



July 5th, 2021

Notice Of Meeting

You are requested to attend the Audit Committee Meeting to be held on **Monday, 5th July 2021** at **2:00 pm** in **Mourne Room Downshire Offices Downpatrick** and via **Microsoft Teams**.

Committee Membership:

Ms Brona Slevin Independent Chairperson

Councillor P Byrne

Councillor C Casey

Councillor C Enright

Councillor L Devlin

Councillor M Gibbons

Councillor O Hanlon

Councillor A Lewis

Councillor D Murphy

Councillor D McAteer

Councillor K Owen

Agenda

1.0 Apologies and Chairpersons remarks.

Ms M Ward Chief Executive

Mr J Mc Bride Director Neighbourhood Services

Councillor C Casey

Councillor L Devlin

2.0 Declarations of Interest.

3.0 Action Sheet: Audit Committee Meeting - Thursday 22 April 2021. (Attached)

 3 - Action Sheet - Audit Cmte April 2021.pdf

Page 1

4.0 Annual Report from Independent Chairperson of Audit Committee 2020/21. (Attached)


 4 - Rpt re B Slevin Annual Report 2020-21.pdf

Page 10

 4 - Appendix 1 - Chairpersons Annual Report 2020-21.pdf

Page 13

5.0 Members' Register of Interests

 Register of Interests.pdf

Page 22

Corporate Services - (OPEN SESSION)


6.0 Corporate Risk Register - for noting. (Attached)

 6 - Corporate Risk Register July 2021.pdf

Page 25

 6 - Appendix 1 CRR Overview.xlsx

Page 28

 6 - Appendix 2 - CRR July 2021.pdf

Page 35

7.0 a) NMDDC Assurance Statement and Code of Governance - For noting b) Annual Governance Statement - for approval. (Attached)

 7 - Assurance Framework and Annual Governance Statement.pdf

Page 61

8.0 Presentation re: Unaudited Financial Statements - for noting. (To follow)

8- 2020-21 Accounts Presentation.pdf

Page 81

8 - Appendix 1 NMDDC - Unaudited Accounts 30June2021.pdf

Page 95

Corporate Services (CLOSED SESSION)

9.0 Update re: Audit Recommendations (Risk Profile) (including update on 2017/18 planning). - for noting. (Attached)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

EXEMPT 9 - Rpt re Update on Audit Recommendations.pdf

Not included

10.0 Update re: Fraud and Whistleblowing - for noting

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

EXEMPT 10 - Fraud and Raising Concerns update.pdf

Not included

EXEMPT 10 - Appendix 1 - Fraud and Raising Concerns Register.pdf

Not included

11.0 Quarterly update re: Single Tender Actions - for noting. (Attached)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

EXEMPT 11 - Single Tender Actions Report Q1 2021-22.pdf

Not included

EXEMPT 11 - Appendix 1 - STA 2021-22 - Q1.pdf

Not included

12.0 Update re: a) Procurement Action Plan b) ASM investigation into the Council's use of Single Tender Actions - for noting. (Attached)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

 **EXEMPT 12 - Procurement Action Plans - STA recommendation update.pdf**

Not included

13.0 NMDDC Risk Strategy and Policy - for approval. (Attached)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

 **EXEMPT 13 - Risk Policy and Strategy.pdf**

Not included

14.0 Fleet Operators Licence Update and Action Plan

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business

 **EXEMPT 14 - Fleet Operators Licence Update Action Plan.pdf**

Not included

 **EXEMPT 14 - Appendix 1 - Copy of NS Committee - Operators Licence Update Action Plan.pdf**

Not included

Internal Audit (CLOSED SESSION)

15.0 ASM Summary Report. (Attached)

This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business.

 **EXEMPT 15 - NMDDC Summary report - July 2021 to Audit Committee.pdf**

Not included

16.0 Governance Review – Newry City Centre Regeneration Programme





This item is deemed to be restricted by virtue of Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 - information relating to the financial or business affairs of any particular person (including the Council holding that information) and the public may by resolution, be excluded during this item of business.

 **EXEMPT 16 - ASM TOR NCCR.pdf**

Not included

Performance (OPEN SESSION)

17.0 Performance Improvement Plan 2021/22 (published 30 June 2021) - for noting. (Attached)

-  17 - Rpt AC Performance Improvement Plan 2021-22.pdf Page 205
-  17 - Appendix 1 Performance Improvement Plan 2021-22.pdf Page 208
-  17 - Appendix 2 Consultation and Engagement Report.pdf Page 245
-  17 - Appendix 3 Objective Delivery Plans.pdf Page 260

Circulars


18.0 Local Government Circular LG 13/2021 - District Council (Northern Ireland) Rate Statistics 2021/2022 - for noting. (Attached)

-  18 - lg-13-21-rates-statistics.pdf Page 272
-  18 - Appendix 1 - Rate Statistics 2021-22.pdf Page 273

19.0 Record of Councillors' and Committee Members' Allowances Funded by Council 2020/2021 - for noting. (Attached)

-  19- lg-15-21-covering-letter-record-of-councillors-committee-members-allowances 20-21.pdf Page 277
-  19 - Appendix 1 -template-for-councillor-return.pdf Page 279

20.0 LG/08/21 Update re NI District Councils Accounts Directions 2020/21 - for noting. (Attached)

-  20 - Accounts Direction to District Councils 2020-21 Additional Clarification.pdf Page 284

Invitees

- Cllr Terry Andrews
- Mr Patrick Barr
- Ms Karen Beattie
- Ms Kate Bingham
- Cllr Patrick Brown
- Cllr Robert Burgess
- Cllr Pete Byrne
- Mr Gerard Byrne
- Mrs Dorinnia Carville
- Cllr Charlie Casey
- Cllr William Clarke
- Cllr Dermot Curran
- Cllr Laura Devlin
- Ms Louise Dillon
- Cllr Sean Doran
- Cllr Cadogan Enright
- Cllr Aoife Finnegan
- Cllr Hugh Gallagher
- Cllr Mark Gibbons
- Christine Hagan
- Cllr Oonagh Hanlon
- Cllr Glyn Hanna
- Cllr Valerie Harte
- Cllr Roisin Howell
- Mrs Sheila Kieran
- Cllr Mickey Larkin
- Cllr Alan Lewis
- Mr Michael Lipsett
- Cllr Oonagh Magennis
- Mr Conor Mallon
- Cllr Gavin Malone
- Cllr Cathy Mason
- Mr Johnny Mc Bride
- Colette McAteer
- Cllr Declan McAteer
- Cllr Leeanne McEvoy
- Cllr Harold McKee
- Patricia McKeever
- Cllr Karen McKevitt
- Ms Deborah McKim (NIAO)
- Cllr Andrew McMurray
- Mr Ken Montgomery

Cllr Roisin Mulgrew
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Cllr Declan Murphy
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Cllr Barra Ó Muirí
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Linda O'Hare
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Cllr Gerry O'Hare
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Cllr Kathryn Owen
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Cllr Henry Reilly
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Cllr Michael Ruane
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Cllr Michael Savage
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Cllr Gareth Sharvin
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Ms Brona Slevin
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Donna Starkey
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Cllr Gary Stokes
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Sarah Taggart
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Cllr David Taylor
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Cllr Jarlath Tinnelly
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Cllr John Trainor
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Central Support Unit
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Cllr William Walker
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Mrs Marie Ward
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ACTION SHEET**AUDIT COMMITTEE MEETING****THURSDAY 22 APRIL 2021****(Action marked N to remain on: arising from Audit Committee Meeting – September 2020)**

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/057/2020	(Action Sheet) Corporate Risk Register	To note that Minute No AC/030/2020 regarding Corporate Risk Register remain on the Action Sheet until such times as training is provided for Members regarding changes to The Orange Book Management of Risk – Principles and Concepts.	D Carville	Risk Policy/Strategy tabled at this Committee for approval – Training for Members in September 2021 before AC meeting.	N
		To note training would be provided in due course regarding changes to The Orange Book Management of Risk – Principles and Concepts.	D Carville	Noted. See above.	N

Actions: arising from Audit Committee Meeting – April 2021)

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/024/2021	Date and Start Time Audit Committee Meetings 2021-22	To note the Audit Committee dates and start time, as follows, in respect of Audit Committee Meetings from July 2021 to April 2022, which would be formally approved via the Council's Annual Meeting to held on Tuesday 01 June 2021. Monday 05 July 2021 - 2.00pm Thursday 23 September 2021 - 2.00pm Tuesday 11 January 2022 - 2.00pm Friday 22 April 2022 - 2.00pm	D Carville	Dates Agreed	Y
AC/025/2021	Audit Committee: - Terms of Reference - Timetable	1. To approve the Terms of Reference for the Audit Committee, as approved by Council on 4 March 2019.	G Byrne	Terms of Reference agreed	Y

		2. To note the Audit Committee Timetable 2021-22, which will be revised to include reporting on Elected Members' Register of Interest.	G Byrne	Audit Timetable amended and sent to Members on the 28 th June 2021.	Y
AC/026/2021	Audit Committee Self-Assessment	To note the Audit Committee Self-Assessment 2020/2021.	B Selvin	Noted	Y
AC/027/2021	Annual Assessment Re Chairpersons Performance Audit Committee 2020-21	To note the Annual Assessment of the Chairperson's Performance in respect of the Audit Committee for 2020/21.	D Carville	Noted	Y
AC/028/2021	Corporate Risk Register	To note the Corporate Risk Register summary as per Appendix 2 and the Corporate Risk Register as per Appendix 3 with the agreed changes, as contained in Report dated 22 April 2021 from Ms D Carville Director Corporate Services.	D Carville	Noted	Y
AC/029/2021	Prompt Payments	To note Q3 and Q4 Prompt Payments statistics, as per	G Byrne	Noted	Y

AC/030/2021	(Closed) Update re: Audit Recommendations	Report dated 22 April 2021 from Mr G Byrne Audit Services Manager. To note the update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager in relation to legacy audit recommendations and the risk profile of internal audit reports. A Report regarding Planning be brought the next Audit Committee Meeting with regards to a follow up of the implementation of the 2017/18 Internal Audit recommendations specifically.	G Byrne G Byrne	Noted Update on Planning rec's included within Item number 9 on the July Agenda	Y Y
AC/031/2021	(Closed) Update re ASM Investigation – Single Tender Actions	To note the update contained in Report dated 22 April 2021 from Mr K Montgomery Assistant Director of Finance, in relation to the ASM Investigation into the Council's use of Single Tender Actions.	K Montgomery	Noted	Y

AC/032/2021	(Closed) Direct Award Contracts	To note the 2020-21 update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager, in relation to Single Tender Actions (Direct Award Contracts).	G Byrne	Noted	Y
AC/033/2021	(Closed) Update re: Fraud and Whistleblowing	<ol style="list-style-type: none"> To note the update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager, in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1. To approve Part A of Appendix 2, as per above Report, which is designed to assist Audit Committee Members when reviewing, seeking assurance on, or challenging the effectiveness of Councils participation in the National Fraud Initiative. 	G Byrne G Byrne	Noted Part A of NFI Checklist was approved	Y Y
AC/034/2021	(Closed) Update re: Planning Service	To note the position as outlined in Report dated 22 April 2021 from Mr C Mallon Director of Enterprise Regeneration &	C Mallon	Noted	Y

AC/035/2021	(Closed) Update re: Cyber Security	Tourism with regard to Planning Service.	G Ringland	Noted	Y
AC/036/2021	(Closed) ASM Internal Audit Summary Report	To note presentation from Mr G Ringland IT Manager regarding Cyber Security.	C Hagan	Noted	Y
AC/037/2021	(Closed) ASM Internal Audit Annual Assurance Report 2020/21	To note ASM Internal Audit Summary Report dated 22 April 2021.	C Hagan	Noted	Y
AC/038/2021	(Closed) ASM Internal Audit Fieldwork- Risk Management	To note ASM Internal Audit Annual Assurance Report 2020/21.	C Hagan	Noted	Y
AC/039/2021	(Closed) ASM Internal Audit Fieldwork – HR Policy Review	To note Report dated 29 March 2021 from ASM Internal Audit regarding Audit Fieldwork on Risk Management.	C Hagan	Noted	Y
		To note Report dated 15 April 2021 from ASM Internal Audit regarding Audit Fieldwork on HR Policy Review.	C Hagan	Noted	Y

AC/040/2021	(Closed) ASM Internal Audit Fieldwork – Fuel Management	To note Report dated 16 April 2021 from ASM Internal Audit regarding Audit Fieldwork on Fuel Management.	C Hagan	Noted	Y
AC/041/2021	(Closed) ASM Internal Audit Fieldwork – Fleet Management	To note Report dated 16 April 2021 from ASM Internal Audit regarding Audit Fieldwork on Fleet Management.	C Hagan	Noted	Y
AC/042/2021	(Closed) ASM Internal Audit Fieldwork – Follow up of Prior Year Recommendations	To note Report dated 15 April 2021 from ASM Internal Audit regarding Audit Fieldwork on follow up review of prior year recommendations.	C Hagan	Noted	Y
AC/043/2021	ASM Internal Audit Re: Draft Strategy & Annual Plan	To approve the ASM Internal Audit Draft Audit Strategy and Annual Plan 2021-22.	C Hagan	2021/22 IA plan approved	Y
AC/044/2021	Review of Internal Audit Contract	The first one year extension period of the internal audit contract with ASM should be	G Byrne	One-year Extension Approved	Y

			utilised so work can commence on the third year of the four year Internal Audit Plan, for reasons outlined in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager.			
AC/045/2021	(Closed) NIAO re External Audit Strategy (Financial)		To note the Report from NIAO regarding External Audit Strategy (Financial).	C Kane	Note	Y
AC/046/2021	Draft Performance Improvement Objectives		To note the following as per Report dated 22 April 2021 from Ms D Carville, Director of Corporate Services regarding Draft Performance Improvement Objectives 2021/22: <ul style="list-style-type: none"> • The 5 Draft Performance Improvement Objectives 2021-22, as per Appendix 1. • The proposed approach and timetable for publishing the Performance Improvement Plan 2021-22. 	D Carville	Noted	Y

			by 30 June 2021, as per Appendix 2.			
AC/047/2021	Dept for Communities re Consolidated Cllrs Allowances	To note correspondence from Department for Communities regarding Consolidated Councillor Allowances – Circular updated March 2021.	D Carville	Noted	Y	
AC/048/2021	Dept for Communities re Designation of Local Government Auditor	To note correspondence from Department for Communities regarding Designation of Local Government Auditor.	D Carville	Noted	Y	
AC/049/2021	Dept for Communities re Accounts Direction 2020-21 NI District Councils	To note correspondence from Department for Communities regarding Accounts Direction 2020/21 – Northern Ireland District Councils.	D Carville	Noted	Y	

Report to:	Audit Committee
Date of Meeting:	Monday 05 July 2021
Subject:	Audit Committee Annual Report 2020-21
Reporting Officer (Including Job Title):	Brona Slevin Independent Chair of Audit Committee
Contact Officer (Including Job Title):	Brona Slevin Independent Chair of Audit Committee

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

For decision For noting only

Members are asked to consider and approve the contents of this report prior to Reporting to Council.

1.0	Purpose and Background The Annual Report summarises the key activities and highlights any key issues arising throughout the year. This Report will inform the Governance Statement contained within the Council's Annual Accounts.
2	Key Issues The Annual Report of the Newry Mourne and Down Audit Committee for 2020-21 is attached.
3.0	Recommendations Members are asked to consider and approve the Annual Report of the Audit Committee 2020-21. The approved Annual Report of the Audit Committee 2020-21 to be reported to Council.
4.0	Resource implications None.
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)
5.1	<i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i>

	<p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p>Proposal initiating consultation</p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i></p>
6.0	<p>Due regard to Rural Needs (please tick all that apply)</p>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	<p>Appendices</p>
	<p>Appendix 1 – Audit Committee Annual Report for 2020-21</p>
8.0	<p>Background Documents</p>

Newry, Mourne and Down District Council
Audit Committee
Annual Report for 2020/2021

1. Overview

This Annual Report provides an overview of the Audit Committee activities for the Financial Year 2020/21 and demonstrates how the Committee has met its key responsibilities.

The Audit Committee met on six occasions during the year; on 06 July 2020, 24 September 2020, 24 November 2020 (Special Audit Committee), 07 December 2020 (Special Audit Committee) 12 January 2021 and 22 April 2021. A programme of work had been agreed by the Audit Committee and was allocated over a schedule of four meetings during the year. The two Special Audit Committees took place to deal with specific matters of a Single Tender Action investigation and the approval of the Financial Statements for the year 2019/20.

The role of the Audit Committee is to support the Chief Executive (Accounting Officer) and Council by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of the financial statements.

2. Attendance

2.1 Members' attendance at committee meetings were as follows:

COUNCILLOR NAME	ATTENDANCE NARRATIVE – AUDIT COMMITTEE MEETINGS (July 2020 – April 2021)						
	AUDIT COMMITTEE 06 July 2020	AUDIT COMMITTEE 24 September 2020	SPECIAL AUDIT COMMITTEE 24 November 2020	SPECIAL AUDIT COMMITTEE 07 December 2020	AUDIT COMMITTEE 12 January 2021	AUDIT COMMITTEE 22 April 2021	TOTAL Meetings Attended
Indp Chair Ms B Slevin	√	√	√	√	√	√	6/6
Cllr P Byrne	√	√	√	√	√	√	6/6
Cllr C Casey			√	√	√	√	4/6
Cllr L Devlin	√	√	√	√	√		5/6
Cllr C Enright	√		√				2/6
Cllr M Gibbons	√				√	√	3/6
Cllr O Hanlon	√	√	√	√		√	5/6
Cllr A Lewis	√	√	√	√	√	√	6/6
Cllr K Owen	√	√					2/6
Cllr G Sharvin	√	√	√	√	√	√	6/6
Cllr D Murphy				√	√	√	3/6

2.2 Ms Brona Slevin was appointed as an Independent Member of the Audit Committee in March 2019 and in accordance with the Committee's terms of reference took up the role of Chairperson in July 2019 after the previous Chairperson Mr Joe Campbell, stepped down.

2.3 The Audit Committee meetings requires the attendance of the Chief Executive, the Director of Corporate Services and the Internal Auditors. The Audit Services Manager,

Assistant Director of Finance and NIAO representatives also usually attend and the Senior Management Team and other Senior Officers attend by invitation.

3. Performance Evaluation

3.1 In accordance with best practice, the Audit Committee self-assessed its performance against the National Audit Office Checklist for Audit Committees during the year and the results were presented to the meeting on 22 April 2021. The Committee agreed the following actions/recommendations to build effectiveness:

Principle 2: Skills

- (a) political parties to be asked to give consideration to appointing Elected Members for a term greater than one year where possible which will enable knowledge and skills to be built up in this area. Generally there is little change in the Audit Committee make up which shows the Council is committed to keeping the experience and knowledge of Members on the Audit Committee.
- (b) training for all Members on the Audit Committee to be progressed.

Principle 3 and 4: The role and scope of the Committee

It should be noted that under this heading, that due to the Corona Virus pandemic there were unavoidable delays in presenting some items to the Audit Committee.

- (c) the Audit Committee's Terms of Reference is approved by the Audit Committee annually. This was completed in July 2020.
- (d) another report on Cyber Security was presented to the Audit Committee in April 2021.

Principle 5: Communication and Reporting

- (e) Officers to strive to ensure internal audit reports are completed and reported on a timely basis to the Audit Committee.
- (f) Officers to strive to ensure that all papers are provided on a timely basis to Democratic Services so that papers are issued in compliance with Standing Orders so that Members have sufficient time to review them.

Members can take reassurance from the number of good practice questions that have been answered 'yes' demonstrating that the Audit Committee is following best practice and operating effectively.

3.2 An appraisal of the Chairperson performance was also completed by the Chief Executive and Councillor Byrne and was deemed satisfactory.

4. Terms of Reference

A review of the Audit Committee's Terms of Reference was undertaken and approved by Council on 5 March 2019 as part of the review of the terms of references of all Committees of Council. The Audit Committee noted the approved Terms of Reference at its meeting on 15 April 2019. The Audit Committee's Terms of Reference was again approved at the Audit Committee Meeting in July 2020 and in April 2021.

5. 2019/20 Financial Statements and External Audit

The Council's Audited Financial Statements for 2019/20 including the Annual Governance Statement were reviewed by the Special Audit Committee on 07 December 2020. The Committee also reviewed the draft Report to Those Charged With Governance.

The Audit Committee was pleased to note that the Northern Ireland Audit Office (NIAO) had certified the financial Statements with an unqualified audit Opinion and the Audit Committee approved the Accounts for signing.

The Audit Committee noted the contents of final Report To Those Charged With Governance with management responses and the Annual Audit Letter at its meeting on 12 January 2021.

6. Risk Management

The Committee welcomed the continued good progress made by Officers on Risk Management and the structure put in place to ensure ownership and management of risk at all levels of the organisation.

The Council has a Corporate Risk Register which identifies the key corporate level risks faced, and to be managed. Each corporate risk is linked to specific priorities set out by the Council in its Corporate Plan. The Corporate Risk Register and mitigating actions are scrutinised at each Audit Committee meeting. Risk management is also a standing agenda item at monthly meetings of the SMT.

There were 14 corporate risks on the Corporate Risk Register at April 2021 and the corporate risks with the highest residual scores (shown in brackets) were as follows:

CR. 02 Breach of legislation in relation to the procurement of goods and services and works (20)

CR. 04 Failure to effectively manage waste (20)

CR. 05 – Failure to provide timely planning decisions (20)

CR. 08 – 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 (16)

CR. 11 – Failure to adequately manage sickness absence resulting in delays and inability to deliver Council services (15)

CR. 12 – Risk that Council does not assist the COVID 19 recovery of the District. (16)

CR. 13 – Impact of BREXIT on the local economy, organisation, effective service provision and achievement of strategic objectives (16)

CR. 14 – Cyber Security event (16)

7. Internal Audit

7.1 ASM Limited were reappointed on 01 April 2019 as Internal Auditors for a period of 4 years.

7.2 From the Internal Audit Plan 2020/21, 8 Internal Audit Reports were reported to the Audit Committee during the year, 6 of which received a satisfactory assurance rating. Two service areas, Fleet Management and Fuel Management, both received a limited assurance rating.

Despite ongoing restrictions arising from the Covid 19 pandemic, all of the Internal Audit assurance work as detailed in the final Internal Audit Plan 2020/21, as approved by the Audit Committee, was completed.

7.3 In addition, during the Pre Meeting of 06 July 2020 Audit Committee, the Chief Executive informed Elected Members that given the high values of cost involved in the use of STA (Single Tender Actions) arrangements in Council that she had commissioned the Council's Internal Auditors to undertake an investigation into the Council's approach to, and explanations for, the use of Single Tender Actions. The scope of this review also extended to considering the contract mapping exercise being completed by the Council's Procurement Team. The final report on this matter was issued on 01 December 2020 and 21 recommendations were agreed by management. The Northern Ireland Audit Office (NIAO) also have these issues as a priority 1 item in their report for the last 2 years. Management have prioritised these recommendations, are continuing to progress them and reporting through to every Audit Committee with an update to enable appropriate monitoring and challenge.

7.4 ASM, the Council's Internal Auditors, raised significant issues in their Annual Report dated 16 April 2021. ASM stated that the Public Sector Internal Audit Standards ("PSIAS") requires that they bring to the Council's attention those significant control issues which may be relevant to the preparation of the Governance Statement for the year ended 31 March 2021. On this basis, they highlighted the limited assurance provided in the reviews of

Fleet Management and Fuel Management procedures. They also highlighted the significant findings in the investigation into the Council's use of Single Tender Actions (STAs). It was noted the key failings in governance and control in these reviews primarily rest in the Council's Neighbourhood Services Directorate. It was also noted that many of the issues raised were legacy matters that have not been corrected in the course of the new Council due mainly to staffing or policy matters.

7.5 Internal Audit Annual Assurance Opinion

The Committee reviewed the Annual Internal Audit Assurance Report for 2020/21 at its meeting on 22 April 2021 and noted the Auditor's overall opinion that notwithstanding the significant issues identified above, the Council's systems in relation to internal control, risk management and governance were, in general, adequate and operated effectively and they were able to provide satisfactory assurance in relation to the effective and efficient achievement of the Council's objectives.

The Audit Committee welcomed the overall opinion of Satisfactory Assurance and commended Officers for their good work. The Committee also requested regular progress updates on the actions taken to address the significant issues referred to the Internal Audit Annual Assurance Report.

7.6 Follow up Review of Internal Audit Recommendations

The Committee also reviewed on 22 April 2021 a follow up report from Internal Audit on the Implementation of Prior Year Internal Audit Recommendations for 2019/20 including the advisory review in respect of Health & Safety (facility review). The review identified that, out of the 84 accepted recommendations, 24 recommendations were fully implemented, 24 recommendations were partially implemented, 20 recommendations were not implemented, 2 recommendations were no longer accepted and the remaining 14 recommendations were unable to be tested due to access restrictions from the Covid 19 pandemic.

The Audit Services Manager also reported during the year the progress on the implementation of the Internal Audit Recommendations in the years prior to 2019/20. This included an update on the risk facing the Council when these recommendations were not implemented on a timely basis which enabled the Audit Committee to have a fuller understanding of the implications of these recommendations not being in place. The risk to the Council for those outstanding internal audit recommendations up to 2019/20 which have not yet been fully implemented is assessed as low.

The Audit Committee is committed to ensuring the prior year Internal Audit recommendations are completed and reported to the Audit Committee at each meeting.

7.7 Tender for Internal Audit Services

Newry Mourne and Down District Council procured the services of ASM again as its Internal Audit Services provider from 01 April 2019. The contract was for two years with the options

of two one-year extensions. The Audit Committee agreed to the first one year extension period which will be utilised to work on the third year of the four year Internal Audit Plan, ie, 2021/22.

7.8 Approval of Internal Audit Plan 2021/22 and Internal Audit Strategy

The Annual Internal Audit Plan for 2021/22 was brought to the Audit Committee Meeting in April 2021 and approved.

This Internal Audit Plan will be kept under review throughout the year and will be considered against any emerging risks identified as part of the Council's wider risk management processes and response to the COVID-19 recovery plans. Any future proposed changes will be brought to the Audit Committee for consideration.

8. External Audit Strategy

The NIAO presented their Annual Audit Strategy for the Year Ending 31 March 2021 to the Audit Committee on 22 April 2021.

The Audit certification deadline for certifying local government bodies' accounts is 30 September 2021 and to ensure compliance a meeting has been scheduled for 23 September 2021 to review and approve the audited accounts so they can be signed by the deadline.

NIAO have identified an ongoing significant risk namely Weaknesses in Procurement and Contract Management and which they will review as part of their audit plan.

9. Performance Improvement Arrangements

In response to the impact of the COVID-19 pandemic, the Department for Communities (DfC) confirmed that Councils were:

- Not required to publish a Performance Improvement Plan for the 2020-21 financial year.
- Required to produce the Assessment of Performance 2019-20. The Assessment of Performance 2019-20 for Newry, Mourne and Down was completed and published on the Council's website in line with the statutory timescale.
- Required to facilitate the Performance Audit and Assessment, focusing primarily on the Assessment of Performance 2019-20. The timescales for completing the Audit and Assessment were extended and feedback reports were published by 31 March 2021.

Strengthening existing performance management arrangements and embedding a culture of performance and improvement has gained momentum within Newry Mourne and Down District Council. It is vital that performance is used as a key driver to identify improvements and facilitate the delivery of effective, efficient and value for money services in the current and post COVID-19 environments.

10. Acknowledgments

As Chair of the Audit Committee, I wish to extend my thanks to the Members for their support during the year and to the political parties for ensuring continuity of membership on the Committee from year to year. On behalf of the Audit Committee, I wish also to thank officers and the Internal and External Auditors for their hard work during very difficult times, also for their openness engagement with the Committee, thereby allowing it to meet its responsibilities.

Brona Slevin
Independent Chairperson
05 July 2021

Report to:	Audit Committee
Date of Meeting:	5 July 2021
Subject:	Register of Interests
Reporting Officer (Including Job Title):	Dorinnia Carville, Director of Corporate Services
Contact Officer (Including Job Title):	Sarah Taggart, Democratic Services Manager (Acting)

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

<input type="checkbox"/> For decision	<input type="checkbox"/> For noting only	<input checked="" type="checkbox"/> x
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1.0	Purpose and Background
1.1	For Elected Members it is likely that from time to time private matters will impinge on public duties. In such circumstances Members should be aware that it is not appropriate to use public position or resources to deal with private matters or to pursue private interests. The Council has established a Register of Interests and by recording interests openly, any actual or potential conflicts of interest can be identified more easily.
2.0	Key issues
2.1	Councillors have a responsibility to regularly review their circumstances and determine if any change has occurred which should rightly result in a change to their declaration or facilitate the need for a new declaration. If this is the case, they should contact Democratic Services to have their form updated.
2.2	At the Audit Committee meeting in January 2021, it was agreed that Members should regularly review their Register of Interest Forms and that a six-monthly report be brought forward to the Audit Committee to ensure compliance.
2.3	An email has been sent to Members asking them to review and, if required, update their Register of Interest forms via Democratic Services.
2.4	As at 30 June 2021, 13 Members have replied stating there has been no change to their forms and 6 have advised of amendments. The remainder of the Members are processing their forms.
3.0	Recommendations
3.1	That Members: a. Note the six-month review report.
4.0	Resource implications
4.1	None identified
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)

5.1	<p>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p>Proposal initiating consultation</p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i></p>
6.0	<p>Due regard to Rural Needs (please tick all that apply)</p>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p> <p>If no, please complete the following:</p> <p>The policy / strategy / plan / public service is not influenced by rural needs <input checked="" type="checkbox"/></p>
7.0	<p>Appendices</p>

	None
8.0	Background Documents

Report to:	Audit Committee
Date of Meeting:	5 th July 2021
Subject:	Corporate Risk Register
Reporting Officer (Including Job Title):	Dorinnia Carville – Director: Corporate Services
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
1.0	Purpose and Background		
1.1	The Corporate Risk Register was reviewed and updated by the SMT on 22 June 2021. Year-end Assurance Statements for 2020-21 have been used to inform and update the content of the Corporate Risk Register. Where relevant, Officers have also provided updates in relation to specific controls and action plans.		
2.0	Key issues		
2.1	<p>Corporate Risk Register</p> <p>The Council has identified 12 corporate risks, 1 of which is a red risk and 11 of which are amber. Appendix 1 provides an overview of each risk, risk owner(s), gross and residual risk scores, as well as a summary of changes and updates which have been made to the Corporate Risk Register since April 2021.</p> <p>The SMT has revised the residual scores for a number of corporate risks to take into account the progress made by the Council in reacting to major incidents and delivering the economic development programme to support the recovery of the District.</p> <p>Other significant amendments include:</p> <ul style="list-style-type: none"> Corporate Risk 1 (Failure to deliver the capital investment programme for the District) has been updated to reflect a paper brought to the SP&R Committee in June 2021 highlighting material shortages and the rise in Construction costs. A new action has been included. The previous Corporate risk 12 (Impact of BREXIT on the local economy, organisation, effective service provision and achievement of strategic objectives) has been merged into Corporate Risk 8 (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, including the NI Protocol). This is due to Brexit materialising and the challenge is now is managing any uncertainties around the NI protocol -this is consistent with the controls and actions within Corporate Risk 8. <p>The updated Corporate Risk Register is attached at Appendix 2.</p>		

2.2	<p>Directorate Risk Registers</p> <p>Directorate Risk Registers were reviewed and updated during Q3/Q4 2020-21. Directorate Risk Registers are reviewed to strengthen the alignment with the Corporate Risk Register and ensure they take account of key, emerging issues, including COVID-19 and Brexit. The alignment between Directorate Risk Registers and Directorate Business Plans will also be strengthened during 2021-22.</p>
2.3	<p>Internal Audit – Risk Management</p> <p>ASM carried out an internal audit of risk management in February 2021 and provided a satisfactory assurance rating. A number of recommendations have been agreed, which focus on:</p> <ul style="list-style-type: none"> • Updating the Risk Management Policy and articulating the risk appetite of the organisation; • Providing risk management training for Elected Members and Officers; • Reviewing and updating Directorate Risk Registers on a quarterly basis and summarising the key findings for SMT and Elected Members; and • Strengthening the alignment between Directorate Risk Registers and Directorate Business Plans. <p>The revised 'draft' Risk Management Policy/Strategy and risk appetite of Council is presented to Members at Agenda item number 13 for approval. Once approved, training for Members will be organised prior to the September 2021 meeting.</p>
3.0	<p>Recommendations</p>
3.1	<p>To note the Corporate Risk Register summary as outlined in Appendix 2 and the Corporate Risk Register at Appendix 3.</p>
4.0	<p>Resource implications</p>
4.1	<p>There are no resource implications.</p>
5.0	<p>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</p>
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p>

	<p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><i>Proposal initiating consultation</i></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	Due regard to Rural Needs (please tick all that apply)
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	Appendices
	<p>Appendix 1: Cover Sheet – Corporate Risk Register</p> <p>Appendix 2: Corporate Risk Register – July 2021</p>
8.0	Background Documents
	None

NMDCC Corporate Risk Register Cover Sheet - April 2021

Risk	Description	Risk Owner(s)	Apr-21		Jun-21		Comments
			Gross Risk Score	Residual Risk Score	Gross Risk Score	Residual Risk Score	
CR01	Failure to deliver the capital investment programme for the District	Dorinnia Carville Michael Lipsitt Conor Mallon	25	15	12	12	New action included around construction costs rises and shortages in relation to materials. Residual Risk also revised.
CR02	Breach of legislation/legislative challenge in relation to the procurement of goods and services and works	Dorinnia Carville	20	20	20	20	Actions updated.
CR03	Non-compliance with legislative requirements	Dorinnia Carville Michael Lipsitt Johnny McBride Johnny McBride	25	15	15	15	Previous Corporate Risk 'CR11' (Accidents / injuries including FRAs) now merged with this risk. Actions updated
CR04	Failure to effectively manage waste		20	20	16	16	Actions updated. Residual Risk reduced as the industrial action has now passed and Management are now involved in legal discussions with the trade unions.
CR05	Failure to provide timely planning decisions	Conor Mallon	25	20	16	16	Actions updated - Residual Risk now reduced as all 8 on the 2017/18 IA recommendations have now been implemented.
CR06	Failure to adequately plan for the future and deliver efficiencies and improvement	Marie Ward	20	12	12	12	Actions updated.
CR07	Failure to adequately react to a major incident which would minimise any negative consequences/impact	Dorinnia Carville Dorinnia Carville	20	12	12	12	Actions updated and new action included in relation to NI emergency Planning Structures.
CR08	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, including the NI Protocol	Marie Ward Conor Mallon	20	16	16	16	CR12 now merged into this risk - Title of the risk has been amended to reflect the NI Protocol. Actions have also been updated
CR09	Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery	Marie Ward Dorinnia Carville	20	12	12	12	Actions updated.
CR10	Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.	Senior Management Team	25	15	15	15	Actions updated.
CR11	Risk that Council does not assist the post COVID 19 recovery of the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term	Senior Management Team	20	16	12	12	Actions updated and a new action included in relation to the Rates support Grant.
CR12	Impact of BREXIT on the local economy, organisation, effective service provision and achievement of strategic objectives	Dorinnia Carville	25	16	n/a	n/a	Risk merged into CR08 - Brexit is now complete, the NI Protocol Elements of the risk have now been transferred to CR08.
CR12	Failure to effectively plan for and manage a cyber security attack.	Dorinnia Carville	20	16	16	16	Actions updated and risk title amended.

