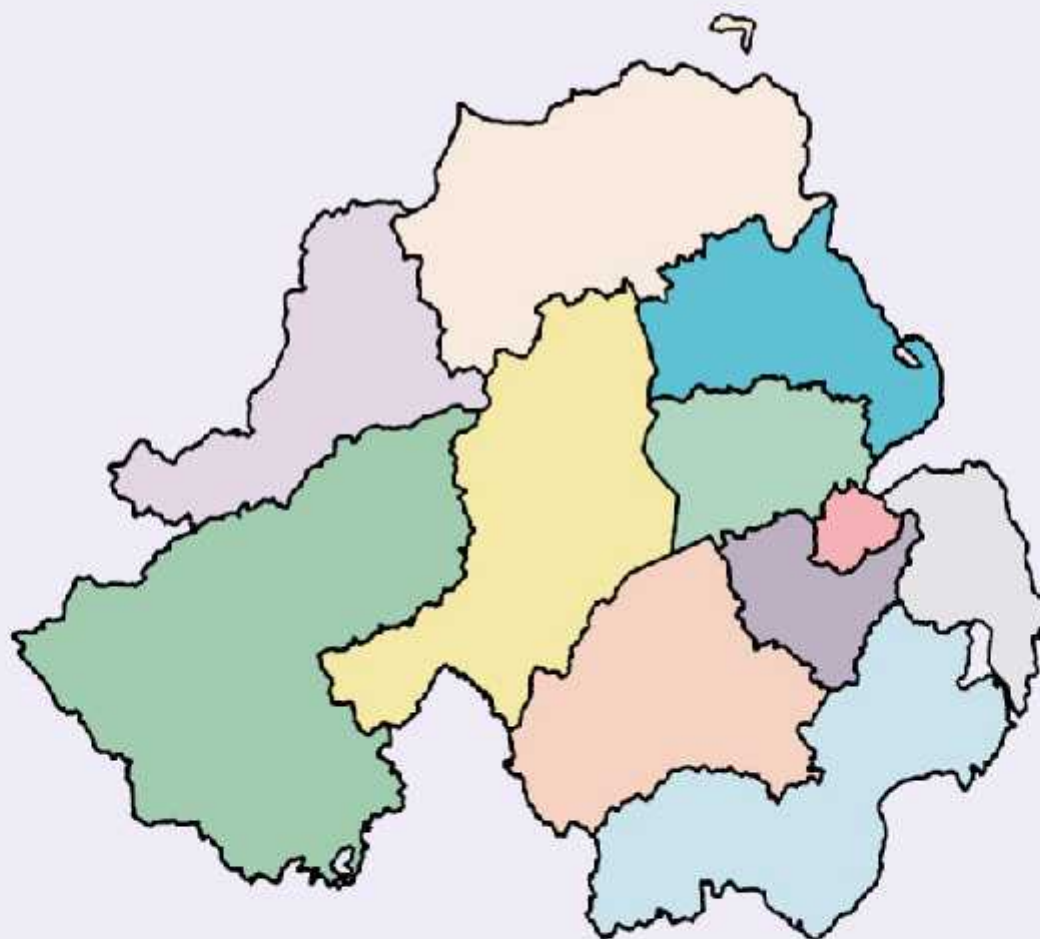
Local Government Auditor's Report 2018: Recommendations

Recommendation	NMDDC Assessment and Response
<p>Councils should assess whether their audit and risk committee exhibits the key characteristics of an effective committee that I have set out above. CIPFA's 2018 Guidance will be a valuable resource in completing this assessment.</p>	<p>A review of Newry, Mourne and Down's Audit Committee has been carried out using the recommended 2018 CIPFA Guidance as a reference tool. No significant deficiencies found.</p>
<p>In light of the Commissioner's findings in this case, councils should review their training provision for those councillors who are decision-makers on planning matters. Councils should provide additional training where necessary, with a particular focus on the need to have regard to the Code, departmental guidance on planning matters and to the Commissioner's Guidance on the Code.</p>	<p>Training for Councillors involved in planning matters takes place regularly with sessions held on Code of Conduct refresher training on 20 February 2018 for all Councillors and Role and Workings of Planning Committee and Code of Conduct on Planning held on 30th June 2017.</p>
<p>I recommend that the Department updates its guidance on allowances, when circumstances permit, to ensure fairness and consistency in the approach taken by councils to the payment of allowances, in the event of suspensions.</p>	<p>(Recommendation for the Department to action)</p>
<p>The Department should give early consideration to, and clear guidance to councils on, devising an appropriate methodology for measuring efficiency savings and reporting outcomes.</p>	<p>At the Finance Working Group meeting of 6th September 2018 the DfC advised that it is reviewing guidance on Councillors' Allowance (Recommendation for the Department to action)</p>
<p>In order to ensure the lessons arising from this case are implemented throughout local government, councils should ensure that:</p>	
<ul style="list-style-type: none"> procurement staff have the necessary skills and training to ensure the council's Financial Procedures are implemented in any procurement exercise; 	<ul style="list-style-type: none"> Procurement function is overseen by the Assistant Director of Finance, therefore, Financial Procedures are monitored appropriately.
<ul style="list-style-type: none"> procurement staff (and staff in other sensitive roles such as recruitment) receive appropriate training on standards in public life and fully understand the need to comply with the requirement to declare conflicts of interest. I would remind councils of the guidance available in the NIAO publication "Conflicts of Interest: A Good Practice Guide" of March 2015; 	<ul style="list-style-type: none"> Conflicts of Interest training was provided to all staff during October/November 2017. Conflicts of Interest policy introduced by Council in September 2018.
<ul style="list-style-type: none"> senior staff take appropriate action in handling conflicts of interest of which 	<ul style="list-style-type: none"> All senior staff are trained in Conflicts of Interest handling and the new policy assists further in management responsibilities.

<p>they are made aware, and that they consider disciplinary action where such declarations are not made; and</p> <ul style="list-style-type: none">• sufficient emphasis is given to aggregating expenditure on goods and services, wherever possible, in order to achieve economies of scale and maximise the spending power of public authorities.	<ul style="list-style-type: none">• An on-going review of existing contract spend is placing emphasis on aggregation, where appropriate.
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Local Government Auditor's Report – 2018





Northern Ireland Audit Office

Report on the exercise of the Local Government Auditor's functions

In the year to 31 March 2018

The Department of Communities may, with the consent of the Comptroller and Auditor General for Northern Ireland, designate a member of Northern Ireland Audit Office staff as the Local Government Auditor.

The Local Government Auditor has statutory authority to undertake comparative and other studies designed to enable her to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local government bodies and to publish her results and recommendations.

For further information about the work of the Local Government Auditor within the Northern Ireland Audit Office please contact:

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This report has been prepared under Article 4 of the Local Government (Northern Ireland) Order 2005.

Pamela McCreedy
Local Government Auditor
4 September 2018

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Introduction

Local Government Auditor's Introduction

As Local Government Auditor, it is my responsibility to audit and provide an opinion on the financial statements of the 11 Councils in Northern Ireland. I am also required to prepare an annual report on the exercise of my functions. This is my first annual report and it covers my audit work in the year to 31 March 2018.

The Department for Communities (the Department), with the consent of the Comptroller and Auditor General for Northern Ireland (the C&AG), designated me as the Local Government Auditor in January 2018. I am also the Chief Operating Officer of the Northern Ireland Audit Office (NIAO).



Pamela McCreedy,
Local Government Auditor

In addition to providing an opinion on the financial statements of the 11 councils, I am responsible for the audit of two joint committees¹, the Local Government Staff Commission and the Northern Ireland Local Government Officers' Superannuation Committee. In total, audit opinions are issued on 15 sets of financial statements. I am pleased to report that all 15 audit opinions for the 2016-17 financial statements were unqualified. This means that all financial statements were properly prepared and that they gave a true and fair view of the financial position of the body concerned and its income and expenditure for the year.

Councils are independent of central government and are accountable to their local electorate and ratepayers. They consider local circumstances in making decisions in the best interests of the communities they serve. All councils have the same basic legislative powers, although each council has the discretion to place a different emphasis on the services delivered.

In providing such a broad range of services, either directly or in partnership with others, councils require substantial resources. In the 2016-17 financial year they spent £878 million on providing services to the public, employed over 9,800 full time equivalent staff and utilised assets worth more than £2,300 million.

As part of my audit work, I consider whether each council has **proper arrangements** in place to secure economy, efficiency and effectiveness in the use of resources and that public money is properly accounted for. If I consider it appropriate, I can make a report in the public interest on any matter coming to my notice in the course of an audit. No public interest reports were made during the year and my audit findings were issued to each council in their annual audit letter, which is published on the councils' websites, detailing where any action is required. I expect councils to take these actions forward as appropriate.

In addition to the audit of 2016-17 local government body financial statements, I am responsible for the audit and assessment of the councils' performance improvement responsibilities. The work carried out during the year in this area concluded that all councils met their key performance improvement responsibilities, both in relation to improvement planning and the publication of improvement information.

¹ A joint committee is made up of two or more participant councils and may be constituted as a body corporate.

Introduction

and all received the same overall assessment. Although councils are at different stages of development, all strengthened their performance improvement arrangements in year and each council delivered some measurable improvements to services. With sufficient resources, councils' arrangements to deliver improvement should develop further and mature over time. I have provided feedback to each council on how their arrangements could be improved.

In 2017-18, councils were required for the first time to report on their performance against that of other councils in delivering the same or similar functions, where it was reasonably practicable to do so. In my view, this requirement will be difficult to achieve until an agreed framework between councils supports it. I have recommended further work be carried out by all councils, facilitated by the Department, to enable such a framework to be put in place. Benchmarking performance against others assists councils in identifying opportunities for service improvements and better value for money.

As the Local Government Auditor, I can also undertake comparative and other studies designed in order to make recommendations for improving economy, efficiency and effectiveness ("3E" studies) in the provision of services by local government bodies and to publish my results and recommendations. No such studies have been undertaken to date on the 11 councils. In 2018-19, it is my intention to consult with councils, local government representative bodies and other appropriate bodies in preparing a rolling three-year programme of 3E studies.

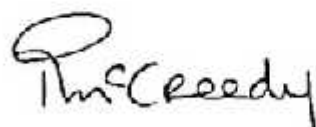
This report provides my perspective on the audits of local councils based on the key messages from audit work completed by 31 March 2018. This includes the audit of the financial statements for 1 April 2016 to 31 March 2017 (the 2016-17 financial year) and the audit of councils' performance improvement plans and outcomes from 1 April 2017 to 31 March 2018 (the 2017-18 financial year).

In my report, I have sought to highlight areas of strength and areas for improvement within local councils. I have also considered several important issues that may affect the councils in the near future. Both councillors and officers should consider this report and review how their council is managing the issues I have highlighted.

Local government faces significant challenges and uncertainties in the years ahead, including the impact of Brexit and continuing fiscal pressures. There will be challenging times ahead. However, I am confident that local government will respond positively to these challenges and that the Local Government Audit function will continue to play its part in promoting performance improvement and securing economy, efficiency and effectiveness in the provision of services.

I would like to thank elected members and the Chief Executives and staff of the 11 councils and other local government bodies audited, for the assistance provided to audit staff in completing this year's audits. I also wish to thank those members of the staff of the Northern Ireland Audit Office who assisted me in the performance of the Local Government Auditor's functions.

I would also like to take this opportunity to recognise the contribution of my predecessor Louise Mason, who stepped down as Local Government Auditor in January 2018. I want to thank Louise for her important contribution to improvements in financial management and governance arrangements in the local government sector since her appointment in February 2011.

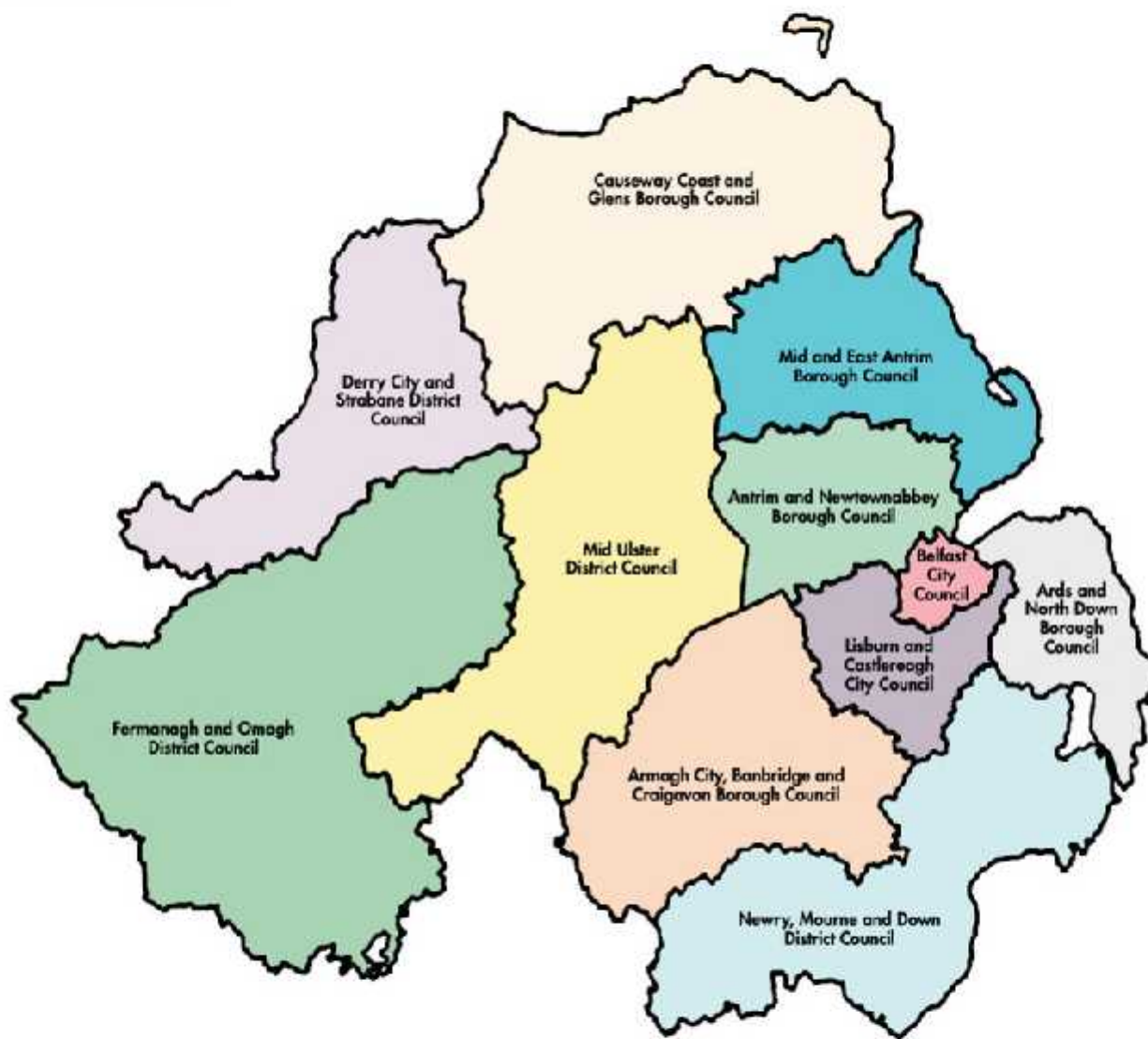


Pamela McCreedy
Local Government Auditor

4 September 2018

Introduction

Council districts



Source: NIAO

Key Facts

In the year under review Councils:

Spent **£878** million on providing services to the public – an average of



for every person in Northern Ireland

Employed over **9,800** full time



equivalent staff



Used assets worth more than

£2,300 million

Held usable reserves of



Had Loans outstanding of **£485** million - **£261** for each person in Northern Ireland



Produced financial statements which were **properly prepared** and gave a **true and fair** view of the financial position of the Council



Met their key performance improvement responsibilities

Part One:

Financial Performance

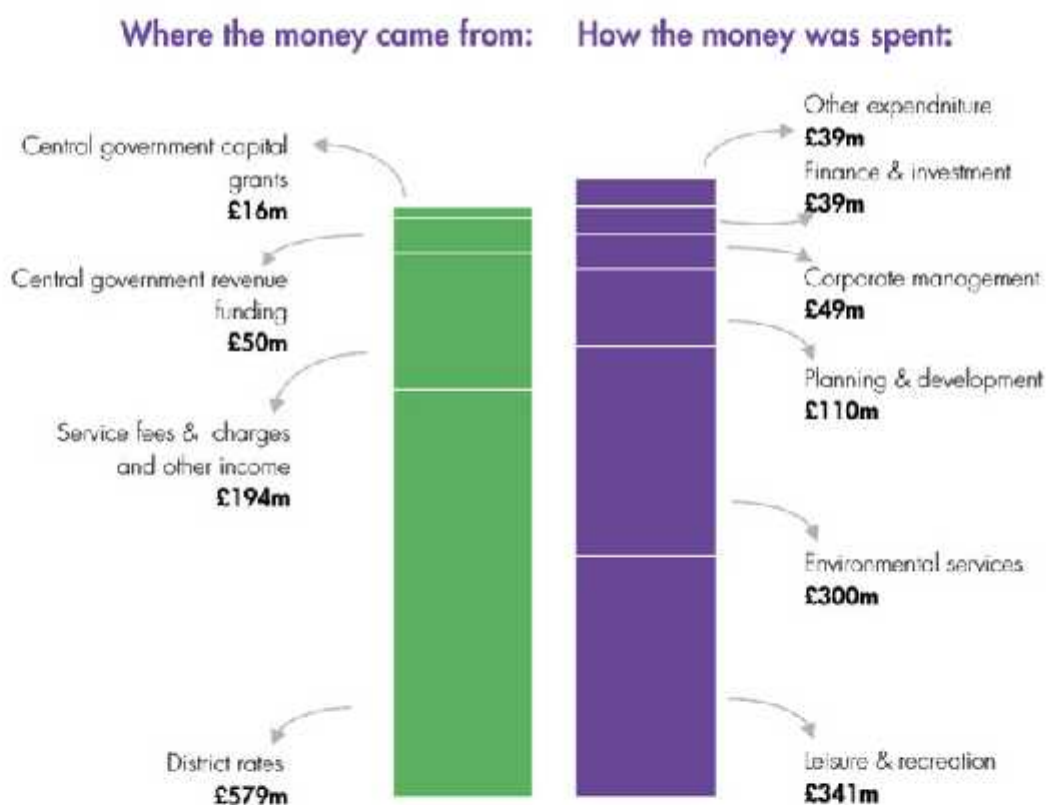
Part One: Financial Performance

1.1 This section provides a summary of councils' financial performance in the year 2016-17.

Income and Expenditure

1.2 In 2016-17, councils received income of £839 million (£864 million in 2015-16) from rates, charges and grants. Council expenditure on services in the same year mounted to almost £878 million² (£858 million in 2015-16) [see **Figure 1**].

Figure 1: Income and Expenditure



Source: Councils' audited financial statements for 2016-17

2 Total expenditure charged to general funds was £839 million. The difference of £39 million is due to accounting adjustments that are required by statute to be excluded when determining the movement in general funds for the year.

- 1.3 The majority of councils' income, 69 per cent (66 per cent in 2015-16), was received from district rates. Fees and charges accounted for 23 per cent of income (22 per cent in 2015-16) for services such as building control, waste collection and use of leisure facilities. General revenue funding and capital grants accounted for 6 per cent and 2 per cent of income respectively.
- 1.4 Councils received £66 million (£112 million in 2015-16) of government funding in 2016-17. As in 2015-16, this included an amount of £50 million of general revenue funding³ from the Department for Communities (the Department). Councils also received £16 million (£62 million in 2015-16) in capital grants.
- 1.5 Councils' total spend on services in 2016-17 was £878 million (£858 million in 2015-16). **Figure 2** sets out the amount spent by each council per head of population. This ranged from £360 per person in Ards and North Down Council to £654 in Belfast City Council. The average spend by councils was £450 per person, with the median being £397 (Antrim and Newtownabbey).

Figure 2: Council Spending per Person



Source: Councils' audited financial statements for 2016-17 and NISRA

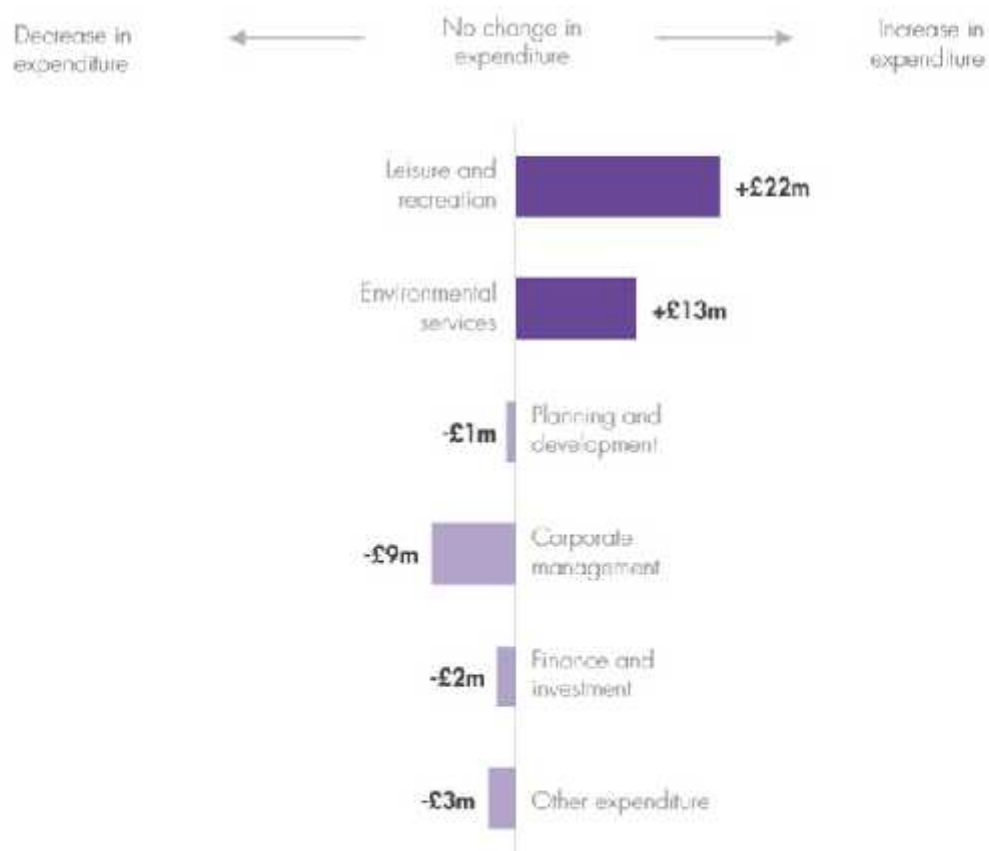
3 General revenue funding from the government is paid to compensate councils for the statutory derating of certain property and to provide additional resources for those councils whose needs exceed their wealth base.

Part One: Financial Performance

- 1.6 **Figure 3** sets out changes in the categories of expenditure on services incurred by councils in 2016-17 (excluding Finance & Investment). As in 2015-16, the largest single area of expenditure was Leisure and Recreation, where councils spent £341 million (£319 million in 2015-16). A significant element of Leisure and Recreation expenditure related to costs associated with leisure centres of £95 million (31 per cent of expenditure in this category).
- 1.7 Leisure and Recreation expenditure combined with spending on Environmental Services totalling £300 million (£287 million in 2015-16) accounted for over three-quarters (76.5 per cent) of all expenditure incurred on services by councils in 2016-17. Other significant areas of expenditure were Planning and Development at £110 million (13 per cent of the total expenditure) and Democratic Representation & Corporate Management at £49 million (6 per cent of total expenditure).

Figure 3: Changes in Expenditure

Total expenditure on services in 2016-17 was £20m higher than in 2015-16. This was driven by increasing expenditure on Leisure and Recreation and Environmental Services.



Source: Councils' audited financial statements for 2016-17

- 1.8 The main component of Environmental Services expenditure in 2016-17 was £174 million on Waste costs, of which approximately a third (£58 million) was spent on domestic and commercial waste collection and disposal. The other main Waste related costs were: Recycling (£38 million); Landfill (£30 million); Civic Amenity sites (£22 million); and Other Disposal (£6 million).
- 1.9 Other large sub-categories of service expenditure incurred by councils included: Environmental Health (£50.5 million); Tourism (£40.9 million); and Economic Development (£39.3 million).

Loans

- 1.10 Loans outstanding at 31 March 2017 totalled £485.4 million (**Figure 4**), a decrease of £8.3 million (1.7 per cent) from £493.7 million in the year ended 31 March 2016. The loan amounts vary considerably between councils. In total, council borrowing equates to nearly £261 per person (£264 in 2015-16), based on the estimated Northern Ireland population of 1.86 million⁴.

Figure 4: Councils' Loan Position as at 31 March 2017

Council	Loans Outstanding at 31 March 2017 [£m]	Loans Outstanding at 31 March 2016 [£m]	Change (%)
Antrim and Newtownabbey	53.7	57.5	-7
Ards and North Down	53.4	55.6	-4
Armagh City, Banbridge and Craigavon	45.0	47.3	-5
Belfast City	36.6	34.8	+5
Causeway Coast and Glens	73.9	69.0	+7
Derry City and Strabane	52.0	52.3	-1
Fermanagh and Omagh	10.6	11.7	-9
Lisburn and Castlereagh City	30.4	31.6	-4
Mid and East Antrim	61.3	64.9	-6
Mid Ulster	9.0	10.8	-16
Newry, Moirne and Down	59.5	58.2	+2
Northern Ireland	485.4	493.7	-1.7

Source: Councils' audited financial statements for 2016-17

4 NISRA 2016 Mid-Year Population Estimates, published June 2017.

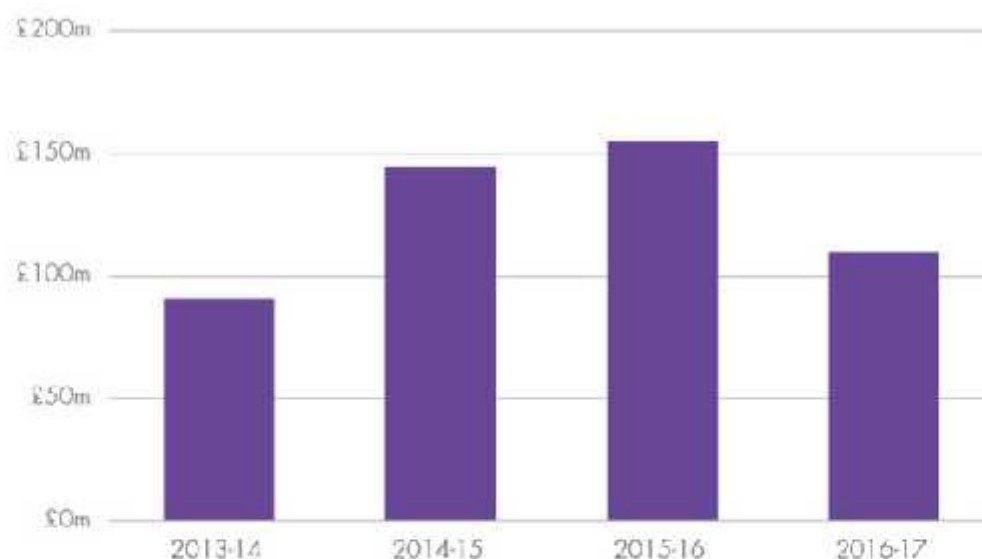
Part One: Financial Performance

Capital Expenditure

- 1.11 Capital expenditure is spending of a long-term nature (paid for over more than one year) where assets are purchased, constructed or improved by the councils. The main sources of capital funding are: borrowing and government grants; capital receipts; grants and contributions; and revenue financing subject to constraints.
- 1.12 **Figure 5** shows that total capital expenditure in 2016-17 amounted to £110 million. This represents a significant decrease in the level of capital spend in the two preceding financial years (by 29 per cent over the previous year). Capital spend had been £145 million in 2014-15 (the final year of operation of the legacy councils) and had peaked at £155 million in 2015-16.

Figure 5: Capital Expenditure

After two years of substantial increases, capital expenditure fell significantly in 2016-17.



Source: Councils' audited financial statements for 2016-17

- 1.13 Across the councils there have been a number of significant projects which have contributed to the level of capital expenditure in 2016-17. These include:
- Allen Park development (Antrim and Newtownabbey);
 - Exploris refurbishment and Ards Leisure Centre (Ards and North Down);
 - Olympia Leisure Centre (Belfast);
 - Connswater Greenway (Belfast);
 - Banbridge Civic Centre (Armagh City, Banbridge and Craigavon);
 - Dungiven Sports and Community Project (Causeway Coast and Glens);
 - Enterprise Zone (Causeway Coast and Glens);
 - Heaney Homeplace (Mid Ulster);
 - Ecos Science Park (Mid and East Antrim); and
 - Newry Leisure Centre and Down Leisure Centre (Newry, Mourne and Down).

Reserves

- 1.14 Councils' financial statements disclose the level of both usable and unusable reserves. Unusable reserves consist of unrealised gains, such as the revaluation reserve, or those relating to timing differences, such as the pension reserve and capital adjustment account.
- 1.15 **Figure 6** shows that the overall level of usable reserves across councils increased by approximately £8.3 million (4.2 per cent), from £197 million in 2015-16 to £205 million in 2016-17. The total value of usable reserves has remained relatively constant over the past four years.
-

Part One: Financial Performance

Figure 6: Total Usable Reserves



Source: Councils' audited financial statements for 2016-17

- 1.16 The General Fund is the main usable reserve. Overall, the total General Fund balance held by all councils has increased by £3.8 million, or 4.1 per cent, compared to the previous year, and now totals £96.7 million as shown in **Figure 7**. The average balance held by councils in their General Fund is now £8.8 million (2015-16: £8.4 million), with the level varying considerably across councils from £3.1 million (Fermanagh and Omagh District Council) to £21 million (Belfast City Council).

Figure 7: Most councils increased the level of General Reserves in 2016-17

Council	General Fund Reserves at 31 March 2017 (£m)	General Fund Reserves at 31 March 2016 (£m)	Change (%)
Antrim and Newtownabbey	6.7	7.9	-15.5
Ards and North Down	3.6	3.1	+17.2
Armagh City, Banbridge and Craigavon	17.1	16.8	+2.1
Belfast City	21.0	19.2	+9.4
Causeway Coast and Glens	7.9	10.0	-21.3
Derry City and Strabane	4.7	4.3	+10.4
Fermanagh and Omagh	3.1	3.0	+3.5
Lisburn and Castlereagh City	16.2	14.7	+10.3
Mid and East Antrim	4.0	3.8	+4.0
Mid Ulster	3.6	3.0	+21.1
Newry, Mourne and Down	8.9	7.2	+23.2
Northern Ireland	96.7	92.8	+4.1

Source: Councils' audited financial statements

- 1.17 In July 2017, my predecessor as Local Government Auditor recommended that councils should continue to monitor, and build up as required, the level of their General Fund balance to ensure that they are adequately funded to meet the risk of future liabilities, some of which are difficult to predict. Councils elsewhere in the UK have faced severe financial challenges and a number of councils have turned to their reserves simply to balance the books.
- 1.18 In the current financial environment, it is ever more important for councillors to be aware of, and to keep under review, their council's reserves policy and ensure sufficient reserves are retained to meet any challenges ahead.

Part One: Financial Performance

Improving the presentation of councils' financial statements

- 1.19 In future, councils will prepare their annual financial reports in line with the new "Telling the Story"⁵ format. The revised format puts much greater emphasis on the analysis of a council's performance and provides for a new style of user-friendly narrative report that links the financial statements to organisational objectives, resource allocation and performance. My report next year will consider how effective the new presentation has been.

5 Under the Code of Practice on Local Authority Accounting in the UK 2017/18, ClFFA, March 2017.

Part Two:

Good Governance

Part Two: Good Governance

Governance statements

- 2.1 The annual governance statement accompanies a council's financial statements and explains its governance arrangements and controls for managing the risk of failing to achieve strategic objectives. It is a key statement by which a council demonstrates to its ratepayers, elected members and other external stakeholders that it is complying with the basic tenets of good governance.
- 2.2 The statement explains the process for reviewing the effectiveness of arrangements, and outlines actions taken to deal with any significant governance issues. What is considered significant will depend on an individual council's governance framework, how effectively it is operating and the extent to which the issue has the potential to prevent a council from achieving its strategic objectives.
- 2.3 In her July 2017 report, the former Local Government Auditor highlighted a small number of instances where disclosures of significant matters in a council's governance statement had been incomplete. I have no similar concerns in relation to the 2016-17 disclosures and found the governance statements to be comprehensive and of good quality.

Common themes in governance statements and audit reports

- 2.4 Many of the common governance themes identified by councils in 2015-16 governance statements reappeared in 2016-17 including: waste management; procurement and contract management; and legal issues. New themes emerging included ICT security and the threat of external fraud, and budgetary uncertainty in the absence of a Northern Ireland Executive.
 - 2.5 I note that a number of these matters were also raised as audit issues in the 2016-17 accounts. An issue found during the audit of most councils was weaknesses in procurement procedures and guidance (in seven councils). Audit issues were also raised regarding income recording and cash handling procedures (six councils) and fixed asset recording and management (in six councils). In addition, at the conclusion of the 2016-17 financial audit, councils were advised of the following matters:
 - officers should always make it clear to councillors whether a proposal presented to them requires the exercise of new powers provided under the General Power of Competence under the 2014 Act; and
-

- councils should comply with the additional reporting requirements of the Code and the Department's Accounts Direction in respect of any companies established by the council as subsidiaries. Councils should also ensure that for all subsidiaries, associate companies and joint ventures consolidated into group accounts, due consideration is given to the appointment of an independent auditor.

- 2.6 In its 2015-16 governance statement, Mid and East Antrim Borough Council reported on the outcome of an investigation into payments incorrectly made to two senior members of staff of the former Larne Borough Council, one of whom was the former Chief Executive. The payments were compensation for accumulated time off in lieu (TOIL). The Mid and East Antrim Borough Council's investigation of February 2016 concluded that, in its opinion, based on all the evidence provided, "the decision reached on this matter was not based on a proper consideration of facts and consequently the payments were inappropriate, irregular and improper".
- 2.7 I am pleased to note that the Council has reached an agreement with the former Chief Executive for the payment to be fully recovered and has already received a substantial proportion of the amount due, with firm arrangements in place to recover the remainder.

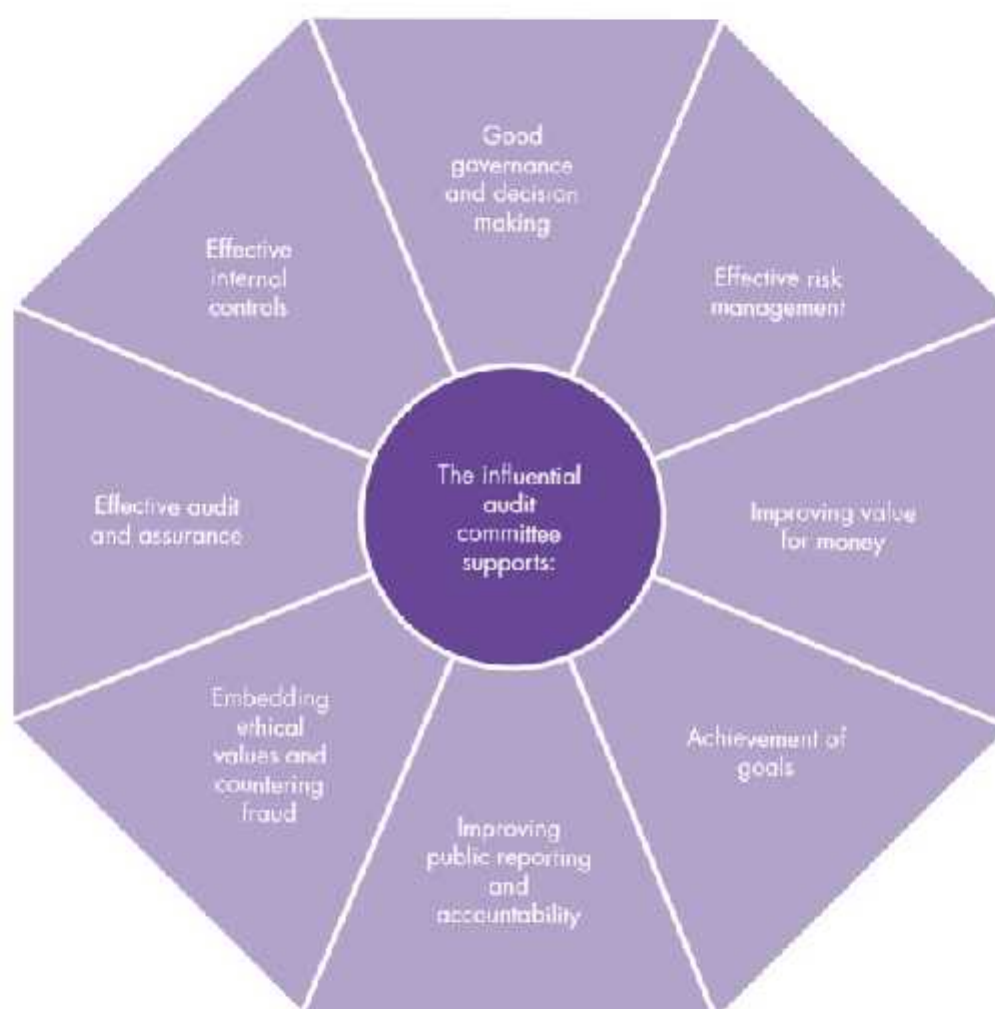
Audit and Risk Committees

- 2.8 The main purpose of an audit and risk committee is to give independent assurance to elected members and the public about the governance, financial reporting and financial management of a council. It also scrutinises the council's financial management and reporting arrangements and provides an independent challenge to the council. All councils have audit committees in place and my staff attend meetings of these committees on a regular basis. In its recently updated audit committee guidance⁶, the Chartered Institute of Public Finance and Accountancy (CIPFA) has emphasised the impact that an effective audit committee is able to have in the areas set out in **Figure 8** below.

⁶ Audit Committees: Practical Guidance for Local Authorities and Police, 2018 Edition, CIPFA. Guidance includes a helpful Audit Committee Self-assessment Checklist and a Knowledge and Skills Framework document.

Part Two: Good Governance

Figure 8: The Effective Audit Committee



Source: CIPFA

2.9 In order to improve their effectiveness, and in line with CIPFA's guidance, I consider councils need to ensure their audit and risk committees have the key characteristics set out below:

- a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil the role. As members become more effective with experience, it is advisable to have some continuity of membership on the committee;
- a strong, independently minded chair displaying a depth of knowledge, skills and interest. In determining the tenure of the Chair, it should be recognised that a period of continuity is

helpful for the development of greater knowledge and expertise, while rotation also helps to deliver a new perspective;

- regular committee meetings – at least four times a year. Care should be taken to balance the frequency of meetings against the need to give the business of the committee sufficient focused attention without lengthy or unproductive meetings. The audit and risk committee should operate at a strategic level and avoid straying into matters of operational detail; and
- independent members - in addition to bringing additional knowledge and expertise to the committee, independent members assist in maintaining continuity through the electoral cycle.

- 2.10 In previous reports, my predecessor as Local Government Auditor has highlighted the benefits of the appointment of independent members. I note that 10 of the 11 councils now have at least one independent member on their audit and risk committee. Most councils hold audit and risk committee meetings at the recommended frequency of four to five times a year. I note that a small number of councils hold much more frequent meetings; three councils held nine or more committee meetings in 2016-17. In such cases, it is recommended that the council re-evaluates both the frequency of meetings and the content of its agendas in order to assure itself that there is sufficient focus on the core audit and risk committee functions.

Recommendation: Councils should assess whether their audit and risk committee exhibits the key characteristics of an effective committee that I have set out above. CIPFA's 2018 Guidance will be a valuable resource in completing this assessment.

The Code of Conduct and the Northern Ireland Local Government Commissioner for Standards

- 2.11 Councillors are expected to observe the highest standards of behaviour in undertaking their official duties. They are required to comply with the principles and rules of conduct set out in the mandatory Northern Ireland Code of Conduct for Councillors (the Code) introduced in May 2014.
- 2.12 The Code is based on 12 principles of conduct which are: Public Duty; Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; Leadership; Equality; Promoting Good Relations; Respect; and Good Working Relationships.
- 2.13 Each council is required to establish, maintain and make publicly available a register of members' interests. Also, the Code recommends that a register for gifts and hospitality is established and that procedures are in place for dealing with relevant declarations of interests.
-

Part Two: Good Governance

- 2.14 The Northern Ireland Public Services Ombudsman (the Ombudsman), in her role as Northern Ireland Local Government Commissioner for Standards (the Commissioner), is responsible for investigating and adjudicating on complaints that a councillor has failed to comply with the Code. If the Commissioner finds that a councillor has failed to comply, she can impose a sanction that, in the most serious cases, can result in disqualification from serving as a councillor. The Commissioner can also take alternative action to resolve a complaint, for example by requiring a councillor to apologise for his or her conduct or to attend training on the Code.
- 2.15 In 2017-18, the Commissioner received 44 complaints (34 in 2016-17) of a failure to comply with the Code, bringing the total number of complaints received since the Code was introduced to 125. There is a wide variety of complaints, including failures to register and disclose interests and breaches of the Code requirements on lobbying and decision-making. Where there are any financial implications arising from non-compliance with the Code, I may decide to report this information.
- 2.16 I note that, in 2017-18, the Commissioner held one public adjudication hearing⁷ which resulted in a sanction of censure against a councillor who had failed to show respect to a council officer. Two further complaints were resolved by the implementation of the Commissioner's Alternative Action Policy. In one of these cases, the Commissioner required a member of a planning committee to attend training on planning guidance, following his acceptance that he had failed to comply with the Code when:
- in response to a request to attend a meeting with a representative of a potential planning applicant, he had not referred the request to the appropriate planning officer;
 - he had attended the requested meeting with the representative alone, contrary to departmental guidance and had made no record of the meeting; and
 - having met with the representative, he failed to report the meeting and the representations made to him to the appropriate planning officer.
- 2.17 Planning decisions are often complex and councillors who act as decision-makers on planning matters undertake a challenging role. In these circumstances it is important that councillors are provided with, and attend, appropriate training and that they understand and comply with relevant guidance.

⁷ Details of the Commissioner's findings are available on the Ombudsman website at www.nipso.org.uk.

Recommendation: In light of the Commissioner's finding in this case, councils should review their training provision for those councillors who are decision-makers on planning matters. Councils should provide additional training where necessary, with a particular focus on the need to have regard to the Code, departmental guidance on planning matters and to the Commissioner's Guidance on the Code.

- 2.18 In October 2015, the then Local Government Auditor signed a formal protocol with the Ombudsman which sets out arrangements for co-operating and working together in order to fulfil our statutory responsibilities as fully, effectively and efficiently as possible. The protocol is currently being updated to take into account the provisions of the Public Services Ombudsman Act (NI) 2016. These included a requirement that the Ombudsman, in considering a complaint or conducting an investigation, consults with me on any matter that I could investigate, and provides for the Ombudsman to co-operate with me.
- 2.19 I welcome the Commissioner's decision to publish, in December 2017, an annual report on Local Government Ethical Standards. Her report includes case studies arising from her investigations. The Commissioner also published, in August 2017, Guidance for Councillors on the Use of Social Media and the Code. I commend these publications to councillors and council officers as a source of good practice and useful advice in understanding and complying with Code requirements.
- 2.20 In her 2017 report, the then Local Government Auditor noted that the Local Government circulars "Consolidated Guidance on Councillors' Allowances" were silent as to whether councillors should still continue to be paid their allowances in the event of being suspended. However, the Department has notified councils of proposed changes to the guidance on councillors' allowances, currently provided in LG Circular 3/2017. Updated guidance has not issued due to a delay in making the Local Government (Payments to Councillors) Regulations (Northern Ireland)

Recommendation: I recommend that the Department updates its guidance on allowances, when circumstances permit, to ensure fairness and consistency in the approach taken by councils to the payment of allowances in the event of suspensions.

Registration and Declaration of Interests

- 2.21 While no conflicts of interest issues were reported within councils' governance statements in the 2016-17 financial year, I found in the course of my audit of the financial statements that two

Part Two: Good Governance

councils had not obtained annual returns updating the Register of Interests from all members. In one council six returns from members were outstanding, despite a number of requests from staff. In a second council, two councillors had not completed an annual return recording their interests in the period.

- 2.22 In 2017, the former Local Government Auditor emphasised that councils should have in place arrangements to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and should ensure that these arrangements operate effectively. Members are also required to observe statutory and Code of Conduct requirements on the registration and declaration of relevant interests.
- 2.23 It is important that members and council staff are aware of their responsibility for managing the risk of a conflict of interest (real or perceived) or, where this is not possible, for ensuring that it is declared and managed properly. Regular training is essential to ensure that the conflicts of interest requirements are understood and applied by members and staff. NIAO's March 2015 publication "Conflicts of Interest: A Good Practice Guide" provides comprehensive guidance on recognising and dealing with conflicts of interest in public life. The Guide is available on the NIAO website⁸.

Reporting Suspected and Actual Fraud

- 2.24 From 1 April 2016, local councils agreed to report all proven, suspected or attempted frauds to the Local Government Auditor, using the circulated pro-forma 'Initial Notification of Frauds to the Local Government Auditor'. Since that date, seven different councils have notified 30 proven, suspected or attempted frauds. Examples are:
- emails purporting to be from the Chief Executive to a member of finance staff, seeking urgent transfer of funds;
 - theft of assets; and
 - inflated mileage claims by an employee.
- 2.25 I would encourage all councils to report frauds to me, and to alert other councils about potential fraud risks through appropriate forums such as the Association of Local Government Finance Officers.

8 https://www.niauditoffice.gov.uk/sites/niao/files/media-files/conflicts_of_interest_good_practice_guide.pdf

Bribery and Corruption Risk

- 2.26 The NIAO has recently published a good practice guide on managing the risk of bribery and corruption.⁹ The Guide highlights that while the risk may be low in the Northern Ireland public sector, it is present and should not be underestimated. Key risk areas include procurement and planning. The Guide provides advice to organisations and individual public officials on recognising and minimising bribery and corruption risks. The Guide contains a number of checklists designed to help public bodies identify and address any bribery and corruption risks they may face. I recommend that those councils who have not already done so should complete the checklists as part of their consideration of the risk of fraud.

Whistleblowing

- 2.27 Effective whistleblowing arrangements are an important element of good governance arrangements. Whistleblowers are essential for helping to bring to light matters of concern in an organisation. Where wrongdoing exists, those responsible must be held to account, mistakes must be remedied and lessons must be learnt.
- 2.28 All councils may receive whistleblowing concerns in line with their own policies. Councils must have procedures in place to deal promptly and robustly with concerns raised and must ensure that whistleblowers are supported and protected from any form of detriment or victimisation.
- 2.29 As the Local Government Auditor within the NIAO, I am a prescribed person to whom protected disclosures can be made, under the Public Interest Disclosure (NI) Order 1998, in relation to the proper conduct of public business, fraud and corruption and value for money. In that capacity, I receive whistleblowing concerns relating to local government bodies (see **Figure 9**).

Figure 9: Whistleblowing concerns reported directly to the Local Government Auditor

	2013-14	2014-15	2015-16	2016-17	2017-18
Number of concerns reported directly to the LGA	21	21	12	15	23

Source: NIAO

⁹ Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector, NIAO, November 2017.

Part Two:

Good Governance

- 2.30 The NIAO website¹⁰ provides contact details for those wishing to raise a concern with the Local Government Auditor. Concerns raised will be evaluated as audit evidence, taking into account a range of factors including:
- professional judgment;
 - audit experience;
 - whether there is a "public interest" element to the issue; and
 - whether the concerns indicate serious impropriety, irregularity or value for money issues.
- 2.31 I consider a number of possible actions when dealing with concerns. These range from discussing the issues with the audited body to carrying out a full audit investigation and including relevant comments in our audit reports. I am not required to undertake investigations on behalf of individuals.
- 2.32 In 2014, the four supreme audit agencies of the UK, including the NIAO, jointly issued a good practice guide on whistleblowing in the public sector¹¹. Once again, I commend this guide to all councils and recommend that it is made available to all council workers via councils' intranets or other appropriate means.

National Fraud Initiative (NFI)

- 2.33 The National Fraud Initiative (NFI) is a major two-yearly data matching exercise in which all local councils participate. Their payroll and trade creditors' data is matched with the data of other organisations across Northern Ireland, England, Scotland and Wales using sophisticated computer based data matching techniques, to help identify potentially fraudulent and duplicate transactions. The NFI provides participating organisations with valuable management information to which they would not otherwise have access.
- 2.34 Councils are not required to investigate all the data matches they receive. They should adopt a risk-based approach, focusing on the higher risk matches which are separately identified. If no fraud or error is being found, investigations should not continue.
- 2.35 In the current NFI exercise, councils received around 9,000 data matches in January 2017, around 900 of which were identified as higher priority matches. Councils had 14 months to complete any necessary investigative work. Twelve duplicate or potentially fraudulent payments were identified, totalling just over £20,000.

10 <https://www.niauditoffice.gov.uk/whistleblowing>

11 Whistleblowing in the Public Sector: A good practice guide for workers and employers, November 2014.

- 2.36 The Comptroller and Auditor General for Northern Ireland published his report on the current NFI exercise on 19th June 2018¹².

¹² <https://www.niauditoffice.gov.uk/publications/national-fraud-initiative-2016-17>

Part Three:

Service Delivery Performance

Part Three:

Service Delivery Performance

Proper arrangements to ensure economy, efficiency and effectiveness

- 3.1 The Local Government (Northern Ireland) Order 2005 requires me to be satisfied each year that proper arrangements have been made for securing economy, efficiency and effectiveness (value for money) in the use of resources. Details of the nature of my work in this area are outlined in Chapter 3 of my Code of Audit Practice 2016¹³. In order to assess whether proper arrangements are in place, my staff require councils to complete an annual questionnaire and to provide supporting documentation on a wide range of corporate activities including financial planning and reporting, IT security, procurement policy and procedures, risk management and governance arrangements.
- 3.2 As a result of my audit work in this area, I was satisfied that all 11 councils had in place proper arrangements to ensure economy, efficiency and effectiveness in the use of resources for the 2016-17 financial year. No public interest reports were made during the year and my audit findings were issued to each council in their annual audit letter.

Community Planning

- 3.3 Community planning is a new responsibility for councils, designed to improve the lives and wellbeing of residents throughout the council's area. It involves working with a wide range of partners, including the community and voluntary sector, education, health, Police Service of Northern Ireland and Tourism Northern Ireland.
- 3.4 The Local Government Act (Northern Ireland) 2014 requires councils to publish a statement on outcomes achieved and actions taken within two years of the plan being published. In addition, councils and their partners must carry out a review of the plan before its fourth anniversary.
- 3.5 Although an audit of community plans is not required, I assess and report on whether councils' improvement objectives have links to community planning, as part of the improvement audit and assessment, as outlined in **paragraphs 3.37 to 3.48**. Last year's report commented on the importance of all councils having their community plans published as soon as possible. I am pleased to note that all councils have now published community plans.

13 <https://www.niauditoffice.gov.uk/publication/code-audit-practice-2016>

Efficiency Savings

- 3.6 In her 2017 report, my predecessor recommended that the Department should monitor and report on efficiency savings gained as a result of the reduction in the number of councils from 26 to 11.
- 3.7 The Department had undertaken preliminary work in 2015 to analyse the costs and benefits of local government reform. I welcome the decision of the Department's Local Government & Housing Division to commission economists to proceed with this exercise. I understand that the Terms of Reference have yet to be agreed. The Department intends to consult councils on how to conduct the exercise, but I would caution against any further significant delay in proceeding with this exercise.

Good Practice on the Measurement of Efficiency Savings

- 3.8 'Efficiency savings' are generally defined as measures which reduce expenditure (or other inputs) while maintaining or improving the level of service. Measures which transfer costs to users (such as increasing fees or charges) or which are not sustainable year-on-year (such as the sale of surplus assets) are not genuine efficiencies. In 2012, the Comptroller and Auditor General (C&AG) recommended¹⁴ that government should deliver better efficiency savings programmes by:
- improving information systems, in particular by establishing robust baselines against which to measure improvements;
 - including measures to capture quality of service as well as expenditure, and giving consideration to the impact of 'savings' on service users, to ensure they are not disadvantaging particular groups; and
 - maintaining a clear audit trail to identify, monitor and report on efficiency savings on a comprehensive basis.

¹⁴ Review of the Efficiency Delivery Programme, NIAO, 11 December 2012, https://www.niauditoffice.gov.uk/sites/niaoc/files/mediafiles/efficiency_final.pdf

Part Three:

Service Delivery Performance

- 3.9 The C&AG drew attention to the experience of health and social care trusts which, following widescale restructuring of the health service, faced distinct challenges in measuring efficiency savings using information systems which had been designed for other purposes and for a greater number of legacy bodies.

Recommendation: The Department should give early consideration to, and clear guidance to councils on, devising an appropriate methodology for measuring efficiency savings and reporting outcomes.

Procurement

- 3.10 In Part Two of this Report, I highlighted that issues around procurement policies and procedures featured prominently in both the governance statements published by councils and in the summary of the audit issues found in the 2016-17 accounts. A number of audit recommendations concerned the need to ensure proper procurement procedures are in place, particularly regarding contract variations, the use of Direct Award Contracts, and contract management. Audit recommendations also emphasised the importance of ensuring that procurement procedures are periodically reviewed, updated and, crucially, implemented consistently. Councils were also asked to ensure that procedures for obtaining quotations, applying authorisation levels and evaluating tenders are followed.
- 3.11 I note that in April 2018, the Northern Ireland Public Services Ombudsman (the Ombudsman) issued her report into an investigation of a complaint against Antrim and Newtownabbey Borough Council. The Ombudsman found maladministration in the Council's failure to follow its own financial procedures in the award of a £3,000 contract for stewarding services for Armed Forces Day. The Council did not obtain a quote from the complainant's company when he expressed an interest in the upcoming event. A Council employee was found to have advised the company that was awarded the contract (Company A) to keep its quote under procurement thresholds and had failed to disclose that she was a former employee of Company A.
- 3.12 The Council's Financial Regulations required it, wherever practicable, to amalgamate the total value of relevant contracts in order to determine an appropriate procurement procedure, but it had not done so in this case. The Council told the Ombudsman that it was not feasible to amalgamate contracts for the stewarding of events into a single contract as a number of one-off events had arisen over the course of that year. The Ombudsman did not accept this explanation; her view was that: "...the amalgamation of these contracts would ensure the Council's adherence to fairness, transparency and better value for money". The Council subsequently told the Ombudsman that it had prioritised the amalgamation of larger contracts

for goods and services. However, arising from this case, it now intended to pursue a formal procurement approach for stewarding and to award a two-year contract from 1 April 2018.

- 3.13 The Ombudsman recommended that the Council apologise to the complainant, provide him with details of the lessons learned from the investigation and offer a commitment that he will have fair and equal access to all future procurement competitions. The Council was asked to pay the claimant £500 in recognition of the injustice identified. The Ombudsman also recommended that the Council provide training to relevant staff on best procurement practice and on the Code of Conduct for Local Government Employees. The Council has accepted all of the Ombudsman's recommendations.
- 3.14 In my view, a key message from the Ombudsman's findings in this case is that failure to comply with proper procedures not only acts against the achievement of value for money in procurement and deters potential contractors from bidding for work, it undermines public confidence in the fairness and integrity of the public body's decision-making.

Recommendation: In order to ensure the lessons arising from this case are implemented throughout local government, councils should ensure that:

- **procurement staff have the necessary skills and training to ensure the council's Financial Procedures are implemented in any procurement exercise;**
- **procurement staff (and staff in other sensitive roles such as recruitment) receive appropriate training on standards in public life and fully understand the need to comply with the requirement to declare conflicts of interest. I would remind councils of the guidance available in the NIAO publication "Conflicts of Interest: A Good Practice Guide" of March 2015;**
- **senior staff take appropriate action in handling conflicts of interest of which they are made aware, and that they consider disciplinary action where such declarations are not made; and**
- **sufficient emphasis is given to aggregating expenditure on goods and services, wherever possible, in order to achieve economies of scale and maximise the spending power of public authorities.**

Part Three:

Service Delivery Performance

Planning: the Planning Monitoring Framework

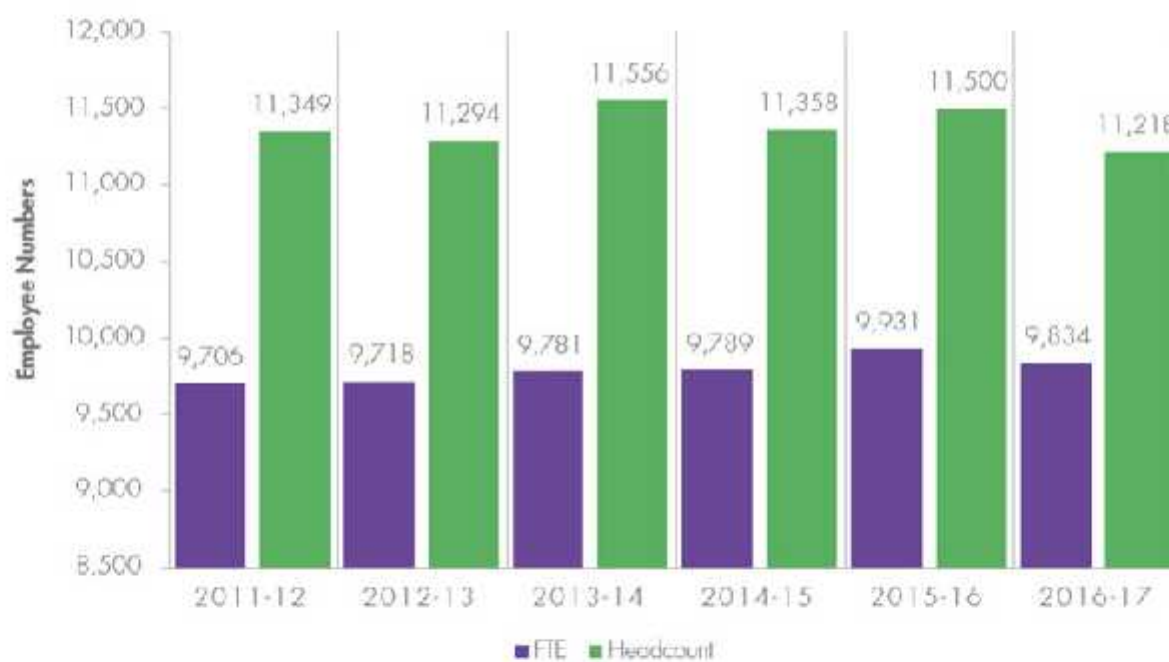
- 3.15 It is part of my statutory responsibility to audit and report on councils' arrangements for continuous improvement. This may include examining their performance against three statutory planning indicators.
- 3.16 Recognising that these indicators do not cover all the planning work undertaken by councils, the Department for Infrastructure has introduced, from 1 April 2018, a further set of performance indicators covering many aspects of planning activity. By measuring and reporting on progress against these indicators, councils will be able to evidence and demonstrate their contribution towards the draft Programme for Government¹⁵ outcomes and their stated purpose of improving wellbeing for all, by tackling disadvantage and driving economic growth. The indicators will also allow councils to report their progress in implementing their community plans and the associated local development plans.
- 3.17 The new indicators include:
- the proportion of planning applications determined by planning officers under delegated powers;
 - the number of planning applications taken to the planning committee for a decision and the percentage of planning committee decisions made against officers' recommendations;
 - in cases where a council has refused planning permission, the percentage of appeals against that decision which are dismissed; and
 - details of the numbers of affordable and market rate homes granted planning approval and details of the amount of office, retail and industrial floor space granted approval.
- 3.18 Data will be collected from 1 April 2018 and the first results will be published, along with the Department's 2018-19 official planning statistics, in July 2019.
- 3.19 I note that the Department's initiative has the potential to improve transparency and accountability. I intend to consider the results carefully and to use them to inform my approach to future audit work in this area.