Likelihood of Event or Incident occurring	
Likelihood Descriptor	Score Probability / Likelihood (of level or incident occurring over lifetime of Corporate Plan)
Almost Certain	5 The event is more likely than not to occur.
Likely	4 The event is likely to occur.
Possible	3 There is a reasonable chance of the event occurring.
Unlikely	2 The event is unlikely to occur.
Rare	1 The event will occur only in exceptional circumstances.

Risk Assessment Matrix	PROBABILITY				
	SCORE				
	Rare	Unlikely	Possible	Likely	V. Likely
CONSEQUENCES	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Consequence Description	Score	Risk Type with associated impact				
		Statutory Duty	Business / Operational	Environmental	Engineering	Quality of Service
5 Fundamental • death • major breach of statutory legislation and protection	5	<ul style="list-style-type: none"> Multiple breaches of statutory legislation and protection 	<ul style="list-style-type: none"> Corporate + stock exchange National Media Interest Severe loss of confidence and reputation 	<ul style="list-style-type: none"> Climate environmental impact Climate impact on customer satisfaction Climate impact on customer satisfaction Climate impact on customer satisfaction 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend)
4 Major • major breach of health regulations • major breach of consumer protection regulations	4	<ul style="list-style-type: none"> Multiple breaches of statutory legislation and protection Major breach of statutory legislation and protection 	<ul style="list-style-type: none"> Corporate + stock exchange Regulatory + CCRB + CCRB Media + CCRB + CCRB Media + CCRB + CCRB 	<ul style="list-style-type: none"> Climate environmental impact Climate impact on customer satisfaction Climate impact on customer satisfaction Climate impact on customer satisfaction 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend)
3 Moderate • major breach of health regulations • major breach of consumer protection regulations	3	<ul style="list-style-type: none"> Multiple breaches of statutory legislation and protection Major breach of statutory legislation and protection 	<ul style="list-style-type: none"> Corporate + stock exchange Regulatory + CCRB + CCRB Media + CCRB + CCRB Media + CCRB + CCRB 	<ul style="list-style-type: none"> Climate environmental impact Climate impact on customer satisfaction Climate impact on customer satisfaction Climate impact on customer satisfaction 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend)
2 Minor • major breach of health regulations • major breach of consumer protection regulations	2	<ul style="list-style-type: none"> Multiple breaches of statutory legislation and protection Major breach of statutory legislation and protection 	<ul style="list-style-type: none"> Corporate + stock exchange Regulatory + CCRB + CCRB Media + CCRB + CCRB Media + CCRB + CCRB 	<ul style="list-style-type: none"> Climate environmental impact Climate impact on customer satisfaction Climate impact on customer satisfaction Climate impact on customer satisfaction 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend)
1 Not significant • major breach of health regulations • major breach of consumer protection regulations	1	<ul style="list-style-type: none"> Multiple breaches of statutory legislation and protection Major breach of statutory legislation and protection 	<ul style="list-style-type: none"> Corporate + stock exchange Regulatory + CCRB + CCRB Media + CCRB + CCRB Media + CCRB + CCRB 	<ul style="list-style-type: none"> Climate environmental impact Climate impact on customer satisfaction Climate impact on customer satisfaction Climate impact on customer satisfaction 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) 	<ul style="list-style-type: none"> Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend) Major financial impact (between 1% and 2% of total distributable dividend)

<p>EU Significant</p>	<ul style="list-style-type: none"> • Minor (1-10) or 11-15 months • Moderate (16-20) or 21-25 months • Major (26-30) or 31-36 months 	<ul style="list-style-type: none"> • Near breach of existing legislation • Minor breach of guidance or legislation 	<ul style="list-style-type: none"> • Breaches legislation due to reference in EU 	<ul style="list-style-type: none"> • Disruption to service provided to customers 	<ul style="list-style-type: none"> • Legal claims to meet internal standards 	<ul style="list-style-type: none"> • Risk to our strategic objectives • Threat to our license (C - 100)
	<ul style="list-style-type: none"> • No adverse outcome • No injury or threats 	<ul style="list-style-type: none"> • Minimal impact to environment • Minimal disruption 	<ul style="list-style-type: none"> • Continued trading activities • Minor non-compliance with national standards 			

Risk Assessment Matrix			PROBABILITY				
			Rare	Unlikely	Possible	Likely	V Likely
			1	2	3	4	5
		Score	1	2	3	4	5
CONSEQUENCES	Fundamental	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Not significant	1	1	2	3	4	5

		Risk Type (with associated impact)					
		Impact on individual(s) – staff or public.	Statutory Duty.	Business / Operational	Buildings/ Environmental	Engineering/	Quality of Service
Consequence	Score						
Fundamental	5	• Death	• Multiple breach of statutory legislation and prosecution.	• Litigation > £500k expected.	• Critical Environmental impact.	• Severe impact on customer satisfaction.	
				• National Media interest. • Severe loss of confidence and reputation	• Service closed for unacceptable period.	• Gross failure to meet professional / national standards	
Major	4	• Major injury/ill health (reportable)	• Multiple breach of statutory legislation and improvement notice issued.	• Litigation >£250k to <£500k expected.	• Major/significant environmental impact	• Major impact on customer satisfaction.	
		• Major clinical intervention		• Adverse publicity	• Severe disruption to service	• Failure to meet professional / national standards	
		• Permanent incapacity		• Impact on reputation			
Moderate	3	• Temporary incapacity	• Single breach of statutory legislation and improvement Notice issued.	• Litigation >£50k - <£250k possible.	• Moderate environmental impact	• Formal complaint expected.	
		• Short term monitoring		• Potential for adverse publicity, avoidable with careful handling	• Moderate disruption to services	• Failure to meet internal standard	
		• Additional medical treatment up to 1 year		• Potential to impact on reputation.			
Minor	2	• First Aid/ self treatment	• Breach of statutory legislation.	• Litigation <£50k	• Localised environmental impact	• Possible complaint.	
		• Minor injury		• Impact on reputation – internal awareness.	• Disruption to service perceived as inconvenient.	• Single failure to meet internal standard.	
		• Minor ill health up to 1 month					
		• Near miss (small cluster)					
Not significant	1	• Near miss (single)	• Near breach of statutory legislation.	• Possible litigation due to settlement is <£5k.	• Minimal impact to environment.	• Customer initially unhappy.	
		• No adverse outcome.	• Minor breach of guidance or legislation.		• Minimal disruption.	• Minor non-compliance with internal standard.	
		• No injury or ill-health.					

		• Near miss (small cluster)		awareness,	as inconvenient	
Not significant	1	• Near miss (single)	• Near breach of statutory legislation.	• Possible litigation due to settlement is ~£5k.	• Minimal impact to environment.	• Customer initially unth
		• No adverse outcome. • No injury or ill-health.	Minor breach of guidance or legislation.		• Minimal disruption.	• Minor non-compliance with internal standard.

Likelihood of Event or Incident occurring		
Likelihood Descriptor	Score	Probability / Likelihood (of event or incident occurring over lifetime of Corporate Plan).
Almost Certain	5	• The event is more likely than not to occur.
Likely	4	• The event is likely to occur.
Possible	3	• There is a reasonable chance of the event occurring.
Unlikely	2	• The event is unlikely to occur.
Rare	1	• The event will occur only in exceptional circumstances.

Likely	V Likely
4	5
20	25
16	20
12	15
8	10
4	5

Engineering	Quality of Service	Finance
Financial Impact.	<ul style="list-style-type: none"> Severe impact on customer satisfaction. 	<ul style="list-style-type: none"> Significant financial impact (over 5% of total directorate budget)
	<ul style="list-style-type: none"> Gross failure to meet professional / national standards 	<ul style="list-style-type: none"> Theft / loss >£250k
Environmental	<ul style="list-style-type: none"> Major impact on customer satisfaction. 	<ul style="list-style-type: none"> Major financial impact (between 2% - 5% of total directorate budget)
Service	<ul style="list-style-type: none"> Failure to meet professional / national standards 	<ul style="list-style-type: none"> Theft / loss between £100k - £250k
Financial Impact	<ul style="list-style-type: none"> Formal complaint expected. 	<ul style="list-style-type: none"> Moderate financial impact (between 1% and 2% of total directorate budget)
Impact on services	<ul style="list-style-type: none"> Failure to meet internal standard 	<ul style="list-style-type: none"> Theft / loss between £50k - £100k
Financial	<ul style="list-style-type: none"> Possible complaint. 	<ul style="list-style-type: none"> Minor financial impact (up to 1% of total directorate budget)
Perceived	<ul style="list-style-type: none"> Single failure to meet internal standard. 	<ul style="list-style-type: none"> Theft / loss between £1 - £50k
Environment.	<ul style="list-style-type: none"> Customer initially unhappy. 	
	<ul style="list-style-type: none"> Minor non-compliance with internal standard. 	

Environment.	<ul style="list-style-type: none">• Customer initially unhappy.	
	<ul style="list-style-type: none">• Minor non-compliance with internal standard.	

1. Corporate Risk Register NMDDC

28/06/2021 17:56:38

Risk CR. 01 - Failure to deliver the capital investment programme for the District

5	Green	Yellow	Orange	Red	0
4	Green	Yellow	Orange	Red	R
3	Green	Yellow	Orange	Red	T
2	Green	Yellow	Orange	Red	
1	Green	Yellow	Orange	Red	
	1	2	3	4	5

Probability

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	Lack of availability of construction materials and increases in the cost of materials due to - COVID19 / global demand / administration at UK ports and container shortages Contractors on key projects fail to deliver on time and on budget Consultant and/or contractor collusion Procurement delays, failures or legal challenges Absence of adherence to policies and resources Projected timelines too optimistic Delays due to the statutory approvals process Lack of awareness in staff and managers Lack of resources - economic downturn/recession Brexit - lack of match funding Brexit - delays or unavailability of materials and products COVID19 - funding reduced/withdrawn, timescales extended leading to increased costs
Consequence	Impact on service delivery Financial impact - Loss of funding (i.e. DAERA projects) Legal challenge / Negative PR Impact on quality/cost of projects COVID19 - Future reduction on the capital budget Reputational damage
Risk Owners	Donnla Carville; Michael Lipsett; Conor Mallon
Gross/Inherent Risk	Red 25
Residual Risk	Amber 12
Target Risk Level	Green 8
	Last Review 22/06/2021
	Next Review 20/09/2021
	Risk Appetite Risk Averse

Objectives

- Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities
- Invest in and support new and growing businesses, job creation and employment skills
- Promote the realisation of our city, towns, villages and rural communities
- Provide accessible, high-quality and integrated services through continuous improvement
- Support sustainable forms of tourism which value our environment and cultural heritage

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

Asset Management Strategy	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
	To identify surplus assets to sell and use sale proceeds to assist funding in the capital programme.	In Progress	Colin Quinn	31/08/2021	The identification and disposal of surplus land assets continues to be a main focus for the Estates Team. Updates on the Surplus Asset Register are considered regularly to the Strategic Finance Working Group, with associated recommendations being agreed by the SP&R Committee. Two surplus assets have been sold and the sale of one further asset is almost complete, with 3 assets currently at 'sale agreed'. 3 further assets are on the 'open market', with discussions ongoing in the hope that these will also move to 'sale agreed'. 3a assets are currently being considered for disposal through the D1 process and 2 assets are being considered for community asset transfers. 8 remaining assets are listed in the Surplus Asset Register. Four of these assets, whilst surplus, are being retained for an interim period before being reconsidered for disposal. To date, Council has lodged two Full Planning Applications one of which has been approved, five Outline Planning Applications and three PADs to date. In addition three applications have been withdrawn.

<p>Construction Industry - Material Shortages and Price Increases - Potential Impact to our capital Plan</p>	<p>Council Officers and our consultants have requested extensions for some projects for completion. As some of these projects are funded by central government departments (e.g. DAERA, DfC), officers are having to seek associated approval and amendments to letter of offer for these requests.</p> <p>All central government have informed me that the Dept of Finance is being lobbied by the construction industry to contribute to the unforeseen increase in material costs for those construction projects (large value) which were awarded in advance of the recent price spikes, as well as term service contracts with fixed rates for undertaking works. While no such requests have been made on any of our projects, if central government agree to this, there may be an expectation by the industry that local government would follow this model</p>	<p>In Progress</p>	<p>Colin Quinn</p>	<p>31/08/2021</p>	<p>As our Capital Programme has numerous construction projects with identified costs, it will be essential that the programmes and costs are rigorously reviewed, particularly those going to tender over the next 12 months. It is highly possible that some projects will require additional capital to be approved before the projects advance. These updated costs will be brought through the SFWG and the relevant committee for associated approval before proceeding.</p>
<p>COVID19 - Review of the Capital Plan</p>	<p>Thorough review of the Capital Plan in light of COVID19</p>	<p>In Progress</p>	<p>Senior Management Team</p>	<p>31/08/2021</p>	<p>Meetings with all Directorates took place in December 2020 to discuss their capital programmes. A detailed review of the Capital Plan was considered by the Strategic Finance Working Group on 14 December 2020. Further meetings took place with the Strategic Finance Working Group in the lead up to the rates process. SMT will consider a report on 9th April 2021, identifying the projected spend profile for the major capital projects planned for delivery over the next 5 years.</p>
<p>SIF Projects</p>	<p>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 the project risk register.</p>	<p>In Progress</p>	<p>Michael Lipsett</p>	<p>31/08/2021</p>	<p>Monthly meetings continue to take place with CEO, DfC and the relevant Council Officers to closely monitor the current committed delivery programme. Ballyhoran project - successfully delivered in October 2020. Castlewellan Community Centre - all previously outstanding final accounts are now settled. Kalkoolley project - cannot be delivered due to the failure to secure planning approval and will not progress any further.</p> <p>Thomas Davis project - Construction is ongoing. However, there are delivery issues, which may be attributed to poor contract and/or project management, and have recently been addressed by ABC (Employer), with an anticipated completion date of August 2021. SIF projects are now drawing to a close.</p>

Risk CR. 02 - Breach of legislation / legislative challenge in relation to the procurement of goods and services and works

5	High	High	High	High		
4	High	Medium	High	High		
3	High	Low	Medium	High		
2	Medium	Low	Low	Medium		
1	Low	Low	Low	Low		
		1	2	3	4	5
		Probability				

Risk Categories
Financial
Impact on individuals (staff or public)
Quality of Service
Statutory Duty (Legal/Regulatory)

Risk Description
Breach of legislation / legislative challenge in relation to the procurement of goods and services and works

Potential Root Cause
Lack of awareness of legislation
Lack of compliance with the Council's Procurement Policy
Lack of training for staff
COVID19 - Pandemic leading to situations where procurement rules and procedures are bypassed to secure essential products and services

Consequence
Negative PR
Financial loss to the Council
Litigation
Inadequate compliance with Procurement Policy

Risk Owners
Dorinnia Carville

Gross/Inherent Risk
Red 20

Residual Risk
Red 20

Target Risk Level
Yellow 8

Last Review 22/06/2021
Next Review 20/09/2021
Risk Appetite Risk Averse

Objectives

Provide accessible, high-quality and integrated services through continuous improvement

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
6. Procurement training rolled out to all relevant staff based on expenditure level
7. COVID19 - Regulation 32 purchases being utilised. Procurement holding list of expenditures bypassing normal rules

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Contracts Management	The Limited Assurance Contract Management Internal Audit recommendations to be implemented with immediate effect. The two overarching recommendations were that Council develops a Contracts Management procedure and provides training for relevant staff on best practice.	Audit Recommendation	Ken Montgomery	30/09/2021	Between the 2018-19 and 2019-20 there was an increase in compliant spend across the Council, as highlighted through the two contract mapping exercises. However, non-compliant spend remains high. Budget holders have been informed about the procurement priorities of their respective sections, as identified through the contracts mapping exercise, and have been asked to provide a timeline outlining when new compliant contracts will be put in place. An analysis of annual spend with individual and multiple suppliers between £15-£30k, where procurement should have been undertaken, is now complete. Contracts mapping is a standing item on the CMT agenda. The most recent report indicates that there are 203 contracts on the Contracts Register, 61 long-term non-compliant spends, 14 STAs where the requirement could have been procured and overspend in 19 contracts which exceed the £30k threshold. The Contracts Register will be developed further to alert Contract Managers when the current contract is due to expire, to enable a new compliant contract to be put in place. Each Directorate now has a procurement action plan - these were presented to each Committee in Q4 of 2020/21
Contracts Register	Development of a Council contracts register, to be maintained and reviewed by the Procurement Team.	Audit Recommendation	Ken Montgomery	31/07/2021	The Council is preparing a business case outlining the requirements for the new procurement system. Workshops took place during March 2021 to identify and agree the business requirements and specification of the new system. Project plan now developed. Effective date is September 2021.
New Procurement Database	E-hub will no longer be supported in early 2021. The Council needs to move to source a new supplier which fits the needs of Council.	In Progress	Ken Montgomery	01/09/2021	The over-arching recommendations focus on ensuring compliance with the Council's Procurement Policy, putting in place the appropriate contract management arrangements, developing Procurement Action Plans and delivering procurement training to Officers across the organisation. Progress in implementing the recommendations is underway. Procurement Action Plans for each Directorate have now been considered and approved by the respective Council Committee and progress will be monitored by the Audit Committee.
Single Tender Actions	Implement the recommendations arising from the ASM investigation into the use of Single Tender Actions across the Council.	In Progress	Senior Management Team	31/09/2021	

Risk CR. 03 - Non-compliance with legislative requirements

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4									
3									
2									
1									
	1	2	3	4	5	Probability			

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 ensure legislative compliance, including health and safety and fire risk assessments.
Potential Root Cause	Failure to understand and meet legal requirements in relation to Health and Safety, Information Management, Rural Needs, Disability, Section 75, Performance and Improvement and Safeguarding. Lack of resources and inadequate training provision. Absence of effective operational procedures and policies. Fire Risk Assessments at Council buildings not being undertaken and actions not being implemented and managed. Unforeseen events and public negligence/lack of responsibility. COVID19 - increased risks in relation to H&S at properties; statutory inspections required under legislation (i.e - vehicle and plant lifts, lifting equipment, pressurised water systems, local exhaust ventilation) are not taking place due to lack of access. COVID19 - FRA / Legionella / Asbestos etc (are not being reviewed due to front line services being provided). COVID19 - The Finance Act act as amended by the draft COVID regulations could be misinterpreted by staff. COVID19 - ICO requirements for Council during pandemic. COVID19 - Failure to ensure adequate governance arrangements are in place in context of adapting working practices leading to significant governance failures. Examples include financial governance, governance of data and the decision making of Council.
Consequence	Non-compliance leading to prosecution Personal liability / Corporate Manslaughter Risk of a fatality at a Council site Reputational damage Reduced trust and public confidence Increased number of complaints and queries Increased insurance premiums Loss of income
Risk Owners	Dorinda Carville; Michael Lipsitt; Johnny McBride
Gross/Inherent Risk	Red 25 Last Review 22/06/2021
Residual Risk	Amber 15 Next Review 20/09/2021
Target Risk Level	Green 6 Risk Appetite Risk Averse

Objectives

Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. Majority of policies and procedures in place
2. Dedicated skilled teams in place for:
 - Health and Safety
 - HR
 - Legal (including information management)
3. Health and Safety Committees in place and ongoing programme of training in place
4. Access to Information Policy approved in June 2019.
5. COVID19 - New legislation introduced to allow virtual committee meetings
6. COVID19 - New Governance Arrangements in place in Council. Delegated authority amended through SO.
7. Asbestos and Legionella Policies and Management Plans in place
7. Compliance Reporting to SMT and H&S Committees

Action Plans

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	31/08/2021	The Fire Risk Management Policy has been approved and effective since 12th March 2020. The Management Plan for Fire Safety Management is at an advanced stage and will assign specific roles and responsibilities. The Willis Tower Watson (WTW) audit for the Newcastle Centre is complete and will be reviewed by Building Control. The Council is awaiting the final report for the WTW audit for Down County Museum. Fire Safety for Premises Managers' training commenced March 2021 for officers 'in control' of parts/elements of Council premises. Update - no further progress has been made in relation to the development and agreement of Fire Safety Management Plan - Councils Building Maintenance team continue to address work as required. Progress in implementing the 30 recommendations was considered by the SMT in November 2020. In March 2021, ASM carried out of review of progress in implementing the recommendations. The outcome of this review was presented to Audit Committee in April - 6 rec's were fully implemented and 14 partially implemented. Follow up discussions to take place at Facilities Management Working Group.
Advisory Internal Audit Review - Health and Safety	Implement the 30 recommendations arising from the internal audit review of Health and Safety	In Progress	Colin Quinn	31/09/2021	

Asbestos and Legionella Policies and Management Plans	Implementation of Asbestos and Legionella Policies and Management Plans	In Progress	Kevin Scullion	31/08/2021	<p>Ongoing compliance with policies and implementation of Management Plans.</p> <p>Update - Loss of M&E Maintenance Officer in January 2021 is having an impact as their work is being shared between Head of Service and Assistant Director, but the same focus cannot be applied due to limited time available for both officers to dedicate to this work. Work proceeds in relation to management of legionella and asbestos in Council facilities. This was disrupted somewhat due to Covid-19 restrictions but is coming back to more normal operations as more buildings begin to open.</p> <p>Work is almost complete in identifying high risk staff across the organisation, in liaison with CMT. Mandatory declarations have been issued to all staff identified as high risk. A no. of returns remain outstanding and are being followed-up. Target date for this is end August 2021. A request for voluntary declarations to all remaining staff will be issued by September 2021.</p> <p>New procedures in place to collate and review the declarations submitted by Elected Members every six months, commencing in January 2021.</p> <p>All required COVID-19 Risk Assessments are in place for relevant work activities and premises. The Risk Assessments have been reviewed prior to the re-opening of premises and re-commencing of activities, as restrictions gradually ease. All risk assessments are updated to reflect the control measures required. Continual monitoring of the easing of government restrictions and the associated impact of work activities and impact of council facilities. Joint discussions on corporate approach at regular CMT EPIG meetings.</p> <p>The Health and Safety Policy was considered by the SPR Committee in March 2021 and ratified by full Council in April 2021. Training on the new Health and Safety Policy will be rolled out during 2021-22.</p>
Conflict of Interest Declarations	All high risk staff to have declaration completed by May 2021. Voluntary declarations to be rolled out to all staff by May 2021. All Elected Members have completed and submitted declarations, which will be reviewed every six months and reported to the Audit Committee.	In Progress	Alison Robb	31/08/2021	
COVID-19 Risk Assessments	Review and update the COVID-19 Risk Assessments	In Progress	Colin Quinn	31/08/2021	
Health and Safety Policy	Review the Health and Safety Policy to ensure it complies with best practice and is fit for purpose	Completed	Colin Quinn	28/05/2021	

Action Plans

Action Plan	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Date	Comments
Industrial Action	Ensure Contingency Plans are in place to address the impact of industrial action in the future.	Completed	Johnny McBride	31/08/2021	Contingency Plans were activated on 3 December 2020 to address the impact industrial action on bin collections for those households which were affected by the strike. Workforce Plans are monitored and reviewed to ensure business continuity and effective service provision. Action Complete
Neighbourhood Services Transformation Project	The NS Transformation Project will aim to make efficiencies within the NS Directorate whilst still maintaining the level of service and driving improvement	In Progress	Johnny McBride	31/08/2021	External view to be undertaken for options on a waste service. Report was considered by the SMT on the 9 September 2020. There has been no further progress with the NS Transformation Project due to Planning for the Future. No further progress, however service reviews identified in JTUS work programme will impact on NSTP
Operators Licence	Internal Audit carried out a review of the progress in implementing TRU and FTA recommendations in October 2018. A further review took place during November/December 2020 which has provisionally highlighted that limited progress has been made in implementing a number of recommendations from the 2018 audit.	In Progress	Johnny McBride	31/08/2021	The New Fleet Policy and Critical Procedures have been effective since April 2020. An Internal Audit of Fleet Management was carried out in November/December 2020 and had a limited assurance rating. Action plan developed to address outstanding issues and tabled at NS Committee in June 2021.
Waste Management Plan	The Waste Management Plan is organised by ARC 21. The Council is required to feed into and approve ARC 21's Waste Management Plan.	In Progress	Johnny McBride	31/08/2021	The three NI Waste Management Plans are scheduled to be reviewed by WRAP during 2021-22 and will consider a range of themes including legislation, policy, commercial waste and packaging waste. The project has been scoped out, all activities are on schedule, as planned, and the review of the ARC 21 Waste Management Plan is prioritised for completion by September 2021. Once finalised, NMDDC will consider the review of the Arc21 Waste Management Plan, which will include recommendations to update the plan.

Risk CR. 05 - Failure to provide timely planning decisions

5					G
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1					
	1	2	3	4	5

Probability

Risk Categories	Business operational/reputational Financial Quality of Service
Risk Description	Failure to provide timely planning decisions
Potential Root Cause	Ineffective and/or inadequate resources Ineffective technology - EPIC system changes COVID19 - Social distancing restrictions could increase the time taken for planning decision to be made.
Consequence	Litigation Reputational issues Lower levels of customer satisfaction Impact on service delivery and lost productivity Financial implications resulting in budget constraints Failure to achieve the statutory standards around local / major planning applications and enforcement cases
Risk Owners	Conor Mallon
Gross/Inherent Risk	Red 25
Residual Risk	Amber 16
Target Risk Level	Yellow 9
Last Review	22/05/2021
Next Review	28/09/2021
Risk Appetite	Risk Averse

Objectives

- Enhance, protect and promote our environment
- Invest in and support new and growing businesses, job creation and employment skills
- Promote the revitalisation of our city, towns, villages and rural communities
- Provide accessible, high-quality and integrated services through continuous improvement
- Support sustainable forms of tourism which value our environment and cultural heritage

Key Controls Identified

1. Dedicated Planning Committee in operation
2. Scheme of Delegation in place to facilitate timely planning decisions
3. Action plan in place to reduce backlog
4. Ongoing training for officers and members
5. Increase in employee numbers

Action Plans

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	31/08/2021	Live applications at 18/6/21 is 1,221. The filing of new and vacant posts is ongoing. A report will be brought to SMT in July 2021 setting out proposals for addressing backlog issues and other measures to increase capacity for dealing with new applications. Numbers of applications received have increased by 30% since the onset of the Covid19. An internal audit of complaints handling and management was carried out during Q2 2020-21. The audit focused on complaints across a range of departments, including Planning. It was recommended that the Planning Department reviews why the corporate processing time for handling complaints is not being achieved, and that the outcome of this review is reported to SMT. The recommended review within the Planning Department is ongoing; initial findings indicate recent improved performance in terms of responses issuing within target timeframes. The Internal Audit recommendations do not reflect the technical nature of some planning complaints. The Corporate Complaints Policy is currently being revised and this is something which should be considered. Council has agreed to the procurement of a replacement planning computer system, in a joint arrangement with the other 10 Councils and DfL. The contract has been awarded and is to be operational by early 2022.
Respond to complaints in relation to the Planning service within the corporate reporting timeframe and implement the relevant recommendations arising from the internal audit of complaints handling and management.	In Progress	Conor Mallon Anthony McKay	31/08/2021	Stage 1 of the LDP process concluded with the production of, and consultation on, the Preferred Options Paper. The LDP timetable was revised January 2021, as agreed by DfL. Stage 2 of the process in relation to the Plan Strategy has commenced. Indicative timeframe for publication of the draft Plan Strategy has been revised and is now Q3-Q4 2021-22. Specialist consultants have assisted in providing the evidence base to inform the Plan Strategy (e.g. Retail/Landscape Assessment/Employment). Quarterly updates are being provided to the Planning Committee. Key work strands in the preparation of the Plan Strategy are being presented to and considered by the Planning Committee on a monthly basis (e.g. Planning Policy Review exercise/ Study reports etc). The specialist planning consultant commenced January 2020 and has been reviewing processes and procedures to help improve the performance of the planning service and facilitate transformational change. The Consultant provided progress updates to the Planning Committee in July and October 2020, as well as February 2021. Planning Consultant is bringing a detailed report to SP&R in July 2021.
Upgrade of technical IT infrastructure (EPIC Replacement)	In Progress	Anthony McKay	31/03/2022	
To progress the Local Development Plan in line with agreed timetable.	In Progress	Anthony McKay	31/08/2021	
Business case to appoint a specialist planning consultant was approved at the December 2019 SP&R Committee	In Progress	Conor Mallon	31/07/2021	

Risk CR. 06 - Failure to adequately plan for the future and deliver efficiencies and improvement

5					
4		T	R		
3					
2					
1					
	1	2	3	4	5

Consequence

Probability

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

Risk Description
Potential Root Cause

Failure to adequately plan for the future and deliver efficiencies and improvement
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
The impact of COVID19 on the overall affordability of the Councils long term plans.

Consequence

We are not fundamentally addressing the merger (aka LGR) leading to reputational damage
The budget situation will continue to get worse (salaries and 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
Dorimnia Carville; Marie Ward

Gross/inherent Risk
Red 20
Residual Risk
Amber 12
Target Risk Level
Yellow 8

Last Review
22/06/2021
Next Review
20/09/2021
Risk Appetite
Risk Neutral

Objectives

Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. IT Project Group in place and meets monthly
2. Specialist independent IT consultants have been tasked with implementing the IT strategy
3. CMT has been tasked with delivering transformational activities
4. SMT will have an oversight of all transformational activities
5. ToM document produced and approved by SMT
6. Regular Drills Testing

Action Plans

Action Plans	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
CMT Working Groups	Three CMT Working Groups have been established to progress key transformational projects around 'Ways of Working', 'Customer Engagement and Information Strategy'.	In Progress	Eoin Devlin Colm Jackson Alison Robb Kevin Scullion	31/07/2021	Work is ongoing across the three Working Groups: Customer Engagement, Ways of Working, and Information Strategy – to take account of the significant changes have taken effect in Council's engagement with customers, in the ways of working, and in the use of information over the past 18 months. Officers are currently progressing work in these areas to assess the impact and effectiveness of changes, and to inform the Council's approach to Customer Service, Ways of Working & Information Strategy in the longer-term. Planning for the future is dependent on the successful agreement of the redundancy policy.
Effective implementation of the planning for the future review Implement the Work Programme for the Strategic Finance Working Group	Planning for the Future is envisaged to be a 2 year process. In Progress The Work Programme for the Strategic Finance Working Group has been agreed and is split into the following 2 phases: Phase 1: Rates process Phase 2: Directorate Performance and Financial Profiles	In Progress	Marie Ward	31/08/2021	Since September 2020, the Strategic Finance Working Group has met a number of times to discuss the rates process for 2021-22 and District Rate was set in March 2021. The Strategic Finance Working Group will focus on delivering longer term efficiencies and improvements. SPWG is ongoing and the 2 phases have now been completed.

Risk CR. 07 - Failure to adequately react to a major incident which would minimise any negative consequences/impact

5	Green	Yellow	Red	G	Buildings / Engineering / Environment Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)
4	Green	Yellow	Red	R	
3	Green	Yellow	Red		In the event of a disaster or an emergency, the Council may not respond in a way which minimises any negative consequences/impact
2	Green	Yellow	Red		Natural disasters, localised flooding, Harbour disasters, Fire Pandemics - COVID 19 Significant IT failure
1	Green	Yellow	Red		Inadequate preparedness to be able to respond in the event of an emergency
					Reputational damage through inadequate civic leadership to provide adequate community emergency support Loss of income Litigation - civil/criminal Increased insurance premiums
					Dorinnia Carville
					Red 25
					Amber 12
					Yellow 8
					Last Review 22/06/2021
					Next Review 20/09/2021
					Risk Appetite Risk Averse

Objectives

- Advocate with others for the benefit all the people of the District
- Enhance, protect and promote our environment
- Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

- Business Continuity Plan in place
- Emergency planning measures in place, including:
 - Flood risk plan
 - Inter-agency group
- Dedicated Emergency Planning team and professionally trained and experienced staff
- Member of Southern Region Emergency Planning Group
- Annual Winter Resilience Plan in place
- New regional local government regional model
- Ferryman test exercise completed (May 2019) - lessons learned included within event management plan.