15 <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/pfg-consultation-document.PDF>

Staffing

- 3.20 Given the introduction of the 11 new councils in April 2015 and the transfer of planning functions to local government, 2015-16 was a year of significant staff changes within councils. By contrast, staff numbers and costs remained relatively static in 2016-17. Between 1 April 2016 and 31 March 2017, full time equivalent staff numbers (**Figure 10**) and costs (**Figure 11**) decreased by less than 1 per cent.

Figure 10: Staff numbers in councils

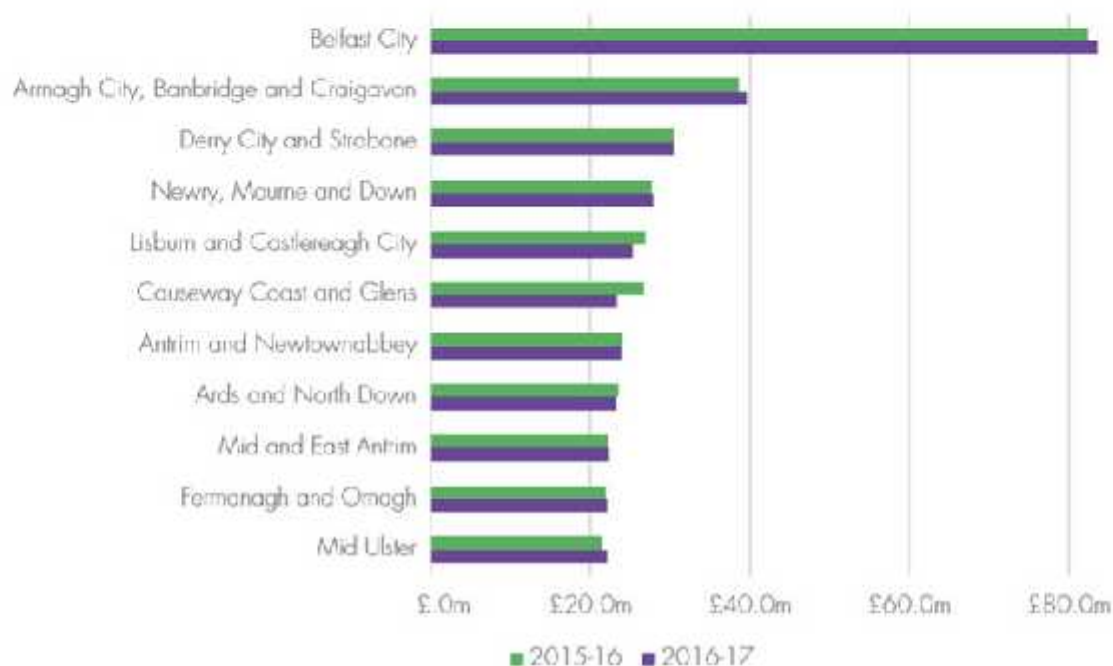


Source: Councils' audited financial statements for 2016-17

Part Three:

Service Delivery Performance

Figure 11: Staff Costs



Source: Councils' audited financial statements for 2016-17

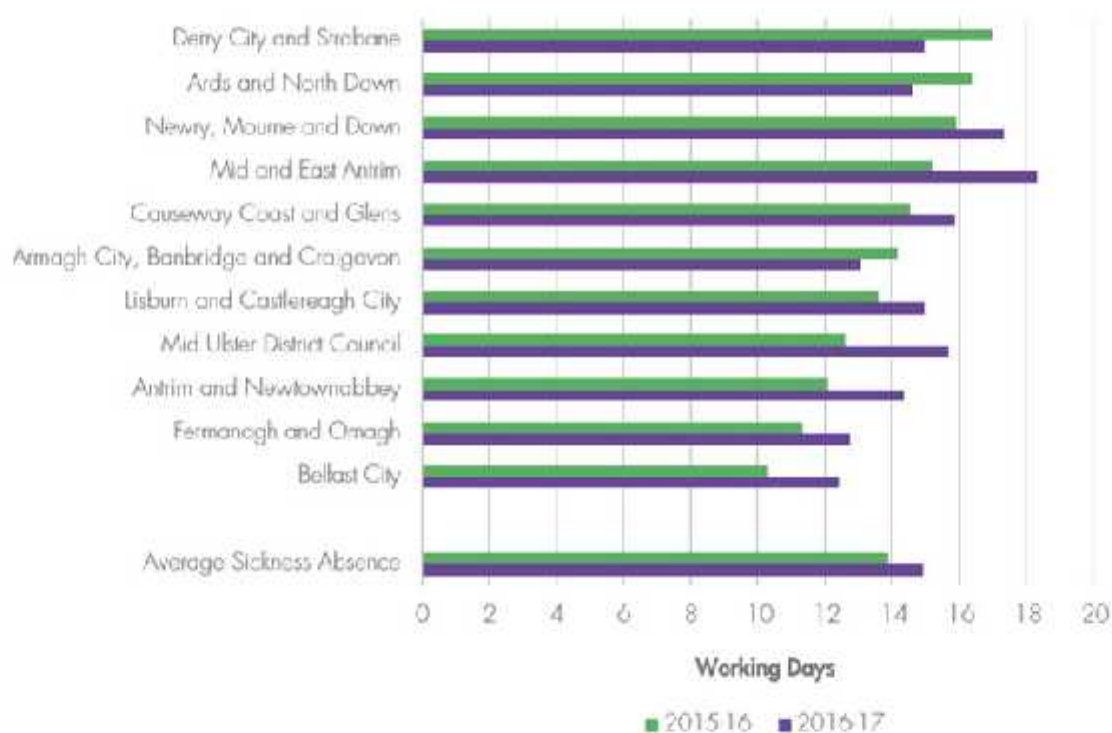
- 3.21 In 2016-17, staff costs represented 41 per cent of operating expenditure in councils, amounting to over £344 million, a reduction of £2.1 million from 2015-16. However, salary totals include additional costs associated with exit packages and the number of staff exiting under exit packages fell from 219 in 2015-16 to 98 in 2016-17 (paragraphs 3.31 to 3.33).
- 3.22 The average cost of a member of staff fell from £35,856¹⁶ in 2015-16 to £34,987 in 2016-17, a decrease of 2.42 per cent. Across councils, changes in average staff costs ranged from an increase of 3.9 per cent to a decrease of 8.0 per cent (again, the reduction in the number of staff receiving exit packages impacts on the average staff costs).

¹⁶ Some elements of 2015-16 staff costs and numbers were restated in 2016-17 financial statements.

Absence Figures

- 3.23 In 2015-16, the average sickness absence rate for the 11 councils was 13.93 days a year; this has increased by almost 7.3 per cent to 14.95 days in 2016-17 (Figure 12). This represents approximately 6.7 per cent of total working days¹⁷ lost through sickness absence in 2016-17 across all councils.

Figure 12: Comparison of Sickness Absence Rate for 2015-16 and 2016-17



Source: Councils

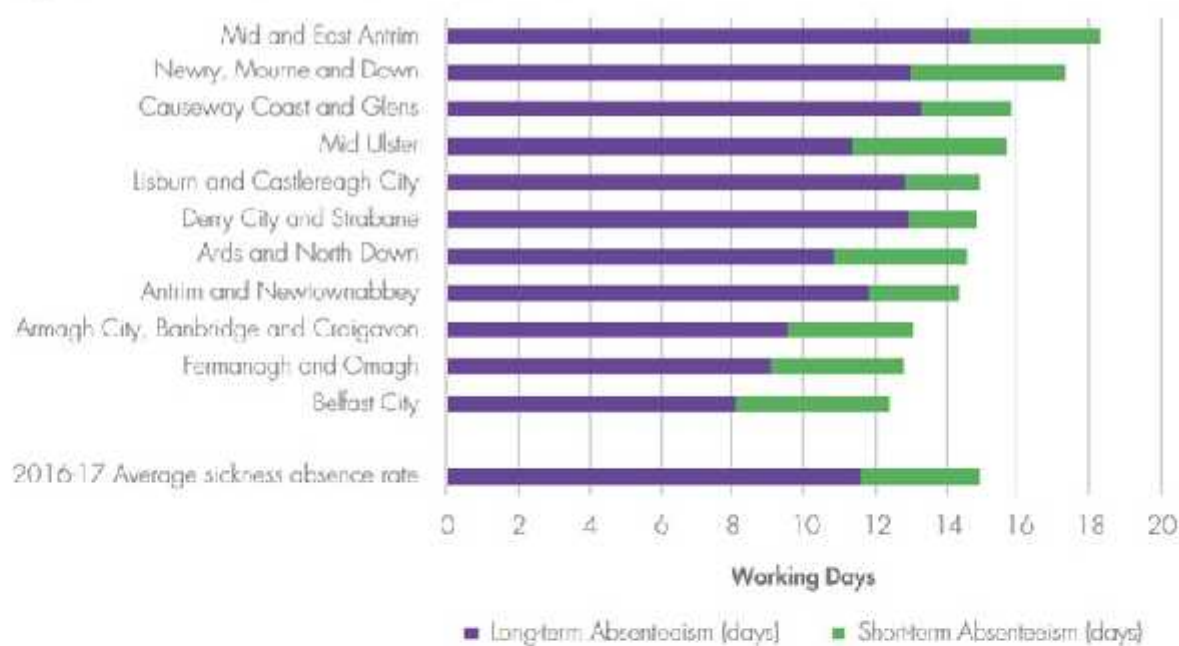
¹⁷ Based on 220 working days a year.

Part Three:

Service Delivery Performance

- 3.24 The average sickness absence rates by council for 2016-17 show a significant range in the number of days lost per employee. Belfast City Council recorded the lowest number of days lost at 12.4 days per employee (10.3 days in 2015-16) while Mid and East Antrim Borough Council recorded the highest at 18.3 days per employee (15.2 days in 2015-16). Three councils achieved a reduction in absence levels over the previous year; in eight councils absence rates increased.
- 3.25 Councils facing an increase in absenteeism attributed this to a rise in long-term sickness absence (**Figure 13**). Belfast City Council reported an increase in long-term absences because of conditions such as severe depression, musculoskeletal problems and stress. In Mid and East Antrim, the increase of 3.1 days has been mainly caused by musculoskeletal problems, with stress, depression and fatigue also major reasons for sickness absence.

Figure 13: Breakdown of Sickness Absence Rate for 2016-17



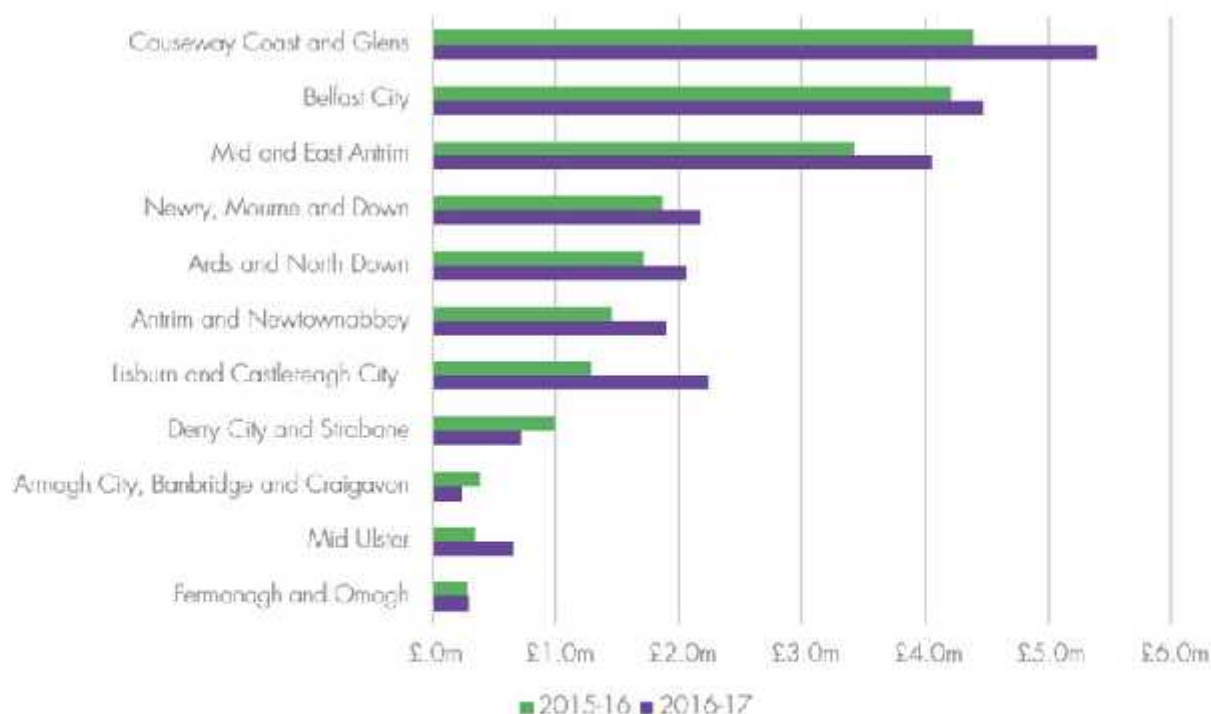
Source: Councils

- 3.26 It is important that councils continue to closely monitor and actively manage sickness absence, both to ensure that staff welfare is protected and that the delivery of front line services is not adversely affected. I will continue to keep absence levels under review and will consider the benefits of a more detailed study in this area.

Agency staff

- 3.27 In her 2017 Report, the previous Local Government Auditor noted that significant expenditure continued to be incurred on the engagement of agency staff. She asked councils to satisfy themselves that they were receiving value for money from such significant expenditure and ensure that this was the best means of providing the relevant services. My predecessor stated that she expected "to see the amounts spent on agency staff decrease, particularly as a percentage of total staff costs, as new councils stabilize".
- 3.28 Contrary to this expectation, I note that, in total, council expenditure on agency staff increased by £3.9 million (19.1 per cent) to £24.2 million in 2016-17 (£20.3 million in 2015-16), and that nine of the eleven councils increased their spending on agency staff (Figure 14).

Figure 14: Councils' Expenditure on Agency Staff



Source: Councils' audited financial statements for 2016-17

Part Three:

Service Delivery Performance

- 3.29 Over half of the increase (58 per cent) was incurred by three councils (Causeway Coast and Glens, Belfast, and Mid and East Antrim). Overall, agency staff expenditure equated to seven per cent of the total council expenditure on staffing, but there were significant variations between councils. In Armagh City, Banbridge and Craigavon, agency staffing costs amounted to 0.6 per cent of total staff costs, compared with Causeway Coast and Glens where agency staff costs amounted to 23.1 per cent of total staff costs.
- 3.30 I recognise that the use of agency staff, particularly during a period of significant organisational change, may be required to meet business needs. However, councils must ensure that their employment continues to deliver value for money. I intend to keep the cost of agency staffing under review and, if I consider it appropriate, may examine expenditure in this area in greater detail in future audit work.

Exit Packages

- 3.31 Councils are required to disclose the number and cost of staff exit packages. The costs include compulsory and voluntary redundancy costs, pension contributions and other departure costs. Over the four years from 2013-14 to 2016-17, councils have paid a total of £34 million in exit packages to staff, with an average cost for each package of £65,000 (see **Figure 15**).

Figure 15: Exit Packages paid between 2013-14 and 2016-17

	Number of exit packages	Cost of exit packages £m	Average cost of each exit package £000	Number of packages greater than £100,000
2013-14	49	1.9	39	5
2014-15	172	9.4	54	25
2015-16	208	16.8	81	64
2016-17	92	5.9	65	21
Total	521	34.0	-	115

Source: Councils' audited financial statements

- 3.32 Following the formation of the 11 new councils, there have been significant staff changes and restructuring throughout many of the councils. This led to a significant increase in exit packages in 2015-16, the first year of the new councils. However, in 2016-17 the numbers and cost of exit packages have decreased to less than half of the 2015-16 levels.

- 3.33 I note that 23 per cent (31 per cent in 2015-16) of exit packages agreed in 2016-17 were for amounts greater than £100,000. The overall average amount paid across the councils was £64,598 (£80,736 in 2015-16).

Prompt Payment

- 3.34 Late payment of invoices is a key concern for businesses as it can reduce their cash flow and jeopardise their ability to trade. Councils are encouraged by government to pay suppliers as promptly as possible and to endeavour to meet the commitment made by the Northern Ireland Executive to pay the majority of valid invoices within 10 days¹⁸. Late payment legislation¹⁹ allows for businesses to claim interest and compensation from public bodies who fail to pay valid invoices within 30 days.

- 3.35 In 2016-17, councils processed nearly 303,000 invoices with an approximate value of £609 million. On average, 48 per cent of all invoices were paid within 10 working days and 83 per cent within 30 working days. Performance by councils is shown in **Figures 16 and 17**.

Figure 16: Prompt Payment

Only one council paid more than 90 percent of valid invoices within 30 days.



Source: Councils' Financial Statements 2016-17

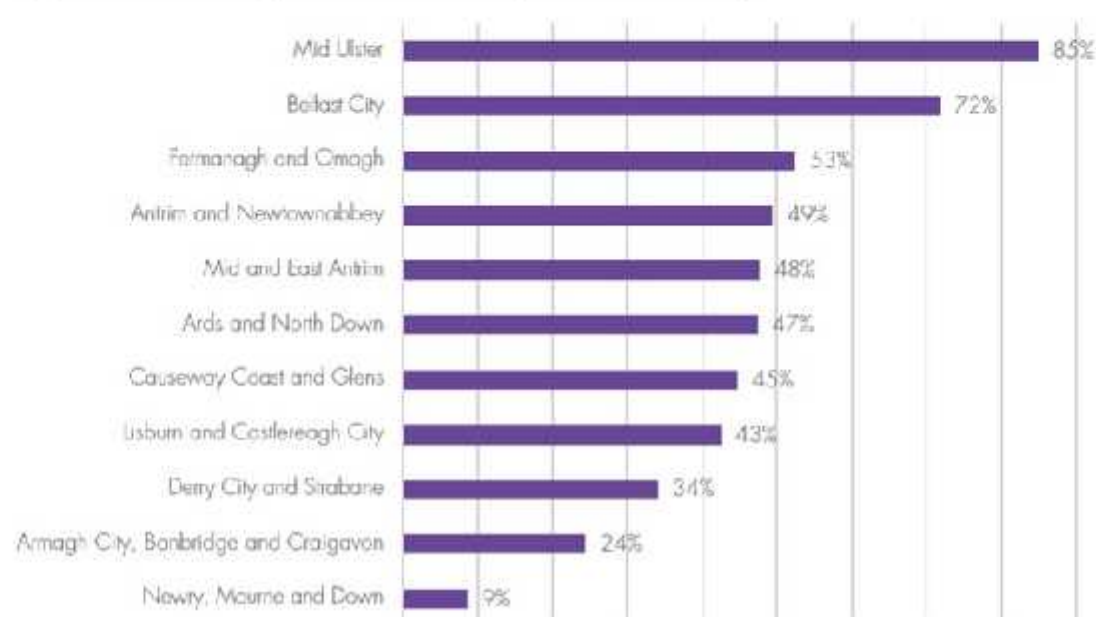
18 Central government departments aim to pay at least 90 per cent of valid invoices within 10 working days.

19 The Late Payment of Commercial Debts (Interest) Act 1988 (as amended by the Late Payment of Commercial Debt Regulations 2002 (SI 1674) and Late Payment of Commercial Debt Regulations 2013 (SI 395)).

Part Three:

Service Delivery Performance

Figure 17: Percentage of valid invoices paid within 10 days



Source: Councils' Financial Statements 2016-17

- 3.36 There is considerable scope for councils to improve their performance in this area. I intend to continue to monitor councils' prompt payment performance and may report on my findings in greater detail in future.

Performance Improvement

Background

- 3.37 The performance improvement framework places a statutory responsibility²⁰ on councils to make arrangements for, and report on, continuous improvement in their functions or services. Improvement, in the context of the legislation, means more than just quantifiable gains in service output or efficiency, or the internal effectiveness of an organisation. Improvement for councils should mean activity that enhances the sustainable quality of life and environment for ratepayers and communities. The framework also places a statutory responsibility on me to conduct an 'improvement audit and assessment' each year²¹ and report my findings.

20 Section 93 of the Local Government Act (NI) 2014, together with the supporting statutory guidance issued by the Department for Communities.

21 Improvement audits and assessments are performed in-year, whilst financial audits are performed retrospectively.

- 3.38 The 2017-18 year was the final one of a three-year phased implementation of the performance improvement framework at the 11 councils. This placed additional responsibilities on councils. My improvement audit and assessment work in the year also addressed the existing and new requirements.

Reporting on Performance Improvement

- 3.39 Councils are required to consult on and select improvement objectives and publish annual performance improvement plans. These set out each council's improvement objectives and how it plans to achieve them. Underlying this, councils are required to put arrangements in place to deliver each objective and to collect data and information, which would enable them to report on improvements made in an annual self-assessment report. Councils were required to publish their annual self-assessment report for the first time in 2017-18. They were also required to look back to the 2016-17 year and report whether they had met each of the planning, waste management and economic development standards and indicators set by central government, and to make comparisons with other councils.
- 3.40 I am required to assess and report whether each council:
- discharged its duties in relation to improvement planning;
 - published the required improvement information;
 - acted in accordance with guidance issued by the Department for Communities (the Department) in relation to those duties; and
 - was likely to comply with the requirement to make arrangements to secure continuous improvement in the exercise of its duties.
- 3.41 My detailed findings in respect of the 2017-18 plans and the 2016-17 performance reports were reported to each council, as well as the Department, in November 2017. I published summaries of my findings for each council on the NIAO website in March 2018. I did not undertake any special inspections or recommend formal intervention by the Department.

Performance Improvement: Key findings and recommendations in 2017-18

- 3.42 All of the councils met their key performance improvement responsibilities and all received the same overall assessment. Although councils are at different stages of development, all strengthened their performance improvement arrangements in-year and each council delivered some measurable improvements to services. With sufficient resources, councils' arrangements to deliver improvement should develop further and mature over time. Until this happens and

Part Three:

Service Delivery Performance

councils can demonstrate a track record of ongoing improvement, I am unable to determine the extent to which improvements will be made in future.

- 3.43 Councils have a wide degree of discretion on their performance improvement arrangements within the overall statutory framework. As a result, my audit work in 2017-18 continued to focus primarily on compliance with the legislation and guidance, and on identifying and sharing emerging good practice. In future years, my expectations of councils' performance improvement arrangements will increase. I have provided feedback to each council on how their arrangements could be improved. However, it is a matter for each council to decide the extent to which it accepts my assessment.
- 3.44 For the performance improvement framework to operate effectively, councils must collect relevant information and data to support any claims of improvement. I found some councils are finding this to be challenging as:
- not all councils have a suitable management information system in place to facilitate the capture, recording and reporting of data;
 - not all councils are agreed on what data and/or information needs to be recorded to facilitate the measurement of improvement; and
 - there is a lack of a common understanding of certain elements of the legislation and guidance.
- 3.45 Some councils are also finding it challenging to demonstrate improvements have been achieved. This may either be due to their 2016-17 improvement objectives being strategic in nature, or because they did not clearly set out in their 2016-17 plans how improvements would be measured. I consider that the councils' improvement objectives for 2017-18 (and the arrangements to deliver them) are generally more focused, realistic and, potentially, more achievable. Some councils may find it difficult to realise some of their more aspirational objectives. However, it may be that the arrangements made to deliver aspirational objectives will result in some demonstrable improvements.
- 3.46 In 2017-18, councils were required for the first time to report on their performance against that of other councils in delivering the same or similar functions, where it was reasonably practicable to do so. I found most published comparisons to be limited in content. In my view, this requirement will remain difficult to achieve until it is supported by an agreed framework between councils. While most councils have been working with the Department to consider how to undertake such comparisons, progress to date has been limited.
-

3.47 I note there is some uncertainty within councils on the interpretation of aspects of the Department's statutory guidance, specifically:

- the 'General Duty' to improve;
- the selection and reporting of 'self-imposed indicators and standards'; and
- comparison between councils and the reporting of this information.

3.48 I welcome the recent establishment of a multi-stakeholder group, which includes representatives from the Department and councils, to resolve these issues. I will continue to keep these ongoing issues under review in future improvement audits and report on any developments next year.

Part Four:

Looking Forward

Part Four: Looking Forward

The draft Programme for Government and the Outcome Delivery Plan

- 4.1 Following the suspension of the devolved administration in Northern Ireland in January 2017, the Programme for Government Framework 2016-21, agreed by the Executive in May 2016, remains in draft form. The framework had set out a vision of both central and local government working together within their respective legislative frameworks to create more vibrant places with more job opportunities and better housing, addressing poverty and improving the quality of people's lives.
- 4.2 In June 2018, without an Assembly and Executive to ensure the effective discharge of government, the Executive Office published an Outcomes Delivery Plan for 2018-19. The Head of the Civil Service, David Sterling, described it as a necessarily constrained outcomes delivery plan, which "...sets out the actions that departments will take to give effect to the previous Executive's stated objective of improving wellbeing for all by tackling disadvantage and driving economic growth."
- 4.3 The Outcome Delivery Plan provides an interim direction and clarity for those delivering public services, including councils, at a time when normal Assembly scrutiny is absent. There is also a local government dimension, with each of the 11 councils now delivering, through partnership working, community plans that respond to the needs of their areas. All have already linked their community plans to the outcomes contained in the framework.
- 4.4 If the current situation continues, there will be a full report on progress in delivering each of the actions listed at the mid-year and end-year points. The reports will be published so that others can see and hold departments accountable for progress.

Community Planning

- 4.5 Community plans identify long-term priorities for improving the social, economic and environmental wellbeing of council districts and the people who live there. Councils are responsible for leading the community planning process for their district. Community planning brings together all those involved in delivering public services including the council, statutory bodies, agencies and the voluntary sector, together with the wider community. All councils have now completed and published their Community Plans, which are available on the Department's website²².

22 <https://www.communities-ni.gov.uk/articles/community-planning>

- 4.6 In their 2016-17 Governance Statements, a number of councils identified potential risks to delivery of community plans and set out their proposals to address these risks, including the development of appropriate governance structures, performance management arrangements and adequate resourcing. I note that a number of councils identified concerns in their 2016-17 financial statements about pressures resulting from constraints on central government budgets that impact on local government.
- 4.7 While I have no statutory duty in relation to a council's community planning responsibility, I am required to assess and report on whether a council's improvement objectives have links to its community plan. I intend to monitor developments in community planning and I may, in future, consider the implementation of community plans under my powers to undertake comparative and other studies in order to make recommendations for improving economy, efficiency and effectiveness in the provision of council services.

Brexit

- 4.8 Northern Ireland is the part of the UK most distinctly affected by Brexit. Issues of cross-border trade, funding of council programmes and the movement of people across the border have a significant potential impact across Northern Ireland and for councils close to the border. Given the considerable uncertainty which remains, it is prudent for councils to continue to prepare for the possible impacts of Brexit. I note that a number of councils recognised and began to address these risks in their 2016-17 Governance Statements, for example, Belfast City Council has set up a Brexit committee. I will continue to monitor developments in this area closely.