Action Plans

Action Plans	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Drills/testing of plans on a regular basis	Drills/testing of plans on a regular basis	In Progress	Colin Quinn	31/08/2021	Ongoing – The Emergency Plan was activated in March 2020, in response to the COVID-19 pandemic, during which time the Council has moved between response and recovery, in line with restrictions. As a result no specific drills have been organised. However, following a security alert in February 2021, internal processes were tested, including a call cascade system and opening/managing an emergency support centre.
Emergency Planning Internal Audit	Implement the recommendations from the internal audit of Emergency Planning.	In Progress	Colin Quinn	31/08/2021	The final report was considered and approved by the Audit Committee in January 2021 and the implementation of recommendations is underway.
Northern Ireland Emergency Planning Structures	Officers will continue to attend and contribute to the NI Emergency Planning Structures.	In Progress	Colin Quinn Senior Management Team	31/08/2021	Ongoing - The Delta variant is currently an area of concern across all Council areas.

Risk **CR. 08 - 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, including the NI Protocol**

5						
4						
3						
2						
1						
	1	2	3	4	5	
						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, including the NI Protocol.

Potential Root Cause
Failure to engage stakeholders (public and private sector)
FFNI - NMDOC is lead Council with operations team - increased risk impact of the City Deal
The weakness in sterling driving inflation expectations higher
Issues around the NI Protocol including:
-Loss of EU funding
-Disruption of food and medical supplies
-Community tension and public disorder
-Changes in regulations, border controls, cross border trade and movement of goods and people
-Uncertainty amongst the business community in relation to food standards, trading standards and exports
-Lack of employees with the required expertise and experience. eg Environmental Health Officers

Consequence
Lack of investment in the District and lower levels of economic activity
Lack of confidence from the private sector
Some services, which were funded externally, not being delivered
Lack of leadership and direction from the NI Executive and UK Government
Inadequate levels of service provision
COVID19 - Increase in the District rate

Risk Owners
Conor Mallon; Marie Ward

Gross/Inherent Risk
Red 20

Residual Risk
Amber 16

Target Risk Level
Yellow 9

Last Review
22/06/2021

Next Review
20/09/2021

Risk Appetite
Risk Averse

Objectives

Invest in and support new and growing businesses, job creation and employment skills
Promote the revitalisation of our city, towns, villages and rural communities

Key Controls Identified

1. Regeneration and Economic Development Strategy 2020-25 in place.
2. Establishment of Economic Forum including public and private sector stakeholders
3. Rural Development Programme in place
4. Engagement with other Councils, other Departments, NILGA and the Private Sector through the Chamber of Commerce
5. Brexit Forum and Brexit Task and Finish Working Group operational
6. FFNI Operations team in place, Operations group established with other Councils, Project Risk Register established
7. Internal Brexit Working Group established and meeting regularly to plan for an respond to organisational impacts
8. Participation in Cross Council Brexit Working group, Liaising with the NI Executive Office.

Action Plans

City Deals	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Full Fibre Network NI (FFNI)	Local Full Fibre Network to improve connectivity across all of Northern Ireland.	In Progress	Conor Mallon	31/08/2021	The Head of Terms have been signed (March 2019), Phase II Governance Arrangements and Working groups in place, and structures are being reviewed to manage Phase III of BRCD. Executive Board are working with NI Office, Government Department and BRCD Partners to agree a Deal Document (by Sept 2021). Governance and Financial Agreements will also be established to support Phase III. OBCs for NMD projects have been approved by BRCD Board and have been submitted to NI Executive lead Departments. £24m of funding from DCMS for LFFN and RGC funding to connect over 900 public sector buildings. All partners contracted with Fibnus individually. Several major Openreach Commercial Rollout issues regarding completion of approx 100 sites within timeframe (Dec 21). These issues raised with fundar and Consortium by FFNI Ops team and SRO to request alternative delivery method (FFIB) and possible extension of longstop date to March 2022 to ensure maximum no. of connections. If these sites are descoped as per DCMS recommendation, Consortium partners may leave / request contributions back. Covid has caused delays with wayleave approvals from all partners for Milestones 1 and 2 however escalated with all partners to ensure target and progress is met. 1st funding claim of £13.1m (and £4.3 WIP - £17.3m total) drawn down and paid out by all partners in May 2021.

Funding (Peace Plus and RDP)	Consultation with other Councils and SEUPB regarding future Peace Programmes	In Progress	Senior Management Team	31/08/2021	The Council has responded to the formal consultation on PEACE PLUS and the 'Shared Prosperity Fund', which will replace the ERF and ESF funding streams. The Council has also commenced the development of projects for rural areas and is working with DAERA to pilot new initiatives which can be used to inform a potential new programme to replace the current Rural Development Programme. The Council is engaging stakeholders through the Brexit Forum and internal Brexit Working Group, which meet regularly and continue to provide support, advice, guidance and signposting to Government agencies through the website, social media channels and ezines. The Council is also holding Brexit preparation workshops through existing mentoring programmes and will seek to develop additional support and interventions, as identified through ongoing engagement with the business sector. Trade deal negotiations need to be monitored and there are some immigration policy concerns for workforce planning. The Council is also working with key stakeholders in relation to future EU funded programmes.
Support local businesses in operating under the new NI protocol	The Council continues to closely monitor the impact of Brexit on funding streams and service provision at a local level. The Council is also providing support, advice and guidance to local businesses as they anticipate and manage the changes associated with Brexit.	In Progress	Conor Mallon	31/08/2021	Required checks are being completed at Warrenpoint Port on an on-going basis by trained and authorised staff, working flexible shifts aligned with changeable sailing arrival times. The EU are conducting a planned audit of the ports in NI, including Warrenpoint, from 21-30 June 2021. Threat assessments continue to be carried out by the PSNI on a fortnightly basis. Regular meetings with relevant partners, DAERA, FSA, Border force, Seastruck, Warrenpoint Port, continue to share learning and work through operational issues as they arise. Officers continue to contribute to the Project Steering group, led by DAERA, to deliver the required expanded checking capability at NI PCE's, including People, Process, IT and infrastructure to facilitate the free flow of existing trade post transition as the NI Protocol is implemented on a phased basis.
Warrenpoint Port	To ensure efficient delivery of statutory required of food import checks on relevant Agri-Food goods entering Northern Ireland at Warrenpoint port	In Progress	Michael Lipsell	31/08/2021	

Risk CR. 09 - Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery

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	1	2	3	4	5
	Probability				

Risk Categories	Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service
Risk Description	Differences in respect of terms and conditions of employment arising from, or as a consequence of, the formation of the new Newry Mourne and Down District Council on 1 April 2015 and as a result of the re-organisation of public administration.
Potential Root Cause	Differences remain in some terms and conditions of employment arising from, or as a consequence of, the formation of the new NMDCC on 1 April 2015 and as a result of the re-organisation of public administration Culture changes between the two legacy councils Resistance to change
Consequence	Industrial action Reputational damage to the Council Unrest and uncertainty among staff Increased sickness absence Poor service delivery and VFM
Risk Owners	Dorinda Cervilla; Marie Ward
Gross/Inherent Risk	Red 20
Residual Risk	Amber 12
Target Risk Level	Yellow 6
Last Review	22/06/2021
Next Review	20/09/2021
Risk Appetite	Risk Averse

Objectives

Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. Internal Working Group
2. Negotiating Forum
3. Increased capacity in HR
4. Terms and Conditions

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Meetings with Trade Unions	Management and Trade Unions to negotiate with a view to reaching agreement on remaining T&Cs	In Progress	Senior Management Team	31/08/2021	An Internal Working Group, made up of representatives from Trade Unions, SMT and Human Resources, has been established and a shared programme of work has been agreed to address the remaining issues in relation to standardised terms and conditions. Nine meetings held end March 2021 - mid June 2021. Meetings scheduled on a fortnightly basis. Remaining HR policies effective from April 2021.
Policy alignment for core/priority NMDDC people policies	Agree and implement priority NMDDC people policies	Completed	Catrina Miskelly	22/04/2021	

Risk CR. 10 - Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.

5	Green	T	Red	G	Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service
4	Green	Yellow	Orange	Red	
3	Green	Green	Orange	Red	Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services. Increased levels of sickness absence Failure to adequately manage sickness absence
2	Green	Green	Yellow	Orange	Failure to complete Return to Work interviews following instances of absenteeism Period of change, uncertainty and increased stress
1	Green	Green	Green	Yellow	Increase in sickness absence Critical services failing to be delivered Reputation damage Increased cost to Council due to the use of agency staff/overtime
	1	2	3	4	5

Probability

Risk Owners
Senior Management Team

Gross/Inherent Risk
Red 25

Residual Risk
Amber 15

Target Risk Level
Yellow 10

Last Review 22/06/2021
Next Review 20/09/2021
Risk Appetite Risk Averse

Objectives

Provides accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. Managing Attendance Policy
2. Employee Health Cash Plan
3. Occupational Health Service
4. Health and Wellbeing Working Group/Team
5. Human Resources Team

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Mainstream absence management across the organisation	Mainstream effective absence management by ensuring the consistent application and implementation of the Absence Procedure across the organisation.	Senior Management Team	31/08/2021	HR Papers prepared in Q1 with actions and recommendations for to SMT & CMT @ July 2021 meetings. Additional information and guidance to be provided by HR to managers and employees

Key Controls Identified

1. Public Health guidance being followed in relation to the closure of facilities and buildings
2. Monthly Management Accounts completed by Finance
3. Working with ALFCO around a Council wide position to DfC and DoF
4. Multi agency Community Hub
5. COVID-19 budgets
6. NMDDC COVID-19 Recovery Group

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Action Date	Comments
Central Government Finance officers and Chief Executive lobbying central government for additional financial support package for Councils.	Completed	Senior Management Team	31/07/2021	Bids to DfC have been successful and this action can now be closed.
COVID-19 Recovery Revitalisation Programme and virtual support for local businesses Continued support for local businesses to re-open, survive and thrive in the current and post COVID-19 environments, through a range of programmes and initiatives.	In Progress	Conor Mallon	31/09/2021	Numerous events, direct business engagement and mentoring initiatives have been delivered and advertised through online social media platforms, including the NMD Business Twitter and Facebook Pages. The delivery of the COVID-19 Recovery Revitalisation Programme is underway, providing grant aid to urban and rural businesses and addressing issues around dereliction. The Council has issued approximately 950 letters of offer, with a combined value of £1.2M, to assist local businesses as they navigate the impact of COVID-19. The Working Group was established in January 2021 and has met twice. Meetings were held with key stakeholders to facilitate the development of integrated action plans to assist the organisation in planning ahead and recovering from the impact of the pandemic. Support to local businesses is ongoing.
COVID-19 Recovery Working Group Councillor / Officer Working Group to provide ever-arching strategic direction by planning ahead to support the Council's response to and recovery from COVID-19, resuming normal business and service provision across all departments and continuing to provide support and guidance to local businesses and the community/voluntary sector.	In Progress	Conor Mallon	31/09/2021	
DEARA Funding Funding for extra cost in relation to Waste during COVID19	In Progress	Senior Management Team	31/09/2021	Bids have been successful and payments are ongoing - DEARA have just sent correspondence for Q1/Q2 2021/22
Emergency Business Plans Emergency Business Plans for each Directorate have been developed and approved by Committee to plan ahead, coordinate activity and focus on business recovery.	Completed	Senior Management Team	31/07/2021	The Q1 review of the implementation of Emergency Business Plans, which focused on the 'lockdown' phase of the pandemic was reported to Committee in September 2020. Emergency Business plans were reviewed last month by relevant Committees. Work ongoing with insurance broker to establish the likelihood of success when compared with the other sources of funding Council has received.
Potential Insurance Claim Discussion with Insurance Broker about a possible claim for Business interruption due to COVID19	In Progress	Colin Quinn	31/07/2021	Director drafting letter and will inform the SP&R Committee of the response received.
Rates Support Grant Director of Corporate Services to write to the Minister of Finance and Communities about the reduction of the Rates Support Grant and to ascertain the grant will not be reduced going forward	In Progress	Dorinda Carville	31/07/2021	

Risk CR.12 - Failure to effectively plan for and manage a Cyber Security Event

Risk	5	4	3	2	1	Probability
Consequence	5	4	3	2	1	
Risk Categories						Business operational/reputational Impact on individuals (staff or public) Quality of Service
Risk Description						Risk of a cyber security event causing significant operational, financial and reputational damage to the Council
Potential Root Cause						Cyber attack Accidental breach of security Breach of people, process, physical or technical controls Failure to respond to and recover from a cyber incident within, or impacting upon, Council Lack of skills and competencies System vulnerabilities
Consequence						Threat to availability, integrity and confidentiality of Council information and systems Failure to deliver Council services (including statutory and regulatory services) Financial loss Reputational damage Extended period to recover services to Business as Usual (BAU) Destruction of systems and data Theft of data for criminal use Political impact Environmental impact
Risk Owners						Dorinnia Carville
Gross/Inherent Risk						Red 25
Residual Risk						Amber 16
Target Risk Level						Yellow 9
						Last Review 22/06/2021 Next Review 20/09/2021 Risk Appetite Risk Averse

Objectives

Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. Technical security controls and arrangements
2. Back up arrangements
3. Business Continuity Planning
4. Participation in threat intelligence networks
5. Engagement with Cyber bodies
6. Phishing simulation and learning exercises
7. Penetration testing and vulnerability scanning

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Business Continuity Plans	BCP plans to be updated to reflect the cyber risk	Proposed	Colin Quinn Gavin Ringland	01/09/2021	Critical and Priority Services currently being prioritised.
Cyber Incident Response/Disaster Recovery IT Strategy	Establish and test cyber incident response and disaster recovery capabilities Implement additional security tools including multifactor authentication, conditional access and modern authentication where possible and appropriate Increase User resilience	Proposed	Gavin Ringland	31/12/2021	Incident Response Plan under development.
Training/Development Plans	Continue to engage with and follow guidance from the National Cyber Security Centre (NCSC) Continue to use Active Cyber Defence tools from NCSC and supplement with vulnerability scans, actioning recommendations resulting therefrom where possible and appropriate	In Progress	Gavin Ringland	31/12/2021	Currently implementing multifactor authentication and conditional access to Office 365. Privileged access accounts being prioritised. In discussion with Cyber Insurance Provider around services that they might provide to improve user resilience. Council is now subscribed to the NSCS Early Warning Network
		Proposed	Gavin Ringland	31/12/2021	Vulnerability scanning solution currently being deployed

Report to:	Audit Committee
Date of Meeting:	5 th July 2021
Subject:	Assurance Framework and Annual Governance Statement
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
1.0	Purpose and Background		
1.1	The purpose of this paper is twofold;		
1.2	<ul style="list-style-type: none"> to explain to Members the key elements of the 'year-end' process and the 'assurance framework' that the Council developed to help ensure that the Council complies with statutory requirements and Members and senior officers can have effective, ongoing oversight of the Council's governance and assurance arrangements. to present the 2020/21 Annual Governance Statement, for consideration and inclusion in the unaudited statement of accounts. The Statement has been considered by SMT on the 22nd June 2021. 		
1.3	The Annual Governance Statement is an important document and it is important that the Committee is fully aware of its contents. The disclosures in the statement are based upon the Council's corporate risk register and take into consideration the disclosures made within the Directors year end Assurance Statements.		
2.0	Key issues		
2.1	<p><u>Assurance Framework</u></p> <p>The Council's Assurance Framework is summarised at Appendix 1. It demonstrates how different sources of assurance and related key elements / control measures combine to enable the Council to monitor its governance arrangements and produce the evidence to support its Annual Governance Statement.</p> <p>The diagram shows how the Council's Audit Committee, the Strategic Policy and Resources Committee and Council provide oversight of these governance arrangements.</p> <p>One significant amendment has been made to the Assurance Framework and Code of Governance this year. On completion of the NIAO's self-appraisal checklist in relation to the National Fraud Initiative (NFI) which was presented to the April 2021 Audit Committee, The Council Assurance Framework has been updated to ensure it adequately reflects the bi annual matching exercise as part of our ongoing controls to help prevent and detect fraud and error.</p>		

2.2	<p><u>Annual Governance Statement 2020/21</u></p> <p>The Council has a statutory responsibility to annually prepare and publish an Annual Governance Statement as part of the Financial Statements. Many different processes inform the preparation of the Statement as can be seen from the Assurance Framework at Appendix 1.</p> <p>The Annual Governance Statement for 2020/21 is presented at item number 8. It will be incorporated into the unaudited statement of accounts and will be subject to review by the NIAO as part of their annual audit.</p>
3.0	<p>Recommendations</p>
3.1	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the Council's Assurance Framework (and also the Code of Governance), illustrated and described at Appendix 1. • Review and approve the draft Annual Governance Statement for 2020/21, See item number 8. • Following review, the statement will be incorporated into the Council's unaudited financial statements for 2020/21.
4.0	<p>Resource implications</p>
4.1	<p>There are no resource implications.</p>
5.0	<p>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</p>
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>

5.3	<p><i>Proposal initiating consultation</i></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	<p>Due regard to Rural Needs (please tick all that apply)</p>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	<p>Appendices</p> <p>Appendix 1: Appendix 1 – NMDDC Assurance Framework (including Code of Governance) Agenda Number 8 – Annual Governance Statement</p>
8.0	<p>Background Documents</p> <p>None</p>

Newry, Mourne and Down District Council

Assurance Framework



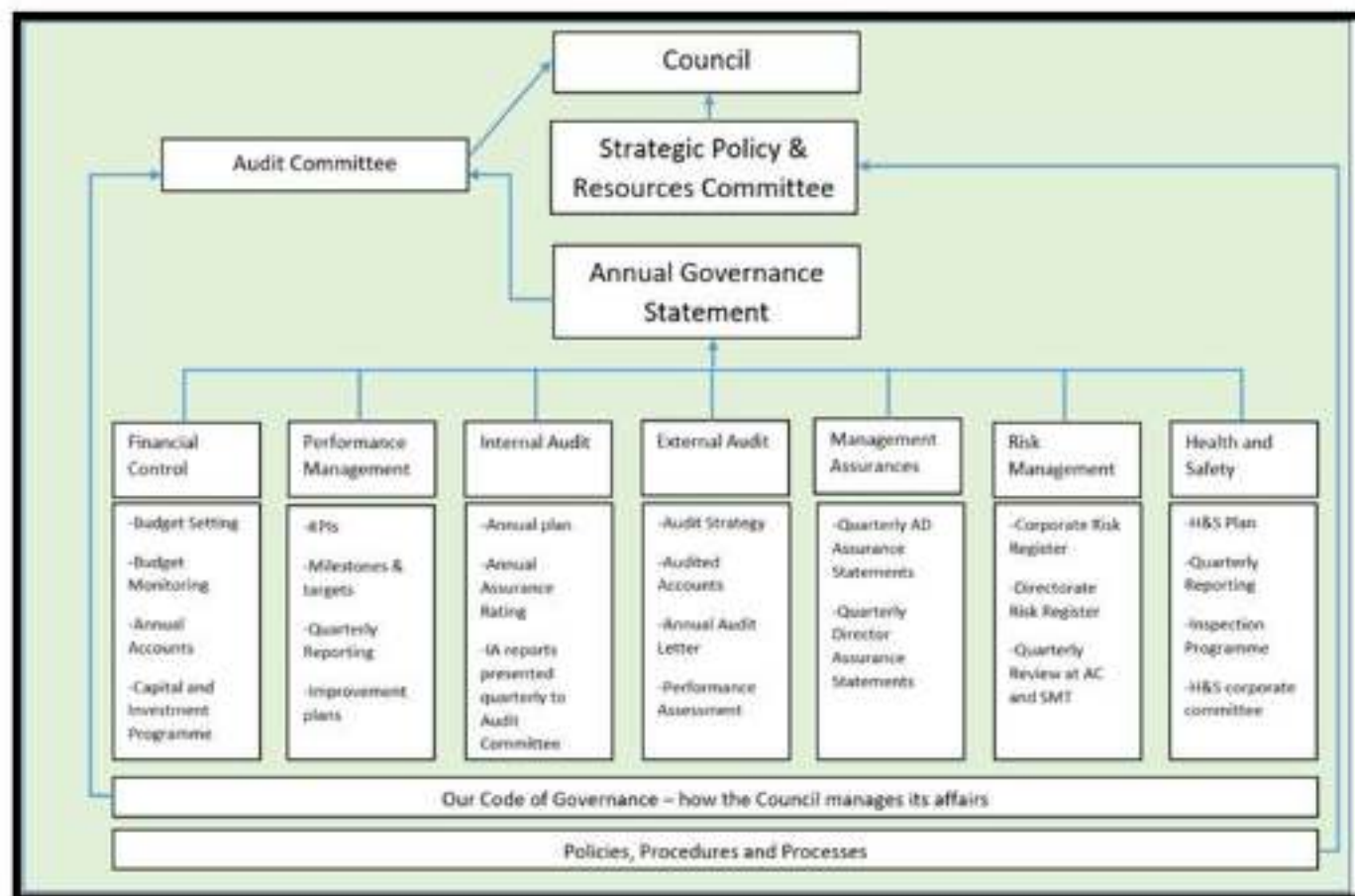
Effective Date: June 2019

Version 3.0

Policy Control

Policy Title	Assurance Framework
Departmental Ownership	Corporate Services
Document Owner	Dorinnia Carville, Director of Corporate Services
Officer Responsible	Gerard Byrne, Audit Services Manager
Date of Approval	Audit Committee – 3 July 2019 Council – 5 August 2019
Date of Last update	June 2021
Updated by	Gerard Byrne, Audit Services Manager
Date of next Review	June 2022
Location where document is held and referenced	Shared Drive and NMDDC Website

Key Components of the Councils Assurance Framework



Description of Key Elements the Council's Assurance Framework

The diagram shows how different sources of assurance and related key elements / control measures combine to enable the Council to monitor its governance arrangements and produce the information which enables the Council to prepare their Annual Governance Statement. The diagram also shows how the Council's Audit Committee, the Strategic Policy and Resources Committee (SP&R) and Council provide oversight of these governance arrangements. The key elements of the framework are described below.

Financial Control

A Financial Report for the year ended 31 March is prepared annually and submitted to the Department for Communities by 30 June. The report is then audited by the Northern Ireland Audit Office (NIAO) and published by 30 September each year (after approval by Committee). There is a budgetary control process including budget setting, budget monitoring and budget reporting. Senior Management Team (SMT), Corporate Management Team (CMT) and Strategic Policy and Resources (SP&R) Committee challenge the process corporately when budgets are approved annually and performance is reported quarterly.

Standing Committees are also responsible for challenging and approving their annual budget and subsequently scrutinizing their budget performance at the end of each quarter in the following financial year.

Performance Management

The Council's performance management framework supports the implementation of the corporate and directorate plans through regular monitoring, reporting and review and, in future, will support monitoring / reporting on Community Planning outcomes. These plans set out what the Council intends to deliver over the course of the year and through the performance framework regular performance reports are produced detailing progress against key milestones and targets.

These reports are considered by Directorate Management Teams and the CMT and actions for improvement are agreed. These arrangements are also designed to ensure that the Council meets its statutory duties in relation to performance improvement and our performance and related plans are subject to annual NIAO audit.

Internal Audit

Internal auditing is an independent and objective assurance designed to add value and improve an the Councils operations. The Council has an Audit Services Manager, who liaises with the fully independent specialist Auditing contractor who prepares an annual Strategy and Plan of work designed to ensure that:

- there is a robust system of internal audit of key Council activities and processes through a plan of work which affords suitable priority to the Council's objectives and risks
- there is a process of ensuring improvements to the Council's control environment, by providing management with advice, training and recommendations to improve risk management, governance and control arrangements, including the formal monitoring of the implementation of audit recommendations
- the specialist Auditing Contractor will be in a position to provide, at the end of each year, a professional, evidence-based opinion on the adequacy of the Council's risk management, control and governance arrangements which, in turn, will support the preparation of the Council's Annual Governance Statement
- the Council meets its legislative responsibilities for internal control, risk management and internal audit.

External Audit

Each year, the Local Government Auditor (LGA), the NIAO, completes an audit of the Council's accounts in accordance with legislation and the Local Government Code of Audit Practice issued by the Chief LGA. The LGA Annual Report sets out their opinion on the Council's financial statements and is included within the annual Financial Report.

The NIAO also examines annually whether the 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 and undertakes an annual audit and assessment of the Council's performance improvement arrangements Their findings are summarised in an Annual Audit Letter, a Performance audit report and a Report to those Charged with Governance.

Assurances from Management & Governance Statement

Each quarter, Assistant Directors provide their Director with a Quarterly Assurance Statement. The Directors in turn then prepare a quarterly assurance statements for the Chief Executive. The Assurance Statements confirms:

- Their responsibility for ensuring that there is a sound risk management and internal control system which supports the achievement of the corporate and directorate objectives.
- Compliance with the risk review process and outlining progress to manage key risks and highlight any significant governance issues that should be considered by SMT for inclusion within the Council's Annual Governance Statement.

Risk Management

There is an agreed risk management strategy which sets out the processes the Council has put in place to manage risk. Risk registers and risk action plans are in place at corporate, directorate and project level and are recorded on the corporate risk management system, GRACE Governance Solutions. There is reporting to CMT, SMT and the Audit Committee on risk management.

National Fraud Initiative (NFI)

NFI is a UK-wide counter-fraud exercise. In Northern Ireland, the exercise is undertaken by the Comptroller and Auditor General for Northern Ireland (C&AG) under his statutory data matching powers set out in Article 4 of the Audit and Accountability (Northern Ireland) Order 2003. The C&AG works in collaboration with the Cabinet Office, Audit Scotland and Audit Wales, which undertake the NFI exercise in England, Scotland and Wales respectively.

The NFI uses computerised techniques to compare information about individuals, held by different public bodies and on different financial systems, which might suggest the existence of fraud or error. It means that public bodies can take action if any fraud or error has taken place, and it allows auditors to assess the fraud prevention arrangements which those organisations have in place.

The Audit Services Manager coordinates this bi annual exercise to ensure Council complies with its statutory duties and to ensure Council controls are effective to assist in preventing and detecting fraud and error.

Health and Safety (H&S)

The Council has an H&S Policy in place with an associated Organisation Structure and Arrangements to deliver on the Policy. The Corporate Health and Safety Unit reports on a quarterly basis to a senior management H&S Assurance Board and then on to the Audit Assurance Board and Audit & Risk Panel on compliance and strategic matters regarding the Council's health and safety management system. Operational matters are dealt with through the quarterly H&S Committee structure. Routine reports include information on performance against health and safety targets, accident statistics, policy changes, legislative changes and emerging health and safety issues. The Corporate H&S Unit deliver an annual programme of health and safety inspections, audits and training to monitor and support the management system. Risk assessments are in place at an operational level to identify and manage health and safety risks.

Code of Governance

Underlying our Assurance Framework is our Code of Governance. The Council is committed to the principles of good governance and our Code of Governance is a public statement of that commitment. Our Code has been prepared in line with best practice and a summary is contained in the Annual Governance Statement, see appendix 1 for further detail.

Policies, procedures and processes

Policies, procedures and processes are designed to underpin day-to-day operations. All policies are controlled centrally by the Head of Corporate Policy.

Audit Committee

Its purpose is to provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment.

Strategic Policy & Resources Committee (SP&R)

The SP&R Committee also oversees directly the financial management / stewardship of the Council.

Code of Governance

Introduction

Governance arrangements in the public sector are keenly observed and sometimes criticised. We need to ensure that we meet the highest standards and that our governance arrangements are not only sound but are seen to be sound.

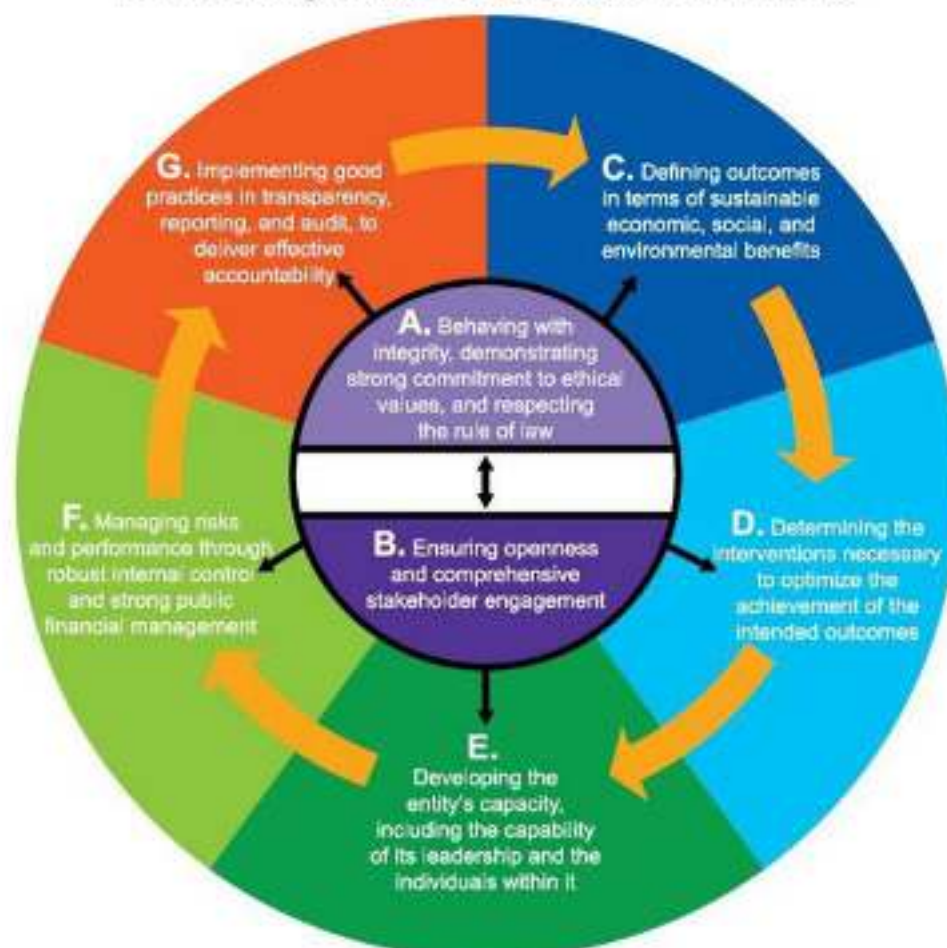
Governance is about how Newry, Mourne and Down District Council (NMDDC) ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its community.

The CIPFA Solace 'Delivering Good Governance in Local Government: A Framework' was issued in April 2016 and represents best practice for developing and maintaining a local code of governance and applies to annual governance statements prepared for the 2018/19 financial year onwards.

NMDDC is committed to the principles of Good Governance and has developed this Code of Governance to demonstrate this commitment. This Code will be updated and approved by the Audit Committee on an annual basis.

The 7 Principles of Good Governance

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



A. Behaving with integrity

- Shared values communicated via community plan, corporate plan and key strategies
- Mandatory Code of Conduct for Councillors
- NI charter for Elected Member Development
- Staff Code of conduct
- Council Constitution including Standing Orders, Financial Regulations and Scheme of Delegation
- Council Anti-Fraud Policies and Fraud Response Plan
- Council participate in the National Fraud Initiative – Bi annual data matching exercise
- Council Whistleblowing Policy
- Gifts and Hospitality Policy
- Declarations of interest
- Conflicts of Interest Policy

B. Ensuring Openness

- Council and Committee meetings open to the public
- Council and Committee agendas and minutes displayed on the Council web site
- Consultation and engagement with staff and trade unions
- Annual financial report published on the Council's web site
- Access to Information Policy and Procedure
- Council Magazine, 'NMD Connect' published annually
- Community Plan and Local Development Plan

C. Defining Outcomes

- Community Plan 'Living well together'
- Corporate and Directorate Plans
- Leisure Transformation - Newry Leisure Centre and Down Leisure Centre Provision
- Organisational Development
- Tourism Development and Marketing Strategy
- Performance Improvement Plans
- Local Development Plan

D. Optimising the achievement of outcomes

- Corporate and Directorate plans
- Constitution
- Strategic financial planning
- Risk Management Policy

E. Developing Capacity and Capability

- Organisational Development
- Harmonisation of policies
- Development of a joint Employee Relations consultation and negotiating policy
- Elected Members Development Charter/Member Leadership Programme

F. Finance, Performance and Risk Management

- Financial Regulations
- Risk Management Policy
- Audit Committee
- Audit Services Manager who liaises with a fully independent outsourced Internal Audit firm
- Annual Internal Audit Strategy and Plan

- Data Protection policy and procedures
- Director and Assistant Director quarterly Assurance reporting
- Independent Audit Committee Chairperson

G. Transparency, Reporting and Effective Accountability

- NMDDC website
- Publication of key reports including Annual Accounts, Annual Governance Statement and Performance Improvement Report
- Committee support framework
- Monitoring of all Internal and External Audit recommendations and quarterly updates to the Audit Committee.

Compliance with the Code

This Code of Governance is supported by Policies, Procedures and Systems that determine and control how the Council manages its affairs. **Appendix B** provides more detail, demonstrating how the Council currently complies with the Code.

Monitoring and Review

Our governance arrangements are reviewed annually to ensure that they are adequate and operating effectively in practice. The results of these reviews are reported to the Audit Committee and inform the preparation of our Annual Governance Statement which forms part of our published financial report.

Internal Audit will undertake reviews of the Councils governance arrangements to ensure they are adequate and operating effectively in practice.

Appendix B

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
Supporting Principles	How we meet these principles
A.1 Behaving with integrity	<ul style="list-style-type: none"> ➤ Mandatory Code of Conduct for Councillors – The NI code of Local Government Conduct for Members ➤ Code of conduct for NMDDC staff ➤ NI Charter for Elected Member Development ➤ Declarations of interest a standing agenda item for Council/Committee meetings ➤ Conflicts of Interest Policy ➤ Annual Mandatory declarations of Interest to be completed by staff down to Head of Service grade. Voluntary declarations to be completed by other staff ➤ Council minutes include whether any declarations of interests have been made ➤ Fraud and Whistleblowing policies in place ➤ Council participate in the National Fraud Initiative – Bi annual data matching exercise ➤ Gifts and Hospitality Policy with each Department maintaining a register (Director’s secretaries record all declarations) ➤ Members approve the: <ul style="list-style-type: none"> ▪ Constitution ▪ Standing Orders and Financial Regulations ▪ Codes of Conduct ➤ Members approval of the Community and Corporate Plans ➤ Scheme of Delegation ➤ Party Group Leaders Forum ➤ Members Training and Workshops ➤ Shared values communicated through the Community Plan, Corporate Plan and the Annual Performance Improvement Plan ➤ Open and transparent committee system and reporting
A.2 Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> ➤ Mandatory Code of Conduct for Councillors ➤ Register maintained of Members’ declarations of interest ➤ Register maintained of Officers’ declarations of interest ➤ Ethical requirements of Professional Standards ➤ Standing Orders ➤ Register maintained of Members’ declarations of interest ➤ Ongoing monitoring and reporting through Internal Audit and Risk Management processes ➤ Systems and processes for financial administration ➤ Partners and Contractors required to comply with relevant policies ➤ Policies in place which demonstrate our commitment to ethical values includes: <ul style="list-style-type: none"> ▪ Equality Scheme and Equality Action Plan



Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
Supporting Principles	How we meet these principles
	<ul style="list-style-type: none"> ▪ Equality and Diversity Framework ▪ Good Relations Forum ▪ Disability Action Plan ▪ Data Protection Policy <p>➤ Robust Equality Screening process</p> <p>➤ Letters of Offer issued with Grants</p> <p>➤ Monitoring arrangements</p> <p>➤ Procurement guidance and policy</p>
A.3 Respecting the rule of law	<p>➤ Council Constitution</p> <p>➤ Updated Financial Regulations</p> <p>➤ Updated Standing Orders</p> <p>➤ Register maintained of Members' declarations of interest</p> <p>➤ Register maintained of Officer' declarations of interest</p> <p>➤ Operating Protocol for Planning Committee</p> <p>➤ Council Anti-Fraud Policy and Fraud Response Plan</p> <p>➤ Council participate in the National Fraud Initiative – Bi annual data matching exercise</p> <p>➤ Council Whistleblowing Policy</p> <p>➤ Gifts and Hospitality Policy</p> <p>➤ Qualified majority voting and Call-In process in operation in accordance with the Local Government Act 2014</p> <p>➤ External expert legal and other professional advice sought when necessary.</p> <p>➤ Fraud and Whistleblowing investigations undertaken</p> <p>➤ HR Disciplinary processes.</p>



Core Principal B: Ensuring openness and comprehensive stakeholder engagement	
Supporting Principles	
	How we meet these principles
B1: Openness	<ul style="list-style-type: none"> ➤ Council meetings are open to the public and members of the media ➤ Council's web site provides up-to-date information regarding: <ul style="list-style-type: none"> ▪ Council activities ▪ Policies ▪ Reports issued ➤ Use of Social Media ➤ Council Magazine – 'NMD Connect' published annually ➤ Internal Communications issued via Chief Executives' briefs ➤ Consultation with stakeholders regarding the Community and Performance Improvement Plans ➤ Community Planning Process ➤ Corporate Complaints Procedure ➤ Customer Service Standards in Draft format – to be brought through Council Summer 2019. ➤ Council minutes are published on the website ➤ Standard pro forma for all Committee reports. ➤ Annual Performance Improvement Plan published on the web site. ➤ Categories for 'confidential business' for Committee reporting established ➤ Staff Consultations ➤ Access to Information Policy and Procedure
B2: Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> ➤ A co-ordinated and strategic approach to community engagement and involvement that enables partners to bring together their community engagement work and plans and connects Members, community and citizen engagement and partnership decision making ➤ Local Development Planning ➤ Community Planning Process ➤ Monthly Community Planning team meetings ➤ Community planning partnership meets 3 times per year ➤ Community Plan Statutory Partners ➤ Place Shaping Agenda ➤ Ongoing engagement with Trade Unions



<p>B3: Engaging with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> ➤ Community Plan developed following consultation with Statutory Partners, stakeholders and the public ➤ Local Development Plan ➤ Annual Performance Improvement Plan
<p>Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	
<p>Supporting Principles How we meet these principles</p>	
<p>C1: Defining Outcomes</p>	<ul style="list-style-type: none"> ➤ 'Living well Together' the Districts Community Plan 2017-2030 ➤ The Corporate Plan will be driven by priorities set out in the 'Living Well Together' Community Plan ➤ 2017/18 Performance Improvement Plan ➤ Corporate Planning Framework for the development of the 2019-2023 Corporate Plan ➤ Transformation programme being developed which will include detailed service reviews ➤ Treasury Management ➤ 4 year Capital Programme ➤ Prudential Financial Framework ➤ Local Development Plan ➤ 2017/18 Directorate Business Plans ➤ Sports Facilities Strategy Document 2017 ➤ NMDDC Tourism Strategy 2017-2022 ➤ Tourism Marketing Plan 2018-19 ➤ Tourism Experience Brochure
<p>C2: Sustainable economic, social and environmental benefits</p>	<ul style="list-style-type: none"> ➤ 'Living well Together' the Districts Community Plan 2017-2030 ➤ 2016/17 Performance Improvement Plan ➤ Local Development Plan ➤ New Corporate Plan will be driven by priorities set out in the Community Plan ➤ Corporate Planning Framework for the development of the 2019-2023 Corporate Plan ➤ Local Development Plan – Preferred Options Papers ➤ Risk Management processes ➤ Policy Officer ➤ Established processes for governance, management and administration of grants ➤ Equality Impact Assessments ➤ EQIA completed for all policies



Core Principal D: Determining the interventions necessary to optimise the achievements of the intended outcomes!	
Supporting Principles	How we meet these principles
D1: Determining interventions	<ul style="list-style-type: none"> ➤ Evidence and Research team support the Council in the development of a data and evidence based approach to support the creation of the Community Plan, Local Development Plan and key related strategies. ➤ Ongoing consultation and engagement with the public, stakeholders and the community and voluntary sectors. ➤ Ongoing consultation and engagement with the public and key stakeholders ➤ Professional advice sought when required ➤ Transformation programme being developed which will include detailed service reviews
D2: Planning interventions	<ul style="list-style-type: none"> ➤ Planning processes encompassing Community, Corporate and Performance Improvement Plans ➤ Community Planning engagement framework completed through thematic groups via the DEA's ➤ Local Development Plan ➤ Strategic Planning Framework ➤ Directorate business plans ➤ Performance Improvement Plans including KPI's ➤ Risk Management processes ➤ Budgetary Control including a rolling 4 year capital plan ➤ Monthly Management accounts ➤ Financial planning ➤ Estimates process including Efficiency Working Group ➤ Performance Indicators ➤ Transformation programme being developed which will include detailed service reviews ➤ Medium term financial planning ➤ Financial management of capital programme ➤ Treasury Management Strategy and Prudential Indicators
D3: Optimising achievement of intended outcomes	<ul style="list-style-type: none"> ➤ Financial reporting ➤ Reporting to the Strategic Policy and Resources Committee ➤ Treasury Management ➤ Estimates Process ➤ Budgetary Reporting ➤ MRP Policy ➤ Estimates Process ➤ Council/Committee Reporting ➤ Community Plan ➤ Local Development Plan



Core Principal E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	
Supporting Principles	How we meet these principles
E1: Developing the entity's capacity	<ul style="list-style-type: none"> ➤ Organisational Development ➤ Transformation programme being developed which will include detailed service reviews ➤ Performance Improvement Plan ➤ NIAO Improvement Audits and Assessments of Councils 2017/18 ➤ Monitoring of the performance of the delivery of Council Improvement Objectives to ensure compliance with the performance improvement requirements of part 12 of the Local Government (NI) Act 2014 ➤ Directors and Assistant Directors quarterly assurance statements ➤ Community Plan Statutory Partners ➤ Service Level Agreements
E2: Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> ➤ Group Party Leaders Meetings ➤ Induction Training and Learning and Development Programme for Members ➤ Member Development Charter ➤ Scheme of Delegation ➤ Audit Committee undertake an annual self-assessment exercise against CIPFA standards ➤ Planning Scheme of Delegation ➤ CE Job Description/Specification and Appraisal Scheme ➤ Terms and conditions of employment ➤ Capacity building around the Code of Conduct ➤ Performance Improvement consultation ➤ Consultation on major Council strategies ➤ Performance Improvement Plan ➤ Directorate business plans ➤ Project Plans ➤ Corporate Management Team Meetings ➤ Continuing Professional Development ➤ Corporate Health & Safety ➤ Occupational Health Service including Westfield Health ➤ All staff have access to leisure facilities ➤ A number of post related to improving health and wellbeing in the district (i.e. Exercise referral coordinator, GP referral coordinator, Macmillan move more coordinator and Age friendly Coordinator)



Core Principle F: Managing risks and performance through robust internal control and strong financial management

Supporting Principles		How we meet these principles
F1: Managing risk		<ul style="list-style-type: none"> ➢ Risk Management Policy ➢ Risk Management software system ➢ SMT update Corporate Risk Register quarterly and present to audit Committee ➢ Directorate risk registers updated bi-annually ➢ Director and Assistant Director Quarterly Assurance Statements
F2: Managing performance		<ul style="list-style-type: none"> ➢ Annual NIAO Audit and Assessment Reports ➢ Annual Performance Improvement Plans ➢ Directorate business plans ➢ Agreed pro forma for Committee reports showing option appraisals and implications. ➢ Regular reporting of financial information to the SP&R committee ➢ Legal and professional advice obtained as necessary ➢ The SP&R and Audit Committee oversees and monitors performance management, processes, systems and related arrangements. ➢ The SP&R Committee oversees and monitors structures, governance arrangements and financial information. ➢ Performance Improvement updates ➢ Financial Management ➢ Risk Management processes and reporting ➢ Budgetary reporting
F3: Robust internal control		<ul style="list-style-type: none"> ➢ Directorate Business Plans ➢ Risk Management Policy and processes ➢ Risk registers in place and linked to objectives ➢ Audit Services Manager in place who liaises with a fully independent internal audit firm ➢ Independent External Review of Internal Audit every 5 years. ➢ Internal Audit planning ➢ Risk based auditing ➢ Recommendation tracker to monitor all Internal Audit recommendations ➢ Council Fraud Policy and Fraud Response Plan ➢ Council Whistleblowing Policy ➢ Council participate in the National Fraud Initiative – Bi annual data matching exercise ➢ Gifts and Hospitality Policy ➢ Directors and Assistant Director Quarterly Assurance Statements ➢ Annual Governance Statement ➢ Audit Committee with an independent Chairperson



Core Principle F: Managing risks and performance through robust internal control and strong financial management	
Supporting Principles	How we meet these principles
F4: Managing data	<ul style="list-style-type: none"> ➤ Data Protection Policy ➤ Data Protection training ➤ IT Transformation Project underway ➤ Access controls in place on Council network ➤ Secure physical access to Council buildings and IT server rooms
F5: Strong public financial management	<ul style="list-style-type: none"> ➤ Rates Estimates process ➤ Annual Budget setting process and Budgetary reporting systems ➤ Financial management detailed in Directorate Business Plans ➤ Prudential Framework ➤ Compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code ➤ Transformation programme being developed which includes detailed service reviews ➤ All Committee reports include financial implications ➤ Financial Regulations

Core Principal G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	
Supporting Principles	How we meet these principles
G1: Implementing good practice in transparency	<ul style="list-style-type: none"> ➤ Annual Financial Report published on the Council's website. ➤ The Financial Report and accounts are prepared in line with the Code of Practice on Local Authority Accounting the UK ➤ The Council web site provides the public with up to date information ➤ Standard Committee report template
G2: Implementing good practices in reporting	<ul style="list-style-type: none"> ➤ Annual Accounts published on the Council's web site ➤ Established timescale for submission and approval of annual accounts ➤ Performance Improvement – Annual Audit and Assessment Reports ➤ Publication of statutory performance indicators in line with the Local Government (Northern Ireland) Act 2014 ➤ Annual Governance Statement reviewed by Chief Executive and published on Council's website ➤ Council Committees consider and approve reports which are ratified by full Council ➤ Review of Corporate Governance carried out by Internal Audit ➤ Service Level Agreements ➤ The Annual Accounts are prepared in line with the Code of Practice on Local Authority Accounting in the UK based on international Financial Reporting Standards and the Department of Communities Accounts Direction. ➤ Committee reports presented by Senior Officers
G3: Assurance and effective accountability	<ul style="list-style-type: none"> ➤ All NIAO recommendations are included on the recommendation tracker with updates reported to Audit Committee ➤ All NIAO (External Audit) reports presented to the Audit Committee ➤ Audit Services Manager in place who liaises with fully independent Internal Audit firm ➤ External audit completed by NIAO ➤ NIAO Proper Arrangements Audit ➤ Internal Audit annual review of effectiveness ➤ Community Planning Statutory Partners ➤ The Local Government (Community Planning Partners) Order (Northern Ireland) 2016 ➤ Service Level Agreements ➤ Contract Management ➤ Directorate Business Plans in place which contain key corporate actions, risk actions and performance indicators

Statement of Accounts 2020/21

Presentation to Audit Committee

5th July 2021

Ag freastal ar an Dún agus Ard Mhacha Theas
Serving Down and South Armagh



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[Key changes to Format of Accounts 2020/21](#)

- Timetable of Auditing and Publication of Accounts back to normal after the amended Account Directions last year as a result of COVID-19
- Accounts Direction – DFC Circular LG 08/21



For attention of Audit Committee

- Fixed Asset revaluation in year by LPS
- General Power of Competence not used
- No changes to accounting policies
- COVID-19 and the impact on Council Finances



[Narrative Report – highlights \(Pages 2 to 19\)](#)

- Overview of Council – externally and internally
- Linking strategic objectives to outcomes
 - corporate plan objectives
 - community plan
 - local development plan
 - performance objectives
- Expenditure and Funding Analysis
- Governance, assurance framework and risks
- Financial Performance and capital projects
- Outlook and future uncertainties

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Governance Statement – highlights (pages 21 to 35)

- Governance Structures embedded
- Procedures around risk management and assurance framework embedded
- **Satisfactory** assurance received from Internal Audit
- 2 Limited assurance opinions in area of Fleet Management and Fuel Management
- Key areas of risk identified include [procurement and contract management, IT transformation project, Economic and Political climate including the NI Protocol, BRCD, Planning backlog, absenteeism and COVID19.]

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[Remuneration Report \(pages 36 to 42\)](#)

- Councillors - allowances, travel and subsistence, courses (in total)
 - link to Council's website; allowances per individual Councillor
- Senior Employees – salary, benefits in kind
- Pension details

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Expenditure and Funding Analysis (Note 2a – page 69)

	2020/21		2019/20	
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure to the General Fund
	£	£	£	£
Chief Executive	718,922	(2,433)	721,355	2,742,011
Corporate Services	13,347,335	774,271	12,573,064	14,838,292
Enterprise, Regeneration & Tourism	4,112,555	(5,170,585)	9,283,140	7,254,273
Neighbourhood Services	23,969,472	(4,612,999)	28,582,471	24,685,182
Active & Healthy Communities	8,191,269	(4,798,073)	12,989,342	8,919,398
Net Cost of Services	50,339,553	(13,809,819)	44,149,372	58,439,156
Other Income and Expenditure	(46,013,704)	4,031,589	(70,045,293)	(57,411,019)
Surplus or Deficit	(15,674,151)	(9,778,230)	(5,895,921)	1,028,137
Opening General Fund			11,708,865	
Surplus / (Deficit) on General Fund Balance in Year			7,519,402	
Closing General Fund			19,228,267	
				11,708,865
				(160,636)
				11,849,501
				10,961,792
				(9,933,655)
				1,195,870
				(11,129,525)
				69,568,681
				14,025,845
				27,631,044
				10,660,189
				14,510,280
				2,741,323

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Balance sheet at 31 March 2020 (Page 49)

	Note	31 Mar 21 £	31 Mar 20 £
Fixed Assets	11	186,642,457	189,433,018
Long Term Investments	16	-	-
Long Term Debtors	15	115,864	101,420
LONG TERM ASSETS		186,758,321	189,534,438
Short Term Investments	16	-	-
Inventories	14	507,890	548,789
Short Term Debtors	15	9,825,600	7,358,147
Cash and Cash Equivalents	25	16,224,381	867,196
Assets Held for Sale	11	-	-
CURRENT ASSETS		26,557,871	8,774,132
Bank Overdraft	25	-	766,961
Short Term Borrowing	17	10,416,318	15,589,508
Short Term Creditors	18	13,204,270	11,000,367
Provisions	19	500,000	575,000
CURRENT LIABILITIES		24,120,588	27,931,836
Long Term Creditors	18	-	-
Provisions	19	3,176,207	2,935,488
Long Term Borrowing	17	63,707,557	59,255,059
Other Long Term Liabilities	21	69,362,000	53,807,000
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
LONG TERM LIABILITIES		136,247,764	115,997,547
NET ASSETS		52,947,840	54,379,187

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NET ASSETS		52,947,840	54,379,187
USABLE RESERVES			
Capital Receipts Reserve	26	-	-
Capital Fund	26	-	627,613
Renewal and Repairs Fund	26	-	-
Other Balances and Reserves	26	8,902,362	120,000
General Fund	26	19,228,267	11,708,865
		28,130,629	12,456,478
UNUSABLE RESERVES			
Capital Adjustment Account	27	41,797,916	44,870,973
Financial Instruments Adjustment Account	27	-	-
Revaluation Reserve	27	53,993,812	52,242,326
Financial Instruments Revaluation Reserve	27	-	-
Pensions Reserve	27	(69,362,000)	(53,807,000)
Capital Receipts Deferred Account	27	-	-
Accumulated Absences Account	27	(479,663)	(353,643)
Landfill Regulations Reserve	27	-	-
Provisions Discount Rate Reserve	27	(1,132,854)	(1,029,947)
		24,817,211	41,922,709
NET WORTH		52,947,840	54,379,187



Usable Reserves – Other balances and reserves (26c – Page 103)

Other Balances & Reserves	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		120,000	360,000
Transfers between statutory & other reserves & the General Fund	4	8,782,362	(240,000)
At 31 March		8,902,362	120,000

1. Election Reserve - this reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve. The balance at 31/3/21 is £209,500 (31/3/20 £120,000).

2. Covid Funding Reserve - the Department for Communities allocated funding to Councils to alleviate the impact of exceptional losses and costs incurred or estimated to be incurred as a consequence of Covid-19. This reserve was created to ring-fence the unspent funding. The balance at 31/3/21 is £2,459,033.

3. Covid Support Grants Reserve - the Department for Communities issued a range of Covid support grants during the year ended 31st March 2021 for Revitalisation and Community Support. This reserve was created to ring-fence the unspent funding. The balance at 31/3/21 is £2,233,829.

4. Covid Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District post-Covid. The balance at 31/3/21 is £1,750,000.

5. Economic Recovery Reserve - this reserve has been created to assist with the economic recovery of the District post-Covid. The balance at 31/3/21 is £2,250,000.



Movement in Reserves 2020/21 (Page 48)

	General Fund		Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable		Total Unusable		Total Council	
	Summary	£			Reserves	Reserves	Reserves	Reserves	Reserves	Reserves
Balance as at 1 April 2019	11,869,501	1,615,113	-	-	13,484,614	51,871,995	-	-	65,356,609	
Balance as at 31 March 2020	11,708,865	747,613	-	-	12,456,478	41,922,709	-	-	54,379,187	
Movement in reserves during the year										
Surplus/ (Deficit) on the provision of services	5,895,921	-	-	-	5,895,921	-	-	-	5,895,921	
Other Comprehensive Income and Expenditure	-	-	-	-	-	(7,300,628)	-	(7,300,628)	(7,300,628)	
Total Comprehensive Income and Expenditure	5,895,921	-	-	-	5,895,921	(7,300,628)	-	(7,300,628)	(1,404,707)	
Adjustments between accounting basis & funding under regulations	9,778,230	-	-	-	9,778,230	(9,804,870)	-	(26,640)	(26,640)	
Net increase before transfers to Statutory and Other Reserves	15,674,151	-	-	-	15,674,151	(17,105,498)	-	(1,431,347)	(1,431,347)	
Transfers to / from Statutory and Other Reserves	(8,154,749)	8,154,749	-	-	-	-	-	-	-	
Increase/ Decrease in year	7,519,402	8,154,749	-	-	15,674,151	(17,105,498)	-	(1,431,347)	(1,431,347)	
Balance as at 31 March 2021	19,228,267	8,902,362	-	-	28,130,629	24,817,211	-	-	52,947,840	



Provisions 2020/21 (note 19 – page 90)

Provisions	Balance as at 1 April 2020 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2021 £
Landfill Closure	2,935,488	314,116	(71,397)	-	-	3,178,207
Staff Costs	75,000	-	(57,312)	(17,688)	-	-
Restructuring Costs	500,000	-	-	-	-	500,000
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Current Provisions	575,000	-	(57,312)	(17,688)	-	500,000
Long Term Provisions	2,935,488	314,116	(71,397)	-	-	3,178,207
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207

Landfill Closure

The expected cost of landfill closure and aftercare costs of £3,178,207 is based on the percentage utilisation of the landfill sites of both Drumanakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed at 31st March 2015. Drumanakelly Landfill Site ceased to take landfill on 30th April 2016. Now that the sites have closed it will take a period of time before there will be a reliable trend for closure and aftercare costs and gas generation income.

Restructuring Costs

The provision is for 'Planning for the Future' - a review of the directorate and management structures.



[Payment of Supplies \(note 18b – page 90\)](#)

Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 15207 invoices totalling £62,093,851.

The number of disputed invoices were 118.

The Council paid:

13,083 (86%) invoices within 30 calendar days target;
1,707 (11%) invoices within 10 working days target; and
2,124 invoices outside of the 30 day target.

The average number of days taken to pay suppliers during the year was 23 days.

[Contingencies \(note 24 – page 100\)](#)

The Arc 21 Joint Committee has with the approval of their participant Councils, entered into a Contingent Liability undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Newry, Mourne and Down District Council has agreed the legacy Down District Council's share of the contingent liability. Payments made if any in accordance with this undertaking will be funded by the participating Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process. In addition to the above, The Council is one of the parties to the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sports, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that the VAT should be repaid. The Council understands that HMRC has appealed the judgement, the outcome of which will be reported to the Council in due course.



Next steps in Annual Accounts process

- Draft accounts submitted to DfC on the 30th June 2021
- NIAO audit of accounts on-going
- Accounts available to public for scrutiny from 29th July 2021 to 25th August 2021.
- NIAO audit due to complete in September 2021
- Audit Committee to consider audited accounts and recommend signing by Chief Executive and Chair of Council on 23rd September 2021

Statement of Accounts

Newry, Mourne and Down District Council

**For the Year Ended 31st March
2021**



Comhairle Ceantair
**an Iúir, Mhúrn
agus an Dúin**

**Newry, Mourne
and Down**
District Council

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Narrative Report

Organisational overview and external environment

With an estimated population of 181,368, a coastline of approximately 150 kilometres, and encompassing an area of 1,634 square kilometres, we have three Areas of Outstanding Natural Beauty; Mourne, Ring of Gullion, and Strangford and Lecale.

With approximately 1,030 employees and an annual budget of circa £59M made up from rates income, grants from central government and income generated from specific services, we are the third largest of the eleven local government districts in Northern Ireland. Our 41 elected members from our seven district electoral areas serve a diverse population, 23% of which is aged 15 years and below, and 16% being 65 years and older.

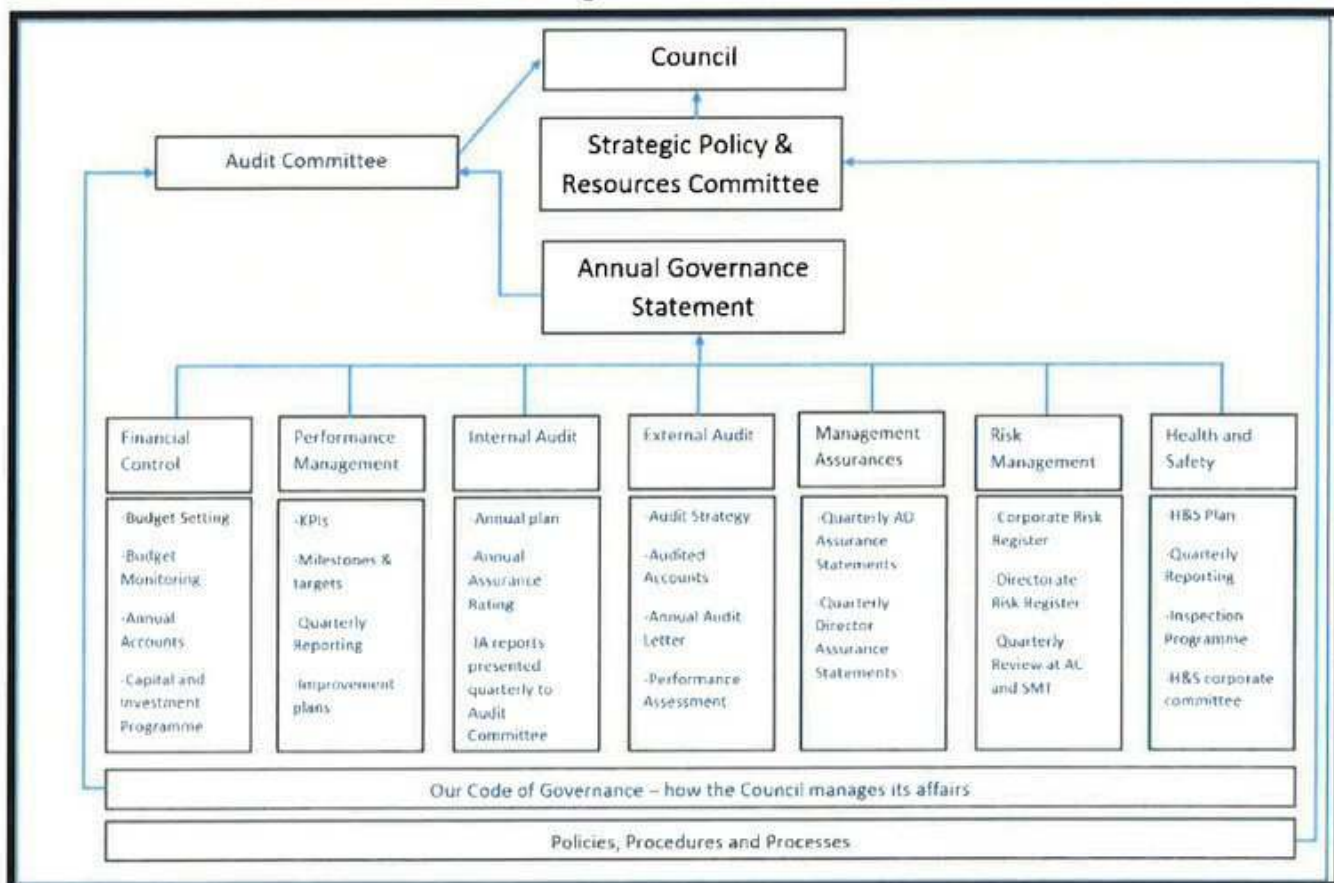


During our first five years we established a new governance and organisational structure, delivered major new facilities and projects for the benefit of residents and visitors, facilitated agreement with partners on the Community Plan, secured major City Deal investment for the future and began work on publishing a new Local Development Plan Preferred Options Paper to shape planning across the district for the years ahead.

While we acknowledge the COVID19 pandemic may be a continuing feature and have an impact upon Council services, our new [Corporate Plan \(2021-2023\)](#) will continue to guide Council's activities and how we allocate our resources over the next two years. In doing so we will work closely with all our partners in government and with the private, voluntary and community sectors and strive to provide our staff with the development support and resources needed to provide better outcomes and high-quality services for all.

Governance

The figure below illustrates the assurance framework in place within the Council (approved annually by the Audit Committee), that provides information on compliance with various elements of the Council's Governance arrangements.



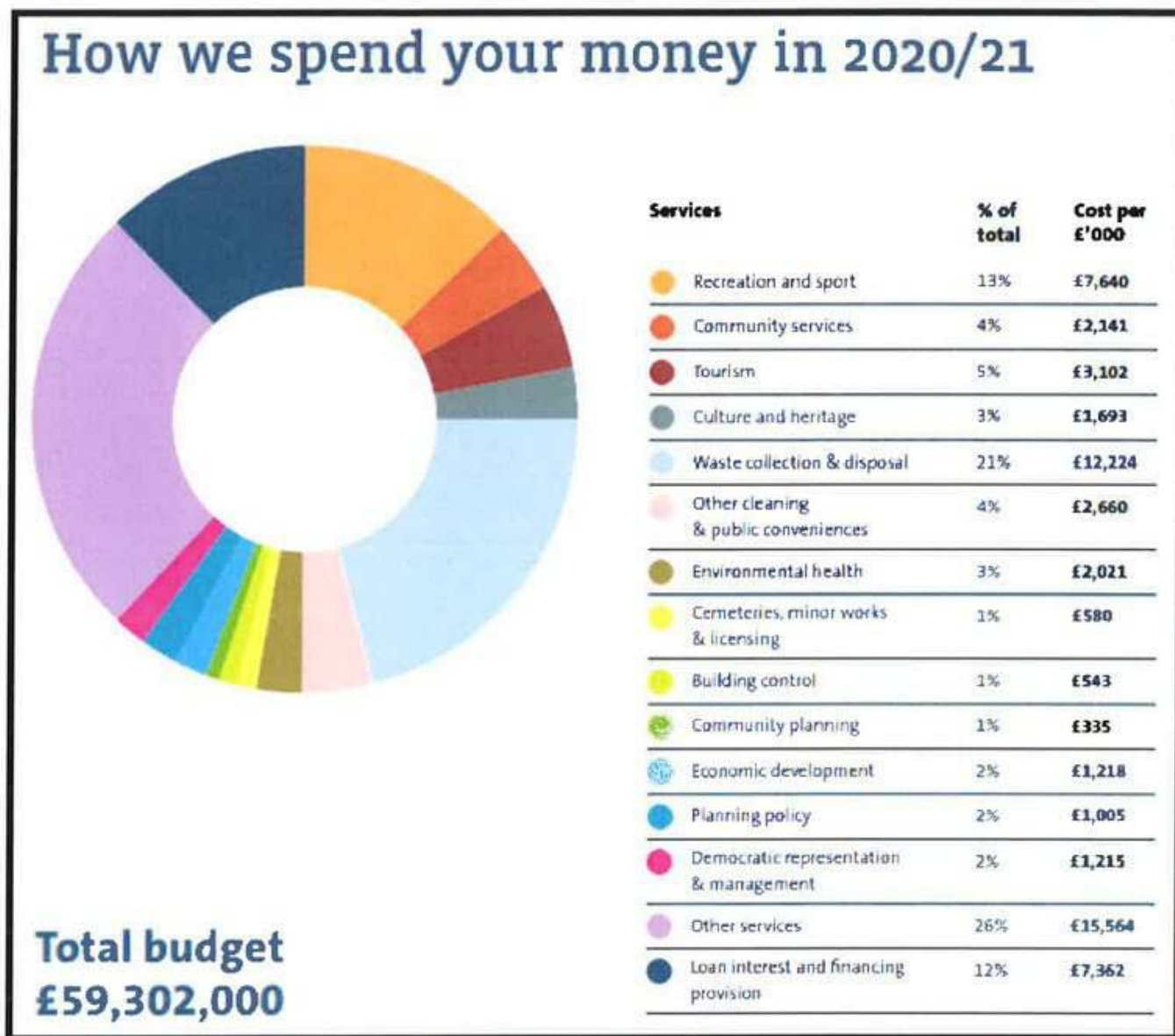
Council's Assurance Mapping and Code of Governance was revised and approved by the Audit Committee on 6 July 2020. This was a best practice recommendation coming from the Audit Committee self-assessment carried out by the independent chair of the Audit Committee in January 2019. The Annual Governance Statement on page 21 details the Council's Code of Governance and significant Governance issues facing the Council. The Annual Governance Statement also details the special governance arrangements which were in place due to COVID19.

Operational model

Each year, the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to the relevant committees for approval regarding what the Council hopes to do and how much it will cost. This helps

Council understand how much is required, and taking account of other sources of income, what 'rate' needs to set for the district to raise the required money.