Local Elections

- 4.9 The reorganisation of Northern Ireland local government in 2015 delivered a significant change from 26 to 11 new councils. Recent reforms are still bedding in and, with the Voluntary Exit Scheme, there are concerns over continuity and loss of experience. I note that further change is on the horizon, with local elections to be held in May 2019. In light of this, councillors may wish to consider measures to support continuity in key committees, particularly in the Audit and Risk and Planning committees.
-



Published and printed by CDS

CDS 188872



Report to:	Audit Committee
Date of Meeting:	20 September 2018
Subject:	Assessment of Performance 2017-18
Reporting Officer (Including Job Title):	Johnny McBride – Assistant Director, Community Planning and Performance
Contact Officer (Including Job Title):	Kate Bingham – Head of Performance and Improvement

Confirm how this Report should be treated by placing an x in either:-

For decision	For noting only	X
1.0	Purpose and Background	
1.1	<p>Part 12 of the Local Government Act (NI) 2014 requires district councils to put in place arrangements to secure continuous improvement in the exercise of their functions. Through the Act, the Council has a statutory requirement to produce and publish an Assessment of Performance before 30 September each year. The Assessment of Performance must outline the Council's progress in relation to the General Duty of Improvement, as well as planned improvements against the previous year's:</p> <ul style="list-style-type: none"> • Performance improvement objectives • Statutory performance indicators and standards for economic development, planning and waste management • Self imposed performance indicators and standards 	
2.0	Key issues	
2.1	<p>The Assessment of Performance 2017-18 is attached at Appendix 1 and was considered by the Strategy, Policy and Resources Committee on 13 September 2018. It provides an overview of the Council's progress in:</p> <ul style="list-style-type: none"> • Meeting the General Duty of Improvement • Delivering the performance improvement objectives 2017-18 • Meeting the statutory performance indicators and standards for economic development, planning and waste management • Delivering the 'supporting actions' and 'measures of success' within the Corporate Plan 2015-19 <p>Progress in relation to the performance improvement objectives, statutory performance indicators and standards and corporate priorities has been aligned to the outcomes within the Community Plan for Newry, Mourne and Down, and reported accordingly throughout the Assessment of Performance.</p> <p>In line with the recent guidance issued by the Northern Ireland Audit Office (NIAO), 'Performance Management for Outcomes', corporate performance scorecards have also been developed for the following three outcomes within the Performance Improvement Plan 2017-18:</p>	

	<ul style="list-style-type: none"> • The Council meets landfill and recycling targets • The Council provides a more efficient and effective Planning Service • Community groups receive financial support <p>It should be noted that monitoring, analysing and reporting information can be subjective and open to interpretation.</p>
2.2	<p>There is a statutory requirement to publish the Assessment of Performance 2017-18 on the Council's website by 30 September 2018. The Assessment of Performance will form a key part of the Improvement Audit and Assessment which is currently being carried out by the NIAO, and focuses on the following six themes, using a compliance based approach:</p> <ul style="list-style-type: none"> • General duty to improve • Improvement objectives • Consultation on improvement duties • The Improvement Plan • Collection of information relating to performance • Use and publication of performance information <p>Through the Improvement Audit and Assessment, the NIAO will determine how effective and robust the Council's performance management arrangements are, as well as the Council's likelihood to comply with the duty to make arrangements to secure continuous improvement.</p>
3.0	Recommendations
3.1	<p>To note:</p> <ul style="list-style-type: none"> • The Assessment of Performance 2017-18
4.0	Resource implications
4.1	There are no resource implications contained within this report.
5.0	Equality and good relations implications
5.1	There are no equality and good relations implications contained within this report.
6.0	Rural Proofing implications
6.1	There are no rural proofing implications contained within this report.
7.0	Appendices
	Assessment of Performance 2017-18
8.0	Background Documents
	<ul style="list-style-type: none"> • Local Government Act (NI) 2014 (Part 12) • Performance Improvement Plan 2017-18 • Corporate Plan 2015-19

Newry, Mourne and Down District Council

Assessment of Performance 2017-18



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Introduction

Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils must put in place arrangements to secure continuous improvement in the exercise of their functions. As part of the Act, District Councils are required to:

- Produce and publish an annual Performance Improvement Plan, setting out the performance improvement objectives, which should be aligned to the Community Plan
- Produce and publish an annual Assessment of Performance, demonstrating whether planned improvements have been achieved

The Assessment of Performance 2017-18 provides an overview of Newry, Mourne and Down District Council's progress in delivering the following:

General Duty of Improvement

As set out in the Local Government (NI) Act 2014

Performance Improvement Objectives

As set out in the Performance Improvement Plan 2017-18:

1. Encourage healthy lifestyles through increased participation in leisure, sports and recreational activities
2. Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination
3. Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in
4. Create a cleaner, greener, more attractive District
5. Encourage and empower local communities to participate in Council engagement structures




Statutory Performance Indicators and Standards

As set out in the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015 and Performance Improvement Plan 2017-18:

- The number of jobs promoted through business start-up activity
- The average processing time of major planning applications
- The average processing time of local planning applications
- The percentage of planning enforcement cases processed within 39 weeks
- The percentage of household waste collected by District Councils that is sent for recycling (including waste prepared for reuse)
- The amount (tonnage) of biodegradable Local Authority Collected Municipal Waste that is landfilled
- The amount (tonnage) of Local Authority Collected Municipal Waste arisings







Self Imposed Performance Indicators	
As set out in the Corporate Plan 2015-19:	
Corporate Priority	Measure of Success
Become one of the premier tourist destinations on the island of Ireland	Increased number of visitors
	Increased dwell time of visitors
	Increased visitor spend
Attract investment and support the creation of new jobs	Increased number of new businesses started
	Increased levels of employment
	Major planning applications processed within 30 weeks
Support improved health and wellbeing outcomes	Two leisure centres constructed and operational
	Increase in the number of people using Council leisure facilities
Protect our natural and built environment	Level of waste to landfill – zero waste to landfill across the District
	Completion of flood defences at Camlough Lake
	70% of planning enforcement cases processed within 39 weeks
Lead the regeneration of urban and rural areas	Increased number of new jobs and businesses created in rural areas
Advocate on your behalf, specifically in relation to those issues that really matter to you	Increased broadband and mobile coverage
	Improved roads infrastructure
Empower and improve the capacity of our communities	Community Plan completed and published by mid 2016
	7 Community Fora established across the entire District with associated action plans
Transform and modernise the Council, providing accessible as well as value for money services	Increased citizen satisfaction
	Increased employee satisfaction
	Reduced absenteeism
	IIP/CSE accreditation
	Annual Improvement Plan validated by the Local Government Auditor

Where possible, progress in delivering the Corporate Plan 2015-19 and Performance Improvement Plan 2017-18 has been aligned to the Community Plan, in order to demonstrate how the Council is contributing to the achievement of community planning outcomes. The golden thread that exists between the Community Plan, Corporate Plan and Performance Improvement Plan is outlined further in Appendix 2.

All people in Newry, Mourne and Down enjoy good health and wellbeing	
All people in Newry, Mourne and Down benefit from prosperous communities	
All people in Newry, Mourne and Down benefit from a clean, quality and sustainable environment	
All people in Newry, Mourne and Down live in respectful, safe and vibrant communities	

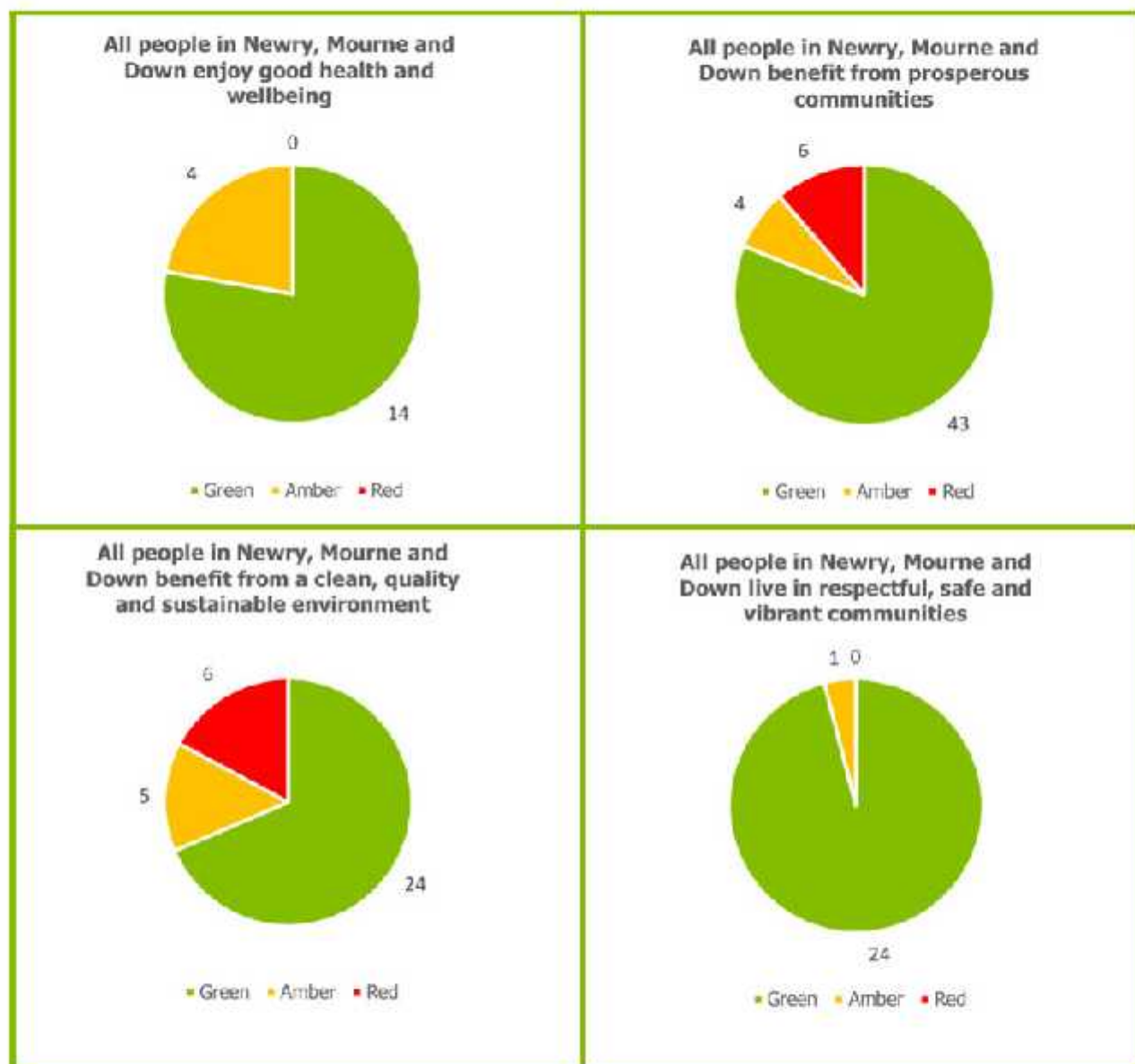
Progress in achieving the corporate priorities, performance improvement objectives, statutory performance indicators and standards and self imposed performance indicators has been tracked against targets, trends over time, and where possible, compared with the performance of local authorities across Northern Ireland, using the legend below:

Legend



















Status		Trend	
	Target or objective achieved / on track to be achieved		Performance has improved since the previous year
	Target or objective substantially achieved / likely to be achieved / subject to delay		Performance is similar to the previous year
	Target or objective not achieved / unlikely to be achieved		Performance has declined since the previous year



Progress at a Glance

The legend has been applied to the 'supporting actions' and 'measures of success' within the Corporate Plan and Performance Improvement Plan to provide an overview of progress against the four community planning outcomes.



*Where a 'supporting action' and 'measure of success' has been allocated a different status and trend, eg green and red, both have been counted in the charts.

Performance Improvement Objective	Progress	Status
<p data-bbox="212 342 533 555">Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities</p> 	Newry Leisure Centre complete	
	Downpatrick Leisure Centre delayed	
	9.8% increase in attendances at Council leisure facilities	
	Customer satisfaction surveys carried out at six Council leisure facilities	
	Implementation of the Play Strategy and Sports Facility Strategy underway	
	1,175 children and young people took part in Community Play initiatives	
<p data-bbox="220 987 528 1339">Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination</p> 	168 new jobs promoted and 167 new business starts supported through business start up activity	
	The Carlingford Lough Greenway between the Weir and Victoria Lock complete	
	Our five Giant Adventure Festivals attracted over 139,000 visitors and generated an estimated £4m for the local economy	
	3.2% increase in visitor numbers and 7.3% increase in overnight stays*	
	48% increase in visitor spend*	
<p data-bbox="212 1630 533 1877">Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in</p> 	The restoration of Warrenpoint Town Park commenced	
	Delay in commencing three environmental improvement and revitalisation schemes	
	Forkhill Greenspace Project complete	
	45 Village Plans updated and created	

<p>Create a cleaner, greener, more attractive District</p> 	Increase of 6.1% in the rate of recycling**	▲
	52% reduction in the amount of waste going to landfill**	▲
	14% reduction in black bin waste, 4% increase in blue bin waste and 60% increase in brown bin waste**	▲
	Downpatrick Household Recycling Centre delayed	☹️
	£39,988 awarded through 'Down Your Street – Live Here, Love Here'	😊
	Improved processing time for local planning applications***	▲
	Increased processing time for major planning applications***	▼
<p>Encourage and empower local communities to participate in Council engagement structures and initiatives</p> 	Corporate Consultation and Engagement Framework adopted	😊
	Significant representation from the community, voluntary and business sectors on Council engagement structures	😊
	Over £1.4m awarded to 413 projects through the Financial Assistance Scheme	😊
	Review of community centres complete	😊

*Comparisons for tourism figures relate to 2016 and 2017.

**2017-18 end of year waste data has not yet been validated by DAERA.

***Supporting actions and measures of success for planning have been included under performance improvement objective 3 for 2018-19.

Overall Assessment of Performance 2017-18

Newry, Mourne and Down District Council has come a long way since the merger of the two Councils in 2015, the transfer of new responsibilities from central government and the incorporation of Ballyward from the former Banbridge District Council. The reform of local government has presented an opportunity to do things differently and to do things better, and the Council remains focused on maximising performance and improving the quality of services provided.

The Local Government Act (NI) 2014 sets out a General Duty of Improvement, whereby all District Councils must put in place arrangements to secure continuous improvement in the exercise of their functions. The Council continues to strengthen its arrangements to secure continuous improvement in the exercise of its functions and has made significant progress in achieving the five performance improvement objectives 2017-18. The new premier Newry Leisure Centre opened in November 2017, attendances at leisure facilities continues to increase and over £1.4m was awarded through the Council's Financial Assistance Scheme.

The Council also performed well against the statutory performance indicators and standards for economic development and waste management. During 2017-18, we promoted 168 new jobs through business start up activity, exceeding our target by 8.4%, increased the rate of recycling by 6.1% to 46.2% and reduced the amount of biodegradable waste sent to landfill by 52% to 2,612 tonnes.

However, we recognise where we need to improve. Since 2015, planning has been a key priority for improvement, and whilst the Council did not meet the statutory standards for processing major and local planning applications and enforcement cases, performance has been improving. Over the past three years, the processing time for local planning applications has improved by 17.8 weeks, to 17 weeks, and the percentage of enforcement cases processed within 39 weeks has increased by 5.8%, to 59.9%. Whilst the processing time for major planning applications has increased over the past year, overall, these improvements demonstrate the Council's commitment to delivering a more efficient and effective Planning Service to customers.

The Council has also identified further areas of improvement to support the delivery of corporate priorities and performance improvement objectives. These include enhancing existing performance management arrangements, rolling out the Business Planning and Performance Management Framework across the organisation and building the capacity of Elected Members and employees to manage and scrutinise performance effectively, all of which will facilitate the development of a performance improvement culture.

Recognising our achievements and identifying areas for improvement provide a sustainable platform to deliver high quality, innovative public services, now and in the future. Through our Corporate Plan and Performance Improvement Plan, the Council will continue to improve the quality of life and environment for all local communities.

General Duty of Improvement

During 2017-18, the Council continued to strengthen and embed the arrangements it has put in place to secure continuous improvement in the exercise of functions, in order to improve the quality of life for all local communities. Following the Improvement Audit and Assessment 2017-18, the Northern Ireland Audit Office concluded that:

- The Council has discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently, including its guidance on the publication of improvement information in 2016-17.
- The Council has as far as possible discharged its duties under Part 12 of the Local Government Act and has acted in accordance with the Department for Communities guidance sufficiently.

Over the past two years, the Council has been progressing the 'proposals for improvement' which were put forward by the Northern Ireland Audit Office in 2016-17 and 2017-18, in accordance with the following themes:

- **General duty to improve**
- **Governance arrangements**
- **Improvement objectives**
- **Consultation**
- **Improvement Plan**
- **Collection, use and publication of performance information**

General duty to improve

- The Council's performance management arrangements have been constructed within the seven legislative criteria for improvement. Performance improvement objectives are outcome focused, clearly aligned to community planning outcomes and corporate priorities, and are being cascaded to Directorate Business Plans.
- The Business Planning and Performance Management Framework outlines the 'golden thread' that exists between the Community Plan, Corporate Plan, Performance Improvement Plan, Directorate Business Plans, Service Plans and Individual Performance Appraisal. The Framework has been included in the Performance Improvement Plan and Directorate Business Plans, demonstrating how employees contribute to the achievement of community planning outcomes, corporate priorities and performance improvement objectives.
- The monitoring, reporting and review arrangements across each level of the Business Planning and Performance Management Framework are being strengthened. A standard template has been developed to ensure a consistent and coherent approach to performance reporting using the red/amber/green status, with reports being considered and scrutinised by Elected Members and made available in the public domain.

- The Council continues to develop and refine suites of performance indicators across the various levels of the Business Planning and Performance Management Framework. This evidence base is used to monitor the overall health of the organisation, identify year on year trends, benchmark performance data where possible, address areas of under-performance and celebrate areas of good performance.

Governance arrangements

- The Strategy, Policy and Resources Committee and Audit Committee continue to carry out their respective roles in terms of performance and improvement. Both Committees consider and scrutinise retrospective performance information in relation to the delivery of the Performance Improvement Plan and Corporate Plan, as well as the forward looking Performance Improvement Plan. The Audit Committee also considered a report outlining progress against the 'proposals for improvement' which were put forward by the NI Audit Office in 2016-17 and 2017-18.
- The Standing Committees of the Council consider and scrutinise performance information in relation to their respective areas, including the annual review of Business Plans, progress against statutory performance indicators and standards, as well as the forward looking Business Plans.
- The Council publishes performance information via the corporate website and social media channels. This information is often summarised into a user friendly, accessible format, as evidenced through 'Our Performance, Looking Back, Going Forward' and NMD Connect.

Improvement objectives

- The Council's performance improvement objectives are outcome focused and underpinned by a range of 'supporting actions', 'measures of success' and 'outcomes for local communities and stakeholders'. The current suite of 'measures of success' enables the Council to monitor progress in delivering the performance improvement objectives.
- The Council continues to raise the profile of the performance improvement objectives, both internally and externally, by attending internal meetings and workshops, and engaging with external groups such as the Youth Council and Older Persons Forum.
- Performance improvement objectives have been developed using a robust and reliable evidence base, including reports which analyse internal performance information, as well as the key influences and emerging trends within the external environment.

Consultation

- Over the past two years, the Council carried out a robust and inclusive consultation and engagement process with key stakeholders on the proposed performance improvement objectives. Stakeholders included residents, Elected Members, community, voluntary and business sectors and community planning partners.

- In 2016-17, a total of 53 surveys were completed in addition to engagement with 115 stakeholders. In 2017-18, a total of 92 surveys were completed, in addition to engagement with 100 stakeholders. The results of the consultation and engagement activity have consistently revealed widespread support for the proposed performance improvement objectives.

Improvement Plan

- The Council published the Performance Improvement Plan 2018-19 by 30 June, in line with the statutory timescale. The plan is easily accessible on the Council's website.

Collection, use and publication of performance information

- In order to facilitate transparency, accountability and improvement, the Council has strengthened the governance arrangements around the development, approval, monitoring and review of key plans and strategies, including the Corporate Plan, Performance Improvement Plan and Directorate Business Plans.
- In the absence of a formal electronic performance management system, the Council has developed an interim excel based system to collate, measure and monitor progress against statutory and self imposed performance indicators at all levels of the Business Planning and Performance Management Framework.
- The Council has developed suites of self imposed performance indicators which underpin the Corporate Plan, Performance Improvement Plan and Directorate Business Plans. The Council is also part of APSE Performance Networks and has collated and analysed benchmarking data across a range of services over the past few years. The Council continues to build upon and strengthen the robustness of performance data, as evidenced through the recent Customer Satisfaction Surveys carried out across six leisure facilities.
- The Council continues to work in partnership with other local authorities and the Department for Communities regarding the effective application of the legislative requirements within the Local Government (NI) Act 2014.
- The Council's corporate website has been updated and now features a webpage dedicated to performance. This page provides further information regarding the Performance Improvement Plan, Assessment of Performance, Northern Ireland Audit Office Reports and guidance on how stakeholders can propose improvements in the future.







Community Planning Outcome

All people in Newry, Mourne and Down enjoy good health and wellbeing

Corporate Objective
Support improved health and wellbeing outcomes

Key Actions	Status	Progress
Replace the two existing Leisure Centres in Newry City and Downpatrick		Newry Leisure Centre completed in October 2017 and Downpatrick Leisure Centre is scheduled to complete during Q3 2018-19. Both major projects represent significant capital investment in providing state of the art leisure facilities for local communities. To date, Newry Leisure Centre has won multiple awards, including the Royal Institute of Architects Ireland award and the Royal Society of Chartered Surveyors award.
Develop targeted programmes to tackle obesity and diabetes		Over the past two years, 17,019 residents took part in Everybody Active 2020, participating in a range of physical activity programmes such as Couch to 5k, yoga and rugby. During 2017-18, 6,879 participants took part, representing 83.1% of the overall target. This included 3,874 women and girls, 1,023 people with a disability and 1,805 people from areas of high social need. Whilst there was a slight reduction in the overall number of participants in Everybody Active between 2016-17 and 2017-18, due to the lack of registration forms being submitted, the Council has put in place arrangements to address this issue and aims to engage 9,280 participants during 2018-19.
Promote increased physical activity levels		Through the Social Investment Fund, the Council has been awarded over £5.67m from the Executive Office and Department for Communities to provide 3G football pitches in Downpatrick, Ballyhornan and Kilcooley, and refurbish Castlewellan Community Centre, expanding community development activity, youth training and summer schemes. During 2017-18, the Council also continued to organise multiple physical activity programmes and






		<p>events, including the 'Active Ageing' fitness classes in the Newcastle Centre, annual Mourne Mountain Adventure and the multi-sports programmes delivered in partnership with local schools. Through the Financial Assistance Scheme 2017-18, the Council awarded over £595k towards sports projects, including £445k towards sports capital projects and £52k towards sports development projects.</p> <p>The Sports Facility Strategy and Play Strategy were adopted by the Council in 2016-17, representing a total investment of £5m towards the development of better outdoor facilities and provision of better play parks. All year 1 capital projects within the Sports Facility Strategy have been delivered within budget and the projects which fall within years 1 and 2 of the Play Strategy are underway.</p>			
Implement a leisure facilities and play strategy					



Measures of Success	2015-16	2016-17	2017-18	Status	Trend	Explanatory Note
Two leisure centres constructed and operational	-	-	NLC complete		-	Newry Leisure Centre completed in October 2017 and Downpatrick Leisure Centre is scheduled to complete during Q3 2018-19.
Increase in the number of people using Council leisure facilities	1,435,558 attendances	1,453,107 attendances	1,595,269 attendances			Between 2015-16 and 2016-17, there was a 1.2% increase in the number of attendances at Council leisure facilities. This upward trend continued to 2017-18, when there was a further 9.8% increase, including a 23% increase in attendances at the Newry Leisure Centre.

Performance Improvement Objective

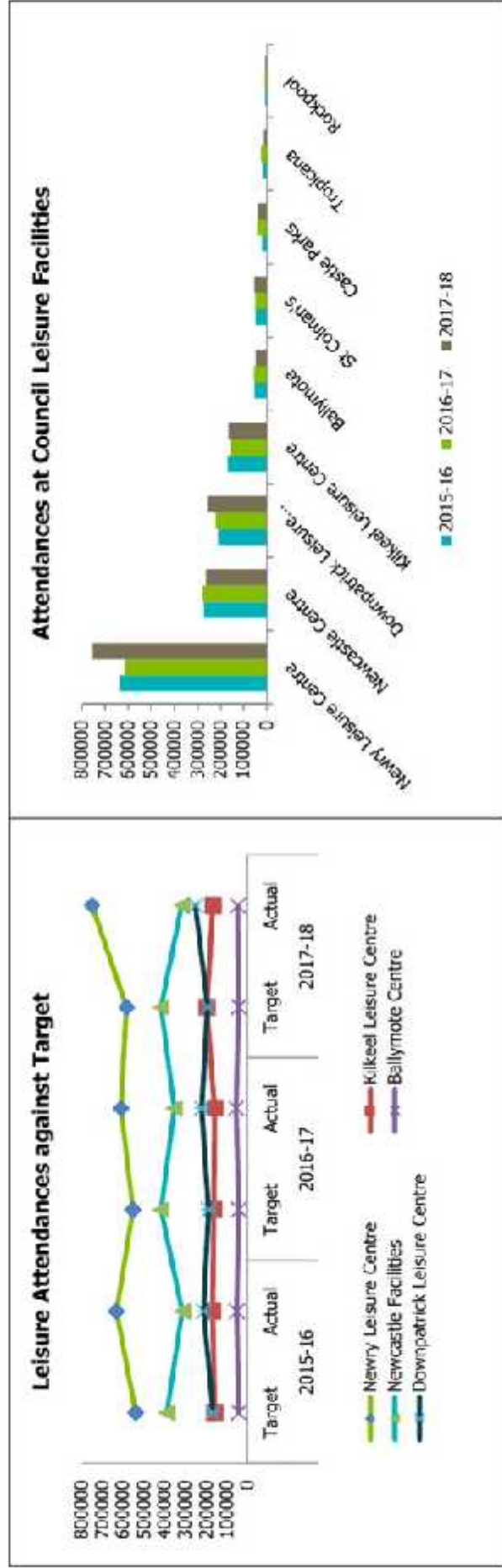
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities

Supporting action	Status	Progress
Provide and operate high quality indoor leisure facilities through the implementation of the Indoor Leisure Business Plan:		The Council continues to implement the Indoor Leisure Business Plan and deliver continuous improvement through the simplified membership structure, new pricing arrangements for customers aged 60 years and above and the expansion of the swimming programme to create an additional 130 spaces.

<p>Complete Newry Leisure Centre by Summer 2017</p>		<p>Following a delay in the construction, Phase II of Newry Leisure Centre completed in October 2017, with the official opening taking place in November.</p>
<p>Complete Downpatrick Leisure Centre by Spring 2018</p>		<p>The completion of Downpatrick Leisure Centre has been delayed until Q3 2018-19, due to the re-design of the sub structure. The demolition of the existing leisure centre and construction of the new car park will complete by Q1 2019-20.</p>
<p>Improve the customer experience at indoor leisure centres through marketing, branding, mobile technology and targeted physical activity programmes</p>		<p>The 'Be Active' campaign was launched, encouraging individuals to improve their lifestyles and get more involved in sport and physical activity. The new leisure IT system improves customer accessibility to information and online booking, and the Wellness Connected Experience allows users to keep track of their individual training requirements and programmes. In partnership with Disability NI, the Council has also established a Disability Sports Hub to provide a range of sports wheelchairs, inclusive bikes and equipment to enable those with a disability to participate in physical activity.</p>
<p>Undertake a review of outdoor leisure facilities to determine the condition, current usage type and number of users at each location</p>		<p>The review of outdoor leisure facilities, which was delayed until the recruitment of tier 5 officers concluded in Q4 2017-18, is now underway and scheduled to complete during 2018-19.</p>
<p>Provide and improve fixed and non-fixed play opportunities for children and young people through the implementation of year one of the Play Strategy</p>		<p>The implementation of the Play Strategy was delayed until the recruitment of tier 5 officers concluded in Q4 2017-18. The contractor to design, build and install the fixed play areas has been appointed and the physical works at Meigh and Mayobridge play parks are scheduled to commence during Q2 2018-19. Several community consultations have also taken place, including Barcroft Community Centre/Raymond McCreesh Park (Newry), Backfield Play Area, (Newcastle) and Bridge Community Centre Play Area (Killyleagh).</p>

<p>Engage more children and young people in community play initiatives across the district</p>		<p>During 2017-18, 1,175 children and young people participated in Community Play initiatives at various locations across all District Electoral Areas, with the highest levels of participation in Russell Gaelic Union, Martin's Lane and Drumanness Gaelic Athletic Club.</p>
<p>Co-ordinate and launch a multi-stakeholder Activity, Promotion and Development Plan, which maps out the provision of physical activity across the district, suitable for all ages and abilities</p>		<p>The development of the Activity, Promotion and Development Plan was delayed until the recruitment of tier 5 Officers concluded in Q4 2017-18. The plan will be progressed through the Leisure and Play Partnership during 2018-19.</p>

Measure of Success	2015-16		2016-17		2017-18		Status Trend	Explanatory note
4% increase in the number of participants using indoor leisure facilities	Target 1,300,712 attendances	Actual 1,435,558 attendances	Target 1,367,060 attendances	Actual 1,453,107 attendances	Target 1,436,739 attendances	Actual 1,595,269 attendances		Over the past three years, the Council exceeded the targets set for the number of attendances at all indoor leisure facilities, apart from the facilities in Newcastle**. This can largely be attributed to the reduced opening hours at some of the seasonal facilities and poor weather conditions during the Summer 2017. Between 2016-17 and 2017-18, there was a 9.8% increase in the total number of attendances, including a 23% increase at Newry Leisure Centre and a 14.4% increase at Downpatrick Leisure Centre. However, attendance levels have declined at the Ballymore Centre and all Newcastle facilities over the same period.
5-6% increase in the number of participants using Newry Leisure Centre	Target 541,272 attendances	Actual 635,078 attendances	Target 555,272 attendances	Actual 612,601 attendances	Target 586,316 attendances	Actual 753,474 attendances		
9% increase in the number of participants using Downpatrick Leisure Centre by 2018-19	Target 167,668 attendances	Actual 212,584 attendances	Target 188,015 attendances	Actual 221,145 attendances	Target 192,515 attendances	Actual 252,924 attendances		



*Attendances include participants and non-participants.
 **Newcastle facilities include the Newcastle Centre, Tropicana, Castle Parks and the Rock Pool.

Measure of Success	Level of Customer Satisfaction with Leisure Facilities 2017-18		Status	Explanatory note
	2017-18	2017-18		
Level of user satisfaction with selected indoor leisure facilities	Newry Leisure Centre	70%	😊	Customer satisfaction surveys have been carried out across six leisure facilities, and satisfaction levels range from 64% for Downpatrick Leisure Centre to 84% for the Ballymote Centre. Results compare favourably to the UK average of 73.19%, and further analysis will be undertaken through APSE Performance Networks and reported to the Active and Healthy Communities Committee.
	St Colman's	74.8%		
	Newcastle Centre	71.2%		
	Ballymote Centre	84.8%		
	Down Leisure Centre	64.3%		
	Kilkeel Leisure Centre	76.1%		

<p>Number of children and young people engaged in Community Play initiatives</p>	<p>Participation in Community Play 2017-18</p> <table border="1"> <caption>Participation in Community Play 2017-18</caption> <thead> <tr> <th>Club</th> <th>Participation</th> </tr> </thead> <tbody> <tr><td>Martins Lane</td><td>~100</td></tr> <tr><td>Drumness GAC</td><td>~120</td></tr> <tr><td>Jonesborough</td><td>~150</td></tr> <tr><td>Derragh Cross GAC</td><td>~180</td></tr> <tr><td>Russell Gaelic Union</td><td>1,175</td></tr> <tr><td>Hilltown</td><td>~200</td></tr> <tr><td>St Pauls High School</td><td>~220</td></tr> <tr><td>Lislea Community</td><td>~250</td></tr> <tr><td>Ballyknarr GAA</td><td>~280</td></tr> <tr><td>Drumgath GAC</td><td>~300</td></tr> <tr><td>Carrageat CA</td><td>~320</td></tr> <tr><td>Ballynathirsh</td><td>~350</td></tr> </tbody> </table>	Club	Participation	Martins Lane	~100	Drumness GAC	~120	Jonesborough	~150	Derragh Cross GAC	~180	Russell Gaelic Union	1,175	Hilltown	~200	St Pauls High School	~220	Lislea Community	~250	Ballyknarr GAA	~280	Drumgath GAC	~300	Carrageat CA	~320	Ballynathirsh	~350	<table border="1"> <thead> <tr> <th>2016-17</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>834</td> <td>1,175</td> </tr> </tbody> </table>	2016-17	2017-18	834	1,175	<p>During 2017-18, 1,175 children and young people participated in the Community Play initiative, which represents an increase of 40.9% since 2016-17. The highest levels of participation were in Russell Gaelic Union, Martin's Lane and Drumness Gaelic Athletic Club.</p>
Club	Participation																																
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Community Planning Outcome

All people in Newry, Mourne and Down benefit from prosperous communities



Corporate Objective

Become one of the premier tourism destinations on the island of Ireland

Key Actions	Status	Progress
Establish a recognised tourism brand for the District		The Tourism Strategy 2017-21 has been adopted and seeks to maximise tourism growth by focusing on the concept of 'mountains, myths and maritime' as a distinctive brand for the District. A Visitor Experience Plan and Tourism Marketing Plan were launched which recognise and promote the themes, stories and authentic experiences on offer across the District. County Down was also nominated as one of the Top 100 Green Destinations in Europe in 2017 and Newcastle gained the silver award for the Britain in Bloom competition, which recognises towns and villages with the most beautiful plantings and horticultural schemes.
Work with NITB, Tourism Ireland and other stakeholders to review and improve tourism infrastructure		The Tourism Strategy puts in place a framework for the Council to work with key partners to improve the tourism infrastructure of the District. Through ongoing partnership working with Tourism NI and via clusters of tourism stakeholders, the Council is collaborating with partners across the statutory, voluntary and community sectors to develop and deliver activities to promote tourism across the District. Through this ongoing collaboration, the Council continues to develop key tourism infrastructure projects, such as the Mournes Gateway Project, for the benefit of the local tourism industry.
Explore the potential for Geotourism along the east coast border areas		The Council continues to progress the tourism potential associated with UNESCO Global Geopark status for the three Areas of Outstanding Natural Beauty (AONB's) of Strangford and Lecale, Ring of Gullion and the Mournes. UNESCO Global Geopark status will play a key role in differentiating the area through a stronger, cohesive market identity. In May

		<p>2018, the Council hosted the 'Tale of Two Oceans' to share insights about the geological history of the area and how it is linked to sustainable tourism, recreation, natural assets and the economy. In June 2018, as part of the European Geoparks week, the Council also hosted a Geopark open day to encourage local people to learn about geotourism and get involved in educational activities.</p>
<p>Take a lead role in realising the tourism potential of hosting the Irish Open and other major events</p>		<p>The Council successfully supported the Irish Open in 2015 and continues to host and support a range of events across the District, including the Soma Festival, Blues on the Bay, Camlough Water Festival and the Home of St Patrick. Between 2016-17 and 2017-18, the overall economic impact of events increased from £9m to £13.5m*. During 2018-19, the Council will also include 'Tourism Events' as a funding stream within the Council's Financial Assistance Scheme, in order to support indigenous local events to grow audiences and attract more visitors to stay longer in the District.</p>
<p>Review the tourism infrastructure of Newcastle</p>		<p>In partnership with Tourism NI, the Council has completed the Mourne Mountains Gateway Study which explores the potential of a major flagship tourism project for the District. This project will be progressed as part of the Belfast Region City Deal.</p>

*The methodology the Council used to assess the overall impact of events changed between 2016-17 and 2017-18, and year on year comparisons therefore remain indicative.



Measure of Success	2015	2016	2017	NI Average 2017	Trend	Explanatory Note
Increased visitor numbers	406,302	571,054	589,581	455,360		<p>Since 2015, the number of visitors to Newry, Mourne and Down increased by 45%. In 2017, Newry, Mourne and Down recorded the third highest number of visitors across the eleven Local Government Districts, behind Belfast and Causeway Coast and Glens, exceeding the regional average.</p>
Increased dwell time of visitors (number of overnights stays)	1,060,063	1,561,067	1,675,229	1,533,284		<p>Since 2015, the overall dwell time of visitors increased by 58%. Whilst the average number of nights also increased from 2.7 in 2016 to 2.8 in 2017, it falls below the current regional average of 3.4 nights. The most popular reasons for visiting Newry, Mourne and Down was for 'holiday, pleasure and leisure', followed by 'visiting friends and relatives'.</p>



<p>Increased visitor spend</p>	<p>£48,071,493</p>	<p>£60,934,823</p>	<p>£90,432,246</p>	<p>£84,193,564</p>	<p>▲</p>	<p>Since 2015, the overall level of visitor spend in Newry, Mourne and Down increased by 88%, including a 48% increase between 2016 and 2017, which was the highest recorded increase across the eleven Local Government Districts. Whilst the average spend per trip also increased from £106.72 to £153.38 and the average spend per night increased from £39.04 in 2016 to £53.98 in 2017, both fall below the current regional averages of £184.89 and £54.91 respectively. Visitor spend in Newry, Mourne and Down currently accounts for 10% of all visitor spend across Northern Ireland.</p>																																			
<p>Number of Overnight Trips (Visitor Numbers)</p> <table border="1"> <caption>Number of Overnight Trips (Visitor Numbers)</caption> <thead> <tr> <th>Year</th> <th>NMDDC</th> <th>NI Average</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>420,000</td> <td>420,000</td> </tr> <tr> <td>2016</td> <td>550,000</td> <td>430,000</td> </tr> <tr> <td>2017</td> <td>600,000</td> <td>450,000</td> </tr> </tbody> </table>		Year	NMDDC	NI Average	2015	420,000	420,000	2016	550,000	430,000	2017	600,000	450,000	<p>Number of Nights Spent on Overnight Trips</p> <table border="1"> <caption>Number of Nights Spent on Overnight Trips</caption> <thead> <tr> <th>Year</th> <th>NMDDC</th> <th>NI Average</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1,550,000</td> <td>1,400,000</td> </tr> <tr> <td>2016</td> <td>1,400,000</td> <td>1,450,000</td> </tr> <tr> <td>2017</td> <td>1,050,000</td> <td>1,450,000</td> </tr> </tbody> </table>		Year	NMDDC	NI Average	2015	1,550,000	1,400,000	2016	1,400,000	1,450,000	2017	1,050,000	1,450,000	<p>Spend during Overnight Trips</p> <table border="1"> <caption>Spend during Overnight Trips</caption> <thead> <tr> <th>Year</th> <th>NMDDC</th> <th>NI Average</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>£55,000,000</td> <td>£90,000,000</td> </tr> <tr> <td>2016</td> <td>£60,000,000</td> <td>£80,000,000</td> </tr> <tr> <td>2017</td> <td>£90,000,000</td> <td>£70,000,000</td> </tr> </tbody> </table>		Year	NMDDC	NI Average	2015	£55,000,000	£90,000,000	2016	£60,000,000	£80,000,000	2017	£90,000,000	£70,000,000
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*Tourism figures reflect the most recent 2017 report which has been issued by Tourism Northern Ireland.




Corporate Objective

Attract investment and support the creation of new jobs

Key Actions	Status	Progress
<p>Secure the District's position as a cross-border gateway for Dublin, Belfast and beyond</p>		<p>On behalf of the Councils along the Border Corridor Region, Newry, Mourne and Down District Council commissioned a piece of research into the risks and opportunities presented by Brexit, focusing on the key business sectors, as well as the movement of commuters, goods and tourism. The Council presented the findings of this research at a Cross Border Brexit Conference in February 2018, which stimulated discussion and debate amongst key stakeholders on how to prepare for the challenges and opportunities ahead.</p> <p>Alongside the NI Executive, Westminster and other local authorities, the Council is participating in the Belfast Region City Deal which aims to secure an investment package to unlock economic growth, attract better jobs, improve skills and employability and secure foreign direct investment. A key proposal within the investment plan for the Belfast Region City Deal is the Southern Relief Road which will connect the A2 Warrenpoint Dual Carriageway and A1/N1 Belfast-Dublin Corridor, positioning Newry as a key strategic gateway to Dublin, Belfast and the European Union. This road will advance the economic infrastructure required to support business growth, new investment and the movement of workers and investors along the North South Corridor.</p>
<p>Liaise with education and training establishments to ensure a steady flow of skilled employees for employers</p>		<p>Made up of representatives from local businesses and the education sector, the Economic Forum facilitates sustainable connectivity across key sectors to ensure future business needs and requirements are met. During 2017-18, multi-stakeholder working groups were established to support the Economic Forum, focusing on the key areas of 'skills', 'infrastructure' and 'Brexit'. Through the Skills Forum, education and industry representatives are working together to review local skills supply and demand, and plan for the future needs of the business and education sectors across the District.</p>

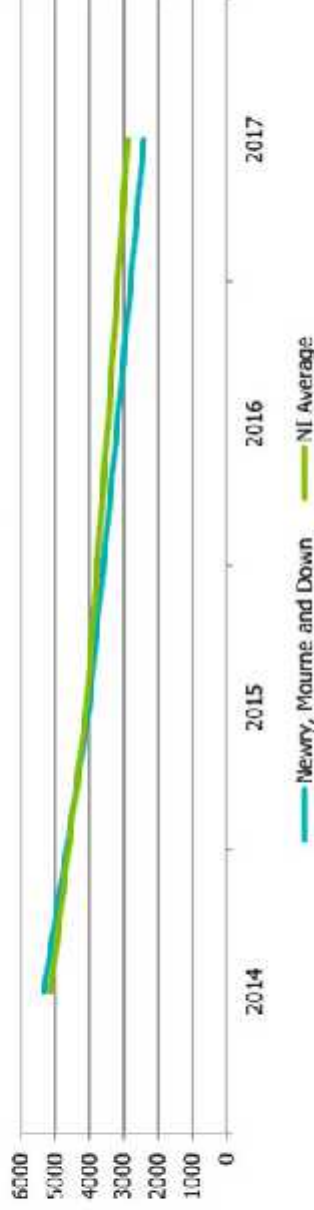
		<p>The Council was also the lead partner in the £2.7m Social Investment Fund Southern Zone 'Work It' programme which enabled young people who were not in education, employment or training to access 48 week employment, essential skills training, team building and personal development services. The project has successfully concluded with a 78% into employment rate for the 160 participants who completed the programme and a 99.3% satisfaction rate. 500 community programmes have also been delivered and there have been 384 accredited qualifications awarded.</p>
<p>Successfully deliver Small Business Start and Growth Programmes, locally based</p>		<p>During 2017-18, the Council successfully worked with 250 local businesses to encourage business growth. Key programmes included the:</p> <ul style="list-style-type: none"> • 'Ready Steady Innovate' Business Breakfast, through which 60 businesses received advice on the support available to promote growth and innovation. • 'Overseas Results' programme, through which 20 businesses were provided with an opportunity to market their services or products to potential customers in overseas markets, such as Spain, Brazil and Germany. All participating businesses received the details of overseas clients which expressed an interest in engaging with them in the near future. <p>Through the European Regional Development Fund, the Council also secured funding to deliver the Business Growth Mentoring Programme which will engage up to 840 small and micro sized businesses and create 470 new employment positions over the next five years. In partnership with the Southern Regional College and South Eastern Regional College, the Council launched 'Digital NMD' in March 2018, which focuses on equipping local businesses with the confidence, skills and tools to benefit from rapid growth of digital and emerging technologies.</p>
<p>Prioritise infrastructure development and economic regeneration as part of the new Local Development Plan</p>		<p>In January 2018, the Planning Department transferred to the Enterprise, Regeneration and Tourism Directorate, strengthening collaboration and joined up working in relation to key economic, tourism and regeneration projects. In June 2018, the Council published the Preferred Option Paper (POP) to stimulate debate and encourage feedback on key issues of strategic significance across the District. Feedback from the public consultation</p>

		<p>exercise will inform the development of Local Development Plan (LDP). The next stage of the LDP will be the preparation and publication of the Draft Plan Strategy, followed by the Draft Local Policies Plan, both of which will be subject to Independent Examination prior to adoption. The current timetable programmes the LDP to be fully adopted in 2022-23.</p>
<p>Establish a new civic centre for Newry City</p>		<p>The regeneration plans for Newry City Centre are well underway, and seek to capitalise on the City's unique advantage as a regional gateway between Northern Ireland and the Republic of Ireland, by facilitating new investment, creating new jobs and attracting more visitors. The new Civic Centre, theatre/conferencing centre and new hotel/office developments, City Park and Southern Relief Road are central to achieving the overall vision of a vibrant and modern city.</p>

Measures of Success	2015-16		2016-17		2017-18		NI Average 2017-18	Status Trend	Explanatory Note
	Target	Actual	Target	Actual	Target	Actual			
Increased number of new businesses started	207	233	197	172	167	167	160	 	Through the regional business start programme, the Council has supported 572 business start ups over the past three years. Whilst the Council achieved the targets set for 2015-16 and 2017-18, the 2016-17 targets were not met as the programme moved into interim delivery arrangements, which involved a reduced marketing structure and resulted in lower levels of participation across many Local Government Districts.
Major planning applications processed within 30 weeks	-	15.7%	-	14.8%	0%	-	26%		Since 2015-16, the number of major planning applications processed within the statutory standard of <30 weeks has declined, with no applications being processed within this time during 2017-18. This is largely due to the fact that 53.3% of the major planning applications processed in 2017-18 were legacy cases received prior to the transition of planning powers in 2015, which were very complex in nature. Over the past year, Newry, Mourne and Down processed the highest proportion of legacy cases across NI.

Increased levels of employment (Job Seekers Allowance Claimants)	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Similar to the regional trend, the number of Job Seekers Allowance claimants in Newry, Mourne and Down decreased by 55% from 5,340 in 2014 to 2,420 in 2017, and falls below the current regional average of 2,878.
	5,340	4,010	3,190	2,420	




Job Seekers Allowance Claimants









Performance Improvement Objective

Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination





Supporting action	Status	Progress
Through the NI Business Start Up Programme, support the promotion of new jobs across the district		In September 2017, the NI 'Go for It' programme was launched to offer regional business start up support and activity and promote new jobs across the eleven Local Government Districts. Since 2015-16, the Council has met or exceeded all targets in relation to the promotion of new jobs through the regional business start programmes.
Support and develop the growth of the existing business and social economy base by delivering a		During 2017-18, the Council successfully worked with 250 local businesses to encourage business growth, through the Overseas Results Programme, 'Ready Steady Innovate' Business Breakfast and a series of short programmes which focused on brand development, online marketing and exporting. In partnership with the Southern

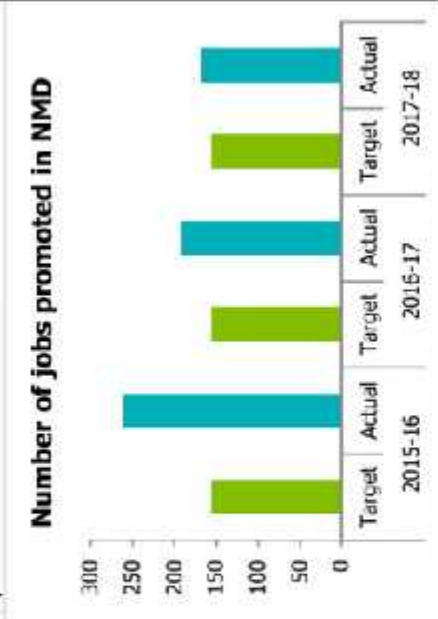
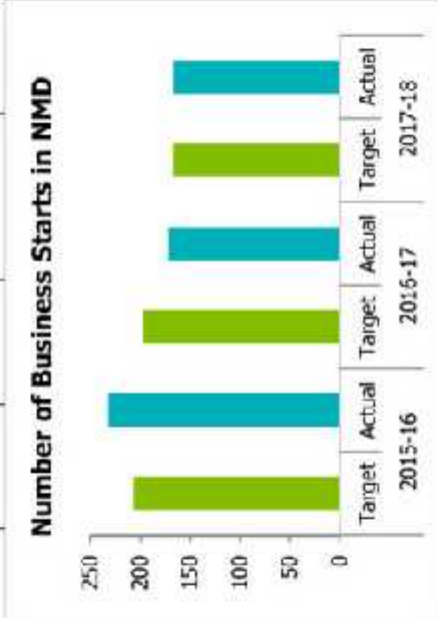
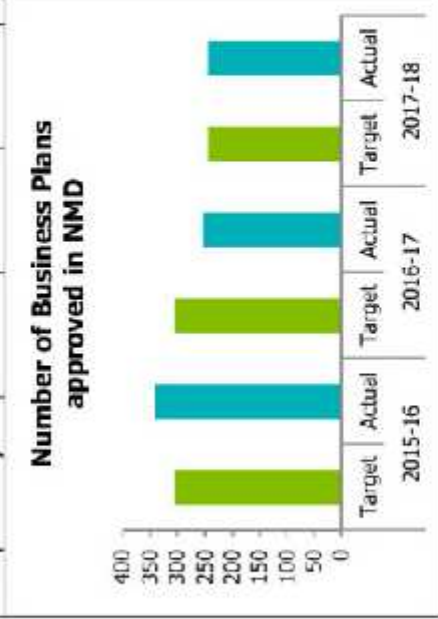
<p>programme of activity to increase turnover, secure new contracts and create new employment opportunities</p>		<p>Regional College, the Council also delivered the 'Crest' programme which enhanced the skills of over 140 residents who were unemployed, inactive or on low income. Skills programmes were delivered in the community, focusing on areas of employment with available job opportunities.</p> <p>Through the Social Economy Programme, the Council continues to support the establishment and growth of social enterprises, and during 2017-18, provided support to 70 community groups and organisations and recruited 40 new volunteers.</p>
<p>Through the Rural Business Investment Scheme, invest £570,000 during 2017-2018 to support the establishment and growth of small and micro businesses, and the creation of new jobs in rural areas</p>		<p>The Mourne, Gullion and Lecale Partnership awarded £1m to 31 projects through Calls 1 and 2 of the Rural Business Investment Scheme, and to date, 15 projects have successfully availed of £485k grant funding. The Local Action Group is currently working on Call 3 and has held 10 pre application workshops which have attracted over 350 attendees. Over 120 expressions of interest have been submitted, with eligible projects working towards the submission of a full application by August 2018.</p>
<p>Implement the following key projects within the Tourism Strategy:</p>		
<p>Prepare and submit a revised application to the UK National Commission for UNESCO for Global Geopark status for the Mournes and Ring Gullion by 2019</p>		<p>The Council is working in partnership with the Geological Survey of Northern Ireland to progress Global Geopark status for the Mournes and Ring of Gullion. The Marketing and Engagement Plan has been developed and rolled out, and the Geopark Steering Group has been established. The Council is on track to submit the revised application for Global Geopark Status by November 2019.</p>
<p>Continue to develop the concept of the Great Eastern Greenway through the delivery of phase 2 of the Carlingford Lough Greenway</p>		<p>The Carlingford Lough Greenway is scheduled to complete in 2020. The new 10km off road trail will connect Newry, Omeath and Carlingford, and lead to more sustainable cross border transport and mobility. The 6.2km Greenway from Omeath to Carlingford was constructed in 2013 and attracted 53,000 users during 2016. A further 2.1km of</p>

<p>by June 2020, including the completion of the Greenway between the Weir and Victoria Lough by December 2017</p>		<p>Greenway from the Albert Basin to the Weir completed in December 2016, and the Greenway between the Weir and Victoria Lough completed in January 2018.</p>
<p>Develop two Destination Experience Development Plans to identify and create 'epic' moments by 2018, for: Mourne and Ring of Gullion The Mourne Coast</p>		<p>Extensive consultation and engagement with key stakeholders across the tourism industry has informed the development of the Visitor Experience Development Plan for Mourne, Ring of Gullion and the Mourne Coast. 40 businesses from the tourism and hospitality sector are engaged through six cluster groups to develop and bring authentic visitor experiences to life, across a range of themes including 'Fire and Ice', 'Giant Druids and Early Saints' and 'Livelihoods and Lifestyles'. This plan will be promoted to prospective visitors to increase tourism volume and revenue across the District.</p>
<p>Organise and promote five flagship festivals across the district:</p>		<p>Between June-September, the Council successfully organised and promoted five Giant Adventure festivals across the District:</p>
<p>Footsteps in the Forest (Slieve Gullion)</p>		<p>Footsteps in the Forest took place in June 2017, attracting around 9,000 visitors and generating an estimated total spend of £400,000, including £222,263 in direct spend. The event was rated very highly, with an average rating of 9.03 out of 10. 50% of respondents considered the event as 'extremely good', 62% considered the entertainment to be 'extremely good' and 95% felt that the event met or exceeded their expectations.</p>
<p>Skiffie Festival (Strangford Lough)</p>		<p>The Skiffie Strangford Lough festival took place in July 2017, attracting around 10,000 visitors, and generating an estimated total spend of £475,000, including £263,457 in direct spend. The event was rated highly, with an average rating of 8.84 out of 10. 34% of respondents considered the event as 'extremely good', 29% considered the entertainment to be 'extremely good' and 97% felt that the event met or exceeded their expectations.</p>

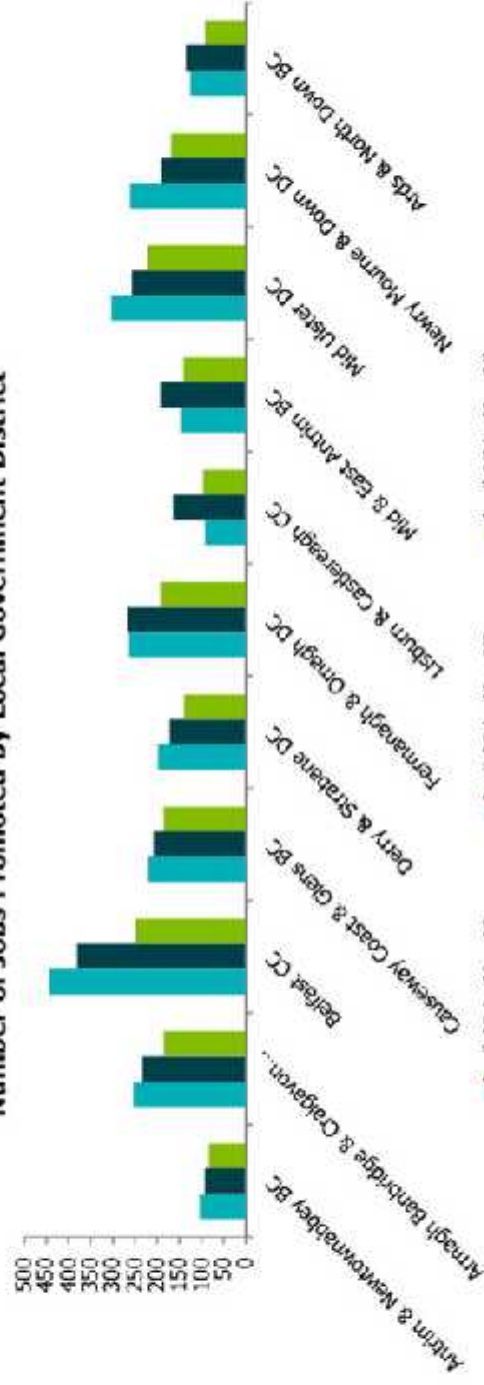
<p>Wake the Giant (Warrenpoint)</p>		<p>Wake the Giant took place in August 2017, attracting around 9,000 visitors, and generating an estimated total spend of £307,000, including £170,342 in direct spend. The event was rated highly, with an average rating of 8.73 out of 10. 40% of respondents considered the event as 'extremely good', 51% considered the entertainment to be 'extremely good' and 91% felt that the event met or exceeded their expectations.</p>
<p>Festival of Flight (Newcastle)</p>		<p>Festival of Flight took place in August 2017 and attracted around 103,000 visitors, generating an estimated total spend of £5.7m, including £3,175,974 in direct spend. The event was rated highly, with an average rating of 9.03 out of 10. 51% of respondents considered the event as 'extremely good', 52% considered the entertainment to be 'extremely good' and 94% felt that the event met or exceeded their expectations.</p>
<p>City of Merchants (Newry)</p>		<p>The first City of Merchants festival took place in September 2017, attracting around 8,150 visitors, and generating an estimated total spend of £276,000, including £153,120 in direct spend. The event was rated very highly, with an average rating of 8.83 out of 10. 47% of respondents considered the event as 'extremely good', 58% considered the entertainment to be 'extremely good' and 93% felt that the event met or exceeded their expectations.</p>

Measure of success	2015-16		2016-17		2017-18		NI Average 2017-18	Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual			
Number of business plans approved	305	342	306	253	245	245	235	 	In 2015-16, the Council exceeded the targets set through the regional Business Start Programme by 13% for new businesses started and 68% for new jobs promoted. However, whilst the Council has continued to exceed the targets set for the number of jobs promoted, and is currently ranked 6/11 across Northern Ireland, overall, there has been a decline in performance. This is

Number of new business starts	207	233	197	172	167	167	160	 	largely due to the programme moving into interim delivery arrangements, which involved a greatly reduced marketing campaign and resulted in lower levels of participation regionally. In September 2017 all Councils in Northern Ireland signed legal agreements with Lisburn and Castlereagh City Council, which is the lead Council for the delivery of the new Council led regional Business Start Programme. The marketing campaign was launched in January 2018, and should have a positive impact on the number of new business starts and jobs promoted in the future.
(Statutory PI) Number of jobs promoted through business start-up activity	>155	261	>155	192	>155	168	159	 	

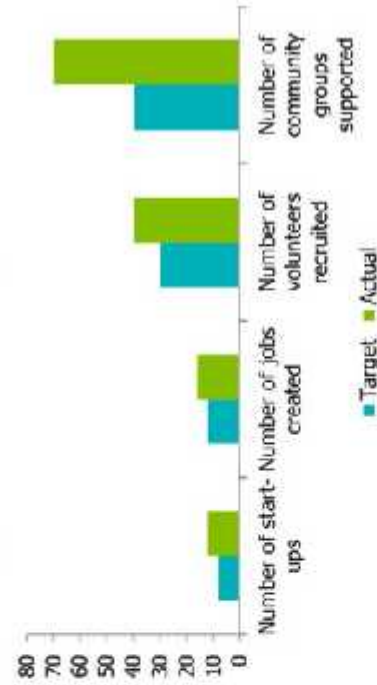




Number of Jobs Promoted by Local Government District



Measure of Success	2017-18 Target	2017-18 Actual	Status	Explanatory Note
Number of new social enterprise start ups	8	12	🟢	During 2017-18, the Council exceeded all targets for supporting the social economy across the District. This included the creation of 12 new social enterprise start ups and 16 new social enterprise jobs, coupled with support for 70 community groups and the recruitment of 40 new volunteers.
Number of new social enterprise jobs created	12	16	🟢	
Number of new volunteers recruited	30	40	🟢	
Number of community groups and organisations supported	40	70	🟢	

Support for Social Enterprises 2017-18



Number of micro and small rural businesses created by March 2020	-	-	-	-	-	55	4	-
Number of micro and small businesses in rural areas supported by March 2020	-	-	-	-	-	30	15	-
Number of new jobs created in rural areas by March 2020	-	-	-	-	-	147	5.5	-
Measure of Success	2015							
Growth rate per annum in overnight expenditure in Newry, Mourne and Down	NI Target	NMD Actual	NI Target	NMD Actual	NI Target	NMD Actual	NI Target	NMD Actual
	6%	(-10.4)%	6%	26.8%	6%	48.4%	8.9%	 
<p>The Council has continued to successfully progress the implementation of the Rural Business Investment Scheme, with £1m being awarded to 31 projects through Calls 1 and 2. Whilst 4 new businesses and 5.5(fte) confirmed jobs have been created in rural areas under Call 1, it should be noted that there is a 'lag' between the initiation of the programme and the subsequent creation of businesses and jobs. The Rural Business Investment Scheme will continue to be monitored through the five year Rural Development Programme, and it is currently anticipated that the targets set will be achieved.</p> <p>The general regional target for growth in overnight expenditure is 6%. Newry, Mourne and Down exceeded this target in 2016 and 2017 when there was an increase of 26.8% and 48.4% respectively.</p>								

	2016-17	2017-18	Trend	
<p>Number of visitors to flagship festivals</p>	137,966	139,150	▲	<p>Between 2016 and 2017, the total number of visitors to the Giant Adventure festivals increased, particularly for the Festival of Flight and Footsteps in the Forest festivals. However, there was a significant decrease in the number of visitors to the Skiffie Festival in 2017, which can be attributed to the fact that the District hosted the Skiffie World Festival in 2016. An additional 8,150 visitors were recorded at the first ever City of Merchants Festival in 2017.</p>
<p>Estimated direct spend at flagship festivals</p>	£4,215 m	£4,108 m	▼	<p>Between 2016 and 2017, there was a slight decrease in the amount of direct spend at the Giant Adventure festivals. This is largely due to the District hosting the Skiffie World festival in 2016 which generated an estimated direct spend of £973,985 compared to £263,457 in 2017. Estimated direct spend at all other festivals increased, with the first ever City of Merchants Festival generating around £276,000 in direct spend.</p>

<p>Level of visitor satisfaction with flagship festivals</p>		<p>90%</p>	<p>96%</p>	<p>The level of visitor satisfaction with all flagship festivals increased from an average of 90% in 2016 to 96% in 2017. The satisfaction level for each festival improved and the first ever City of Merchants festival reported an overall satisfaction rating of 95%.</p>
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* 'Average spend per group at flagship festivals' has been substituted with 'estimated direct spend at flagship festivals', as a result of the amended methodology for evaluating events.