The budgeted income went towards the delivery of the following services, in the year ended 31 March 2021-



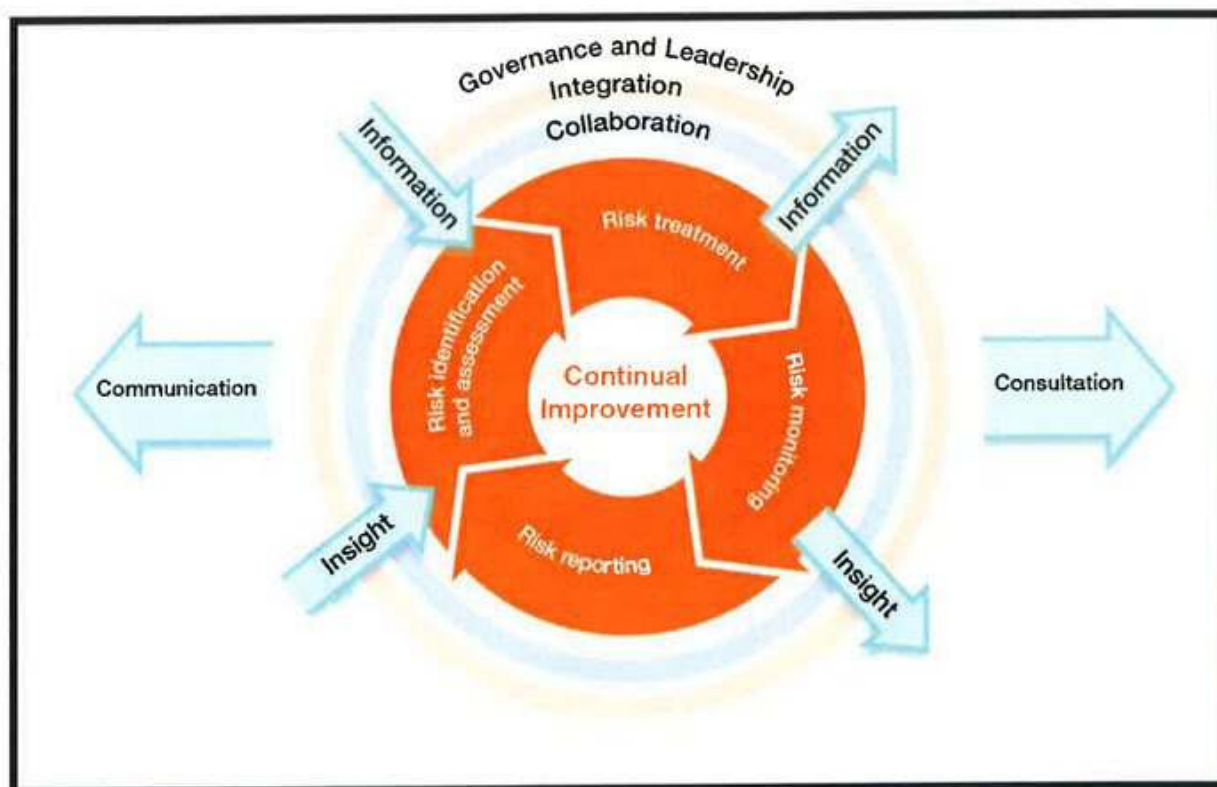
Risks and opportunities

The Council has an embedded process to manage risks and assist the achievement of its objectives and performance targets. The Corporate Risk Register plays an integral role in supporting production of the Corporate Plan and is subject to a quarterly review by the Audit Committee and the Senior Management Team (SMT). The Council's Risk Management Policy was revised in July 2021 to reflect best practice. The key changes to the best practice and our policy include:

- The introduction of five main principles of risk management and a number of supporting principles;
- The introduction of the "three lines of defence" model which provides a simple and effective way to delegate risk management roles and responsibilities;

- The provision of clear roles and responsibilities for those involved in; and
- A risk appetite statement for Council.

The key elements of the risk management process are highlighted below:



In order to assist the Chief Financial Officer in fulfilling her responsibilities, the Council have put in place a process for assurance / stewardship reporting. The assurance statements should reflect any significant internal control issues in the relevant Directorate or Service Area and are timed to support the Accounting Officer in her preparation of the Annual Governance Statement. Directors and Assistant Directors provide Assurance Statements to the Chief Executive and Audit Services Manager on a quarterly basis.

The Council had 13 Corporate Risks at 22 April 2021, which included:

1. Failure to deliver the capital investment programme for the District;
2. **Breach of legislation/legislative challenge in relation to the procurement of goods and services and works;**
3. Non-compliance with legislative requirements, including Health and Safety;
4. **Failure to effectively manage waste;**
5. **Failure to provide timely planning decisions;**
6. Failure to adequately plan for the future and deliver efficiencies and improvement
7. Failure to adequately react to a major incident which would minimise any negative consequences/impact;
8. 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;
9. Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery;
10. Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services;

11. Risk that Council does not assist the post COVID 19 recovery of the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term;
12. Impact of BREXIT on the local economy, organisation, effective service provision and achievement of strategic objectives; and
13. Failure to adequately manage the Cyber Security threat.

Controls are in place to manage the risks were possible, and where actions have been identified to further mitigate the risk, these are being progressed by members of SMT and the Corporate Management Teams (CMT).

Council currently has three risks with a red residual score rating. These risks are highlighted above (***bold Italics***). Internal Audit completed a review of Risk Management in March 2021. The review received a satisfactory assurance rating.

Financial Statements

The Council's financial performance for the year ended 31st March 2021 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2021 (the Code) and the Department for Communities Accounts Direction, Circular LG 08/2021. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

This Statement of Accounts explains Newry, Mourne and Down District Council's finances during the financial year 2020/21 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The purpose of the Narrative Report is to provide information on the authority, its main objectives and strategies and the principal risks it faces.

Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. The Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

The Movement in Reserves Statement

This Statement, as set out on page 48, shows the movement in the year on the different reserves held by Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES).

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 47, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rates income. Council's raise rates income to cover expenditure in accordance with regulations; this may be different from the accounting cost. The rates income position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on page 49, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and

reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of rates income and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Basis of Preparation

The Council's Statement of Accounts are prepared on an accruals basis and are intended to present to readers a true and fair view of financial activity during the 2020/21 year. There are strict controls governing the accounting standards that must be complied with, accounting policies must be applied on a consistent basis and officers must follow relevant accounting and disclosure requirements.

There are also materiality thresholds to be adhered to and officers are obliged to make judgements and estimates that are reasonable and prudent and have endeavours to ensure that as much information as possible has been presented to make the accounts as user friendly as possible within these limitations.

Revaluation of Assets

A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2021 on the Council's land and buildings. As a result, the value of land and buildings have decreased from £177.7 million at 31 March 2020 to £174.3 million at 31 March 2021. In light of COVID19, LPS has included a disclaimer in their report. The following disclosure has been added to the accounts and we are satisfied that appropriate values have been applied to the revaluation of assets in accordance with the relevant guidance:

"Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). As at the valuation date, LPS considers that due to the COVID19 pandemic, there is a shortage of reliable market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations provided by LPS were reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation."

Performance Report

It has been a challenging period of change during which the Council has continued to define its new role and purpose, develop new policies and strategies, renew its key infrastructure, integrate and modernise its services and meet ever increasing statutory obligations whilst managing expectations and competing demands.

The Council's community planning vision is *"Newry, Mourne and Down is a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high-quality services which are sustainable, accessible and meet people's needs."* 'Living well together' is published on the Council's website and outlines the Council's ambitions for the District until 2030.

Since launching the Living Well Together Community Plan, community planning partners and local communities have come together to deliver high quality services and opportunities. This ensures that local people have a say in what programmes and policies are implemented and is built on the understanding that more can be achieved when we all work together in partnership.

Council are concentrating on what we can do together to achieve our goals. We have now more focused priorities including mental health, physical activity, tourism, access to quality housing, and implementing new initiatives such as Participatory Budgeting and the Community Support Partnership.

As part of our statutory responsibilities under the Local Government Act (NI) 2014, we are required to monitor progress against the objectives of the Community Plan. Every two years we are also required to publish a statement of the progress we have made. The summary document 'Our Journey' can be accessed on the Council website. This outlines what we have accomplished from 2015 to the present. A brochure outlining last year's initiatives can be accessed here <https://www.newrymournedown.org/communities-leading-change>. A further statement of progress will be published in November 2021, with a review of the Community Plan scheduled to be published during 2022.

Some of Council's main achievements are:

- Seven District Electoral Area (DEA) Forums have been established;
- The Communities Leading Change Participatory Budgeting initiative has been rolled out. A total of £30,000 has been allocated to community groups across the district, with 2000 people participating and 70 groups funded. Nine partners have contributed support or funding to this initiative;
- Development of a Housing Needs Action Plan to be implemented by the Housing Needs Subgroup;
- Undertaken an Asset Mapping Project to identify surplus land and buildings that can be used more effectively;
- Establishment of a Community Support Partnership which ensures that key public services work together to respond to the needs of vulnerable people;
- Development of a project to better coordinate the referral of individuals to Council leisure facilities;
- Successful completion of an online citizen engagements pilot project; and
- Creation of the Strategic Stakeholders Forum's post COVID19 Recovery and Renewal document.











Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than

















quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.

















In 2017-18, the Council set five performance improvement objectives which were directly aligned to community planning outcomes and corporate priorities and were carried forward to 2018-19 and 2019-20. These objectives have now been reviewed and updated within the context of the Corporate Plan 2021-23 and following 'proposals for improvement' which were put forward by the NI Audit Office in 2019.

In response to the impact of the COVID19 pandemic, the Department for Communities (DfC) confirmed that Councils were not required to publish a Performance Improvement Plan for the 2020-21 financial year.

Below highlights what the Council's five key performance objectives were, and the key achievements Council have made during the past three years.

Performance Improvement Objective	Key achievements 2017-20	Status Trend
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	Newry and Down Leisure Centres open and operational	
	12.7% increase in attendances at indoor leisure facilities / Target exceeded	
	73.5% customer satisfaction rating with indoor leisure facilities	
	3,516 children and young people took part in Community Play and other leisure initiatives	
	25,761 enrollments on Everybody Active 2020	
	Implementation of Play Strategy and Sports Facility Strategy well underway	
	Plans to develop the Albert Basin Park, Newry are progressing	
	The majority of residents are physically active for 30 minutes per week and are in good health	
Improve economic growth by creating new business starts, supporting the growth of existing	574 new businesses and 535 jobs promoted through the NI Business Start Programme	
	31 social enterprise start ups created and 43 social enterprise jobs created	

businesses and promoting Newry, Mourne and Down as a premier tourist destination	198 business supported through 'NMD Growth'	
	Employment rate increased from 65.6% to 73.6%	
	29 businesses supported and 133 jobs created through the Rural Business Investment Scheme	
	£2.3m secured to invest in the fishing dependent communities of Killeel, Annalong and Ardglass	
	Newry, Mourne and Down Economic Development Strategy 2020-25 adopted	
	Planning application for phase 2 of the Carlingford Lough Greenway submitted	
	113,357 pedestrians and cyclists used the Greenway since September 2018	
	The Giant Adventure Festivals attracted over 360,000 visitors with an average satisfaction rating of 96%	
	Decrease in tourist visitor numbers and spend	
Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in	Warrenpoint Municipal Park restored and re-opened, attracting 205,126 visitors in 2019-20	
	Newry/Warrenpoint Revitalisation Schemes and Downpatrick/Newry Hill Street Environmental Improvement Schemes complete	
	Forkhill Greenspace Project and Derrynore Demesne complete	
	45 Village Plans updated/created and 7 environmental improvement schemes complete	
	£15m awarded to FFNI Consortium to improve digital infrastructure*	
	Increased processing times for planning applications and enforcement cases	
	LEAMS score of 64, which is below the regional average of 68	

Create a cleaner, greener, more attractive District	16 community groups participated in the Cleaner, Greener Communities initiative	
	294 community clean ups supported	
	347 visits to schools and community groups to deliver environmental awareness sessions	
	Arrangements to monitor the refuse collection completion rate delayed	
	Glass collection standardised across the District	
	Downpatrick Household Recycling Centre open	
	Increase in blue and brown bin recyclable waste	
	7.6% increase in the rate of recycling, to 53.7%	
	86% of residents state that recycling is important to them	
	18.3% increase in the amount of waste going to landfill	
Encourage and empower local communities to participate in Council engagement structures and initiatives	Significant representation from the community, voluntary and business sectors on Council engagement structures	
	1,310 meetings, events and programmes took place through Community Engagement Structures	
	Reduction in the number of Neighbourhood Watch Schemes, from 177 to 95	
	94% of residents feel safe during the day and 87% feel safe after dark	
	1,838 homes secured and 15,573 devices fitted through the Home Secure Scheme	
	277 service users received 45,391 calls through the 'Good Morning Good Neighbour Scheme' in 2019-20	

	£4.2m awarded to 1,385 applications through the Financial Assistance Scheme	
	47 community projects funded through four participatory budgeting schemes	
	4,924 recorded visits to the Ethnic Minority Support Centre	

Even though there was no Performance Improvement Plan for the 2020/21, Council still monitored performance and statutory indicators. Below is a snap shot of some of the successes from each Department for the 2020/21 year:

Enterprise, Regeneration and Tourism Directorate

- 84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life;
- Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week;
- 181 new business starts supported and 164 new jobs promoted through business start activity;
- 40 social enterprise businesses supported and 13 new social enterprise jobs created;
- 327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth';
- Issued 807 letters of offer, with a combined value of approximately £1.1m to assist local businesses as they navigate the impact of COVID19;
- Regeneration and Economic Development Strategy 2020-25 launched;
- A total of 12 artisan markets took place in Downpatrick, Newcastle and Warrenpoint;
- Improved processing times for local and major planning applications;
- New tourism website launched;
- Online Christmas and St Patrick's concerts reached 194,00 online viewers;
- Webinar series delivered to around 160 tourism and hospitality businesses and mentoring support provided to 13 tourism and hospitality businesses; and
- 25 tourism and hospitality businesses engaged in the development of new and existing tourism businesses.

Active and Healthy Communities Directorate

- 87,854 recorded visits at four community trails;
- Electronic Grants Management System launched and £731k awarded to 377 projects through the Financial Assistance Scheme;
- 507 clients directly benefitted from the services provided through the Ethnic Minority Support Centre;
- Newry, Down and Killeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020;
- 18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers;
- Worked in partnership with DAERA to establish import controls at Warrenpoint Harbour ahead of the transition period for EU Exit;
- 2,279 attendances recorded on the Everybody Active programme; and
- Broad range of physical activity and wellbeing programmes delivered virtually.

Neighbourhood Service Directorate

- Refuse collection services continued, as normal, throughout the pandemic;

- Achieved an average recycling rate of 53.3% between Q1-3 2020-21 - slightly reduced when compared to 2019-20 but 50% target by 2020 achieved;
- 60 schools participated in the calendar poster competition and 6,000 copies of the calendar were printed;
- 15 schools attended the virtual teachers Eco-Schools Information event in December; and
- Phase 2 extension compete for Monkshill cemetery and Phase 2 extension of Warrenpoint Cemetery 50% complete.

Corporate Services and Chief Executives Department

- 86% of invoices paid within 30 calendar days;
- Decrease in the number of days lost due to sickness absence;
- 69 social media campaigns delivered with an overall reach of 2.4m;
- Arrangements for virtual Committee meetings in place;
- Chairperson supported in carrying out 66 virtual and in person engagements; and
- Continued delivery of Capital Programme – Derrymore House Regeneration Scheme complete, Newry Lower Hill Street complete, rural EI scheme complete.

The 2021/22 Performance Improvement Plan was approved by the Strategy, Policy and Resources Committee on 17 June 2021 and was published on the Council's website ahead of the statutory deadline of 30 June 2021.

The performance improvement objectives do not describe every improvement the Council plans to make during 2021-22. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Plan outlines the Council's objectives for improvement, how performance will be measured and what positive outcomes stakeholders can expect as a result of improvement activity. It represents the Council's commitment to achieving continuous improvement in the delivery of key services. The Performance Improvement Objectives for 2021-22 are

1. We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces;
2. We will grow the economy by supporting local businesses and creating new jobs;
3. We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents;
4. We will build the capacity of local communities through the Financial Assistance Scheme; and
5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme.

Expenditure and Funding Analysis

The resourcing of the Council's activities is outlined in the Annual Report, demonstrating the funding available and what services this funding provided in 2020/21. There have been changes to the way we report our financial performance since 2019/20, on the delivery on these services in our financial statements. This change is mainly due to the requirement for Councils to now report financial performance in line with their decision-making structure and the introduction of the Expenditure and Funding analysis, as set out in note 2.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the Council (i.e. government grants, rates and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Financial Performance

For the year ended 31 March 2021, the Council's General fund increased by £7,519k to £19,228k. The budget plans formed part of the annual estimates for 2020/21. The total gross income budget for the Council was set at £69,523k at June 2020. This was a revised budget which was reprofiled at the request of SMT due to COVID19.

The Council reported a £9,440k underspend on service delivery at year end. Performance against budget for each of the Committees is continuously monitored throughout the year. Management Accounts are presented and scrutinised quarterly at the Strategic Policy and Resources Committee (SP&R). The year-end Management Accounts position was presented to Committee on 17 June 2021. The overall favourable position for the year ended 31 March 2021 can be attributed to:

- COVID19 Funding Support from the Department of Communities of £3.15m has been included. A further payment of £2.4m was received in March 2021 relating to the 2021/22 Financial year and will be treated as a reserve in the accounts as at 31st March 2021. In addition, DEARA grant aid of £1.35 has been included;
- Wages and salaries were £1.6m favourable against budget;
- The Department provided an additional Rates Support Grant of £515k during 2020/21;
- At year end there was a positive Rates Finalisation of £1.26m which is reflected within the management accounts;
- Income from the HMRC COVID19 Job Retention Scheme of £1.89k has been included;
- Overall income (excluding grants) is showing £741k favourable based on the revised figures, mainly due to positive variances in planning, Building Control, Trade Waste and Leisure income.

The Cost of Services on Continuing Operations of £64.1m (2019/20 - £69.6m), as reported in the Comprehensive Income and Expenditure Statement, also includes the accounting cost of providing services in addition to the amount funded from taxation. The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £1.4m.

Borrowings

For the 2020/21 year the Council has an authorised borrowing limit of £114.2m. This is based on the Council's forecast capital expenditure plans over the medium to long term. In

conjunction with the Council's capital financing requirement of £97.8m, this ensure the Council only borrows for capital purposes.

The Council currently holds £74.2m of loans, a decrease of £600k on the previous financial year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast shows that the Council expects to borrow up to £28.1m by the end of 2021/22. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £114.2m.

During the year the Council repaid external loans of £4.9m. The Council borrowed £4m to fund ongoing capital projects. At 31 March 2020, the total amount outstanding on external loans was £74.8m.

Capital Expenditure

The Council has an ambitious four-year capital programme of £58.6 million (February 2020). The four-year capital programme is updated and approved annually by Council in February each year. The investment will help Council meet the strategic objectives which are set out in the Corporate Plan. The capital plan is continually reviewed by the Strategic Finance Working Group.

The total net expenditure reported in the Comprehensive Income and Expenditure Statement includes allocations of £5.8m to fund capital expenditure.

The most significant capital projects which were completed during the year included;

- Bann Road Pavilion at a £295k due to COVID19 restrictions this has not yet opened.
- Newry Tennis Court bubble at a cost of £275k.
- Derrymore Playpark opened in March 2021 at a cost of £273k
- Car -park at Strangford Road Depot completed at a cost of £180k
- Ballykinlar Community Centre completed at a cost of £128k.

Strategy and resource allocation

The Medium Term Financial Plan was approved by the Council in February 2020. In accordance with the Local Government Finance Act (NI) 2011, the Chief Executive, as Chief Financial Officer is required to provide assurance to members on the robustness of the revenue estimates and the adequacy of the Council's reserves position as part of the rate setting process. Detailed estimates were formulated, presented and scrutinised by members. They took into account past outturn, current spending plans and likely future demand and pressures.

When setting the district rate for 2020/21 (3rd February 2020) consideration was given to the following key financial factors and uncertainties for the Council:

- Various uncertainties remained as to the impact of Brexit on the NI Economy and NMDDC rate base and funding streams, and no provision had been made in the estimates for any financial implications arising. Furthermore, included within our 2020-21 estimates were various areas of funding received from the European Union under programmes which we have been advised will continue during the 2020-21 year.
- There was no agreed budget by the NI Executive at February 2020. The absence of an agreed budget had the potential to impact on the ability of the Department for Communities (DfC) to issue rates support grant to Councils. Whilst the Local Government Finance Act (Northern Ireland) 2011, Section 27 states that "the Department shall for each financial year make a grant under this section to Councils"

Councils were yet to be advised of the total amount of Rates Support Grant being made available by the DfC for 2020-21.

Other factors leading to the 2020/21 rate increase included;

- A 2% pay increase for Local Government employees has been negotiated and agreed with the trade unions at a Northern Ireland level.
- The increased costs of waste and recycling contracts across the district.
- In Autumn 2018, a successful Judicial Review challenge to the Rates Support Grant allocation resulted in a significant reduction to the calculated proportion of RSG to be paid to NMDDC. DfC have advised that NMDDC will receive a considerable reduction to its RSG allocation in the 2020-21 year.
- A revaluation of non-domestic rateable values was undertaken by Land and Property Services during 2019 "Reval 2020", the impact of which has been included in NMDDC's medium term financial plan.

Council officers provided a budget for that 2020/21 financial year, based on best estimates of expenditure and income at that time. The COVID19 global pandemic could not have been foreseen and therefore was not factored into the budgets agreed by Council. COVID19 has impacted significantly on Council's finances.

As a result of the impact of COVID19, Senior Management commenced a review and revision of the 2020-21 budget. The objective of this review was to take account of the impacts of COVID19 in our budgets; to reflect the significant losses of income anticipated but also to review areas where expenditure can be reduced due to the impact of COVID19 on our working practices and locations. SMT anticipated that budgets will require continual monitoring and review as government changes to lockdown restrictions ease. Non-payroll budgets were reduced by £1.6m and payroll budgets by £1.1m in June 2020.

A detailed cashflow was prepared by management and reviewed with the Chief Executive to provide her with assurance as to Council's ability to continue as a going concern. This was reviewed and updated throughout the year. It is anticipated that easing of lockdowns and reopening of facilities with the increased health and safety measures required because of COVID19 will put considerable pressure on Council's cashflow and finances going forward.

Outlook

The Council is fully aware that it is operating in a continually challenging environment with the ongoing COVID19 pandemic. The impact of COVID19 has significantly impacted on Council's operations and finances in the current year. The future impact of COVID19 on operations, on our rate base and on our finances is uncertain, and many assumptions are included in our budgets for 2021-22.

Various uncertainties remain as to the impact of Brexit and the NI protocol will have on the NI Economy and the Council. It is too early to understand the full implications of NI Protocol on jobs and investment in the district until trade negotiations are finalised and grace periods come to an end.

The Council continues to face a range of significant budget pressures including general inflation, increases in demand for everyday services as the population grows, and increases in core costs such as wage increases, the national living wage and pension contributions. The Council will also face significant year on year increases in costs in several areas such as waste disposal costs.

However, the Council is committed to delivering business as usual where possible and will continue with our ambitions for the district included within our interim Corporate Plan 2021-23. The Council strives to deliver the highest standards and these efforts have been highlighted below with some of Council's key achievements in the year ending 31 March 2021:

- NMDDC established the COVID19 Community Coordination hub in March 2020. During the 17 weeks of shielding a total of 18,407 food boxes were delivered with the assistance of 144 organisations and individuals throughout the District;
- A new Regeneration and Economic Development Strategy was launched in November 2020, the core of which is to support local businesses and attract investment and jobs to the district;
- Hilltown and Kilclief have both seen the installation of new play parks;
- 3 'blue flag' beaches and 4 'green flag' parks;
- 181 new business starts supported and 164 new jobs promoted through business start activity;
- To support the economic recovery of the District, the Council has issued approximately 807 letters of offer, with a combined value of approximately £1.1m to assist local businesses as they navigate the impact of COVID19;
- £731k awarded to 377 projects across 16 thematic areas via Council's financial system scheme; and
- Council received 1,177 planning applications and decided on 1,038, which is the highest across Northern Ireland.

The Council seeks out opportunities to pursue additional funding streams for the District, adopting innovative approaches to delivering services and working in partnership to ensure the Council optimises its resources to deliver on its eight key Corporate objectives. A few of the current significant initiatives Council are currently developing are outlined below;

1. City Deal – The Belfast City Deal is a 10-year investment, with a vision of creating 20,000 new and better paid jobs. This investment will ensure that as a Council we can take forward and implement strategic priorities, which will position our district as a key investment location and visitor attraction, while providing stimulus for new and better employment opportunities for all.

In total, £850m has been secured to deliver the investment. In May 2020 the NI Executive announced a £350m investment commitment to match fund the £350m already committed from the UK government. Together with an additional £150m from the Belfast Region City Deal partners, the total amount of £850m was achieved.

The City Deal investment in infrastructure, regeneration and tourism projects will also help the region's economic recovery from the effects of COVID19. During 2020-21, the Council has progressed comprehensive Outline Business Cases for both the Newry City Centre Regeneration and Gateway to the Mourne projects, while working with City Deal partners on progressing regional programmes that will deliver digital and innovation infrastructure and an employability and skills programme.

2. Full Fibre Northern Ireland (FFNI) – Fast, reliable digital connections have never been more important, and it is crucial that our district is keeping pace. The Council is a lead member of the FFNI Consortium, which is comprised of the 10 local authorities outside of Belfast and the Business Services Organisation.

The Consortium has been awarded £24m from the Department for Digital, Culture, Media and Sport (DCMS) to implement a new collaborative programme to drive greater investment in fibre and digital infrastructure across Northern Ireland. The

Consortium's phased delivery programme will manage two DCMS funded programmes - Local Full Fibre Network (LFFN) and Rural Gigabit Connectivity (RGC). It will also manage the delivery of further digital infrastructure initiatives and ensure a vital local link for future digital programmes at local authority level.

This funding of £24m aims to deliver full fibre to 957 sites, which includes council buildings, community centres, GP Surgeries, Ambulance stations and Fire Stations by December 2021, using the "Public Sector Anchor Tenancy" approach. This represents Phase 1 of a proposed longer-term programme of fibre related investment.

3. The Peace IV Programme – is a cross-border initiative designed to support peace and reconciliation in Northern Ireland and the Border region. Council has been awarded £ 4.7m of EU funding to deliver the PEACE IV Local Action Plan – Beyond Tolerance. As the lead partner, we are responsible for delivering those elements of the PEACE IV Action Plan that will promote peace and reconciliation in three key areas:
 - Children and Young People;
 - Shared Spaces and Services; and
 - Building Positive Relations.

COVID19 restrictions on gatherings and the ability to bring people together from across the community have been a challenge since March 2020. The Councils PEACE IV programme has responded by leading the way with online project delivery across a diverse range of projects.

As part of these themes, we have been involved in a number of exciting projects including the Cross Border Civic Leadership programme for young people, Women and Civic leadership programme and the Growing Relations programme.

The COVID19 pandemic has had a profound impact on all aspects of life in the NMDDC area. Through the 2021/22 the Council will adopt a pro-active approach to ensure that it responds to the emerging needs of the residents and businesses.

In line with all other Councils in Northern Ireland and the wider public sector, NMDDC is facing several challenges. Public finances are under increasing as a result of the pandemic, ongoing tightening of Government spending agendas, amongst other challenges. Key risks and planned mitigations are included in our Annual Governance Statement on Pages 21 to 35.

Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts

The Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its chief financial officer and these arrangements shall be carried out under the supervision of its chief financial officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution, to approve the accounts.

These accounts were approved by the Chief Executive on 30TH June 2021.

The Chief Financial Officer's Responsibilities

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities. The accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. In preparing this Statement of Accounts, the Chief Financial officer is required to:

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis, and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

- keep proper accounting records that are up-to-date, and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

NORTHERN IRELAND LOCAL GOVERNMENT BODIES'

ANNUAL GOVERNANCE STATEMENT

The Council's Annual Governance Statement follows DfC accounts directions and where applicable the factsheet on Governance Statements issued by NIAO in 2013, and comprises the following sections:

- Scope of responsibility;
- The purpose of the governance framework;
- The governance framework;
- Review of effectiveness;
- Update on significant governance issues that were declared at the year-end 2019/20; and
- Significant governance issues for the year end 2020/21.

Scope of Responsibility

Newry, Mourne and Down District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

Newry, Mourne and Down District Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Newry, Mourne and Down District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Newry, Mourne and Down District Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code can be obtained from Council's Audit Services Manager. This statement explains how the Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the local government body is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

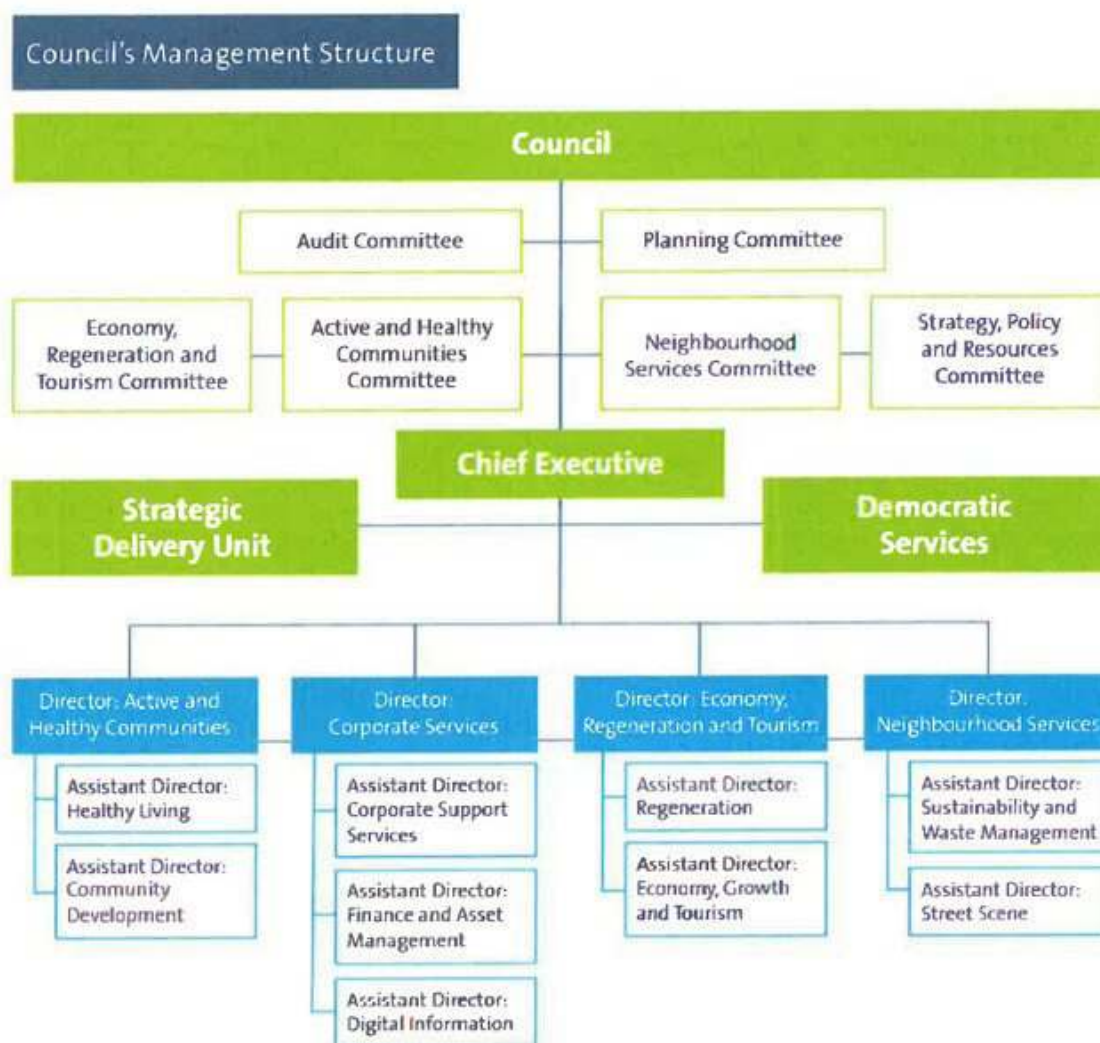
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the local government body's policies, aims and objectives, to evaluate the likelihood of those risks being realised

and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Newry, Mourne and Down District Council for the year ended 31 March 2021 and up to the date of approval of the financial statements.

The governance framework

The Council's 41 elected members and its committee and management structure ensures sound governance, ownership and scrutiny in the decision-making process across the entire organisation. The committee and management structure demonstrate how the decision-making process is implemented in Council as follows:



**Proposed Directorate Structure included within the Corporate Plan 2021-23 – not yet operational.*

Decision making process from the period 16th March 2020 to 6th July 2020

In response to COVID19, the Council altered our normal decision-making processes to ensure that we followed Public Health Agency guidance on social distancing and essential travel while maintaining continuity of critical services.