**The methodology for evaluating events changed between 2016-17 and 2017-18 and year on year comparisons therefore remain indicative.

**The 'level of visitor satisfaction with flagship festivals' is determined using the overall rating of events. This was calculated based on a score of 1-5 in 2016 (with scores 4-5 used to determine the satisfaction level) and 1-10 in 2017 (with scores 6-10 being used to determine the satisfaction level).

Corporate Objective

Lead the regeneration of urban and rural areas




Key Actions	Status	Progress
<p>Implement master plans, including an up-to-date action plan for every town and village</p>		<p>The Council continues to progress the implementation of the agreed masterplans for Ballynahinch, Downpatrick, Newry City and the South East Coast.</p> <ul style="list-style-type: none"> Developing Kilkeel Harbour as a strategic landing and processing port is a flagship project within the South East Coast Masterplan. The Options Feasibility Study and Stage 2 De Risking Study is now complete, which assesses the impact of the preferred option for the development in Kilkeel. The Council also continues to support key stakeholders to develop the future growth of the local fishing industry. The Council is progressing the Ballynahinch Masterplan which identifies 10 priority areas for revitalising the town centre, including the identification of vacant and







		<p>derelict properties and promoting what the town has to offer. The proposed Ballynahinch Bypass remains in the planning stages and the Council is working with Transport NI to secure approval.</p> <ul style="list-style-type: none"> The implementation of the Downpatrick Masterplan is underway and includes the Irish Street Public Realm scheme, which is scheduled to commence in January 2019 and will provide new pavements, street furniture and planting. The Council is also working with the Department for the Communities to progress a development brief for the former PSNI Station site on Irish Street, and a planning application has been submitted in relation to the development of a hotel in Downpatrick. The Newry City Masterplan is progressing well and includes the Southern Relief Road in Newry which will connect the A1 Dublin Road and A2 Warrenpoint Road.
<p>Introduce a rolling programme of EI schemes across towns and villages</p>		<p>The environmental improvement schemes in Newry Cathedral Quarter and Warrenpoint are complete and both revitalisation schemes are due to commence when the funding is released by the Department for Communities during 2018-19. In addition to the Environmental Improvement Schemes, the Council is progressing an application for submission to the Heritage Lottery Fund around the Moorish Tower, Grange, Castle and Annesley Garden and Arboretum at Castlewellan Forest Park, and has also been awarded £2m to invest in the fishing dependent communities of Ardglass, Annalong, Kilkeel and Portavogie through the European Maritime Fisheries Fund.</p>
<p>Agree with the Department of Social Development (DSD) arrangements for the transfer of regeneration powers and functions</p>	<p>No longer relevant</p>	<p>Regeneration powers will no longer transfer from central to local government. The Council has been liaising with the Department for Communities to agree how future regeneration projects will be progressed through effective partnership working and collaboration.</p>

Measure of Success		Target - 2020	Explanatory Note
Increased number of new businesses and jobs created in rural areas	55 new micro and small businesses created in rural areas	147 new jobs created in rural areas	To be delivered and monitored through the Rural Development Programme 2015-2020.

Performance Improvement Objective

Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in

Supporting action	Status	Progress
Restore the physical and cultural heritage of Warrenpoint Municipal Park by: Completing the physical redevelopment of the park by May 2018		The Council is in the delivery phase of the Warrenpoint Municipal Park restoration project. The physical re-development works commenced in Q4 2017-18, and following completion in Q2 2018-19, the Council will progress obtaining the Green Flag award for environmental sustainability.
Obtaining the Green Flag award for environmental sustainability by October 2018		
Implement the AONB Actions Plans for the Ring of Gullion and Strangford and Lecale		Both AONB Management Action Plans are currently being implemented by their respective partnerships. During 2017-18, around 50 funded projects were delivered, in addition to a wide range of training and engagement programmes such as Youth Rangers, Ambassadors and Conservation Volunteers, which resulted in approximately 3,500 hours of volunteer time. Key projects progressed in the Ring of Gullion AONB include the Sensory Trail, Iron Age Roundhouse, creation of a more sustainable path network and progressing plans to refurbish Chambre House into an interactive Family Heritage Centre. Key projects progressed in the Strangford and Lecale AONB include the development of an Outdoor Recreation Plan, completion of an access audit for Strangford Lough and Lecale, as well as a number of initiatives to remove coastal litter.

Invest in high quality environmental improvement and revitalisation schemes:				
				
Commence the delivery of the Irish Street, Downpatrick environmental improvement scheme, including the provision of increased parking, upgraded street lighting and improved landscape				
Commence the delivery of the Newry revitalisation scheme, including the Cathedral Corridor shop front scheme, shop local campaign, Newry BID and the purple flag award				
Commence the delivery of the Warrenpoint revitalisation scheme, including the shop front scheme and shop local campaign				
Complete the Forkhill Greenspace Project, including the creation of a village pathway by May 2017				
Progress the implementation of the Rural Development Programme, including the development update of 42 Village Plans by March 2018 to				
				<p>Funding for the environmental improvement and revitalisation schemes in Downpatrick, Newry and Warrenpoint has not yet been released by the Department for Communities. It is anticipated that the Letter of Offer will be issued during 2018-19.</p> <p>The Forkhill Greenspace Pathway Project completed in May 2017 and the official launch took place in June 2017, representing the completion of another key project from the original masterplan for the former Forkhill Army Base. Funded by the Department of Agriculture, Environment and Rural Affairs (DAERA) and Newry, Mourne and Down District Council, the £350k project includes an 800 metre circular pathway with seating, tree planting and artwork images designed by pupils from the local primary school.</p> <p>The Council secured £51,375 funding from the Mourne, Gullion and Lecale Partnership which contributed towards updating 25 existing Village Plans and creating 20 new Village Plans. 60 community groups and 500 individuals took part in the consultation around the development of Village Plans which identify</p>

<p>Identify physical and environmental improvement projects across the district</p>	<p>improvements to the environment, infrastructure, tourism, leisure, recreation and the provision of services. The Mourne, Gullion and Lecale Partnership has also awarded the Council £500k to build and improve 16 play parks, as identified within the Village Plans.</p>
<p>Work in partnership with the relevant Departments to enhance broadband provision across the district.</p>	<p>The Council has been proactively working with the relevant partner organisations and Departments to enhance digital connectivity across the District.</p> <ul style="list-style-type: none"> • LPWAN – Delivered in partnership with the University of Ulster, Invest NI and all Councils in NI, this regional programme will facilitate the deployment of a 'Low Powered Wide Area Network', supporting Smarter City and the City Deal strategy. This infrastructure is also known as the 'Internet of Things' (IoT) and provides a unique opportunity for businesses and aspiring entrepreneurs to gain free access to the IoT network, allowing experimental research and development. • Gigabit Voucher Scheme – The Council is currently promoting the regional Gigabit Voucher Scheme for small businesses and the local communities surrounding them. This scheme enables applicants to access up to £3,000 towards the cost of a gigabit capable connection. • Broadband Survey – This Council led survey received over 924 responses which have highlighted connectivity issues across the district. The data will be used to support future applications to the Local Full Fibre Network in order to improve digital connectivity across the district.

Measure of success	2015-16	2018-19	2020-21	Explanatory note
Number of visitors to Warrenpoint Municipal Park	Actual 20,865	Target 27,900	Target 35,000	The baseline data was collated in 2015-16 and the next visitor survey will be carried out in Q3 2018-19.
Visitor satisfaction with Warrenpoint Municipal park	68%	74%	80%	The baseline data was collated in 2015-16 and the next visitor survey will be carried out in Q3 2018-19.

<p>Number of people who believe Warrenpoint Municipal park enhances their quality of life</p> <p>Increased footfall, improved business/visitor perception and reduced/sustained vacant properties by 2019-2020, following the completion of the Newry, Warrenpoint and Downpatrick environmental improvement and revitalisation schemes.</p>	<p>31%</p>	<p>40.5%</p>	<p>50%</p>	<p>The baseline data was collated in 2015-16 and the next visitor survey will be carried out in Q3 2018-19.</p>
<p>The post project evaluations for the three environmental improvement and revitalisation schemes will be delayed, due to the funding not being released.</p>				



Community Planning Outcome

All people in Newry, Mourne and Down benefit from a clean, quality and sustainable environment

Corporate Objective

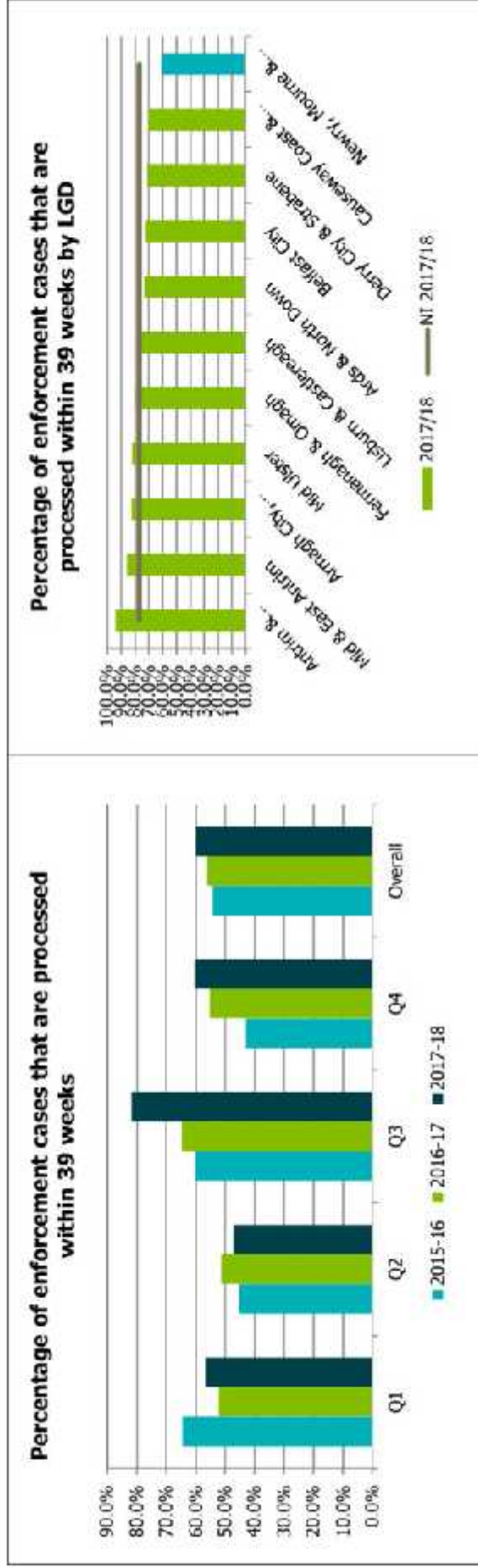
Protect our natural and built environment

Key Actions	Status	Progress
Close our existing landfill sites		Aughnagun and Drumakelly landfill sites closed in 2015 and 2016.
Better manage the District's waste		Since 2015-16, the Council increased the rate of recycling by 7.3% to 46.2% and reduced the amount of biodegradable municipal waste that is sent to landfill by 84% to 2,612 tonnes, exceeding the 2017-18 target by 89%. The Council introduced a number of programmes to meet 2020 recycling target of 50%, including the provision of free food recycling kits, made up of a brown bin, kitchen caddy, caddy liners and instructional information, to all households which didn't receive one.
Reduce the risk of flooding in high risk areas		The Council has been collaborating with the Rivers Agency regarding areas of high risk flooding, ensuring flood mitigation and prevention is incorporated into the Local Development Plan. In partnership with NI Water, the Council completed the Camlough Lake Rehabilitation Scheme in May 2017.
Protect the District's rich natural and built heritage		Through the implementation of the Biodiversity Action Plan, the Council is committed to complying with the statutory duty of biodiversity, by protecting, maintaining, enhancing and restoring biodiversity across the District, and mainstreaming biodiversity conservation across all Directorates. The delivery of the Bee-licious project is well underway, and to

date, habitat improvements have taken place in Newcastle and Newry. Internal Biodiversity Implementation Plans have also been developed to ensure that biodiversity is considered and mainstreamed into the overall delivery of Council functions.





The Council is also the lead partner in the €8.3m CANN (Collaborative Action for the Natura Network) project which involves 11 organisations and is funded through the INTERREG VA Programme. The project will help restore natural habitats and protect endangered species across selected sites in Northern Ireland, Ireland and Scotland.





Measure of Success	2015-16		2016-17		2017-18		Status Trend	Explanatory Note
	Target	Actual	Target	Actual	Target	Actual		
Level of waste to landfill – zero waste to landfill across the District (tonnes)	<26,396	16,265	<25,036	5,393	<23,675	2,612		Since 2015-16, the amount of biodegradable local authority collected municipal waste that is sent to landfill reduced by 84% to 2,612 tonnes, and the Council exceeded the target set by 89%.
Completion of flood defences at Camlough Lake	-	-	-	-	-	-		The Camlough Lake Rehabilitation Scheme completed in May 2017.
(Statutory PI) 70% of planning enforcement cases processed within 39 weeks	70%	54.1%	70%	56.1%	70%	59.9%		Whilst the Council did not meet the statutory standard of 70%, and is currently ranked 11/11 across Northern Ireland, the percentage of planning enforcement cases processed within 39 weeks has increased by 5.8% since 2015-16.









Performance Improvement Objective
 Create a cleaner, greener, more attractive District

Supporting action	Status	Progress
Increase the recycling rate in 2017-2018 by:		
Introducing blue bin collections for commercial properties in the legacy Down area		Blue bin collections are available to all commercial properties in the legacy Down area, and those properties which requested a blue bin have received one. The Council continues to circulate promotional material highlighting the cost and environmental benefits of recycling, and next steps include exploring options to implement alternate blue/black/brown bin collections for commercial properties.

<p>Standardising how glass is collected across the Newry, Mourne and Down District</p>		<p>A multi-disciplinary project team was established to explore options for standardising glass collection across the District. The standardisation process will commence on 1 April 2019, with glass being included in the blue bins of all households.</p>
<p>Opening the Downpatrick Household Waste Recycling Centre by Spring 2018</p>		<p>The completion of the Downpatrick Household Waste Recycling Centre has been delayed until Q4 2018-19 due to the requirement to carry out ecology surveys as part of the planning process.</p>
<p>Delivering a domestic food waste service across the district by extending brown bin collections and rolling out a district wide educational campaign</p>		<p>The domestic food waste service is now in place across the District and the education and awareness campaign has had a positive impact on the level of brown bin waste, which has increased by 60% since 2016-17. The success of the food waste recycling scheme is most evident between October-March when brown bin tonnages are maintained, despite the reduced levels of garden waste collected.</p>
<p>Undertaking 'targeted awareness raising' to promote the importance of recycling in all areas, particularly those with low recycling rates</p>		<p>During 2017-18, the Council promoted the importance of recycling by:</p> <ul style="list-style-type: none"> • Organising 120 visits to schools and community groups to deliver talks on waste management and recycling. • Hosting the Chairperson's Green Flag reception which seven schools attended. • Organising two Eco Schools Teacher information events, which teachers from 35 schools attended. • Ensuring all schools in the District are registered with the Eco Schools Programme, with 37 schools holding the green flag award. • Hosting the annual schools calendar competition which 60 schools took part in. This competition promotes the benefits of recycling and environmental issues to children and young people. • Distributing 15,000 copies of the calendar, free of charge to the 130 schools across the District. The inside two pages of the calendar provided information on brown bin recycling.

<p>Reviewing and identifying the optimum routes for domestic and commercial refuse collection to provide a more equitable service across the district, deliver efficiencies and improve customer satisfaction</p>		<p>The specification and project plan for the routes optimisation project has been agreed and will now be progressed through the Neighbourhood Services Transformation Project during 2018-19.</p>
<p>Improve the quality and cleanliness of the local environment by:</p>		
<p>Developing and implementing a Litter Strategy for the district</p>		<p>The draft Litter Strategy has been developed and will now be progressed through the Neighbourhood Services Transformation Project during 2018-19.</p>
<p>Undertaking 'targeted awareness raising' to communicate the detrimental impact of littering, dog fouling, fly tipping, graffiti and fly-posting in areas with high environmental crime</p>		<p>The Council actively works with schools, community groups and volunteers to promote environmentally friendly practices by engaging visitors at festivals and carrying out leaflet drops in various neighbourhoods across the District. Litter and dog fouling bins in Warrenpoint have been rebranded and the recently developed Dog Fouling Strategy will be rolled out during 2018-19.</p>
<p>Promoting public participation in clean-up campaigns and initiatives such as 'Down Your Street'</p>		<p>The Council continues to actively support voluntary clean ups by loaning equipment, such as litter pickers, bags, vests and gloves, and removing the waste collected. During 2017-18, it is estimated that the Council assisted around 100 clean-ups which were carried out by local schools, community groups, businesses, as well as the events organised by Keep Northern Ireland Beautiful, such as the Big Spring Clean and Coca Cola Clean Coasts. The two minute beach clean initiatives along the Warrenpoint, Cranfield, Tyrella, Newcastle and Lecale coast have also proved successful in removing coastal litter. The Council will continue to develop and strengthen its arrangements to monitor the support provided for clean up campaigns.</p>

		<p>Through the 'Down Your Street' initiative, the Council also awarded £39,988 to 18 projects to deliver a range of environmental improvements, including the Abraetum and Walled Garden in Castlewellaan and the beach and promenade clean up in Newcastle.</p>
Developing a web-based scheme for the public to report environmental issues, including littering, graffiti and fly tipping		<p>This scheme to report environmental issues electronically will now be progressed through the Neighbourhood Services Transformation Project during 2018-19.</p>
Developing an in-house street cleanliness monitoring system for the district		<p>As an alternative to developing an in-house street cleanliness system in 2017-18, the Council contracted Keep Northern Ireland Beautiful to measure and monitor street cleanliness across the District. Cleaner Neighbourhoods Surveys were carried out in August 2017 and April 2018, during which time the LEAMS score (Local Environmental Audit and Management System) decreased from 72 to 66, which falls below the average regional LEAMS score of 73 in August 2017. An action plan to address the key issues identified, specifically littering and dog fouling, is being finalised.</p>
Reviewing and identifying the optimum routes for street cleansing to provide a more equitable service across the district, deliver efficiencies and improve customer satisfaction		<p>The routes optimisation project for street cleansing will be progressed through the Neighbourhood Services Transformation Project during 2018-19.</p>
Improve the performance of the Council's Planning service by:		<p>During 2017-18, Newry, Mourne and Down received the second highest number of planning applications (1,570), reporting the greatest percentage increase across Northern Ireland since 2016-17 (5.3%). The Council also issued the second highest number of planning decisions (1,612) across Northern Ireland.</p>
Reducing the backlog of historic Planning applications		<p>The Council received the largest number of live legacy applications, which were submitted prior to the transfer of powers on 1 April 2015. Of the</p>

		<p>1,183 applications which transferred, 19.4% were more than one year old. As at March 2018, 56 of these applications remain live, representing a 95.3% reduction in the number of live legacy planning applications at Newry, Mourne and Down since April 2015.</p>
<p>Improving the processing times of local planning applications</p>		<p>Newry, Mourne and Down reported the greatest increase in the number of local planning applications received, from 1,483 in 2016-17 to 1,562 in 2017-18, and issued the second highest number of local decisions across Northern Ireland (1,597). The Council also reported the greatest level of improvement across Northern Ireland, with processing times reducing from 23 weeks in 2016-17 to 17 weeks in 2017-18. The average processing time for legacy cases was 176.2 weeks compared to 16.2 weeks for Council received cases. During 2017-18, 44.7% of local planning applications were processed within 15 weeks compared to 35.2% in 2016-17.</p>
<p>Improving the processing time of major planning applications</p>		<p>Newry, Mourne and Down reported the longest processing time of 127.6 weeks across Northern Ireland for the 15 major planning applications processed. Over half of these applications were complex legacy cases which were received prior to the transition of planning powers in 2015, and had been in the system a considerable amount of time. However, the Council processed the highest proportion of legacy cases across Northern Ireland, which has resulted in the lengthy average processing time. The average processing time for legacy cases was 216.4 weeks compared to 91.8 weeks for Council received applications. No major planning applications were processed within 30 weeks during 2017-18 compared to 14.8% in 2016-17.</p>

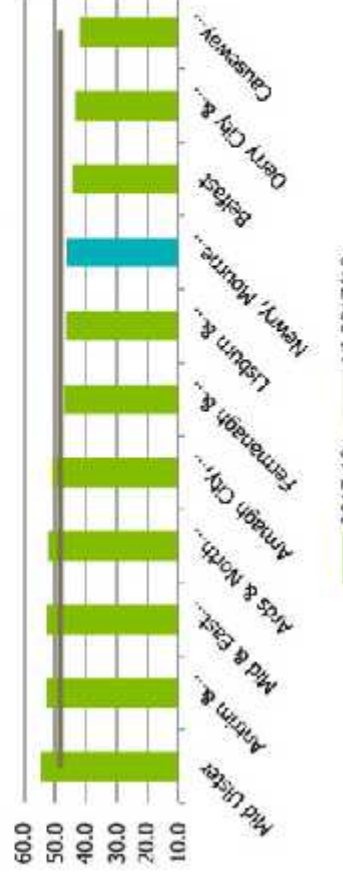
Measure of Success	2015-16		2016-17		2017-18		Status Trend	Explanatory Note
(Statutory PI)	Target	Actual	Target	Actual	Target	Actual		

Percentage of household waste collected that is sent for recycling	50% by 2020	38.9%	50% by 2020	40.1%	50% by 2020	46.2%	 	<p>Since 2015-16, the Council increased the overall rate of recycling by 7.3% to 46.2%, and is on track to meet the target of 50% by 2020. The overall recycling rate falls below the current regional average of 48.3% and the Council is ranked 8/11 across Northern Ireland.</p>
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Percentage of household waste collected by the Council that is sent for recycling



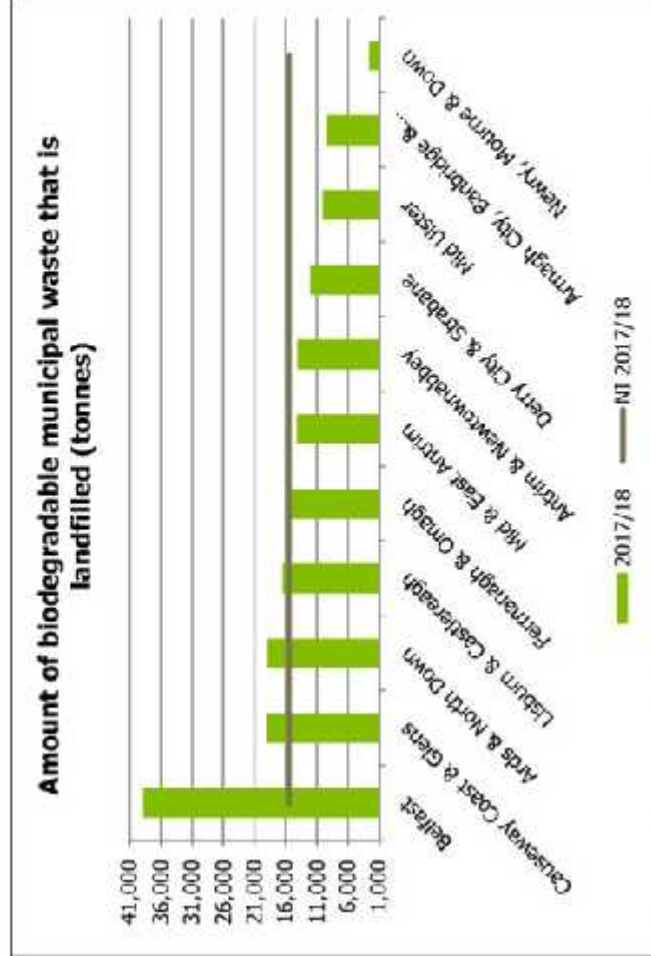
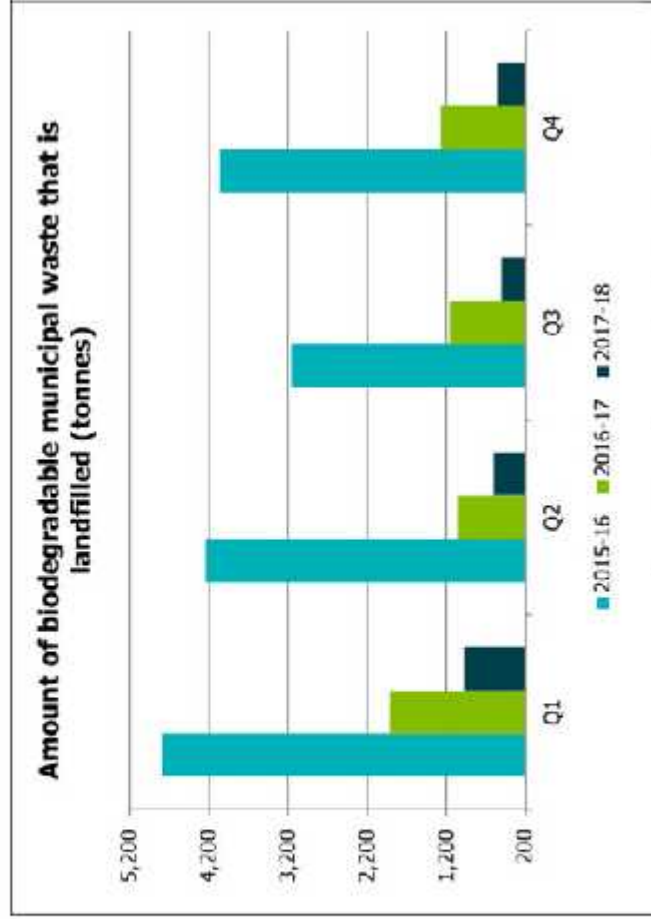
Percentage of household waste collected by the Council that is sent for recycling



(Statutory P1) Amount of biodegradable municipal waste that is landfilled (tonnes)	Target	Actual	Target	Actual
	<26,396	16,265	<25,036	5,393

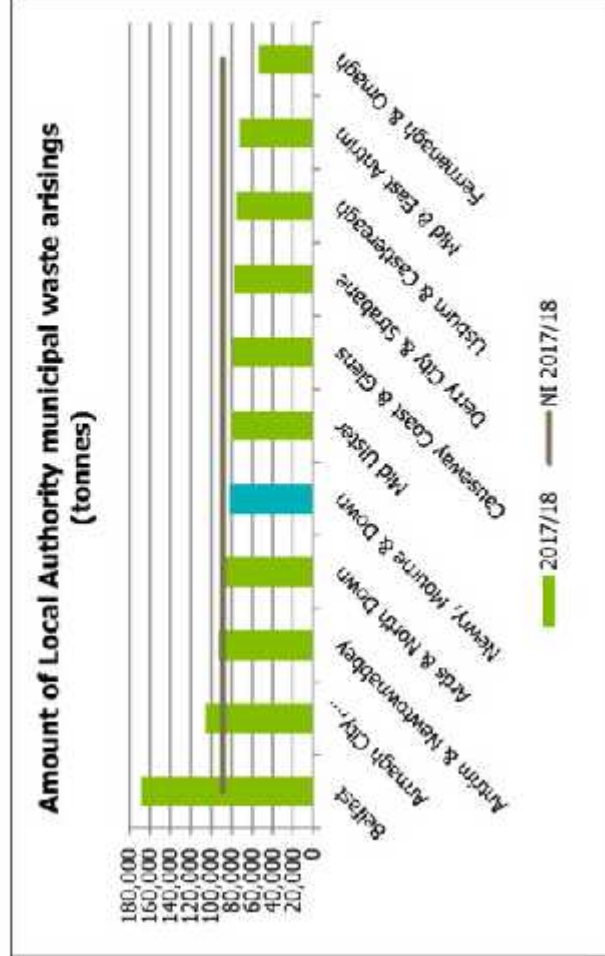
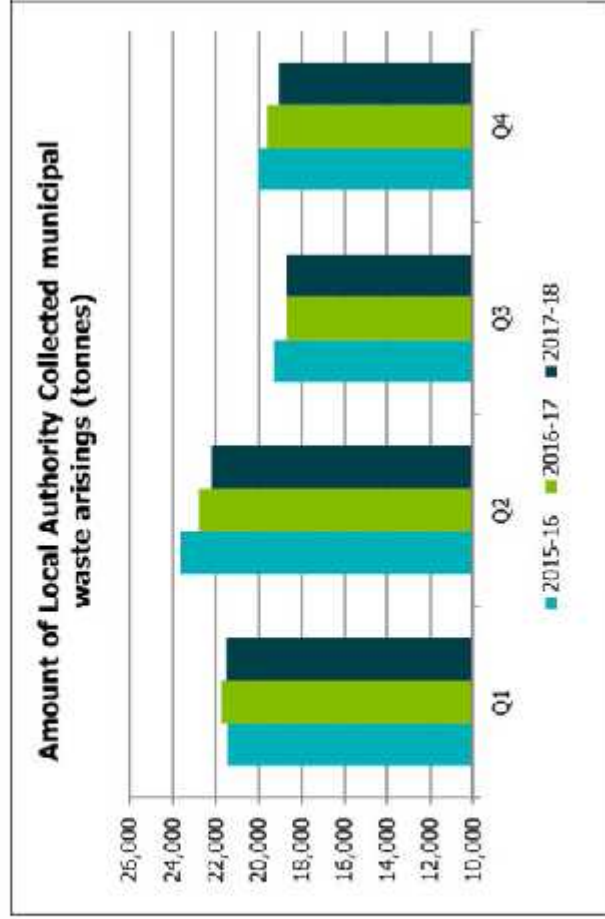
 	Target	Actual	Target	Actual
	<23,675	2,612	<23,675	2,612

Since 2015-16, the Council decreased the amount of biodegradable waste sent to landfill by 84% to 2,612 tonnes, which falls well below the regional average of 15,556 tonnes. The Council is currently the best performing Council across Northern Ireland, exceeding the 2017-18 target by 89%.



(Statutory PI) Amount of Local Authority Collected Municipal Waste arisings (tonnes)	2015-16		2017-18	
	Target	Actual	Target	Actual
	-	84,459	-	82,723

Since 2015-16, the amount of local authority collected municipal waste arisings which falls below the regional average of 88,910 tonnes. The Council is currently ranked 5/11 across Northern Ireland.	2017/18	
	Target	Actual
	-	81,483

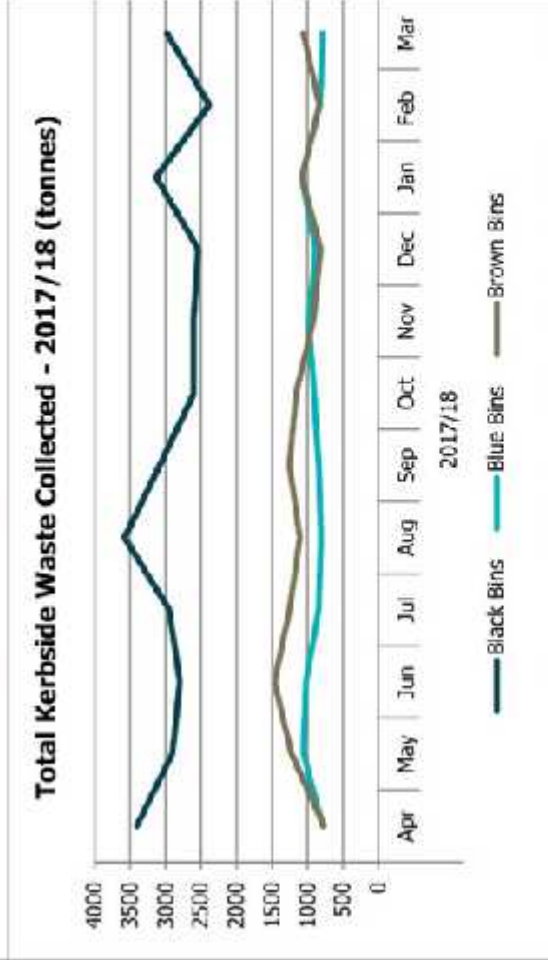
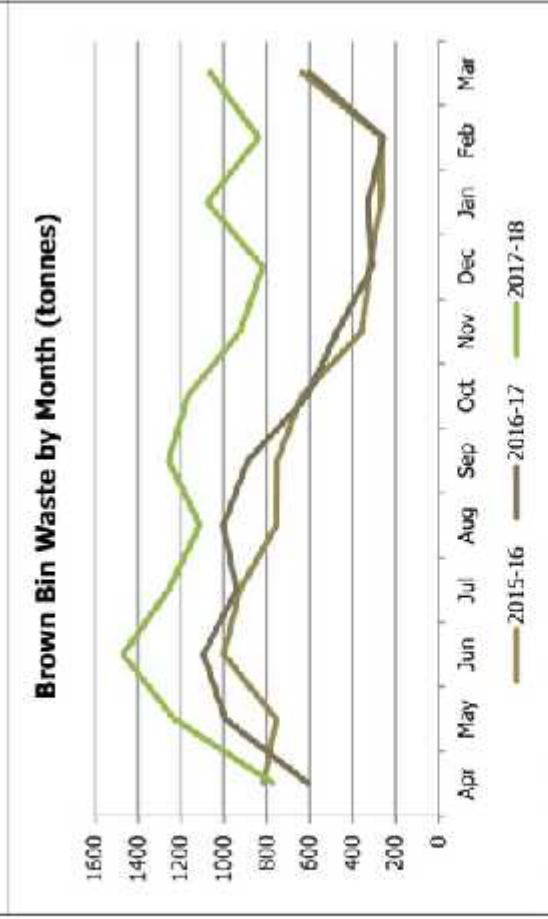
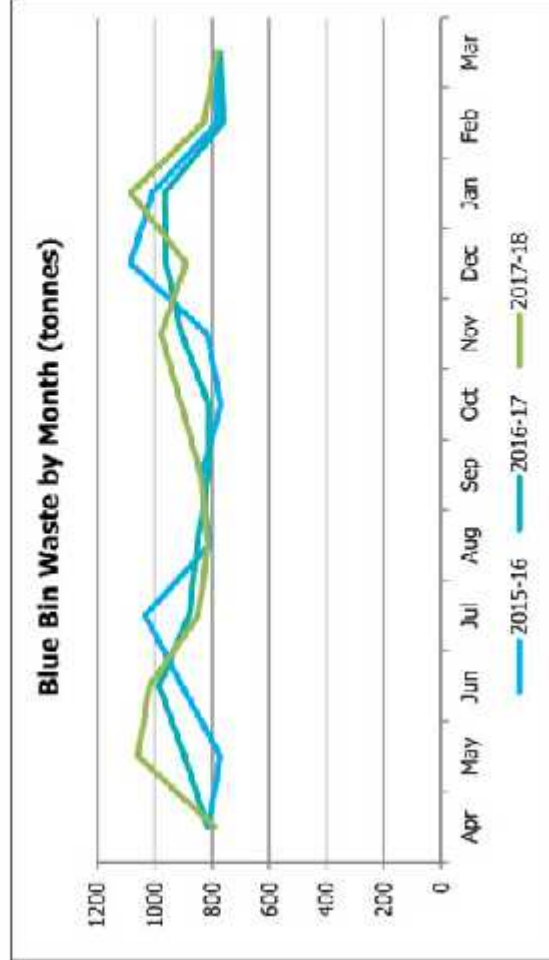
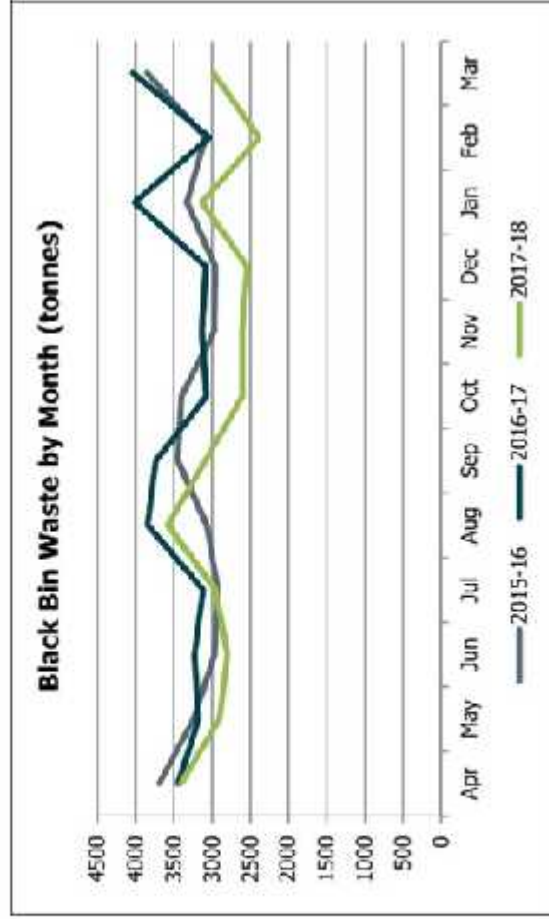


	2015-16	2016-17	2017-18	Status
Amount of black bin waste (tonnes)	38,987.83	40,959.84	35,028.49	▲
Amount of mixed dry recyclables (tonnes)	10,432.1	10,432.2	10,857.96	▲
Amount of brown bin waste (tonnes)	7,488.02	8,107.75	12,988.9	▲

Between 2016-17 and 2017-18, there was a 14% decrease in the amount of black bin waste collected.

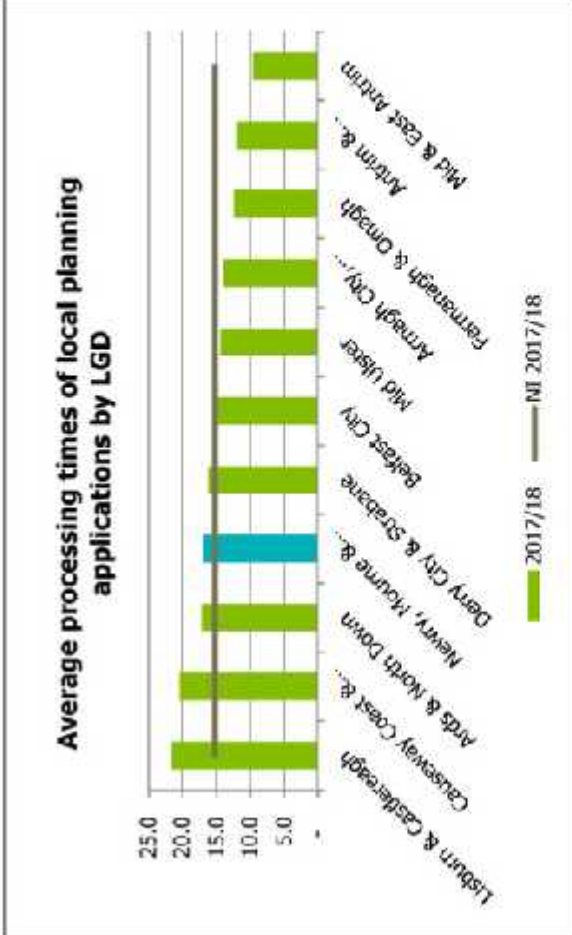
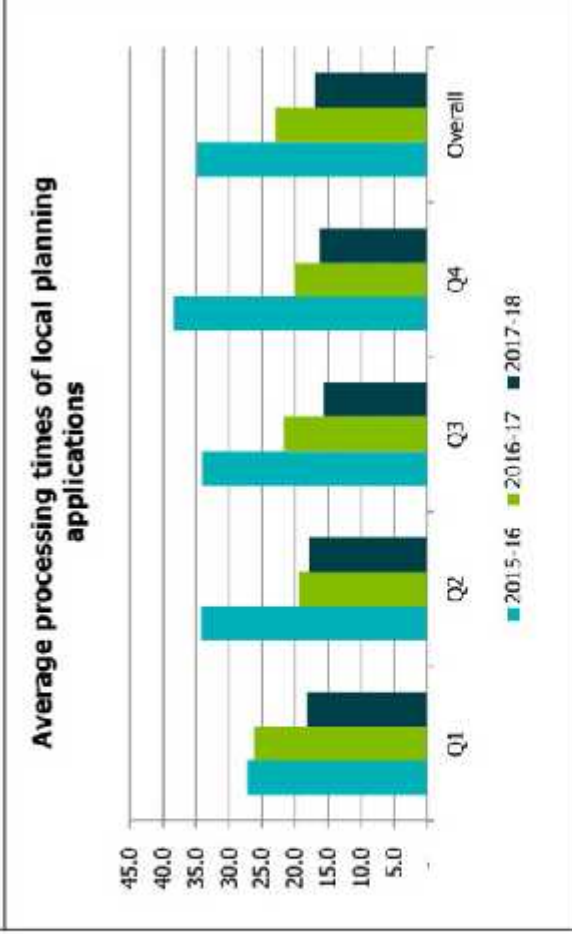
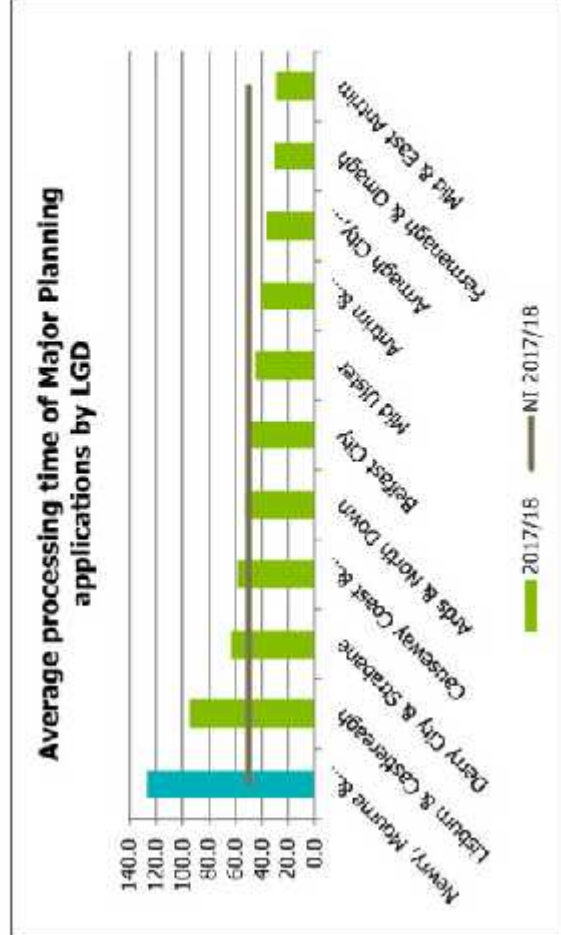
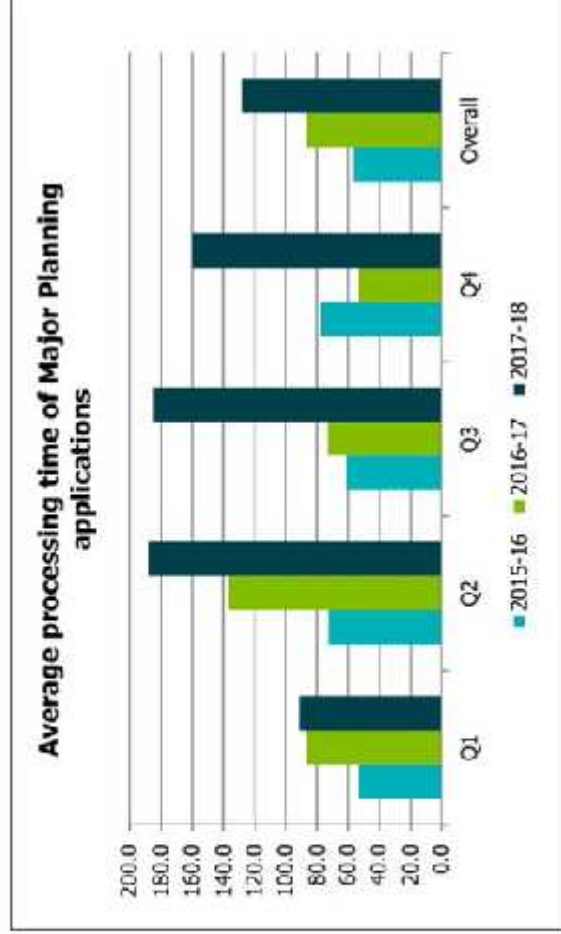
Between 2016-17 and 2017-18, there was a 4% increase in the amount of blue bin waste collected.

Over the past three years, there has been a 74% increase in brown bin waste, including a 60% increase between 2016-17 and 2017-18.

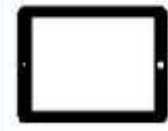


Amount of general waste arisings at Household Recycling Centres	Baseline data to be established	☹️	The Council is reviewing the Entrance and Usage Policy at Household Recycling Centres to improve the separation of
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									general waste, which will increase the level of recycling and decrease general waste arisings. The arrangements to monitor this information will be developed in future years.
									The arrangements are currently not in place to monitor the percentage of bins collected on their scheduled day. Through the Neighbourhood Services Transformation Project, the Council will develop a system to monitor and report this information in future years.
Percentage of bins collected on their scheduled day	Baseline data to be established								
							Actual Aug 2017	Actual Apr 2018	
Level of street cleanliness across the district	-	-	-	-	-	-	72	66	The LEAMS score reduced from 72 in August 2017 to 66 in April 2018, primarily due to increased levels of littering and dog fouling.
(Statutory PI) Percentage of Planning enforcement cases that are processed within 39 weeks	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Whilst the percentage of enforcement cases processed within 39 weeks has improved over the past three years, performance remains below the current regional average of 77%. And is ranked 11/11 across Northern Ireland.
	70%	54.1%	70%	56.1%	70%	59.9%			
(Statutory PI) Average processing time of major planning applications	Target	Actual	Target	Actual	Target	Actual	Target	Actual	The processing time for major planning applications is above the regional average of 50.2 weeks and has increased by 41 weeks since 2016-17. The Council is currently ranked 11/11 across Northern Ireland for processing major planning applications within 30 weeks.
	<30 weeks	56.5 weeks	<30 weeks	86.6 weeks	<30 weeks	127.6 weeks			
(Statutory PI) Average processing time of local planning applications	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Whilst the processing time for local planning applications is above the current regional average of 15.2 weeks, it has improved by 17.8 weeks since 2015-16. The Council is currently ranked 8/11 across Northern Ireland for processing local planning applications within 15 weeks.
	<15 weeks	34.8 weeks	<15 weeks	23 weeks	<15 weeks	17 weeks			




*2017-18 data in relation to the statutory and self imposed performance indicators for waste management remains provisional, as the end of year data is currently being validated by DAERA.





Community Planning Outcome



All people in Newry, Mourne and Down live in respectful, safe and vibrant communities





Corporate Objective
Empower and improve the capacity of our communities




Key Actions	Status	Progress
<p>Establish seven new Community Fora based on District Electoral Areas (DEAs) to allow for engagement and reporting at a local level</p>		<p>Operational since September 2015 the seven DEA Fora have successfully facilitated effective engagement, participation and locality based working between Elected Members, statutory partners and representatives from the community, voluntary and business sectors. During 2017-18, the DEA Fora held 88 meetings, including 26 community engagement events, which focused on themes such as crime prevention, health and wellbeing and external funding. Each Forum is also in the process of implementing their respective DEA Action Plan, which seek to facilitate the delivery of community planning outcomes at a local level.</p>
<p>Explore the potential for the community management of current Council facilities</p>		<p>The Council has completed the Audit of Effectiveness for community centres, examining how communities are supported through the provision of community facilities, with the overall aim of delivering more equitable service provision to all groups and communities in the future. The recommendations from the review have been approved by the Active and Healthy Communities Committee.</p>
<p>Develop a community engagement strategy for all aspects of Council services</p>		<p>The Community Engagement Strategy has been adopted and is supported by the corporate Consultation and Engagement Framework and Toolkit.</p>
<p>Develop and deliver a Community Support Plan</p>		<p>The Community Support Plan has been developed and is in the process of being delivered. Significant progress has been made in supporting Citizens Advice Newry,</p>

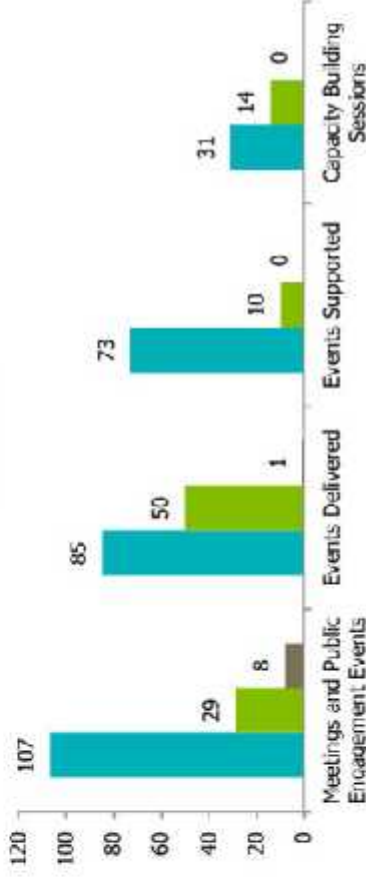




(formerly the responsibility of the DSD)		Mourne and Down, delivering the Council's Financial Assistance Scheme to local community groups and reviewing community centre provision across the District.
Measure of Success	Status	Explanatory Note
Community Plan completed and published by mid 2016		The Community Plan for Newry, Mourne and Down was published in April 2017 and formally launched in October 2017. It is supported by four Thematic Delivery Plans for Health and Wellbeing, Economic Development, Regeneration and Tourism, Environment and Spatial Development and Safety and Good Relations, as well as seven DEA Action Plans. The Community Planning Partnership Board meets three times per annum and is responsible for leading the delivery of the Community Plan. The Thematic Delivery Groups meet on a quarterly basis and are responsible for leading the delivery of their respective Thematic Plan.
7 Community Fora established across the entire District with associated action plans		The seven DEA Fora have been operational since September 2015 and are currently made up of 41 Elected Members and 43 independent members, representing networks across the voluntary, community and business sectors. The implementation of the DEA Action Plans, which seek to address local issues and facilitate the achievement of community planning outcomes, is well underway.

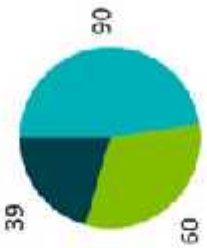



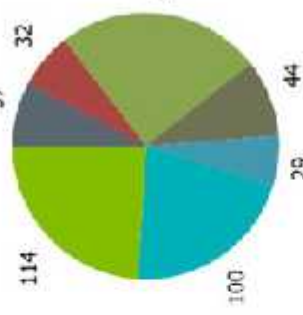

Performance Improvement Objective Encourage and empower local communities to participate in Council engagement structures


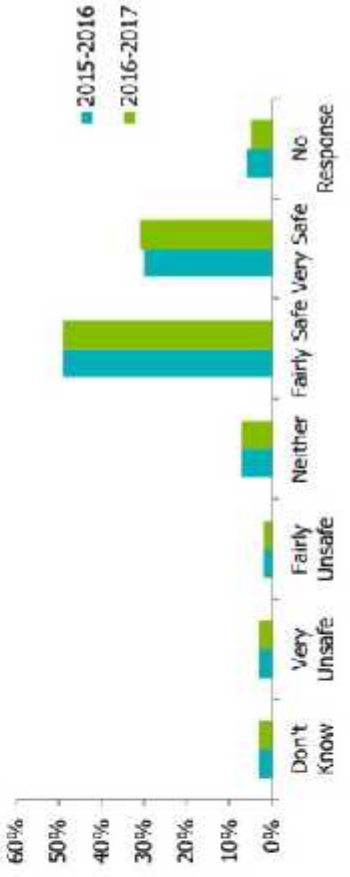

Supporting action	Status	Progress
Develop a corporate Consultation and Engagement Framework to improve the way the Council listens to and takes on board the views of local communities by September 2017		The Corporate Consultation and Engagement Framework was approved in August 2017, and provides a robust and meaningful foundation to actively encourage and enable citizens to have a voice on local issues that affect them. The Framework will help the Council to build a common understanding and coordinated approach to consultation and engagement, in support of local evidence based decision-making.
Further develop the level of engagement and participation in the following structures in 2017-2018:		Of the 189 spaces currently occupied through the four community engagement structures, 90 (48%) are taken by representatives from the voluntary, community and business sectors. Through regular meetings and capacity building events, stakeholders have the opportunity to inform and influence the local decision-making process and

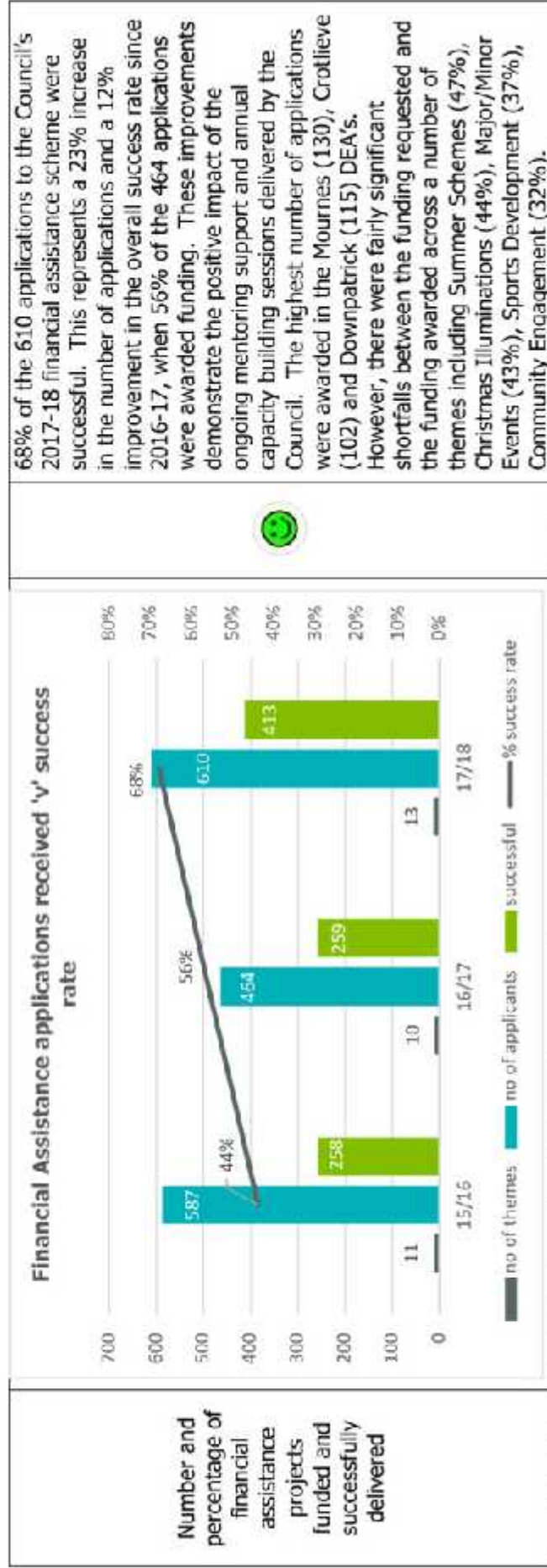
		collaborate with the Council and make a positive impact across key thematic areas including community safety, good relations, community development and health and wellbeing.
Policing and Community Safety Partnership (PCSP)		With a total of 26 members, the PCSP is made up of 10 Elected Members, 9 Independent Members and 7 statutory organisations, including the NI Housing Executive and Southern Health and Social Care Trust. The PCSP and Policing Committee meet on a bi-monthly basis, and the PCSP is responsible for leading the implementation of the PCSP Action Plan.
Neighbourhood Renewal Partnerships		With a total of 56 members, the Newry and Downpatrick Neighbourhood Renewal Partnerships are made up of 23 statutory organisations and 33 representatives from the voluntary and community sectors. Both Neighbourhood Renewal Partnerships meet on a bi-monthly basis, with regular thematic meetings taking place, and are responsible for leading the implementation of their respective action plans.
DEA Fora		The seven DEA Fora are currently made up of 84 members, including 41 Elected Members and 43 Independent Members, representing networks across the statutory, voluntary, community and business sectors. DEA Fora generally meet on a bi-monthly basis and hold around 3 public engagement events per annum. Following three workshops with a range of stakeholders, including Elected Members, staff and representatives from the community, voluntary and business sectors, the Terms of Reference and Operating Protocol have been revised to strengthen joined up working between the DEA Fora and Community Planning Thematic Groups.
Peace IV Partnership		With a total of 23 members, the PEACE IV Partnership is made up of 9 Elected Members, 9 social partners and 5 statutory organisations, including the PSNI and Education Authority. The partnership meets on a monthly basis and is responsible for leading the implementation of the £4.7m Peace IV Programme which aims to promote peace and reconciliation across the themes of 'children and young people', 'shared spaces and services' and 'building positive relationships'.