At a special Council Meeting on the 16th March 2020, Members agreed to amend the Standing Orders as follows:

'In the event of any civil emergency or any situation which urgent actions are required and it is either not reasonably practical to convene a meeting of Committee or Council or of any such meetings called is in court the Chief Executive or Chief Officer nominated by her or him may exercise all or any of the functions of the Council excepting those which are reserved to the Council, pursuant section 7 of the local Government Act NI 2014. Any decisions taken pursuant to this Standing Order will be reported to the relevant Committee or Council at the next available meeting. The Standing Order is to be read in conjunction with paragraph 2.3 of Scheme of delegation and would happen following consultation with political parties.'

On the 28th April 2020, Members agreed to amend the Standing Orders again to allow for remote meetings, this amendment had been made to the regulations by the Executive. Members agreed to *'amend Council's Standing Orders by the inclusion of the wording as set out in the Appendix to the officer's report to facilitate the continued holding of 'remote' Committee and Council meetings until the necessary legislation is in force.'*

On the 6th July Members then approved to stand down delegated authority due to remote Committee meeting now being operational. The record of decisions taken under delegated authority at Party Reps Meetings from March 2020 – July 2020 were agreed and adopted at this Council meeting. From 6th July 2020 onwards, the normal governance arrangements were back in place.

Through the work of the committees, our Members oversee the work of the Council. All Committee decisions need to be ratified by the full Council except where Committees have been granted delegated authority to make decisions. The full Council, is the overarching decision-making body.

The Enterprise, Regeneration and Tourism (ERT) Committee is responsible for the development and implementation of strategies, policies, programmes and projects directed to the regeneration and growth of the district in the context of the outcomes agreed in the community and corporate plans. The ERT committee is also responsible for all matters pertaining to policy and legislation in relation to building control and licencing issues.

The Active and Healthy Communities (AHC) Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at improving life at local level in the context of the outcomes agreed in the community and corporate plans.

The Neighbourhood Services (NS) Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at ensuring the waste service is delivered across the district in the context of the outcomes agreed in the community and corporate plans.

The Strategic Policy & Resources (SP&R) Committee is responsible for setting the strategic direction of the Council through the development of its corporate plan and other key corporate and cross cutting strategies and policies. It will also ensure effective use of resources and value for money for ratepayers and oversee the Council's relationship with several key agencies and partners.

The Audit Committee provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is

relied upon by Council, to the extent that it exposes it to risk and weakens the control environment.

The Planning Committee is responsible for all the Council's planning functions, except those matters, which are delegated to Officers or reserved to full Council.

In addition to the committees listed above, there are also 20 Project Boards and Forums which have been established to support the work of Committees.

The Council has an Assurance Framework in place that provides sufficient, continuous and reliable assurance on organisational stewardship and the management of major risk to organisational success and the delivery of improved, cost effective services. The Assurance Framework is reviewed and approved by the Audit Committee annually. The framework is structured and provides reliable evidence to underpin the assessment of risk and control environment for the Annual Governance Statement.

The Council's Code of Governance is based on the seven core principles set out in the CIPFA/SOLACE Framework (2016 edition). How we meet these seven core principles is reviewed and updated annually and a summary of the key elements of our governance framework are set out below:

A. Behaving with Integrity

- Shared values communicated via community plan, corporate plan and key strategies
- Mandatory Code of Conduct for Councillors
- N charter for Elected Member Development
- Staff Code of conduct
- Council Constitution including Standing Orders, Financial Regulations and Scheme of Delegation
- Council Anti-Fraud Policies and Fraud Response Plan
- National Fraud Initiative
- Council Whistleblowing Policy
- Gifts and Hospitality Policy
- Declarations of Interest
- Conflict of Interest Policy

B. Ensuring Openness

- Council and Committee meetings open to the public
- Council and Committee agendas and minutes displayed on the Council web site
- Consultation and engagement with staff and trade unions
- Annual financial report published on the Council's web site
- Prompt Payment Statistics published on the website quarterly
- Access to Information Policy and Procedure
- Council Magazine, 'NMD Connect' published annually
- Community Plan and Local Development Plan

C. Defining Outcomes

- Community and Corporate Plans
- Leisure Transformation - Newry Leisure Centre and Down Leisure Centre Provision
- Organisational Development
- Tourism Development and Marketing Strategy
- Performance Improvement Plans
- Local Development Plan

D. Optimising the achievement of outcomes

- Corporate and Directorate plans
- Constitution
- Strategic financial planning
- Risk Management Policy

E. Developing Capacity and Capability

- Organisational Development
- Harmonisation of policies
- Development of a joint Employee Relations consultation and negotiating policy
- Elected Members Development Charter/ Member Leadership Programme

F. Finance, Performance and Risk Management

- Financial Regulations
- Risk Management Policy
- Audit Committee
- National Fraud Initiative
- Audit Services Manager who liaises fully independent outsourced Internal Audit firm
- Annual Internal Audit Strategy and Plan
- Data Protection policy and procedures
- Director and Assistant Director quarterly assurance reporting
- Independent Audit Committee Chairperson

G. Transparency, Reporting and Effective Accountability

- NMDDC website
- Publication of key reports including Annual Accounts, Annual Governance Statement and Performance Improvement Report
- Committee support framework
- Internal Audit effectiveness annually reviewed against the Public Sector Internal Audit Standards
- Monitoring of all Internal and External Audit recommendations and quarterly updates to the Audit Committee.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its system of internal control. The review of effectiveness is informed by the work of the Senior Management Team within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's annual report, and by comments made by the external auditors.

Recommendations arising out of internal and external reviews are agreed with management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Registers are maintained of all outstanding recommendations and these are circulated at Audit Committee. Assistant Directors must update quarterly progress on implementing recommendations as part of the Assurance Statement process. Follow up reviews are also reported to the Audit Committee.

The Chief Executive has responsibility for preparing this Annual Governance Statement. In preparing this statement, she has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's Senior Management Team to collectively contribute and have oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interests for both Members and employees, reports of the internal and external auditor, the Corporate Risk Register, Assurance Statements provided by each Director and Assistant Director for year ended 31 March 2021.

The Council itself maintains overall control of the governance framework and has been involved, for example, in approving the implementation of the risk management and statement of assurance processes. Primary responsibility for overseeing the governance process is the responsibility of the Audit Committee as a standing committee of Council. The role of the Audit Committee extends to receiving reports from the Council's internal and external auditors to ensure that any issues raised are subject to due consideration and are addressed by officers on a timely basis. In considering this Annual Governance Statement, the Audit Committee have considered the review of the governance framework and system of internal controls prepared by the Chief Executive.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework:

- **the Members:** A committee structure is in place within Council which provides elected Members with a democratic mechanism by which to approve and scrutinise Council Business. Positions of responsibility and Committee Members are appointed as per the Local Government Act (NI) 2014 and are reflective of the broad political makeup of the Council as elected.

The main decision-making body is full Council of elected Members who are ultimately responsible for ensuring effective governance arrangements are in place for Council to achieve its goals and objectives. Council meets monthly in statutory meetings. Council has established sub-Committees of Council to consider in further detail its operations in line with specific areas of responsibility, as set out in the Constitution. These Committees of elected members are informed by Council Officers.

Council business is governed by Council Standing Orders and Committee Terms of Reference to ensure that the transaction of the business of Council and its Committees is properly regulated and conducted in an efficient, fair and legal manner.

- **the Senior Officers:** The Chief Executive ensures that all Council services and activities are delivered in accordance with the aims of the Council's Corporate Plan. The Chief Executive is supported by a Senior Management Team who meet weekly to monitor strategic direction and good governance across the District. During 2020/21 a meeting of the Corporate Management team occurred on a more regular basis due to COVID19, however the meeting is normally monthly. Directors meet regularly with senior members of their Directorates to ensure that all staff are aware of Council's priorities and that risks are being appropriately managed.

Quarterly Assurance Statements are completed by Assistant Directors and Directors to give the Chief Executive assurance over the controls that are in place. The Assurance Statements also make the Chief Executive aware of any of the risks arising which may have a negative impact on the Council.

- **The Audit Committee:** The Audit Committee provides an important source of assurance to those charged with governance about the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and other performance. The Audit Committee has an Independent Chairperson and met on four occasions during 2020/21. The Audit Committee Terms of Reference were revised in April 2021 and sets out the purpose and the roles and responsibilities of Committee.

The effectiveness of Audit Committee was reviewed at the Committee on 22nd April 2021. This review was completed using the National Audit Office Self-Assessment Checklist (September 2017).

The Committee was satisfied with its overall performance when compared against the checklist. The NAO checklist is the benchmark for best practice. The Audit Committee Annual report 2020/21 will be presented to the July 2021 Audit Committee to support the completion of the Annual Governance Statement.

- **By Internal Audit:** The Internal Audit function is carried out by an independent firm in accordance with Public Sector Internal Audit Standards. It provides assurance and advisory services to assist Council achieve its objectives and improve the effectiveness of internal control, risk management and governance processes.

Eight internal audit assignments were carried out in 2020/21 as per the agreed Internal audit plan for 2020/21. Internal Audit also carried out a follow up review of the 2019/20 recommendations.

In addition, during the pre-meeting of the July 2020 Audit Committee, the Chief Executive Informed Elected Members that given the high values of cost involved in the use of single tender action arrangements in Council, that she had commissioned the Council's Internal Auditors to undertake an investigation into the Council's approach to, and explanations for, the use of single tender actions. The final report was issued on 1 December 2020 and 21 recommendations were agreed by management.

The overall internal audit opinion for 2020/21 was satisfactory, withstanding the significant issues identified in fleet management procedures, fuel management procedures and the use if single tender actions within Council.

- **Other explicit review / assurance mechanisms:**
 - Health and Safety: By reviews of Health and Safety by professionally qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.
 - Risk Management: Risk Management is embedded across all activities of the Council and is a continuously evolving process, which is monitored closely by the Audit Services Manager. The Corporate Risk Register is presented quarterly to both SMT and the Audit Committee.
 - External Funding: External funding throughout the year is subject to independent audits from the relevant funders i.e. European Court of Auditors, Government Departments, SEUPB.
 - Local Government Audit: Work carried out by the Local Government Auditor during 2019/20 is also used by the Council as an additional assurance mechanism. The Council's Performance Improvement Plan has also been externally audited by the NIAO and received a satisfactory Assurance rating in 2018/19.
 - National Fraud Initiative (NFI) – Data Matching Exercise: The Council continues to conform to the requirements of the NIAO NFI exercise. This matches electronic data within and between public and private sector bodies to prevent and detect fraud. Data matching compares sets of data, such as payroll, pensions and trade creditors' records of a body against other records held by the same or another body. The latest batches of data matches were released by the NIAO February 2021 and work relating to the review and investigation of high risk matches is due to commence and continue over the Summer months.

The Accounting Officer has also been advised on the review of effectiveness of the governance framework by the Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Update on Significant Governance Issues that were declared in 2019/20

Eight issues were declared in last year's Governance Statement and seven of these continue to be declared as issues in this year's statement (Procurement and Contract Management, IT Transformation Project (incorporating cyber risk), Economic and Political climate (incorporating NI Protocol), Belfast City Region deal, Planning backlog, absenteeism and COVID19).

An update on the remaining governance issues from 2019/20 is provided below:

1. Newry Rainbow Community Grant Funding

Council awarded £125,000 to Newry Rainbow Community to fund the UK and Ireland Pride Event, which was hosted in Newry in August 2019.

Significant governance issues arose while verifying the first tranche of £60,000 against the Letter of Offer. Council's Fraud Response Group convened and brought a report to the SP&R Committee highlighting the concerns Officers uncovered. Council reversed the decision to award any further funding to Newry Rainbow Community.

When assessing all information available, an apparent overclaim for the previous year's event by Newry Rainbow Community was discovered. Officers have sought to reclaim this money on behalf of the ratepayer. This case is with PSNI and they are taking forward the investigation, however this was delayed due to COVID19. PSNI contacted Council in April 2021 to confirm that the investigation was to recommence imminently due to relaxations in COVID19 restrictions.

2. Internal Audit – Contract Management

In 2019/20 the 'Contract Management' internal audit review received a limited assurance. Internal Audit concluded that there are number of key controls missing from the Council's systems for Contract management. Specifically, there is a need to:

- o focus management's priorities on the completeness and accuracy of the contract register;
- o ensure that market tested contracts/procurements are in place to support relevant spend in the Council;
- o establish a separate contract management policy;
- o review the approval mechanism for STAs to consider whether spend is likely to be repeated and in these instances whether a contract should be put in place instead; and
- o to ensure performance reviews and post project evaluations are in place. Our review also noted a need for dedicated contract management training for all relevant Officers.

Significant progress has been made and out of the 12 recommendations made, 4 have been fully implemented, 7 partially implemented and 3 have not yet been implemented. Further detail provided within the significant governance issue for 2020/21.

Significant Governance Issues in 2020/21

The significant governance issues for 2020/21 were identified through the review of significant risks within the Corporate Risk Register for the year ending 31 March 2021, consideration of significant events / issues, internal / external audit reports and a review of the Directorate Assurance Statements at year end.

Internal Audit conducted eight reviews during 2020/21. Six Internal Audit Reviews received a satisfactory assurance rating and two reports received a limited assurance rating. In agreement with the Audit Committee, Internal Audit also undertook an additional advisory review on Single Tender Actions and the Council's contract mapping exercise. The final report was issued on 1st December 2020 and 21 recommendations were agreed by management.

The two reports which received a limited Assurance Rating were as follows;

1. Fleet Management – Internal Audit concluded that there remain several key controls absent from the Council's internal control system for fleet management. Specifically, that procedures relating to driver defect reports, safety inspections, routine maintenance checks and the Council's grey fleet are not being followed and there is a need to provide clarity on a number of the current practices. Internal audit also noted that there has been limited progress on the implementation of recommendations in a previously agreed internal audit report and limited evidence that the implementation status of these recommendations is being monitored by Council.
2. Fuel Management – Internal audit concluded that there are a number of key controls absent from the Council's systems for fuel management. Specifically, that there is a need to: clarify roles and responsibilities in respect of fuel management and agree the draft Fuel Management Policy and Procedure; establish a clear process for fuel stock counting and reconciliations of fuel receipts and issues; document the physical security arrangements in place for fuel held at the Greenbank and Strangford Road Depots; and consider whether there should be additional fuel cards issued to replace the use of the forecourt sign off sheets.

Internal Audit also concluded that the Council need to review the costs and benefits of the system-based controls and reporting functionality of the Jigsaw software being used as intended (without manual workarounds) to provide a more accurate management tool. They also noted insufficient progress on the implementation of key recommendations made in the Audit Services Manager's fuel audit report, dated November 2018.

Internal Audit also undertook the follow up review of recommendations made in the 2019/20 internal audit reviews including the advisory review of Health and Safety. The review identified that, out of the 84 accepted recommendations, 24 recommendations were fully implemented, 24 recommendations were partially implemented, and 20 recommendations were not implemented. Of the remaining 16 recommendations, 2 recommendations were no longer accepted and there were 14 recommendations which were it was not possible to test implementation, due mainly to restrictions arising from the Council's management of the COVID19 pandemic.

Internal Audit's Annual Opinion during the period from 1 April 2020 to 31 March 2021, was that the Council's systems in relation to internal control, risk management and governance were, in general, adequate and operated effectively and can provide satisfactory assurance in relation to the effective and efficient achievement of the Council's objectives withstanding the limited reports identified above within the Neighbourhood Services Directorate.

It should also be highlighted that over the last number of years, there has been a period of significant change in senior management positions within the Neighbourhood Services Directorate. Council have recently recruited a temporary Assistant Director of Waste Management (June 2021) and the publicly advertised Director recruitment concluded in May 2021. There will be an acting Director of Neighbourhood Services for one year.

The Audit Services Manager will continue to follow up on the legacy internal audit recommendations which have not yet been implemented. The progress on the implementation on internal audit recommendations will be reported quarterly at the Audit Committee along with an update on outstanding external audit recommendations.

The following governance issues have been identified for the year ended 31st March 2021:

1. Procurement and Contract Management

Procurement has remained a significant risk within the Council's Corporate Risk Register over the past number of years. The control environment within Council has improved significantly over the last number of years;

- The Newry, Mourne and Down District Council Procurement Policy and Procedures was approved by the SP&R committee on 14 December 2017 and subsequently ratified by Council on 8 January 2018. Business Case templates and procedures were approved in February 2018 by SMT. The suite of documents was updated again on 23 June 2020.
- In June 2018, a procurement expert delivered training to relevant staff. The training covered drafting business cases, drafting tender documents, tender evaluation and training on the Council's e-procurement system.
- A procurement training schedule was delivered to all staff. This commenced in February 2019 and was completed in May 2019. The five separate sessions targeted officers, proportionate to the value of procurement exercises they regularly undertake.
- Internal Audit completed an audit of the Procurement policy and procedures in 2017/18, with a further audit of compliance with the new policy and procedures in 2018/19. Both reviews received a satisfactory level of assurance.
- Significant work has been undertaken to review all significant contract spend by Council and to ensure appropriate contracts are in place and formulate a fully operational contract register for future use by Council.

Even though considerable progress has been made, we are still highlighting procurement as a significant issue as the policy and procedures continue to imbed. However, the main concern going forward is contract management.

The Contract Management Internal Audit in May 2020 had a limited assurance rating. The report stated that there are number of key controls missing from the Council's systems for Contract management. SMT were concerned with the high level of spend during the first quarter of 2020/21 requiring Single Tender Action Approval. SMT directed CMT to ensure competitive procurement processes are put in place immediately for all spend where legacy contracts have lapsed for each of their service areas.

In July 2020, the Chief Executive informed Elected Members that given the high values of cost involved in the use of STA arrangements in Council that she had commissioned the Council's Internal Auditors to undertake an investigation into the Council's approach to, and explanations for, the use

of single tender actions. The scope of the review also extended to considering the contract mapping exercise being completed by the Council's Procurement Team. The final report was issued on 1st December 2020 and 21 recommendations were agreed by management.

Following the STA review, all Directorates have prepared Procurement Action Plans to provide an overview of all STAs and why they are necessary and when a procurement competition/contract will be put in place. These Procurement Action Plans went to each of the Home Committees in January and February 2021. These Directorate Action Plans will form the basis of an overarching Procurement Plan for the organisation, which will be monitored by the Home Committee/Audit Committee going forward.

3. IT Transformation Project

Council is currently undertaking an IT transformation project and considerable progress has been made to date. This is a long-term project and until a time when the IT Strategy is fully implemented, we are actively working at managing risk in this area and ensuring our current IT systems and IT security is sufficiently robust to meet the needs of the organisation.

A key focus for Council going forward is the IT Security/Cyber risk. A new risk was included within the Corporate Risk Register in April 2021; 'Risk of a cyber security event causing significant operational, financial and reputational damage to the Council'. Due to COVID19, the majority of Council Officers are remote users and are relying on their home internet services for remote working, consequently the IT security risks are enhanced.

Council are currently progressing several actions to mitigate the IT Security/Cyber risk as best we can;

- Development of Service Area Business Continuity Plans with a focus on cyber security/disaster recovery;
- Implementation of additional security tools including multifactor authentication, conditional access and modern authentication where possible and appropriate; and
- Increase User resilience by continuing to engage with and follow guidance from the National Cyber Security Centre (NCSC). Council will also continue to use Active Cyber Defence tools from NCSC and supplement with vulnerability scans, actioning recommendations resulting therefrom where possible and appropriate.

3. Economic and Political Climate including the NI Protocol

The financial landscape for the council is likely to remain challenging for the foreseeable future. The added uncertainty brought about by the exit from the European Union and the implementation of the NI Protocol will only serve to compound these issues. There is a risk that funding reductions may continue beyond this point.

The COVID19 outbreak will also have a significant financial impact on the council in 2021/22 with the impact then likely to be felt in future years. The council began to experience the impact of the outbreak in March 2020 when several front-line service facilities were closed. Consequently, the council will suffer significant reductions in income in 2021/22 and beyond due to Government restrictions and guidelines. For further details see Significant Governance issue number 8.

The Council continues to face a range of significant budget pressures including general inflation, cost pressures in waste and recycling, increases in demand for everyday services as the population grows,

and increases in core costs such as wage increases, the national living wage and pension contributions.

The major external influence on the Council's future financial security will be the implementation of the NI Protocol following the end of the current 'grace periods'. Whilst still unclear what the local implications will be, the impact of leaving the European Union (EU) may lead to increased instability and uncertainty in respect of the financial context for councils and regions.

Warrenpoint Port is one of the three main points of entry for goods entering NI from GB. On the 1st January 2021 GB will become a Third Country and in future high-risk foods imported into NI from GB will be subject to Agri-Food import checks at point of entry. Required checks are being completed at Warrenpoint Port on an on-going basis by trained and authorised staff, working flexible shifts aligned with changeable sailing arrival times.

The EU are conducting a planned audit of the ports in NI, including Warrenpoint, from 21-30 June 2021. Threat assessments continue to be carried out by the PSNI on a fortnightly basis. Regular meetings with relevant partners, DAERA, FSA, Border force, Seatruck, Warrenpoint Port, to continue to share learning and work through operational issues as they arise. Officers continue to contribute to the Project Steering group, led by DAERA, to deliver the required expanded checking capability at NI POE's; including People, Process, IT and infrastructure to facilitate the free flow of existing trade post transition as the NI Protocol is implemented on a phased basis.

The Special EU Programmes Body (SEUPB) have confirmed that arrangements are in place, supported by the EU, UK and Irish Governments, providing for the continuation of the current PEACE IV and INTERREG V Programmes. As regards a future PEACE PLUS Programme which will include both PEACE and INTERREG activities, a considerable amount of preparatory work, research and stakeholder engagement has taken place and SEUPB are committed to delivering PEACE PLUS by 2021.

Officers have been working closely with our businesses and stakeholders to prepare, as far as possible for Brexit. Officers have been using social media and other business networks to raise awareness among local businesses of the importance of acting now in Brexit preparation. A Brexit information page has been established on NMD Business website sign posting businesses to the main sources of information, the availability of the trader support service and financial assistance available via i.e. Intertrade Ireland for Brexit preparedness.

It is too early to understand the full implications of Brexit on jobs and investment in the District. The Council established a Brexit Member's forum in March 2018. The forum consists of Senior Officers and Members. Their role is to create contingency plans to monitor and take actions to reduce the risks arising due to the current levels of uncertainty. The outcomes of the Forum meetings are reported to the ERT Committee. Officers are also continuing to work across Council practitioner groups in areas of procurement, waste, finance and legal to ascertain the impact of Brexit and will plan for any impacts once known.

4. Belfast Region City Deal (BRCD)

The Belfast City Deal is a 10-year investment, with a vision of creating 20,000 new and better paid jobs. This investment will ensure that as a Council we can take forward and implement strategic priorities, which will position our district as a key investment location and visitor attraction, while providing stimulus for new and better employment opportunities for all.

In total, £850m has been secured to deliver the investment. The City Deal investment in infrastructure, regeneration and tourism projects will also help the region's economic recovery from the effects of COVID19.

However, there is still some uncertainty around funding for specific projects until the individual business cases are fully approved by the necessary partners. There is a risk to Council that there could be a shortfall in funding for a specific project. Although Belfast City Council are taking the lead in administering the programme, there are substantial running costs which are shared between participating Councils which could also have an impact on the overall funding available for key projects.

To help mitigate this funding risk, NMDDC have governance structures in place via Project Steering Boards, which will have oversight on the design, development and implementation of the regeneration and tourism capital projects which Council are the lead on. Council decisions on City Deal initiatives will be tabled at the ERT Committee, which will be supplemented with a focused City Deal councillor reference group. At a regional level Advisory Boards have been established under each of the City Deal pillars, and NMDDC officials sit on the Executive Board, relevant pillar boards, Finance Directors Group and other groups as relevant to NMDDC's projects.

As the BRCD project progresses it is essential that governance structures are kept under review to ensure they reflect the changing demands as projects move from planning to implementation.

5. Planning Backlog

The failure to deliver timely planning decisions is highlighted as a risk within the Corporate Risk Register. Internal Audit completed an audit of the planning function during 2017/18 and this received a limited assurance rating. At the 15th June 2021 all 8 recommendations had been fully implemented.

Senior Management formally commenced a Service Improvement Programme with the appointment of an experienced planning project consultant in January 2020. The aim of the Improvement Programme is to review and refine processes and procedures where necessary, to review team arrangements and to improve the responsiveness of the Development Management Service, including the time taken to determine planning applications and to bring enforcement matters to a satisfactory conclusion.

Before COVID-19, significant progress was being made in terms of service and performance improvement. The pandemic has introduced several additional layers of challenge to the Development Management Service which did not exist 12 months ago.

The number of planning applications received by the Council did not subside during the pandemic and the total number is greater than 2019/20. From 1st April 2020 to 31st December 2020, Council received 1,177 planning applications and decided on 1,038, which is the highest across Northern Ireland. Given the high number of planning applications submitted, combined with the challenges posed by the it was not possible to reduce the overall number planning applications within the system this year.

However, the number of applications which are in the system for 12 months or more, is still 187 (183 for 2019/20), Council had set a target of 125. The number of enforcement cases in the system for

12 months or more has reduced from 620 (March 2020) to 551 (December 2020), however Council have set a target of 425. Figures provided by the Department for Infrastructure, Analysis, Statistics and Research indicated a significant reduction in the average time taken to determine local applications from 24.3 weeks in November 2019 to 19.6 weeks for December 2020 (regional average is 17.8 weeks).

Reducing the number of live planning applications within the system and the caseloads of Officers is the key challenge for the next phase of the Improvement Programme. The changes implemented will set the foundations for a more modern, efficient, resilient and responsive Development Management Service in the longer term. They will be subject to ongoing review and they will be complemented by further changes in line with the Improvement Strategy when conditions allow.

6. Absenteeism

In July 2019, The SMT decided to include a new Corporate Risk in relation to absence management. Corporate Risk 10 is currently an amber risk; 'Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services'.

The Council's level of sickness absence is currently the greater than the Local Government average of 13.9 days, this was highlighted in the Local Government Audit Report 2020. Management are highlighting this on the Corporate Risk Register to put in place actions to bring the average number of days down to an acceptable level.

For the twelve-month period ending 28 February 2021, days lost due to sickness decreased by 1,800.5; compared to the year ended 28 February 2020, representing a decrease of 12.7%. Absence Management statistics are now provided to the SP&R Committee on a quarterly basis.

As well as reminding Line Managers of their duties in relation to absence management, Council introduced a Managing Attendance Procedure. On 12 March 2020 the SP&R Committee agreed to approve the recommended policy be adopted by Council for implementation. The policy replaced six legacy absence management policies which were previously in operation and became effective on 1 April 2020.

Internal Audit completed an assurance-based review on 'HR Policies – Managing Attendance at Work' in April 2021. Internal concluded that that the Council has in place a documented Managing Attendance Policy and a Managing Attendance Procedure, both dated February 2020. This Policy and Procedure supersedes all previous attendance management procedures in operation within the Council with effect from 1 April 2020 and is applicable to all employees. Internal Audit were content that the Policy and Procedure documents provide an adequate set of control mechanisms for employees and line managers to manage attendance at work.

8. COVID19

The current year has been unprecedented. The impact of COVID19 has significantly impacted on Council's operations and finances in the current year. The future impact of COVID19 on operations, on our rate base and on our finances is uncertain, and many assumptions are included in our budgets for 2021-22.

Council is continuing to follow government and public health advice. Council response to the COVID19 situation aims to ensure we will continue to maintain a high level of corporate governance and compliance with existing policies and procedures.

The financial impact of COVID19 is reported regularly to Members via the SP&R Committee by the Director of Corporate Services. There were significant income losses following the enforced closures of leisure and tourism facilities, trade waste and car parking, as well as the ongoing fixed costs of Council (payroll, utilities etc) were highlighted as putting pressure onto the budgets agreed when the rate was set for the 2020-21 year, as well as noting additional costs incurred by Council as a direct result of COVID19.

However, it was also noted that there was opportunity for Council to achieve costs savings in certain areas, as well as to avail of a number of Government schemes to assist financial pressures.

The longer-term impact of the COVID19 pandemic on Council's financial position cannot be advised until the various financial assistance income streams are confirmed, until we have more clarity as to when we will be able to open up our facilities, and until the local and global impact of the pandemic is understood. It is reasonable to anticipate at this stage that Council will not be as financially stable, with the same level of usable reserves and the same access to external borrowings while the pandemic is still evolving.

The full financial implications of the COVID19 pandemic will significantly impact the future of the Council and the impact of COVID19 on Council's risk register has been assessed by the SMT and will remain a key focus for the organisation as we work to recover from the pandemic as a district. The assurance reporting templates were also updated to ensure the effects of the pandemic were captured for each Directorate.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

CHAIR

Signed

CHIEF EXECUTIVE

Leading member [or equivalent] & Chief Executive [or equivalent] on behalf of [the authority]

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2021**INTRODUCTION**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the statement of accounts.

ALLOWANCE AND REMUNERATION ARRANGEMENTS**COUNCILLORS**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2020 were issued by the Department for Communities on 3 April 2020 (Circular LG 08/2020). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Newry, Mourne and Down District Council had 41 councillors in 2020/2021.

SENIOR EMPLOYEES

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Executive Management Team/Senior Management Team.

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended.

INDEPENDENT MEMBER - AUDIT COMMITTEE

Brona Slevin is an Independent Member and Chairperson of the Audit Committee. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. This is a 4 year temporary appointment from 15 April 2019 until 31 March 2023. A payment of £500 is paid per meeting (this includes preparation time of £250 and £250 for the meeting) plus travel and expenses. In 2020/2021 she was paid £2,142.86 meeting allowance plus £461.50 travel costs.

ALLOWANCES PAID TO COUNCILLORS

The total amount paid to Councillors by way of allowances, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

Table 1: Total Allowances paid to councillors (audited information)

Allowance	2019/20		2018/19	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	634,926	42	614,592	55
Special Responsibility Allowance	76,334	29	73,169	29
Chairperson Allowance	20,165	2	20,165	2
Vice Chairperson Allowance	6,293	2	6,293	2
Mileage Allowance	7,096	18	60,303	45
Public Transport and Other Travel Incidentals	508	2	6,072	10
Subsistence	150	4	4,414	10
Courses/ Conferences Visits (registration & joining fees)	8,175	6	4,533	8
Dependents' Carers Allowance	2,283	1	449	1
TOTAL ALLOWANCES	755,930	-	789,990	-

Details of the allowances paid to individual councillors in 2019/20 are published on the council website at www.newrymouredown.org/councillors-allowances-and-expenses

REMUNERATION OF SENIOR EMPLOYEES

The remuneration of senior employees covers the Executive Management Team/Senior Management Team. The following table provides details of the remuneration paid to senior employees:

Table 2: Remuneration (including salary)[audited information]

Officers	2020/2021				2019/2020			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £	Total £'000
Marie Ward Clerk & Chief Executive	115 - 120	-	100	120 - 125	95 - 100 (110 - 115 full year equivalent)	-	100	95 - 100 (110 - 115 full year equivalent)
Michael Lipsett Director of Active & Healthy Communities	85 - 90	-	100	85 - 90	85 - 90	-	100	85 - 90
Dorinnia Carville Director of Corporate Services	85 - 90	-	100	85 - 90	85 - 90	-	100	85 - 90
Roland Moore Director of Neighbourhood Services (Until 02/11/2020)	45 - 50 (85 - 90 full year equivalent)	-	100	50 - 55 (85 - 90 full year equivalent)	80 - 85	-	400	80 - 85
Conor Mallon Director of Enterprise, Regeneration & Tourism	85 - 90	-	100	85 - 90	70 - 75 (80 - 85 full year equivalent)	-	100	70 - 75 (80 - 85 full year equivalent)
Jonathon McBride Director of Neighbourhood Services (From 02/11/2020)	70 - 75 (80 - 85 full year equivalent)	-	200	70 - 75 (80 - 85 full year equivalent)	60 - 65	-	1200	60 - 65

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Council's workforce.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2019/20 was £115 - £120. This was 5.2 times the median remuneration of the workforce, which was £23,080.

Table 3: Relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Councils workforce (audited information)

	2020/21	2019/20
Salary Band of Highest Paid member of the	115 - 120	110 - 115
Median Total Remuneration	£23,080	£22,292
Ratio	5.20	5.00

In 2019/20, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

Total remuneration includes salary, bonus payments and benefits in kind.

Salary

"Salary" includes gross salary, overtime, and any gratia payments.

Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses due in 2020/21.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Exit Packages for staff

There were no exit packages 2020/21.

Table 4: Exit Packages in 2020/21 (audited information)

Severance Package Cost Band	2020/21				2019/20			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000								
£20,001 - £40,000						2	2	71,419
£40,001 - £60,000								
£60,001 - £80,000						1	1	71,168
£80,001 - £100,000								
£100,001 - £150,000						1	1	146,340
£150,001 - £200,000								
Total	0	0	0	0	0	4	4	288,927

Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, which provides retirement benefits for council employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that councillors hold an elected office. Councillor members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2020, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate	
		Main Section	50/50 Section
1	£0 - £15,000	5.5%	2.75%
2	£15,001 - £22,900	5.8%	2.90%
3	£22,901 - £38,300	6.5%	3.25%
4	£38,301 - £46,400	6.8%	3.40%
5	£46,401 - £91,900	8.5%	4.25%
6	More than £91,900	10.5%	5.25%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2019 was carried out in 2019/20 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2020 - 31 March 2021	19.50%
1 April 2021 - 31 March 2022	19.50%
1 April 2022 - 31 March 2023	19.50%

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations are effective from 1 April 2015.

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2020/21 was £137,217.25.