<p>Reduce the risk of being burgled and address the fear of crime by promoting the Neighbourhood Watch, 'Good Morning, Good Neighbour' and 'Home Secure' schemes</p>		<p>At present, there are 177 Neighbourhood Watch Schemes across the District, with over 5,000 registered homes. At the end of 2017-18, the 303 service users registered with the 'Good Morning, Good Neighbour' scheme made a total of 44,584 calls, and 4,078 devices were fitted to 474 homes through the 'Home Secure' scheme. The 2016-17 Community Safety Survey revealed that 80% of respondents felt safe in their community and 58% thought their neighbourhood was a safe place to live.</p>
<p>Through the financial assistance scheme, allocate £1.3million to support local community and voluntary groups in delivering projects across key areas including festivals, sports development and community engagement</p>		<p>The Council received 610 applications for funding through the Financial Assistance Scheme 2017-18. 413 applications (68%) were awarded a total of £1,426,137.68 to deliver projects across a range of themes including summer schemes, capital projects, sports development, community events, good relations, community safety and Christmas illuminations. Of the 298 evaluation questionnaires returned by successful applicants, 90% indicated that, without financial assistance from the Council, their project would not have taken place, and 97.5% were satisfied with the level of support received from the Programmes Unit**.</p>
<p>Engage 50 local community groups in progressing the 'Audit of Effectiveness' for community centres and developing proposals for improvement</p>		<p>In 2016, the Council commissioned an Audit of Effectiveness to review existing operating and funding models for community centres across the District. 50 community groups, representing all DEA's, were involved in the process, and the recommendations from the review have been approved by the Active and Healthy Communities Committee.</p>

Measure of success	2017-18	Status	Explanatory note																				
Number of meetings and public engagement events	<p style="text-align: center;">Level of Activity by Community Engagement Structure</p>  <table border="1" data-bbox="480 931 847 1805"> <caption>Level of Activity by Community Engagement Structure</caption> <thead> <tr> <th>Structure</th> <th>IDEA Fora</th> <th>PCSP</th> <th>PEACE IV Partnership</th> </tr> </thead> <tbody> <tr> <td>Meetings and Public Engagement Events</td> <td>107</td> <td>29</td> <td>8</td> </tr> <tr> <td>Events Delivered</td> <td>85</td> <td>50</td> <td>1</td> </tr> <tr> <td>Events Supported</td> <td>73</td> <td>10</td> <td>0</td> </tr> <tr> <td>Capacity Building Sessions</td> <td>31</td> <td>14</td> <td>0</td> </tr> </tbody> </table>	Structure	IDEA Fora	PCSP	PEACE IV Partnership	Meetings and Public Engagement Events	107	29	8	Events Delivered	85	50	1	Events Supported	73	10	0	Capacity Building Sessions	31	14	0		<p>During 2017-18, 144 meetings and public engagement events took place, focusing on themes such as Neighbourhood Watch, health and wellbeing and crime prevention. 136 events were delivered across the District, with 450 young people taking part in the annual Mourne Mountain Adventure, 220 attending the YAFTA's (Youth and Future Talent Awards) and 1,275 participating in the 'Cuss the World' drug and alcohol awareness sessions. In addition, 260 older people participated in the Senior Shin Dig, 150 people attended the Traveller Living History event and 300 people took part in the Men's Health event. The DEA Fora also supported events such as the Village Plan consultations and Shared Schools Programme and 31 capacity building programmes were delivered, focusing on themes such as Safe Place, road safety and financial assistance.</p>
Structure	IDEA Fora	PCSP	PEACE IV Partnership																				
Meetings and Public Engagement Events	107	29	8																				
Events Delivered	85	50	1																				
Events Supported	73	10	0																				
Capacity Building Sessions	31	14	0																				
Number of events delivered																							
Number of events supported																							
Number of capacity building programmes																							

<p>The effectiveness of Council run community engagement structures in facilitating stakeholder participation</p>	<p>Stakeholder Representation on Engagement Structures</p>  <p> ■ Independent Representatives ■ Elected Members ■ Statutory Partners </p>		<p>Of the 189 places currently occupied through the three community engagement structures, 60 are taken by Elected Members, 39 by partner organisations across the statutory sector and 90 by representatives from the voluntary, business and community sectors. This demonstrates the Council's commitment to working with key stakeholders, enabling them to have their say on shaping the future of the district.</p>				
<p>Number of Neighbourhood Watch Schemes</p>	<table border="1"> <thead> <tr> <th>2016-17 Actual</th> <th>2017-18 Actual</th> </tr> </thead> <tbody> <tr> <td>150</td> <td>177</td> </tr> </tbody> </table>	2016-17 Actual	2017-18 Actual	150	177	 	<p>Between 2016-17 and 2017-18, the number of Neighbourhood Watch Schemes across the District increased from 150 to 177. During 2017-18, the Council hosted three Neighbourhood Watch Coordinator Network meetings which reported around 270 attendances. The purpose of these meetings was to provide up to date information on crime prevention.</p>
2016-17 Actual	2017-18 Actual						
150	177						
<p>Number of beneficiaries of the 'Home Secure' scheme</p>	<p>Homes secured by DEA 2017-18</p>  <p> ■ Croilieve ■ Downpatrick ■ Newry ■ Rowallane ■ Slieve Croob ■ Slieve Gullion ■ The Mourmes </p>		<p>During 2017-18, 474 homes were secured with 4,078 devices. The majority of homes secured were in the Newry and Mourmes DEAs whilst the Downpatrick and Slieve Croob DEAs reported the lowest number of homes secured. 94% of clients were aged 60 years and above, and the most popular devices fitted were padlock alarms (1,855) and window alarms (1,795), followed by light timers, door chains, door handle alarms.</p>				

<p>Number of beneficiaries of the 'Good Morning, Good Neighbour' scheme</p>	<p>2017-18 Year End</p> <p>303 registered users</p>	<p>2017-18 Year End</p> <p>44,584 calls made</p>		<p>During 2017-18, 303 registered users made 44,584 calls through the scheme. 110 volunteers are currently registered on the scheme, 8 of which were recruited during 2017-18. 80 new referrals were made and volunteers accessed a range of training programmes, including text alert service and call handling.</p>																								
<p>Percentage of respondents to the community safety survey who feel safer in their home</p>	<p>How safe do you feel in your community?</p>  <table border="1"> <caption>How safe do you feel in your community?</caption> <thead> <tr> <th>Response</th> <th>2015-2016 (%)</th> <th>2016-2017 (%)</th> </tr> </thead> <tbody> <tr> <td>Don't know</td> <td>~2</td> <td>~2</td> </tr> <tr> <td>Very Unsafe</td> <td>~2</td> <td>~2</td> </tr> <tr> <td>Fairly Unsafe</td> <td>~2</td> <td>~2</td> </tr> <tr> <td>Neither</td> <td>~2</td> <td>~2</td> </tr> <tr> <td>Fairly Safe</td> <td>~48</td> <td>~52</td> </tr> <tr> <td>Very Safe</td> <td>~28</td> <td>~32</td> </tr> <tr> <td>No Response</td> <td>~16</td> <td>~16</td> </tr> </tbody> </table>		Response	2015-2016 (%)	2016-2017 (%)	Don't know	~2	~2	Very Unsafe	~2	~2	Fairly Unsafe	~2	~2	Neither	~2	~2	Fairly Safe	~48	~52	Very Safe	~28	~32	No Response	~16	~16		<p>In 2015-16, 79% of respondents felt very safe or fairly safe in their community, and this figure increased to 80% in 2016-17. The most prevalent safety issues affecting communities were 'people hanging about', 'environmental' and 'underage drinking' and the least prevalent were 'hate crime' and 'problems with parades'. In 2015-16, 57% of respondents thought their neighbourhood was a safe place to live, compared to 58% in 2016-17. Due to resource constraints, the results of the 2017-18 Community Safety Survey are currently being analysed.</p>
Response	2015-2016 (%)	2016-2017 (%)																										
Don't know	~2	~2																										
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*The 2017-18 baseline data collated in relation to the community engagement structures remains indicative. The methodology will continue to be strengthened and data in relation to the Neighbourhood Renewal Partnerships will be included and analysed further in future years.

**The Financial Assistance Scheme is delivered through internal and external funding streams.

Self imposed performance indicators – continued

Corporate Objective






Advocate on your behalf specifically in relation to those issues that really matter to you





Key Actions	Status	Progress
<p>Establish a new Community Planning Partnership as a means to engage and involve statutory partners as well as communities in developing the District</p>		<p>The Community Planning Partnership meets three times per annum and the governance structure has been agreed with the statutory, community and voluntary sectors. The Partnership is supported by four Thematic Delivery Groups, Stakeholder Forum and seven DEA Fora which include representatives from the voluntary, community and business sectors, and involve local communities through public engagement events. All stakeholders have a key role to play in the development and delivery of local action plans, which are focused on improving the quality of life for all local communities across the District.</p>
<p>Attract public sector jobs to the District</p>		<p>The creation of jobs locally, including public sector employment is a key priority outlined within the Council's Economic Regeneration and Investment Strategy. The Council works closely with all Government Departments to ensure current public sector positions are retained, and the District continues to grow as a base for Public Sector services and employment.</p>
<p>Advocate for the introduction of high-speed broadband and enhanced mobile infrastructure across the District</p>		<p>The Council has met BT to discuss broadband provision across the District. A number of interventions have already taken place, including the 'Broadband Connection Voucher Scheme' which benefited local businesses and organisations. The Council is also supporting the Department for the Economy in implementing new connectivity projects, and in 2017, carried out a survey with residents and business owners around their current broadband internet service. The results of this survey will be used to map 'not spots' and 'black spots', to support future funding bids and broadband schemes. The Council is currently developing an application to the Department of Culture, Media and Sports to improve Fibre Connectivity across the district.</p>

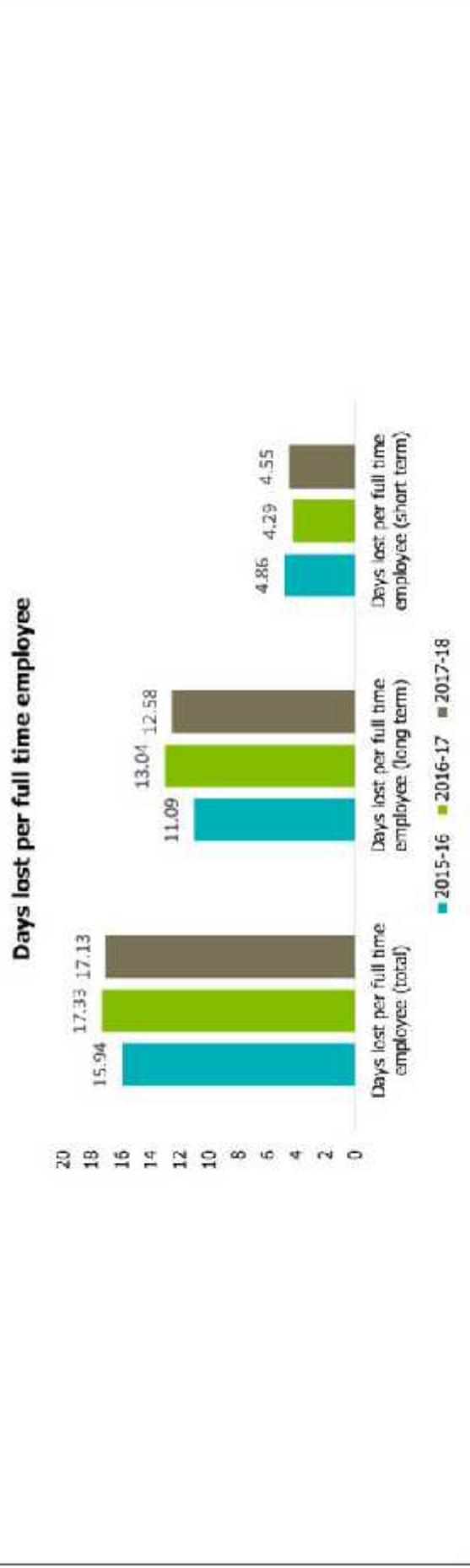
<p>Lobby for the improvement of roads within and across the District</p>		<p>The Council hosts two meetings per annum with the Department for Infrastructure to highlight the improvements required to the roads infrastructure across the District. DEA Fora also have regular liaison with the Department to highlight, log and address specific issues with regards to roads and street lighting within their respective areas.</p>
<p>Promote good health care provision for all citizens</p>		<p>The Council is committed to improving health and wellbeing outcomes for all. Through the Community Planning Health and Wellbeing Thematic Group, the Council is working with partner organisations on initiatives to promote physical activity, healthier living, mental and emotional wellbeing, sustainable schools and emergency responses. The recently established 'Health and Wellbeing Team' within the Active and Healthy Communities Directorate, is also focused on delivering initiatives around affordable warmth, home safety, employee wellbeing, health inequalities and developing an 'age friendly' District.</p> <p>The implementation of the Age Friendly Strategy is well underway and the 'dementia friendly' initiative is gaining momentum across the District. The Council continues to facilitate the Well Being Action Partnership which promotes joined up working with local voluntary organisations, and co-ordinate two Older People's Fora in Downpatrick and Newry, which involves 22 representatives from the community, voluntary and statutory sectors.</p>

Measure of Success	2016-17	Explanatory Note																																				
<p>Increased broadband and mobile coverage</p>	<p style="text-align: center;">Access to Broadband across NMD DEA's</p> <table border="1"> <caption>Access to Broadband across NMD DEAs (2016-17)</caption> <thead> <tr> <th>DEA</th> <th>% of premises able to receive 2Mb</th> <th>% of premises able to receive 5Mb</th> <th>% of premises able to receive 10Mb</th> </tr> </thead> <tbody> <tr> <td>Crotlieve</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>Downpatrick</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>Newry</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>Rowallane</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>Sleeve Croob</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>Sleeve Gullion</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> <tr> <td>The Mourmes</td> <td>~85</td> <td>~75</td> <td>~66</td> </tr> </tbody> </table>	DEA	% of premises able to receive 2Mb	% of premises able to receive 5Mb	% of premises able to receive 10Mb	Crotlieve	~85	~75	~66	Downpatrick	~85	~75	~66	Newry	~85	~75	~66	Rowallane	~85	~75	~66	Sleeve Croob	~85	~75	~66	Sleeve Gullion	~85	~75	~66	The Mourmes	~85	~75	~66	<p>Baseline data reveals that the majority of premises across the District have access to broadband. 85% of premises can receive 2Mb, 75% can receive 5Mb and 66% can receive 10Mb. However, there are significant geographic variations in the number of premises able to receive 10MB broadband, which equates to 92% of premises in the Newry DEA compared to 48% of premises in the Sleeve Croob DEA.</p>				
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<p>Improved roads infrastructure</p>	<p style="text-align: center;">Number of Road Improvement Schemes - Department for Infrastructure</p> <table border="1"> <caption>Number of Road Improvement Schemes - Department for Infrastructure</caption> <thead> <tr> <th>Category</th> <th>2016-17</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Asphalt Resurfacing</td> <td>~35</td> <td>~15</td> </tr> <tr> <td>Surface Dressing</td> <td>~75</td> <td>~70</td> </tr> <tr> <td>Footway Reconstruction</td> <td>~45</td> <td>~40</td> </tr> <tr> <td>Drainage Maintenance</td> <td>~15</td> <td>~10</td> </tr> <tr> <td>Structures - ...</td> <td>~10</td> <td>~5</td> </tr> <tr> <td>Vehicle Restraint...</td> <td>~5</td> <td>~2</td> </tr> <tr> <td>Street Lighting Upgrade</td> <td>~75</td> <td>~70</td> </tr> <tr> <td>Rural Roads Initiative</td> <td>~10</td> <td>~5</td> </tr> <tr> <td>Mirror Works</td> <td>~5</td> <td>~2</td> </tr> <tr> <td>Pedestrian Measures</td> <td>~5</td> <td>~2</td> </tr> <tr> <td>Traffic Management</td> <td>~5</td> <td>~2</td> </tr> </tbody> </table>	Category	2016-17	2017-18	Asphalt Resurfacing	~35	~15	Surface Dressing	~75	~70	Footway Reconstruction	~45	~40	Drainage Maintenance	~15	~10	Structures - ...	~10	~5	Vehicle Restraint...	~5	~2	Street Lighting Upgrade	~75	~70	Rural Roads Initiative	~10	~5	Mirror Works	~5	~2	Pedestrian Measures	~5	~2	Traffic Management	~5	~2	<p>Over the past two years, the Department for Infrastructure completed a total of 743 road improvement schemes across the District, including 334 during 2017-18. 51% of the 743 schemes reported addressed issues around surface dressing, drainage maintenance and traffic management.</p>
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Corporate Objective Transform and modernise the Council, providing accessible as well as value for money services

Key Actions	Status	Progress
Become an Investors in People (IIP) and Customer Service Excellence (CSE) accredited organisation		It has been agreed that the Council will not proceed with CSE and IIP at this time.
Develop a strategic financial plan to meet the capital and revenue needs of the Council		The Council has adopted a four year Medium Term Financial Plan and Capital Budget.
Comprehensively review existing models of service delivery to identify more efficient ways of doing business		In response to local government reform and as part of the modernisation agenda, the Council's organisational structure has been agreed and is in the process of being implemented. This structure has been designed to support and facilitate business transformation and the delivery of more efficient and effective services to local communities. A number of inward and outward facing plans and strategies have been developed to facilitate this process and support the achievement of corporate objectives, including the IT Transformation Strategy, Review of Administration, Neighbourhood Services Project, Tourism Strategy and Play Strategy.
Implement an Improvement Plan to transform existing Council operations		The Council published the Performance Improvement Plan 2017-18 and received a certificate of compliance from the Local Government Auditor. The Council is currently progressing the 'proposals for improvement' which were put forward by the Northern Ireland Audit Office following the Performance Audit and Assessment in 2017-18.
Measure of Success	Status	Explanatory Note
Increased citizen satisfaction		In March 2018, it was agreed that a Household Survey will be commissioned to gauge resident priorities for the future and levels of customer satisfaction with the Council and its services. The Household Survey

		<p>will be carried out in September 2018, in partnership with Mid and East Antrim Borough Council, and will underpin the development of the new Corporate Plan and Performance Improvement Plan.</p>
<p>Increased employee satisfaction</p>		<p>The Council actively seeks to improve the welfare and wellbeing of employees. During 2017-18, the Council carried out a Wellbeing Survey, which provided individual respondents with tailored advice on how to improve their overall wellbeing. The Council also carried out a Stress Audit, and the cross departmental Health and Wellbeing Working Group has led the development of an action plan to address the key issues highlighted by employees.</p>
<p>Reduced absenteeism</p>		<p>Between 2015-16 and 2016-17, the number of days lost per employee increased by 1.39 days to 17.33 days. However, this was followed by a reduction of 0.2 days lost per employee between 2016-17 and 2017-18. Whilst long term absenteeism per full time employee increased from 11.09 days in 2015-16 to 12.58 days in 2017-18, short term absenteeism decreased from 4.86 days in 2015-16 to 4.55 days in 2017-18.</p>
<p>IIP/CSE accreditation</p>		<p>The Council has agreed not to proceed with IIP/CSE accreditation.</p>
<p>Annual Improvement Plan validated by the Local Government Auditor</p>		<p>The certificate of compliance was received from the Local Government Auditor in relation to the Duty of Improvement 2017-18.</p>



In addition to the performance measures within the Corporate Plan, the Council is in the process of developing and agreeing self imposed performance indicators at all levels of the organisation, in line with the Business Planning and Performance Management Framework. This is evidenced through the:

- Agreed suites of performance indicators included within Directorate Business Plans
- DEA Scorecards which are aligned to community planning outcomes
- Agreed suites of performance indicators for Building Control, Corporate Services, Community Development, Economic Development, Environmental Health, Environmental Services, Leisure and Planning, through the Association of Public Service Excellence (APSE)

As the Council's performance management arrangements continue to mature and embed, the self imposed performance indicators will be measured, analysed and reported, identifying trends over time and facilitating benchmarking and comparisons with Councils across Northern Ireland and neighbouring jurisdictions. This process will support Newry, Mourne and Down District Council in developing a performance improvement culture across the organisation and delivering sustainable improvements for local communities.

Appendix 1 – Performance Scorecards

The Northern Ireland Audit Office has issued 'Performance Management for Outcomes: A Good Practice Guide for Public Bodies'. This guide provides an overview of the outcomes based approach and offers a framework for developing performance management processes to support the planning and delivery of public services. The Programme for Government and Community Plan for Newry, Mourne and Down have both been developed using the outcomes based approach, and performance scorecards will be used to set out:

- How much has been done
- How well it has been done
- Whether anyone is better off

In line with the guidance issued, Newry, Mourne and Down District Council has developed corporate performance scorecards for the following three outcomes which have been identified within the Performance Improvement Plan 2017-18:

- The Council meets landfill and recycling targets
- The Council provides a more efficient and effective Planning Service
- Community groups receive financial support

Outcome: The Council meets landfill and recycling targets

How much did we do?



5m domestic bin collections provided to 64,983 households per annum



27,000 brown bins, caddies and caddy liners delivered to domestic properties in 2017-18



Caddy liners available free of charge from Council buildings and delivered to households which receive an assisted bin collection



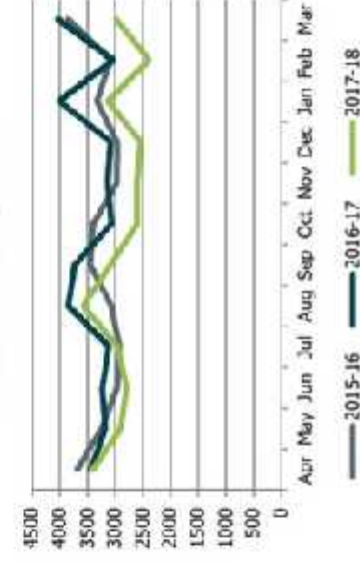
Education and awareness campaign rolled out



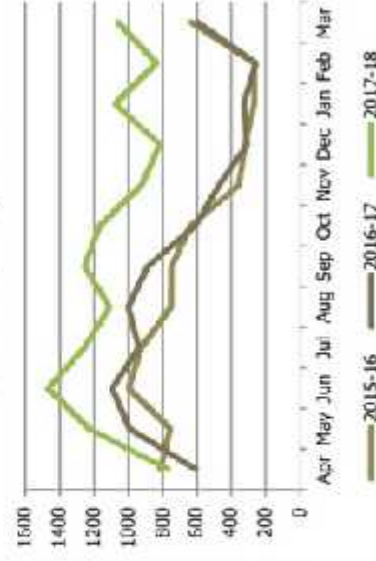
Between 2016-17 and 2017-18:

14% reduction in black bin waste / 4% increase in blue bin waste / 60% increase in brown bin waste

Black Bin Waste by Month



Brown Bin Waste by Month



Is anyone better off?



Between 2016-17 and 2017-18:

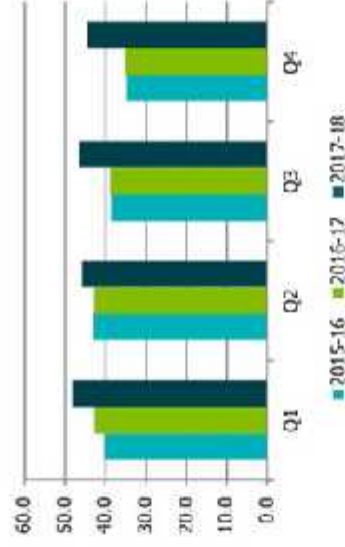
The rate of recycling increased by 6.1% to 46.2%

NMD is on track to meet the 50% recycling target by 2020

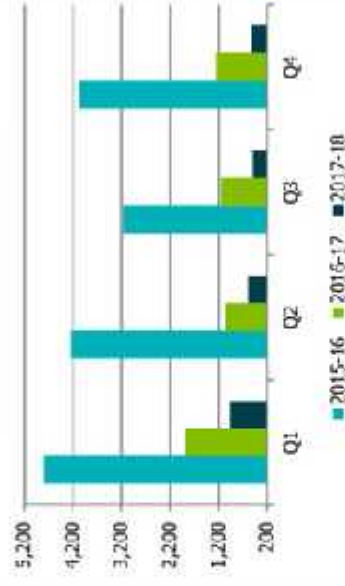
Waste to landfill decreased by 84% to 2,612 tonnes, exceeding the target by 89%

NMD sent the lowest amount of biodegradable waste to landfill across NI

Percentage of household waste collected by the Council that is sent for recycling



Amount of biodegradable municipal waste that is landfilled (tonnes)



Outcome: The Council provides a more efficient and effective Planning Service

How much did we do?



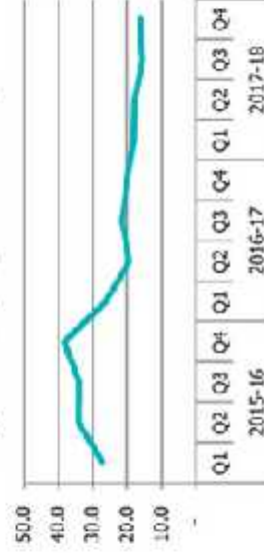
How well did we do it?

Since 2015-16:

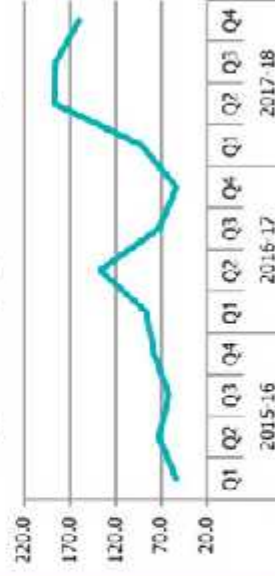
Processing time for local planning applications improved by **17.8 weeks to 17 weeks**
 Processing time for major planning applications increased by **71 weeks to 127.6 weeks**
 Percentage of enforcement cases processed within 39 weeks increased by **5.8% to 59.9%**



Average Processing Time of Local Planning Applications (Target: <15 weeks)



Average Processing Time of Major Planning Applications (Target: <30 weeks)



Is anyone better off?

Most improved processing time for local planning applications across NI

On track to meet the statutory standard of <15 weeks

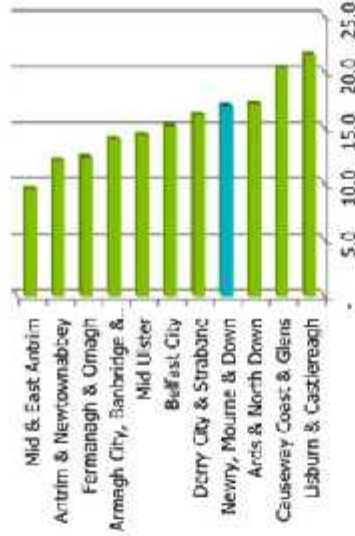
95% reduction in the number of legacy planning applications

Longest processing time for major planning applications across NI

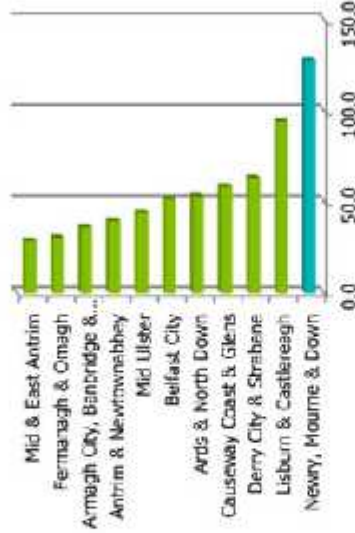
Lowest percentage of enforcement cases processed within 39 weeks across NI



Average Processing Times of Local Planning Applications by LGD - 2017/18



Average Processing Times of Major Planning Applications by LGD - 2017/18



Outcome: Community groups receive financial support

How much did we do?

610 financial assistance applications were received

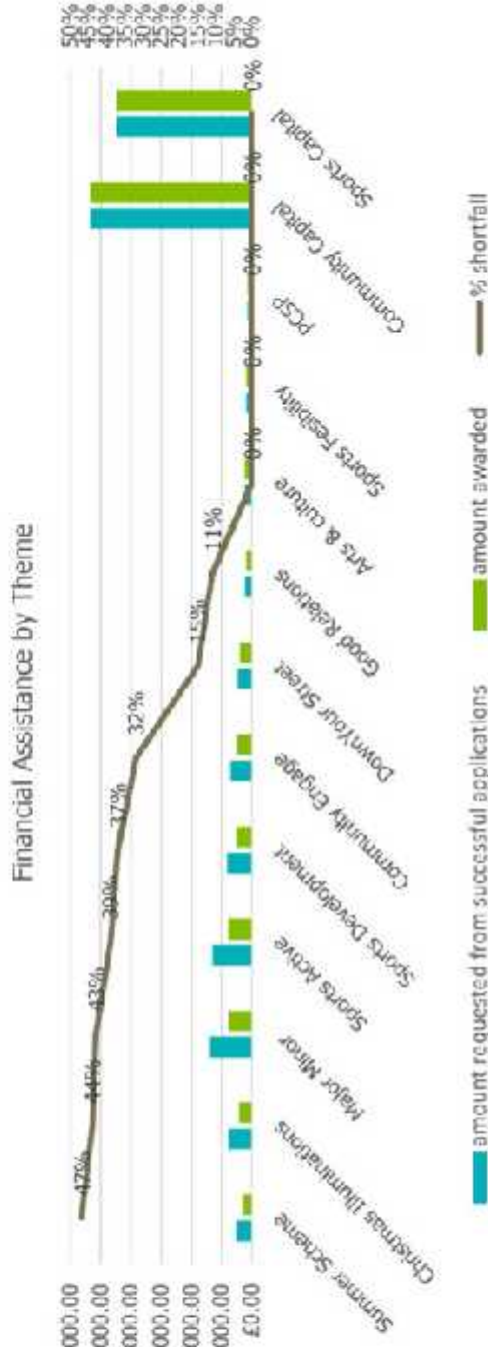
Over **£1.4m** awarded to **413** applications

Ongoing training and capacity building with groups and organisations



How well did we do it?

Application success rate increased from **44%** to **68%** since 2015-16
 Community demand exceeds financial assistance available towards **Summer Schemes, Christmas illuminations, Major/ Minor events and Sports Active**



Is anyone better off?



90% of successful respondents stated that their event would not have taken place without the funding from the Financial Assistance Scheme.

98% were satisfied with the support provided by the Programmes Unit.

'Would like to thank the Council for the financial help - small amounts of funding go a long way in the local community'.

'The Committee would like to thank the Council for the funds that have helped deliver this amazing project for kids with learning disability'.

'Excellent support and cooperation from the Council on this project'.

Appendix 2: The Golden Thread

**NMD
Community
Planning
Outcomes**

- All people in Newry, Mourne and Down get a good start in life and fulfil their potential
- All people in Newry, Mourne and Down enjoy good health and wellbeing
- All people in Newry, Mourne and Down benefit from prosperous communities
- All people in Newry, Mourne and Down benefit from a clean, quality, sustainable environment
- All people in Newry, Mourne and Down live in respectful, safe and vibrant communities

**NMDDC
Corporate
Priorities**

- Transform and modernise the Council, providing accessible as well as value for money services
- Advocate on your behalf, specifically on those issues which really matter to you
- Support improved health and wellbeing outcomes
- Become one of the premier tourist destinations on the island of Ireland
- Attract investment and support the creation of new jobs
- Lead the regeneration of our urban and rural areas
- Protect our natural and built environment
- Empower and improve the capacity of our communities

**NMDDC
Performance
Improvement
Objectives**

- Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities
- Improve economic growth by creating new business starts, supporting the growth of existing businesses and promoting Newry, Mourne and Down as a premier tourist destination
- Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and
- Encourage and empower local communities to get involved in Council engagement structures
- Create a cleaner, greener more attractive District