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

Table 7: Pension Benefits of senior staff in 2020/21 (audited information)

Officers	Accrued Pension at pension age as at 31/3/21 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/21 £'000	CETV at 31/3/10 £'000	Real increase in CETV £'000
Marie Ward Clerk & Chief Executive	15 - 20 no lump sum	3.0 - 3.5 no lump sum	207	165	30
Michael Lipsett Director of Active & Healthy Communities	40 - 45 plus lump sum of 70 - 75	1.5 - 2.0 plus lump sum of 0.0 - 0.5	779	723	35
Dorinnia Carville Director of Corporate Services	15 - 20 no lump sum	1.5 - 2.0 no lump sum	207	179	17
Roland Moore Director of Neighbourhood Services (Until 02/11/2020)	15 - 20 plus lump sum of 10 - 15	1.5 - 2.0 plus lump sum of 0.0 - 0.5	254	225	19
Conor Mallon Director of Enterprise, Regeneration & Tourism	0 - 5 no lump sum	0.5 - 1.0 no lump sum	39	30	5
Jonathon McBride Director of Neighbourhood Services (From 02/11/2020)	0 - 5 no lump sum	0.5 - 1.0 no lump sum	39	30	5

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Chief Executive
7 December 2020

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2020 on pages 45 to 48 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 49 to 65.

- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2020.

Chief Financial Officer

Date Sept 2021

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council on 7 December 2020.

Chairman

Date Sept 2021

Independent Auditor's Report to the Members of the Newry, Mourne and Down District Council

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Newry, Mourne and Down District Council

Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be difference from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Service Expenditure	Notes	2020/21			2019/20		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Chief Executive	2	2,611,850	(1,890,495)	721,355	2,778,139	(36,816)	2,741,323
Corporate Services	2	12,919,546	(346,482)	12,573,064	14,869,015	(358,735)	14,510,280
Enterprise, Regeneration & Tourism	2	15,746,937	(6,463,797)	9,283,140	15,908,782	(5,248,593)	10,660,189
Neighbourhood Services	2	31,031,515	(2,449,044)	28,582,471	28,787,326	(1,156,282)	27,631,044
Active & Healthy Communities	2	17,269,860	(4,280,518)	12,989,342	20,385,133	(6,359,288)	14,025,845
Cost of Services on Continuing Operations		79,579,708	(15,430,336)	64,149,372	82,728,395	(13,159,714)	69,568,681
Other Operating Expenditure/Income	8	2,790,271	(1,267,360)	1,522,911	-	(18,960)	(18,960)
Financing and Investment Income and Expenditure	9	3,443,066	(95,537)	3,347,529	3,198,791	(139,679)	3,059,112
(Surplus) or Deficit on Discontinued Operations				-			-
Share of Operating Results of associates and joint ventures		-	-	-	-	-	-
Net Operating Expenditure		85,813,045	(16,793,233)	69,019,812	85,927,186	(13,318,353)	72,608,833
Taxation and Non-Specific Grant Income	10	-	(74,915,733)	(74,915,733)	-	(61,647,041)	(61,647,041)
(Surplus)/Deficit on the Provision of Services		85,813,045	(91,708,966)	(5,895,921)	85,927,186	(74,965,394)	10,961,792
(Surplus)/Deficit on revaluation of non-current assets	11			(2,509,372)			(5,579,369)
Impairment losses on non-current assets charged to the Revaluation Reserve	11			-			-
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	27			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	21			9,810,000			5,595,000
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	30			-			-
Other Comprehensive Income and Expenditure				7,300,628			15,631
Total Comprehensive Income and Expenditure				1,404,707			10,977,423

Newry, Mourne and Down District Council
Movement in Reserves Statement for the year ended 31 March 2021

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustment required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
Balance as at 1 April 2019	11,869,501	1,615,113	-	13,484,614	51,871,995	65,356,609
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(10,961,792)	-	-	(10,961,792)	-	(10,961,792)
Other Comprehensive Income and Expenditure	-	-	-	-	(15,631)	(15,631)
Total Comprehensive Income and Expenditure	(10,961,792)	-	-	(10,961,792)	(15,631)	(10,977,423)
Adjustments between accounting basis & funding under regulations	9,933,656	-	-	9,933,656	(9,933,656)	-
Net increase before transfers to Statutory and Other Reserves	(1,028,136)	-	-	(1,028,136)	(9,949,287)	(10,977,423)
Transfers to / from Statutory and Other Reserves	867,500	(867,500)	-	-	-	-
Increase/ Decrease in year	(160,636)	(867,500)	-	(1,028,136)	(9,949,287)	(10,977,423)
Balance as at 31 March 2020	11,708,865	747,613	-	12,456,478	41,922,709	54,379,187
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	5,895,921	-	-	5,895,921	-	5,895,921
Other Comprehensive Income and Expenditure	-	-	-	-	(7,300,628)	(7,300,628)
Total Comprehensive Income and Expenditure	5,895,921	-	-	5,895,921	(7,300,628)	(1,404,707)
Adjustments between accounting basis & funding under regulations	9,778,230	-	-	9,778,230	(9,804,870)	(26,640)
Net increase before transfers to Statutory and Other Reserves	15,674,151	-	-	15,674,151	(17,105,498)	(1,431,347)
Transfers to / from Statutory and Other Reserves	(8,154,749)	8,154,749	-	-	-	-
Increase/ Decrease in year	7,519,402	8,154,749	-	15,674,151	(17,105,498)	(1,431,347)
Balance as at 31 March 2021	19,228,267	8,902,362	-	28,130,629	24,817,211	52,947,840

Newry, Mourne and Down District Council
Balance Sheet as at 31 March 2021

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

	Note	31 Mar 21	31 Mar 20
Fixed Assets	11	186,642,457	189,433,018
Long Term Investments	16	-	-
Long Term Debtors	15	115,864	101,420
LONG TERM ASSETS		186,758,321	189,534,438
Short Term Investments	16	-	-
Inventories	14	507,890	548,789
Short Term Debtors	15	9,825,600	7,358,147
Cash and Cash Equivalents	25	16,224,381	867,196
Assets Held for Sale	11	-	-
CURRENT ASSETS		26,557,871	8,774,132
Bank Overdraft	25	-	766,961
Short Term Borrowing	17	10,416,318	15,589,508
Short Term Creditors	18	13,204,270	11,000,367
Provisions	19	500,000	575,000
CURRENT LIABILITIES		24,120,588	27,931,836
Long Term Creditors	18	-	-
Provisions	19	3,178,207	2,935,488
Long Term Borrowing	17	63,707,557	59,255,059
Other Long Term Liabilities	21	69,362,000	53,807,000
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
LONG TERM LIABILITIES		136,247,764	115,997,547
NET ASSETS		52,947,840	54,379,187
USABLE RESERVES			
Capital Receipts Reserve	26	-	-
Capital Fund	26	-	627,613
Renewal and Repairs Fund	26	-	-
Other Balances and Reserves	26	8,902,362	120,000
General Fund	26	19,228,267	11,708,865
		28,130,629	12,456,478
UNUSABLE RESERVES			
Capital Adjustment Account	27	41,797,916	44,870,973
Financial Instruments Adjustment Account	27	-	-
Revaluation Reserve	27	53,993,812	52,242,326
Financial Instruments Revaluation Reserve	27	-	-
Pensions Reserve	27	(69,362,000)	(53,807,000)
Capital Receipts Deferred Account	27	-	-
Accumulated Absences Account	27	(479,663)	(353,643)
Landfill Regulations Reserve	27	-	-
Provisions Discount Rate Reserve	27	(1,132,854)	(1,029,947)
		24,817,211	41,922,709
NET WORTH		52,947,840	54,379,187

Newry, Mourne and Down District Council**Cash Flow Statement at 31 March 2021**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

	Note	2020/21	2019/20
		£	£
Net Deficit on the provision of services		(5,895,921)	10,961,792
Adjustment for non-cash movements	25	16,505,093	14,282,294
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(7,972,859)	(2,112,870)
Net cash flows from operating activities	25	14,428,155	1,207,632
Cash flows from Investing Activities	25	2,416,686	(6,386,788)
Net Cash flows from Financing Activities	25	(720,692)	5,093,791
Net increase or decrease in cash and cash equivalents		16,124,149	(85,365)
Cash and cash equivalents at the beginning of the reporting period		100,235	185,597
Cash and cash equivalents at the end of the reporting period		16,224,384	100,232

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

a General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 20. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

ii) Acquisitions and Discontinued Operations

Newry, Mourne and Down District Council has not acquired operations (or transferred operations under machinery of Government arrangements) during the financial year.

The Council has not discontinued any operations (or transferred operations under combinations of public sector bodies) during the financial year.

iii) Provision for Single Status, Job Evaluation and Pay and Grading Reviews

As each of the legacy Councils had substantially completed its Single Status, Job Evaluation and Pay and Grading Reviews, Council has not acquired an opening provision for such matters. As the staff of the former legacy Councils and transferring in from the Department of the Environment's Planning Service are protected by the Transfer of Protected Undertakings Act (Northern Ireland) 2006 (TUPE), Council has not sought to amend these Employees' terms and conditions of Employment. Appropriate provision will be made for any financial consequences of employees terms and conditions as and when required.

iv) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature within the agreed time frame or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v) Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

vi) Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

vii) **Employee Benefits**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debts for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Northern Ireland Local Government Officers' Pension Fund

The Northern Ireland Local Government Officers' Pension Fund is accounted for as a defined benefits scheme.

The liabilities of the Northern Ireland Local Government Officers' Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the Aon Hewitt GBP Select AA Curve over the duration of the Employer's liabilities.

The assets of the Northern Ireland Local Government Officers' pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- property – market value
- unitised securities – current bid price

The change in the net pensions liability is analysed into seven components:

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statements.

Within Financing and Investment Income and Expenditure

Net interest on the net defined benefit liability (asset), – i.e. net interest expense for the Council, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Within Other Comprehensive Income and Expenditure (Remeasurements)

The Return on Plan Assets – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets, and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserves as Other Comprehensive Income and Expenditure.

Within the Movement in Reserves Statement Appropriations

Contributions by Scheme Participants – the increase in scheme liabilities and assets due to payments into the scheme by employees (where increased contribution increases pension due to the employee in the future).

Contributions by the Employer - the increase in scheme assets due to payments into the scheme by the employer.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies that are applied to the Northern Ireland Local Government Officers' pension fund.

The Northern Ireland Civil Service(NICS) Pension Scheme

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The schemes provides defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

viii) **Events After the Balance Sheet Date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

The Statement of Accounts may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the Statement of Accounts and is usually the date the Local Government Auditor issues the certificate and opinion. Where material adjustments are made in this period they will be disclosed.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix) **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

x) **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xi) **Financial Instruments**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

However, the bonds issued by the Council in 2020/21 are carried at a lower amortised cost than the outstanding principal, and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure is the amount receivable for the year in the loan agreement.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year - the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xii) **Foreign Currency Translation**

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xiii) **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xiv) **Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xv) **Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xvi) **Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measureable date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xvii) **Landfill Allowance Scheme**

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

xviii) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets

The Council as Lessee - Finance Lease

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a. a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- b. a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases:

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor - Finance Lease

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a. a charge for the acquisition of the interest in the property – applied to write down the lease debtor together with any premiums received, and
- b. finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against District rates, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

The Council as Lessor - Operating Lease

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xix) Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of its carrying amount before they were classified as held for sale: adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against district rates, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xx) Overheads and Support Services

The costs of overheads and support services are not allocated to service segments.

xxi) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- a. the purchase price
- b. any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- community assets and assets under construction – depreciated historical cost
- surplus assets - Revalued
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Infrastructure - revalued by LPS,
- Vehicles are not revalued.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2008 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- a. where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains),
- b. where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Land: Land is not depreciated as it has an infinite useful life.
- Buildings: Straight-line depreciation over useful life which depends on the type of property and use- it normally ranges from 10 to 50 years.
- Community: No determinable useful life and not depreciated held at nominal value.
- Investment: Held at market/fair value - Not depreciated
- Infrastructure: depreciation is based on a straight line basis using the remaining useful life of the asset.
- Landfill Site: End of Useful Life
- Heritage Assets: These are not normally subject to depreciation and are held at either Historic cost or insurance valuation.
- Plant and Machinery: Straight-line depreciation over useful life which depends on the type of asset and ranges from 3 to 7 years.
- Vehicles: Straight-line depreciation over 7 years.
- Information Technology: Straight-line depreciation 3 to 10 years.
- Assets Under Construction: Held at Historic Cost and are not depreciated.
- Intangibles: Software licenses and systems are depreciated over estimated useful life.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluations

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

xxii) **Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policy on impairment

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

xxiii) **Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

xxiv) **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against District Rates for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement benefits and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

xxv) **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- a. depreciation attributable to the assets used by the relevant service
- b. revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- c. amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue to contribute towards the reduction in its overall borrowing requirement [equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance]. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [minimum revenue provision (MRP)] or the Statutory Repayment of Loans Fund Advances], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

xxvi) **Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

xxvii) **Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxix) **Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

b Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires an authority to disclose information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

c Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). As at the valuation date, LPS considers that due to the COVID-19 pandemic, there is a shortage of reliable market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations provided by LPS were reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation.

d Critical Judgements in Applying Accounting Policies

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries AON Hewitt is engaged to provide the Council with expert advice about the assumptions to be applied. The pension figures disclosed in these financial statements are sensitive to the assumptions used.

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

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a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's (directorates/ services/ departments). Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2020/21			2019/20		
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Chief Executive	718,922	(2,433)	721,355	2,742,011	688	2,741,323
Corporate Services	13,347,335	774,271	12,573,064	14,838,292	328,012	14,510,280
Enterprise, Regeneration & Tourism	4,112,555	(5,170,585)	9,283,140	7,254,273	(3,405,916)	10,660,189
Neighbourhood Services	23,969,472	(4,612,999)	28,582,471	24,685,182	(2,945,862)	27,631,044
Active & Healthy Communities	8,191,269	(4,798,073)	12,989,342	8,919,398	(5,106,447)	14,025,845
Net Cost of Services	50,339,553	(13,809,819)	44,149,372	58,439,154	(11,129,525)	49,568,681
Other Income and Expenditure	(66,013,704)	4,031,589	(70,045,293)	(57,411,019)	1,195,870	(58,606,889)
Surplus or Deficit	(15,674,151)	(9,778,230)	(5,895,921)	1,028,137	(9,933,655)	10,961,792
Opening General Fund			11,708,865			11,869,501
Surplus/ (Deficit) on General Fund Balance in Year			7,519,402			(160,636)
Closing General Fund			19,228,267			11,708,865

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

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b Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	2020/21
					Total adjustments
	£	£	£	£	£
Chief Executive	-	-	(2,433)	-	(2,433)
Corporate Services	5,352,621	(4,564,000)	(14,350)	-	774,271
Enterprise, Regeneration & Tourism	(5,124,654)	-	(45,931)	-	(5,170,585)
Neighbourhood Services	(4,466,731)	-	(146,268)	-	(4,612,999)
Active & Healthy Communities	(4,778,128)	-	(19,945)	-	(4,798,073)
Net Cost of Services	(9,016,892)	(4,564,000)	(228,927)	-	(13,809,819)
Other Income and Expenditure from the Expenditure and Funding Analysis	5,212,589	(1,181,000)	-	-	4,031,589
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(3,804,303)	(5,745,000)	(228,927)	-	(9,778,230)

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	2019/20
					Total adjustments
	£	£	£	£	£
Chief Executive	-	-	688	-	688
Corporate Services	5,413,747	(5,087,000)	1,265	-	328,012
Enterprise, Regeneration & Tourism	(3,394,546)	-	(11,370)	-	(3,405,916)
Neighbourhood Services	(3,102,371)	-	156,509	-	(2,945,862)
Active & Healthy Communities	(5,073,463)	-	(32,984)	-	(5,106,447)
Net Cost of Services	(6,156,633)	(5,087,000)	114,108	-	(11,129,525)
Other Income and Expenditure from the Expenditure and Funding Analysis	2,142,870	(947,000)	-	-	1,195,870
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(4,013,763)	(6,034,000)	114,108	-	(9,933,655)

Adjustments for Capital Purposes

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices. This column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- a) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- b) Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices.
- c) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For Services: this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income and expenditure: the net interest on the defined benefit liability is charged to the CIES.

Other statutory differences

Other statutory adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure the other statutory adjustments column recognises adjustments to General Fund for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for district rates and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

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c Segmental Income and Expenditure

Income and expenditure on a segmental basis are analysed below:

	2020/21								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	(5,600)	-	-	-	-	(794,063)	-	-	-
Corporate Services	264,779	-	3,867	2,243,888	473,379	4,663,203	-	-	5,796,000
Enterprise, Regeneration & Tourism	3,217,546	-	-	-	1,775,802	3,754,773	-	-	3,348,852
Neighbourhood Services	1,081,034	-	-	-	2,631,329	16,061,952	-	-	1,835,402
Active & Healthy Communities	364,048	-	-	-	2,269,486	4,641,232	-	-	2,508,641
Total Income Analysed on a segmental basis	4,921,807	-	3,867	2,243,888	7,149,996	28,327,097	-	-	13,488,895

	2019/20								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	16,875	-	-	-	-	905,853	-	-	-
Corporate Services	343,748	-	18,875	2,226,616	417,495	4,789,586	-	-	6,236,759
Enterprise, Regeneration & Tourism	4,007,421	-	-	-	1,789,648	6,256,658	-	-	1,604,897
Neighbourhood Services	1,151,862	-	-	-	2,597,045	16,718,371	-	-	505,326
Active & Healthy Communities	3,037,851	-	-	-	2,836,350	6,879,831	-	-	2,237,113
Total Income Analysed on a segmental basis	8,557,757	-	18,875	2,226,616	7,640,538	35,550,299	-	-	10,584,095

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

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3 a Expenditure and Income Analysed by Nature

Expenditure		2020/21	2019/20
	Notes	£	£
Employee Benefits Expenses	7	(33,881,524)	(35,900,300)
Other Services Expenditure		(39,970,990)	(37,486,886)
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	(6,848,412)	(9,341,209)
Interest Payments	9	(3,424,888)	(3,173,616)
Loss on the Disposal of Assets	8	(1,522,911)	-
Other Expenditure		(18,178)	(25,175)
Total Expenditure		(85,666,903)	(85,927,186)

Income		2020/21	2019/20
	Notes	£	£
Fees, Charges and other service Income		16,697,696	13,159,714
Interest and Investment Income	9	5,276	20,760
District rate income	10	57,609,682	54,781,864
Government grants and Contributions	10	17,306,051	6,865,177
Support Service Income		-	-
Gain on the Disposal of Assets	8	-	18,960
Other Income		90,261	118,919
Total Income		91,708,966	74,965,394

(Surplus) or Deficit on the Provision of Services		6,042,063	(10,961,792)
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4 Adjustments between an Accounting Basis and Funding Basis under Regulations
 a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

a1	Notes	2020/21		2019/20	
		£	£	£	£
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	11	-		(10,904)	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(301,583)		1,711,575	
Depreciation charged in the year on non-current assets	11	7,149,995	6,848,412	7,640,538	9,341,209
Net Revenue expenditure funded from capital under statute	12		7,964,479		2,834,425
Carrying amount of non current assets sold	8	2,790,271		-	
Proceeds from the sale of PP&E, investment property and intangible assets	8	(1,267,360)	1,522,911	(18,960)	(18,960)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	21		10,721,000		11,569,000
Direct revenue financing of Capital Expenditure	12		-		-
Capital Grants and Donated Assets Receivable and Applied in year	10		(6,705,499)		(2,093,910)
Capital Grants Receivable and Unapplied in year	10C		-		-
Rates Claw-Back Reserve	27		-		-
Adjustments in relation to Short-term compensated absences	24		126,020		(37,283)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	27		-		-
Provisions Discount Rate Reserve Adjustment	27		102,907		(76,825)
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	12		(5,826,000)		(6,049,000)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(4,976,000)		(5,535,000)
			9,778,230		9,933,656

b Net transfers (to)/from statutory and other earmarked reserves		2020/21	2020/21	2019/20	2019/20
	Notes	£	£	£	£
Capital Fund					
Interest		-	-	-	-
From Capital		-	-	-	-
Other	26	627,613	627,613	627,500	627,500
Renewal and Repairs Fund					
Interest		-	-	-	-
Other	26	-	-	-	-
Capital Receipts Reserve					
Interest		-	-	-	-
Other	26	-	-	-	-
Other Funds and earmarked reserves					
Interest		-	-	-	-
From Other funds		-	-	240,000	-
Other	26	(8,782,362)	(8,782,362)	-	240,000
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			(8,154,749)		867,500

5 Cost of Services on Continuing Operations

a General power of competence

Prior to Local Government Reform on 1 April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £0 during 2020/21 (£0 in 2019/20).

b External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Council's external auditors.

	2020/21	2019/20
	£	£
External Audit Fees	68,000	67,000
National Fraud Initiative Fees	1,244	-
Other Fees	5,250	22,000
	74,494	89,000

The other fees of £5,250 (2019/20 £22,000) were incurred in respect of performance audit services provided by the appointed auditor.

**6 Operating and Finance Leases
Council as Lessor**

a Finance Leases (Council as lessor)

The Council has no finance leases as lessor.

b Operating Leases (Council as lessor)

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £284,611.

The future minimum lease payments due under non-cancellable operating leases in future years are:

	31 Mar 21	31 Mar 20
	£	£
Not later than 1 year	233,446	255,017
Later than 1 year and no later than 5 years	467,685	436,234
Later than 5 years	268,786	288,187
	969,917	979,438

The assets leased by the Council to third parties are included in the categories of Property, Plant and Equipment with carrying values of:

	31st March 2021	31st March 2020
	£	£
Investment Properties	3,290,002	2,240,002

**Council as Lessee
c Finance Leases (Council as lessee)**

The assets acquired under these leases are carried as property, plant and equipment in the Balance Sheet at the following net amounts:

	31 Mar 21	31 Mar 20
	£	£
Other Land and Buildings	-	-
Vehicles, Plant, Furniture and Equipment	-	8,820
	-	8,820

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 Mar 21	31 Mar 20
	£	£
Finance leases liabilities (net present value of minimum lease payments):		
Current	-	4,172
Non- Current	-	-
Finance costs payable in future years	5,297	9,042
Minimum Lease Payments	5,297	13,214

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 Mar 21	31 Mar 20	31 Mar 21	31 Mar 20
	£	£	£	£
Not later than one year	-	4,172	-	4,172
Later than one year and not later than five years	5,297	9,042	-	-
Later than five years	-	-	-	-
	5,297	13,214	-	4,172

d Operating Leases (Council as lessee)

The future minimum lease payments due under non-cancellable leases in future years are:

	31 Mar 21	31 Mar 20
	£	£
Not later than 1 year	155,892	137,610
Later than 1 year and no later than 5 years	346,846	361,640
Later than 5 years	1,317,902	1,207,481
	1,820,641	1,706,731

The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2020/21	2019/20
	£	£
Minimum lease payments	124,002	149,935
Contingent rentals	-	-
Less: Sublease payments receivable	-	-
Total	124,002	149,935

7 Employee Costs and Member Allowances		
a Staff Costs		
	2020/21	2019/20
	£	
Salaries and Wages	25,431,187	26,287,249
Employers NIC	2,188,857	2,318,874
Employers Superannuation	5,008,062	5,668,381
Total staff costs	32,628,106	34,274,504

In addition, agency costs during the year amounted to £1,253,418 (2019/20 £1,625,796).

The Council's current contribution rate to NILGOSC scheme is 19.5%.

At last actuarial valuation dated 31st March 2019 the funds assets meet 112% of liabilities at that date (31/3/16.96%).

Average Number of Employees - where FTE represents fulltime equivalent employees

b Average Number of Employees		
	2020/21	2019/20
	FTE	
Chief Executive	14	19
Corporate Services	110	113
Enterprise, Regeneration & Tourism	169	177
Neighbourhood Services	333	349
Active & Healthy Communities	245	250
Total Number	871	908

	2020/21	2019/20
	Actual Numbers	
Full-time numbers employed	769	806
Part-time numbers employed	212	224
Total Number	981	1,030

c Senior Employees' Remuneration		
	2020/21	2019/20
	£	
£50,001 to £60,000	4	6
£60,001 to £70,000	11	10
£70,001 to £80,000	1	2
£80,001 to £90,000	3	3
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	-
Total Number	20	22

d Members' Allowances

	2020/21	2019/20
	£	
Salaries	-	-
Basic allowance	634,926	614,592
Mayor's & Deputy Mayor's Allowance	26,458	26,458
Special Responsibility Allowances	76,334	73,169
Dependents' carers allowance	2,283	449
Employer costs	190,119	187,315
Mileage	7,096	60,303
Conferences and Courses	8,175	4,533
Travel & Subsistence Costs	658	10,486
Miscellaneous Costs	17,083	65,323
Severance Payments	-	-
Total	963,132	1,042,628

e Northern Ireland Civil Service Pension Arrangements

As a result of Reform on 1st April 2015, staff transferred from Central Government to the Council are members of the Northern Ireland Civil Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DOF Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

For 2020/21, employers' contributions of £408,308 were payable to the NICs pension arrangements at one of four rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2016 was completed by the Actuary during 2018/19. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2019. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No persons retired early on ill-health grounds as such the actuarial cost for employees for the early payment of retirement benefits was £nil.

8 Other Operating Income & Expenditure**a Surplus/Deficit on Non-Current Assets (excl Investment Properties)**

	2020/21	2019/20
	£	£
Proceeds from sale	(1,267,360)	(18,960)
Carrying amount of non-current assets sold (excl Investment Properties)	2,790,271	-
	<u>1,522,911</u>	<u>(18,960)</u>

b Other Operating Income/ Expenditure

	2020/21	2019/20
	£	£
Income	-	-
Expenditure	-	-
	<u>-</u>	<u>-</u>

	2020/21	2019/20
	£	£
Other Operating Expenditure	-	-
(Surplus) / Deficit on Non Current Assets	1,522,911	(18,960)
Other Operating (Income) / Expenditure	-	-
	<u>1,522,911</u>	<u>(18,960)</u>

9 Financing and Investment Income and Expenditure**a Interest Payable and Similar Charges**

	2020/21	2019/20
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	2,243,888	2,226,616
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	<u>2,243,888</u>	<u>2,226,616</u>

b Interest and Investment Income

	2020/21	2019/20
	£	£
Bank interest	3,867	18,875
Employee car loan interest	1,409	1,885
NIHE Loan interest receivable	-	-
Investment income on Fund Balances	-	-
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	<u>5,276</u>	<u>20,760</u>

c Pensions interest costs and expected return on pensions assets

	2020/21	2019/20
	£	£
Net interest on the net defined benefit liability (asset)	1,181,000	947,000
	1,181,000	947,000

d Surplus/ (Deficit) on trading operations

	2020/21	2019/20
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

e Income, Expenditure and changes in Fair Value of Investment Properties

	2020/21	2019/20
	£	£
Income/Expenditure from Investment Properties:		
Income including rental income	(60,261)	(88,919)
Expenditure	18,178	25,175
Net income from investment properties	(42,083)	(63,744)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
(Surplus)/deficit on sale of Investment Properties:	-	-
Changes in Fair Value of Investment Properties		
	(30,000)	(30,000)
	(72,083)	(93,744)

Financing and Investment Income and Expenditure	2020/21			2019/20		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	2,243,888	-	2,243,888	2,226,616	-	2,226,616
Interest and Investment Income	-	(5,276)	(5,276)	-	(20,760)	(20,760)
Pensions interest cost	1,181,000	-	1,181,000	947,000	-	947,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	18,178	(60,261)	(42,083)	25,175	(88,919)	(63,744)
Changes in Fair Value of Investment Properties	-	(30,000)	(30,000)	-	(30,000)	(30,000)
	3,443,066	(95,537)	3,347,529	3,198,791	(139,679)	3,059,112

10 Taxation and Non Specific Grant Income**a Revenue Grants**

	2020/21	2019/20
	£	£
General	(4,994,125)	(4,551,166)
Other	(5,606,427)	(220,101)
	<u>(10,600,552)</u>	<u>(4,771,267)</u>

Other Revenue Grants relate to Covid-19 Funding Support from the Department for Communities.

b Revenue Grants - Unapplied

The Council has no Revenue Grants Unapplied.

c Capital Grants and Donated Assets - Applied

	2020/21	2019/20
	£	£
Government & Other Grants - Conditions met and applied in year	(6,705,499)	(2,093,910)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(6,705,499)</u>	<u>(2,093,910)</u>

d Capital Grants - Unapplied

	2020/21	2019/20
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Other	-	-
	<u>-</u>	<u>-</u>

e District Rates

	2020/21	2019/20
	£	£
Current year	(56,346,735)	(54,126,950)
Finalisation - previous year	(1,262,947)	(654,914)
Transitional Relief	-	-
Finalisation - other years	-	-
	<u>(57,609,682)</u>	<u>(54,781,864)</u>

Taxation and Non Specific Grant Income	2020/21	2019/20
	£	£
District Rate Income	(57,609,682)	(54,781,864)
Revenue Grants	(10,600,552)	(4,771,267)
Capital Grants and Contributions	(6,705,499)	(2,093,910)
	<u>(74,915,733)</u>	<u>(61,647,041)</u>

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021
Long - term Assets - Current Year

11 a

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	2,240,002	5,066,074	7,821	206,370,847
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	2,240,002	5,066,074	7,821	206,370,847
Additions	100,000	1,422,525	20,799	-	669,271	-	1,983,434	-	4,196,029	2,840	-	-	-	4,424,540
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	356,116	(2,679,786)	(22,385)	-	-	-	(59,153)	897,244	(1,507,964)	-	-	-	-	(1,507,964)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	392,500	(1,481,684)	(12,114)	-	-	-	85,791	(104,744)	(1,120,251)	-	30,000	-	-	(1,090,251)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(480,961)	(2,301,489)	-	-	(264)	-	-	-	(2,782,714)	-	-	-	(7,821)	(2,790,535)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	77,700	-	-	-	-	-	(85,791)	(77,700)	(85,791)	-	1,020,000	-	666,460	1,600,669
Reclassified to(-) / from(+) Held for Sale	(853,655)	426,143	-	-	-	-	(426,143)	(832,805)	(1,686,460)	-	-	-	-	(1,686,460)
Balance as at 31 March 2021	30,855,912	135,891,614	956,360	100,001	19,827,787	26	3,606,487	3,284,696	194,522,863	1,549,756	3,290,002	5,291,745	666,460	205,320,846

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	1,566,190	-	16,937,829
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	1,566,190	-	16,937,829
Depreciation Charge	-	5,388,291	32,365	-	1,292,948	-	-	-	6,713,604	-	-	436,391	-	7,149,995
Depreciation written out on Revaluation Reserve	-	(4,003,178)	(14,159)	-	-	-	-	-	(4,017,336)	-	-	-	-	(4,017,336)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,389,981)	(1,853)	-	-	-	-	-	(1,391,834)	-	-	-	-	(1,391,834)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(264)	-	-	-	(264)	-	-	-	-	(264)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	3	758,764	(1)	15,917,042	1	-	-	16,675,809	-	-	2,002,581	-	18,678,390
Balance as at 31 March 2021	30,855,912	135,891,611	197,596	100,002	3,910,745	25	3,606,487	3,284,696	177,847,074	1,549,756	3,290,002	3,289,164	666,460	186,642,456

b Long - Term Assets - Comparative Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PF&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	31,246,212	132,789,626	988,907	100,001	18,482,678	72,017	6,215,806	3,335,401	193,230,648	1,537,436	2,210,002	3,749,689	18,000	200,745,775
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	31,246,212	132,789,626	988,907	100,001	18,482,678	72,017	6,215,806	3,335,401	193,230,648	1,537,436	2,210,002	3,749,689	18,000	200,745,775
Additions	7,000	3,509,093	-	-	1,384,364	-	1,560,222	-	6,460,679	4,480	-	1,316,385	-	7,781,544
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increases/decreases to Revaluation Reserve	556,721	945,116	(18,647)	-	-	-	-	67,300	1,550,490	5,000	-	-	-	1,555,490
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(537,900)	(2,610,000)	(200)	-	-	-	-	-	(3,148,100)	-	30,000	-	-	(3,118,100)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(708,262)	-	-	-	(708,262)	-	-	-	-	(708,262)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	5,872,070	-	-	-	(71,991)	(5,667,679)	-	132,400	(3,102)	-	-	-	129,298
Reclassified to(-) / from(+) Held for Sale	(7,821)	-	-	-	-	-	-	-	(7,821)	-	-	-	7,821	-
Balance as at 31 March 2020	31,244,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,543,814	2,240,002	5,066,074	25,821	206,385,745

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	-	2,437	212,734	(1)	14,053,771	1	-	-	14,268,942	-	-	1,177,920	-	15,446,862
cost/value & depreciation/impairment	-	2,437	212,734	(1)	14,053,771	1	-	-	14,268,942	-	-	1,177,920	-	15,446,862
Balance as at 1 April 2019	-	2,437	212,734	(1)	14,053,771	1	-	-	14,268,942	-	-	1,177,920	-	15,446,862
Depreciation Charge	-	5,430,357	543,062	-	1,278,849	-	-	-	7,252,268	-	-	388,270	-	7,640,538
Depreciation written out on	-	(4,010,493)	(113,386)	-	-	-	-	-	(4,023,879)	-	-	-	-	(4,023,879)
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation written out on	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,406,525)	-	-	-	-	-	-	(1,406,525)	-	-	-	-	(1,406,525)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	(10,904)	-	-	-	-	-	-	(10,904)	-	-	-	-	(10,904)
Derecognition - Disposals	-	-	-	-	(708,262)	-	-	-	(708,262)	-	-	-	-	(708,262)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers Eliminated on reclassification to Held for Sale	-	207,646	-	-	-	-	-	-	207,646	-	-	-	-	207,646
Balance as at 31 March 2020	-	212,518	742,410	(1)	14,624,358	1	-	-	15,579,286	-	-	1,566,190	-	17,145,476
Net Book Values														
Balance as at 31 March 2020	31,264,212	140,293,387	227,450	100,002	4,534,422	25	2,108,349	3,402,701	181,930,748	1,543,814	2,240,002	3,499,884	25,621	189,240,269
Balance as at 31 March 2021	30,855,912	135,891,611	197,596	100,002	3,910,745	25	3,606,487	3,284,696	177,847,074	1,549,756	3,290,002	3,289,164	666,460	186,642,456

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

11 c Property, plant and equipment

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings - 1 to 64 years straight line
- Vehicles, plant, furniture and equipment - 5 to 7 years straight line
- Infrastructure - 1 to 14 years straight line depreciation

11 d Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

Investment Properties	31/03/2021	31/03/2020
	£	£
Rental Income from Investment Activities	60,261	88,919
Direct Operating expenses arising from investment properties	(18,178)	(25,175)
Net gain/(loss)	42,083	63,744

The following table summarises the movement in the fair value of investment properties over the year:

Investment Properties	2020/21	2019/20
	£	£
Balance at start of the year	2,240,002	2,210,002
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	30,000	30,000
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	1,020,000	-
Other changes	-	-
Balance at end of the year	3,290,002	2,240,002

e Heritage Assets

The Council's collection of Heritage Assets is reported in the Balance Sheet at insurance valuation or historic cost. These assets include museum artefacts, works of art and civic items. Ross' Monument is also included which is situated between Rostrevor and Warrenpoint.

The following table summarises the Heritage Assets held by the Council:

Heritage Assets	2020/21	2019/20
	£	£
Artefacts	531,452	526,512
Historical Furniture	81,935	81,935
Civic Items	65,600	65,600
Ross' Monument	413,911	413,911
Paintings and Drawings	456,858	455,856
Balance at end of the year	1,549,756	1,543,814

f Assets Held for Sale

Assets Held for Sale have been recorded in Note 11 at a value of £666,460.

g Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2020	364,473	36,626	401,099
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	364,473	36,626	401,099
Depreciation			
At 1 April 2020	355,652	36,626	392,278
Disposals	-	-	-
Provided for year	8,821	-	8,821
At 31 March 2021	364,473	36,626	401,099
Net Book Value	-	-	-

	Vehicles	Equipment	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2019	364,473	36,626	401,099
Additions	-	-	-
Disposals	-	-	-
At 31 March 2020	364,473	36,626	401,099
Depreciation			
At 1 April 2019	346,832	36,626	383,458
Disposals	-	-	-
Provided for year	8,820	-	8,820
At 31 March 2020	355,652	36,626	392,278
Net Book Value	8,821	-	8,821

h Revaluation

Valuations of Land and buildings are carried out externally by Land and Property Services (LPS). As at the valuation date, the LPS have advised that the outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. As a consequence LPS have reported that as at the valuation date, they consider that it is prudent to advise that market evidence gathered, for comparison purposes, has attached to an increased level of uncertainty. The valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to them than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation.

12 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure		2020/21	2019/20
		£	£
Opening Capital Financing Requirement		92,319,720	89,733,221
Capital Investment			
Property, Plant and Equipment	11	4,198,869	6,465,159
Investment Properties		-	-
Intangible Assets		225,671	1,316,385
Revenue Expenditure Funded from Capital under Statute		7,964,479	2,834,425
Investments		-	-
Other		(59,153)	132,400
Sources of Finance			
Capital Receipts		(1,267,360)	(18,960)
Government Grants and Other Contributions	10	(6,705,499)	(2,093,910)
Transfers from Earmarked Reserves		-	-
Sums set aside from Revenue:			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(5,826,000)	(6,049,000)
Closing Capital Financing Requirement		90,850,727	92,319,720

13 Future Capital Commitments

The Council has an ongoing programme of capital works and the estimated cost of the schemes is as follows:

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	14,457,098	1,480,605	12,976,493
Other Commitments	30,993,500	8,096,250	22,897,250
Total	45,450,598	9,576,855	35,873,743

14 Inventories	2020/21	2019/20
	£	£
Central Stores	313,694	358,240
Other	194,196	190,549
Total	507,890	548,789

15 Debtors		
a Long Term Debtors		
	2020/21	2019/20
	£	£
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	14,195	11,279
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	43,541	47,141
Finance lease debtors	-	-
Trade debtors:	-	-
NIHE Loans	-	-
Other	58,128	43,000
Impairment of loans and receivables	-	-
Contract Receivables	-	-
Total Long-Term Debtors	115,864	101,420

b Short Term Debtors		
	2020/21	2019/20
	£	£
Government Departments	1,556,137	1,550,050
Other Councils	130,199	356,980
Public corporations and trading funds	-	-
Bodies external to general government	-	-
NIHE loans	-	-
Employee car loans	13,529	17,287
Revenue Grants	1,885,744	2,247,680
Capital Grants	3,721,119	1,320,872
Interest Receivable	-	-
Capital Debtors	-	-
Value Added Tax	1,366,032	1,102,968
Prepayments	252,162	301,956
Finance lease debtors	-	-
Other	324,580	255,538
Trade receivables	898,299	607,347
Impairment loss - Trade receivables	(322,201)	(402,531)
Contract Receivables	-	-
Total Short-Term Debtors	9,825,600	7,358,147
Total Debtors	9,941,464	7,459,567

16 Investments

The Council has no investments.

17 Borrowings

a Short Term Borrowing		
	2020/21	2019/20
	£	£
Loans re-payable within one year	10,416,318	15,585,336
Finance Lease Principal	-	4,172
Total Short Term Borrowing	10,416,318	15,589,508

b Long Term Borrowing		
	2020/21	2019/20
	£	£
Between 1 and 2 years	4,342,321	4,149,071
Between 2 and 5 years	11,811,049	11,519,559
Between 5 and 10 years	18,597,126	17,367,197
In more than 10 years	28,957,061	26,219,232
Government Loans Fund	63,707,557	59,255,059
Total Borrowing	74,123,875	74,844,567

18 Creditors			
a Short Term Creditors			
		2020/21	2019/20
		£	£
Government Departments		1,292,517	1,040,989
Other Councils		366,327	403,975
Public corporations and trading funds		222,380	17,555
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		1,951,493	1,733,278
Accumulated Absences		479,663	353,643
Loan Interest Payable		-	-
Capital Creditors		4,133,682	3,324,666
Receipts in advance		555,768	623,326
Trade creditors		4,180,494	3,434,200
Other		21,946	68,735
Total Short Term Creditors		13,204,270	11,000,367
Total Long Term Creditors		-	-
Total Creditors		13,204,270	11,000,367

b Payment of invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 15207 invoices totalling £62,093,851.

The number of disputed invoices were 118.

The Council paid:

13,083 (86%) invoices within 30 calendar days target;

1,707 (11%) invoices within 10 working days target; and

2,124 invoices outside of the 30 day target.

The average number of days taken to pay suppliers during the year was 23 days.

19 Provisions						
	Balance as at 1 April 2020	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2021
	£	£	£	£	£	£
Landfill Closure	2,935,488	314,116	(71,397)	-	-	3,178,207
Staff Costs	75,000	-	(57,312)	(17,688)	-	-
Restructuring Costs	500,000	-	-	-	-	500,000
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Current Provisions	575,000	-	(57,312)	(17,688)	-	500,000
Long Term Provisions	2,935,488	314,116	(71,397)	-	-	3,178,207
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Comparative Year						
	Balance as at 1 April 2019	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Restated Balance as at 31 March 2020
	£	£	£	£	£	£
Landfill Closure	3,140,993	-	(71,397)	-	(134,108)	2,935,488
Staff Costs	70,500	65,623	(61,123)	-	-	75,000
Restructuring Costs	-	500,000	-	-	-	500,000
Total	3,211,493	565,623	(132,520)	-	(134,108)	3,510,488
Current Provisions	70,500	565,623	(61,123)	-	-	575,000
Long Term Provisions	3,140,993	-	(71,397)	-	(134,108)	2,935,488
Total	3,211,493	565,623	(132,520)	-	(134,108)	3,510,488

Landfill Closure

The expected cost of landfill closure and aftercare costs of £3,178,207 is based on the percentage utilisation of the landfill sites of both Drumanakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed at 31st March 2015. Drumanakelly Landfill Site ceased to take landfill on 30th April 2016. Now that the sites have closed it will take a period of time before there will be a reliable trend for closure and aftercare costs and gas generation income.

Restructuring Costs

The provision is for 'Planning for the Future' - a review of the directorate and management structures.

20 Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets as at 31 March 2021

	Non-Current		Current		Total £
	Investments & Cash and Cash Equivalents	Debtors	Cash and Cash Equivalents	Debtors	
	£	£	£	£	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	115,864	10,222,828	1,187,173	11,525,865
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - Money Market Funds	-	-	6,001,558	-	6,001,558
Total Financial Assets	-	115,864	16,224,386	1,187,173	17,527,423
Non-Financial Assets	-	-	-	8,638,427	8,638,427
Total	-	115,864	16,224,386	9,825,600	26,165,850

Debtors at amortised cost as at 31 March 2021

	Non-Current	Current
	£	£
Trade Receivables	-	898,299
Trade Receivables - Impairment Loss	-	(322,201)
Government Departments	-	276,383
Soft Loans	43,541	3,281
Employee Car Loans	14,195	13,529
Gas Income Debtor	58,128	294,497
Other	-	23,385
Total	115,864	1,187,173

Financial Assets as at 31 March 2020

	Non-Current		Current		Total £
	Investments	Debtors	Investments	Debtors	
	£	£	£	£	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	101,420	867,216	825,237	1,793,873
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
Total Financial Assets	-	101,420	867,216	825,237	1,793,873
Non-Financial Assets	-	-	-	6,532,910	6,532,910
Total	-	101,420	867,216	7,358,147	8,326,783

Debtors at amortised cost as at 31 March 2020

	Non-Current	Current
	£	£
Trade Receivables	-	607,347
Trade Receivables - Impairment Loss	-	(402,531)
Government Departments	-	347,596
Soft Loans	47,141	3,281
Employee Car Loans	11,279	17,287
Gas Income Debtor	43,000	233,775
Other	-	18,482
Total	101,420	825,237

Financial Liabilities as at 31 March 2021

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	63,707,557	-	10,416,318	9,635,989	83,759,864
Total financial liabilities	63,707,557	-	10,416,318	9,635,989	83,759,864
Non-financial liabilities	-	-	-	3,568,264	3,568,264
Total	63,707,557	-	10,416,318	13,204,253	87,328,128

Financial Liabilities as at 31 March 2020

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	59,255,059	-	15,589,508	8,021,286	82,865,853
Total financial liabilities	59,255,059	-	15,589,508	8,021,286	82,865,853
Non-financial liabilities	-	-	-	2,979,081	2,979,081
Total	59,255,059	-	15,589,508	11,000,367	85,844,934

Material soft loans made by the Council

The Council has one historic soft loan but does not consider this to be material.

Employee Car Loans

The Council made loans for car purchases at 31/3/2021 to 8 employees, including 2 members of the Senior Management Team, who are in posts that require them to drive regularly on the Council's business.

Interest is charged on the loans at Bank of England Base Rate plus 1.5%.

	2020/21 £	2019/20 £
Balance at start of year:		
Opening balance	28,566	50,915
Nominal value of new loans granted in the year	16,812	-
Fair value adjustment on initial recognition	-	-
Fair value of new Loans repaid	45,378	50,915
Impairment losses	(17,655)	(22,349)
Increase in discounted amount	-	-
Other changes	-	-
Closing balance at end of year	27,723	28,566
Nominal value at end of year	27,723	28,566

Valuation assumptions

These loans have been valued at nominal value as they are not considered material to the Council.

Income, Expense, Gains and Losses

	2020/21	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£	£

Interest revenue		
Financial assets measured at amortised cost	3,867	-
Total interest revenue	3,867	-
Interest expense	2,243,888	-

	2019/20	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£	£

Interest revenue		
Financial assets measured at amortised cost	18,875	-
Total interest revenue	18,875	-
Interest expense	2,226,616	-

Fair Values of Financial Assets and Financial Liabilities

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required).

All the financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Liabilities	31 Mar 21		31 Mar 20	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Financial liabilities held at amortised cost (Loans)	74,123,875	82,144,382	74,840,395	81,843,543
Long-term creditors PFI and finance lease	-	-	4,172	4,172
Total	74,123,875	82,144,382	74,844,567	81,847,715

The majority of the Council's portfolio of loans are held with the Government Loans Fund and carry a premature redemption penalty if the loans are repaid early.

Other financial assets and liabilities including trade receivables, trade payables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

	31 Mar 21			
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	82,144,382	-	82,144,382
Total	-	82,144,382	-	82,144,382
Financial assets				
Financial assets held at amortised cost:				
Soft loans to third parties	-	74,545	-	74,545
Other financial assets	-	-	-	-
Total	-	74,545	-	74,545

	31 Mar 20			
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	81,847,715	-	81,847,715
Total	-	81,847,715	-	81,847,715
Financial assets				
Financial assets held at amortised cost:				
Soft loans to third parties	-	78,988	-	78,988
Other financial assets	-	-	-	-
Total	-	78,988	-	78,988

The fair value for financial liabilities and financial assets that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Other financial assets including trade receivables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

Credit Risk

Credit risks arises from deposits with banks and financial institutions as well as credit exposures to the Council's customers. Customers are assessed taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and as such, there is no further additional estimated exposure to default and inability to collect.

Trade Debtors, Inclusive of VAT, are analysed by age	£
Less than three months	482,399
three to six months	34,998
six months to one year	127,115
More than one year	548,320
Total	1,192,832

The above figures include trade debts relating to car parking, government departments and other councils disclosed separately in Note 15.

Loss Allowance by Asset Class - Assets Held at Amortised Cost

Lifetime expected credit losses - not credit impaired:	£
Opening Balance as at 1 April 2020	402,531
Decrease	(80,330)
Closing Balance as at 31 March 2021	322,201

The Expected Credit Losses default rate for Council trade debt has been increased by a factor of 1.31 (2019/20 3.65) due to the changing economic conditions as a result of the Corona Virus. The factor takes account of predictions by three leading credit rating agencies.

There is no historical experience of default in relation to deposits with banks and other financial institutions. The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy.

Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy and Prudential Indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

As the Council has ready access to borrowing from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included at Note 17 and other payables are due for payment within one year.

Market Risk: Interest Rates

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The Council is in receipt of loans from the Department of Finance however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro. This account is used solely to facilitate the CANN Project (Collaborative Action for the Natura Network). The Council does not consider this a material exposure to loss arising from movements in exchange rates.

21 Retirement Benefits**a Participation in the Northern Ireland Local Government Officers' Pension Fund.**

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

	Note	2020/21 £	2019/20 £
Net cost of services:			
Current service cost		9,484,000	10,527,000
Past service cost/(gain)		56,000	95,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit liability (asset)		1,181,000	947,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		10,721,000	11,569,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(10,721,000)	(11,569,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		4,976,000	5,535,000
Net adjustment to General Fund		(5,745,000)	(6,034,000)

The service cost figures include an allowance for administration expenses of £127k.

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2020/21 £	2019/20 £
Liability gains/(losses) due to change in assumptions		(48,043,000)	4,567,000
Liability gains/(losses) due to demographic changes		-	7,503,000
Liability experience gains/(losses) arising in the year		1,987,000	(2,289,000)
Actuarial gains/(losses) on plan assets		36,246,000	(15,376,000)
Other		-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(9,810,000)	(5,595,000)

c Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities:			
	Note	2020/21 £	2019/20 £
Balance as at 1 April		216,947,000	214,391,000
Current service cost		9,484,000	10,527,000
Interest cost		4,952,000	5,107,000
Contributions by members		1,601,000	1,633,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumption		48,043,000	(4,567,000)
Actuarial gains/losses arising from demographic changes		-	(7,503,000)
Actuarial gains/losses arising on liabilities from experience		(1,987,000)	2,289,000
Other (if applicable)		-	-
Past service costs/(gains)		56,000	95,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(78,000)	(80,000)
Estimated benefits paid		(5,022,000)	(4,945,000)
Balance as at 31 March		273,996,000	216,947,000

Reconciliation of present value of the scheme assets:			
	Note	2020/21 £	2019/20 £
Balance as at 1 April		163,140,000	172,213,000
Interest income		3,771,000	4,160,000
Contributions by members		1,601,000	1,633,000
Contributions by employer		4,898,000	5,455,000
Contributions in respect of unfunded benefits		78,000	80,000
Remeasurement gain/(loss)		36,246,000	(15,376,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(78,000)	(80,000)
Benefits paid		(5,022,000)	(4,945,000)
Balance as at 31 March		204,634,000	163,140,000

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a loss of £11.2m (2018/19 gain of £11.4m).

Fair Value of Plan Assets	2020/21 £	2019/20 £
Equity investments	94,745,542	69,497,640
Bonds	73,054,338	63,135,180
Property	18,212,426	16,314,000
Cash	10,845,602	7,667,580
Other	7,776,092	6,525,600
	204,634,000	163,140,000

The above asset values are at bid value as required by IAS 19.

Details of estimates made by the Fund Manager when assessing the fair values of plan assets

The amounts included in the fair value of plan assets for property occupied by the Council was £nil.

The Council's share of the Net Pension Liability (included in the Balance Sheet):

	2020/21 £	2019/20 £
Fair Value of Employer Assets	204,634,000	163,140,000
Present value of funded defined benefit obligation	(272,911,000)	(215,793,000)
Pension asset/(liability) of Funded Scheme	(68,277,000)	(52,653,000)
Present Value of unfunded defined benefit obligation	(1,085,000)	(1,154,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(69,362,000)	(53,807,000)
Amount in the Balance sheet:		
Liabilities	(273,996,000)	(216,947,000)
Assets	204,634,000	163,140,000
Net Asset/(Liability)	(69,362,000)	(53,807,000)

d Scheme History

Analysis of scheme assets and liabilities	2020/21 £	2019/20 £
Fair Value of Assets in pension scheme	204,634,000	163,140,000
Present Value of Defined Benefit Obligation	(273,996,000)	(216,947,000)

Surplus/(deficit) in the Scheme	(69,362,000)	(53,807,000)
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Amount recognised in Other Comprehensive Income and Expenditure:	2020/21 £	2018/19 Restated £
Actuarial gains/(losses)	(46,056,000)	9,781,000
Expected Return on Plan Assets	36,246,000	(15,376,000)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(9,810,000)	(5,595,000)
Cumulative actuarial gains and losses	(15,405,000)	(2,590,483)
History of experience gains and losses:		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	(1,987,000)	2,289,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £274m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet resulting in a net liability of £69.4m.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31

	31/03/2021 £	31/03/2021 %
Projected current cost	13,456,000	90.7%
Net Interest on the net defined benefit liability (asset)	1,381,000	9.3%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	14,837,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2021 is £5,220,000.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2020/21 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2020.

	2020/21 %	2019/20 %
Experience (gains and (losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	0.73%	-1.06%

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2020.

Pension scheme assumptions:	2020/21		2019/20	
	%		%	
Equity investments		46.3%		42.6%
Bonds		35.7%		38.7%
Property		8.9%		10.0%
Cash		5.3%		4.7%
Other		3.8%		4.0%
Mortality assumptions:				
<i>Longevity at 65 current pensioners:</i>	Years		Years	
Men		21.9		21.6
Women		23.3		25.0
<i>Longevity at 45 for future pensioners:</i>				
Men		25.1		23.2
Women		26.5		26.4
Inflation/Pension Increase Rate		2.70%		2.00%
Salary increase Rate		4.20%		3.50%
Discount Rate		2.10%		2.30%
Pension accounts revaluation rate		2.70%		2.00%

Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure above.

Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	267,726,000	278,096,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	13,012,000	13,914,000
Approximate % change in projected service cost	-3.30%	3.40%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	274,003,000	271,819,000
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	13,456,000	13,456,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	277,005,000	268,817,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	13,914,000	13,012,000
Approximate % change in projected service cost	3.40%	-3.30%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	- 1 Year	+1 Year
Present value of the total obligation	282,736,000	263,086,000
% change in the present value of the total obligation	3.60%	-3.60%
Projected service cost	14,008,000	12,918,000
Approximate % change in projected service cost	4.10%	-4.00%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than that.

f Major categories of plan assets as percentage of total plan assets

The Northern Ireland Local Government Officers' Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/2020		31/03/2019	
	%		%	
Equity investments	46.30%		42.60%	
Government Bonds	23.60%		16.50%	
Corporate Bonds	12.10%		7.00%	
Property	8.90%		10.00%	
Cash	5.30%		4.70%	
Other	3.80%		4.00%	
Total	100.00%		84.80%	

g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/19. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

22 Donated Assets Account**Analysis of Donated Assets Account**

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. During the year the Council had no Donated Assets.

23 Capital Grants Received in Advance**Analysis of Capital Grants Receipts in Advance Balance**

The Council has no capital grants received in advance.

24 Contingencies

The Arc 21 Joint Committee has with the approval of their participant Councils, entered into a Contingent Liability undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Newry, Mourne and Down District Council has agreed the legacy Down District Council's share of the contingent liability. Payments made if any in accordance with this undertaking will be funded by the participating Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process. In addition to the above, The Council is one of the parties to the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sports, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that the VAT should be repaid. The Council understands that HMRC has appealed the judgement, the outcome of which will be reported to the Council in due course.

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

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25 Other cash flow disclosures
a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2020/21 £	2019/20 £
Depreciation	11	7,149,995	7,640,538
Impairment & downward revaluations (& non-sale derecognitions)	11	(271,583)	1,730,671
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	40,899	(136,976)
(Increase)/Decrease in Debtors	15	(1,554,945)	(1,552,192)
Increase/(decrease) in impairment provision for bad debts	15	(80,330)	183,128
Increase/(Decrease) in Creditors	18	2,488,914	246,530
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	21	5,745,000	6,034,000
Carrying amount of non-current assets sold	8	2,790,271	-
AUC/WIP written off to Net Cost of Services	11	59,153	(132,400)
Contributions to Other Reserves/Provisions	26/27	167,719	298,995
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		(30,000)	(30,000)
Amounts posted to CIES from Donated Assets Account	22	-	-
		16,505,093	14,282,294

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing	Notes	2020/21 £	2019/20 £
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	(1,267,360)	(18,960)
Capital grants included in "Taxation & non-specific grant income"	10	(6,705,499)	(2,093,910)
		(7,972,859)	(2,112,870)

b Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	2020/21	2019/20	2018/19
	£	£	£
Cash and Bank balances	2,918,093	87,305	1,091,386
Short Term Deposits (considered to be Cash Equivalents)	13,306,288	779,891	12,187
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	-	(766,961)	(917,976)
	16,224,381	100,235	185,597

c Cash Flow Statement: Operating Activities

	2020/21	2019/20
	£	£
The cash flows from operating activities include:		
Interest received	5,276	20,760
Interest paid	2,243,888	2,226,616

d Cash flows from Investing Activities

	2020/21	2019/20
	£	£
Purchase of PP&E, investment property and intangible assets	11 (4,709,551)	(9,590,516)
Purchase of Short Term Investments (not considered to be cash equivalents)	-	-
Purchase of Long Term Investments	-	-
Other Payments for Investing Activities	-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8 1,267,360	18,960
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	5,858,877	3,184,768
Other Receipts from Investing Activities	-	-
Net Cash flows from Investing Activities	2,416,686	(6,386,788)

e Cash flows from Financing Activities

	2020/21	2019/20
	£	£
Cash Receipts from Short and Long Term Borrowing	4,000,000	10,000,000
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(4,172)	-
Repayment of Short and Long Term Borrowing	(4,716,520)	(4,906,209)
Other payments for Financing Activities	-	-
Net Cash flows from Financing Activities	(720,692)	5,093,791

26 Usable Reserves

a Capital Receipts Reserve

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

Capital Receipts Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		-	-
Movement			
Disposal of Non Current Assets/Capital Sales		1,267,360	18,960
Capital Receipts used to finance capital expenditure	3, 11	(1,267,360)	(18,960)
At 31 March		-	-

b Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Capital Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		627,613	1,255,113
Transfers between statutory & other reserves & the General Fund		(627,613)	(627,500)
At 31 March		-	627,613

c Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		120,000	360,000
Transfers between statutory & other reserves & the General Fund	4	8,782,362	(240,000)
At 31 March		8,902,362	120,000

1. Election Reserve - this reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve. The balance at 31/3/21 is £209,500 (31/3/20 £120,000).

2. Covid Funding Reserve - the Department for Communities allocated funding to Councils to alleviate the impact of exceptional losses and costs incurred or estimated to be incurred as a consequence of Covid-19. This reserve was created to ring-fence the unspent funding. The balance at 31/3/21 is £2,459,033.

3. Covid Support Grants Reserve - the Department for Communities issued a range of Covid support grants during the year ended 31st March 2021 for Revitalisation and Community Support. This reserve was created to ring-fence the unspent funding. The balance at 31/3/21 is £2,233,829.

4. Covid Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District post-Covid. The balance at 31/3/21 is £1,750,000.

5. Economic Recovery Reserve - this reserve has been created to assist with the economic recovery of the District post-Covid. The balance at 31/3/21 is £2,250,000.

d General Fund

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

General Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		11,708,865	11,869,501
Applied Capital Grants	10, 12	(6,705,499)	(2,093,910)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	6,848,412	9,341,209
Statutory Provision for financing Capital Investment	4	(5,826,000)	(6,049,000)
Net Revenue expenditure funded from capital under statute	4, 12	7,964,479	2,834,425
Surplus/(Deficit) on the Provision of Services	CIES	5,895,921	(10,961,792)
Transfers between Statutory and Other Reserves and the General Fund	4	(8,154,749)	867,500
Net movements on Pension Reserve	4, 21	5,745,000	6,034,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11, 23	1,522,911	(18,960)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		126,020	(37,283)
Other Movements		102,907	(76,825)
At 31 March		19,228,267	11,708,865

27 Unuseable Reserves

a Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to an historic cost basis.

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		44,870,973	46,810,666
Applied Capital Grants	10, 12	6,705,499	2,093,910
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(6,848,412)	(9,341,209)
Statutory Provision for financing Capital Investment	4, 12	5,826,000	6,049,000
Net Revenue expenditure funded from Capital under statute	4, 12	(7,964,479)	(2,834,425)
Disposal of Fixed Assets/ Capital Sales	4, 11	(2,790,271)	-
Capital Receipts used to finance capital expenditure	4, 12	1,267,360	18,960
Other Movements		731,246	2,074,071
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	-
At 31 March		41,797,916	44,870,973

b Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

Revaluation Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		52,242,326	48,737,027
Revaluation & Impairment	11	2,509,372	5,579,369
Other Movements		(757,886)	(2,074,070)
At 31 March		53,993,812	52,242,326

c Pension Reserve

Pension Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(53,807,000)	(42,178,000)
Net Movements on Pension Reserve	4, 21	(5,745,000)	(6,034,000)
Revaluation & Impairment	21	(9,810,000)	(5,595,000)
At 31 March		(69,362,000)	(53,807,000)

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

d Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the General Fund is neutralised by transfers to or from this Accumulated Absences Account

Accumulated Absences Account	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(353,643)	(390,926)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(126,020)	37,283
At 31 March		(479,663)	(353,643)

e Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2017/18 accounts direction (see DfC circular 17/18), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Provisions Discount Rate Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(1,029,947)	(1,106,772)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(102,907)	76,825
Other Movements		-	-
At 31 March		(1,132,854)	(1,029,947)

28 Significant Trading Operations

The Council considers its only significant trading operation to be the provision of car parking facilities. The results for this are disclosed in Note 2, namely income of £222,570 and costs of £310,989. Income was adversely impacted this year due to Covid.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the magnitude of each individual trading operation's turnover.

Non-financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

29 Agency Services

1. Newry BID Company Ltd - Business Improvement Districts (BIDs) were an initiative established through the Department for Communities which allow town centres to establish action plans to bring forward additional initiatives, services and projects under a BID plan. Rate paying businesses within the defined BID area then vote whether to accept the plan or not. If the BID is approved by a majority of the ballot received an additional BID levy is then invoiced to all businesses within the BID area to implement the agreed plan. The Council provides invoicing and debt collection services to Newry BID Company Ltd. During the year the Council raised invoices on behalf of the company amounting to £245,184. Payments were made to the company of £135,000. The company also reimburses the Councils reasonable charges and expenses which amounted to £6,067 for the financial year under review. The balance outstanding from the BID company's debtors amounted to £343,657 at 31st March 2021. This resulted in a net amount of debt held by the Council on behalf of the company at 31st March 2021 of £21,946. This balance is included in Short Term Creditors. No transactions other than the charges noted previously have been reflected in the Comprehensive Income and Expenditure Statement.

2. C.A.N.N. is the abbreviation for Collaborative Action for the Natura Network. The Group consists of eleven project partners. Agri-Food and Biosciences Institute, Argyll and the Isles Coast and Countryside Trust, Armagh City, Banbridge and Craigavon Borough Council, East Border Region Ltd, Golden Eagle Trust, Institute of Technology Sligo, Monaghan County Council, Newry, Mourne and Down District Council, Scottish Natural Heritage, Ulster University and the Ulster Wildlife Trust. The project is funded by the Special EU Programmes Body (SEUPB). Newry Mourne and Down District Council (NMDDC) are the lead partners where they pay the salaries of employees and invoices. Claims for the project partners are made by the individual organisations to SEUPB. The funding for all partners is paid into NMDDC's bank account. The Council subsequently pays this funding to the project partners. During this current year NMDDC received €867,096 of grants from SEUPB on behalf of the ten project partners and paid €867,096 to the project partners. These transactions are not reflected in the Council's Revenue accounts. There were no balances owing to the other project partners at 31st March 2021.

3. Full Fibre Northern Ireland (FFNI) is a consortium of all ten Councils in NI outside of Belfast and the Business Services Organisation. The Consortium has been awarded £24m from the Department for Digital, Culture, Media and Sports (DCMS) to implement a new collaborative programme to drive greater investment in fibre and digital infrastructure across Northern Ireland. The Consortium's phased delivery programme will initially manage two DCMS funded programmes - Local Full Fibre Network (LFFN) and Rural Gigabit Connectivity (RGC). It will also manage the delivery of further digital infrastructure initiatives and ensure a vital local link for future digital programmes at local authority level.

The funding of £24m aims to deliver full fibre to over 900 sites, which includes Council buildings, Community Centres, GP Surgeries, Ambulance Stations and Fire Stations by December 2021, using the 'Public Sector Anchor Tenancy' approach. This represents Phase 1 of a proposed longer-term programme of fibre related investment.

The FFNI Operations Team has been faced with a series of extremely complex and technical issues associated with the procurement process and risks in relation to the FFNI infrastructure. The impact of this has been that additional funding for the centralised operations team required is higher than the value originally anticipated. In December 2020 an additional request of £10,900 was made to fund operational team staff costs upfront for 8 Councils, six of these have paid the contribution by 31 March 2021 and two after that date. It was agreed from January 2021 that consultancy services would be charged on an ad hoc basis if required. Business Services Organisation, a new partner, will be invoiced £70,000 to match the Councils' contribution. Armagh City, Banbridge and Craigavon District Council left the project mid-2020. During the year ended 31st March 2021 Newry, Mourne and Down District Council received £210,403 from the other consortium members. Expenditure of £270,814 has been incurred and £210,403 has been received, In addition £27,577 receipts in advance has been recorded in Creditors at 31/3/2021.

30 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transaction exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows. Related party relationships where control exists should be disclosed irrespective of whether there have been transactions between the related parties.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 7. During 2020/21, works and services to the value of £3,256,087 were commissioned from companies in which individual members and senior officers had an interest. The main recipients within this total were ARC 21 (see separate note below) and Mourne Heritage Trust £307,172.

The Council paid grants of £78,299 to a number of organisations in which Councillors and senior officers had an interest. All payments were made with proper consideration of declaration of interests.

The Council incurred expenditure of £362,596 to other councils of which £54,771 was outstanding as at 31st March 2021

The Council has recorded income of £495,575 from other councils of which £130,199 was outstanding as at 31st March 2021.

Arc 21, a joint committee organisation, is a waste management group in Northern Ireland representing Councils in the east of the province. The Council's contribution in the current year was £182,842. The Council paid an additional £2,523,436 to Arc 21 for various services provided during the year including the use of the Material Recycling Facility and received income of £47,119.

31 Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on September 2021.

Report to:	Audit Committee
Date of Meeting:	5 July 2021
Subject:	Performance Improvement Plan 2021-22
Reporting Officer (Including Job Title):	Dorinnia Carville – Director: Corporate Services
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	The purpose of this report is to present the final version of the Performance Improvement Plan 2021-22. This plan is supported by the Consultation and Engagement Report 2021-22 and Delivery Plans which have been developed for each Performance Improvement Objective 2021-22. The Performance Improvement Plan and associated documentation was approved by the Strategy, Policy and Resources Committee on 17 June and has been published on the Council's website ahead of the statutory deadline of 30 June 2021.		
1.2	Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.		
1.3	The Performance Improvement Plan is a key strategic document which drives all improvement activity across the organisation. It features within the Business Planning and Performance Management Framework and is directly aligned to the Community Plan, Corporate Plan and Directorate Business Plans.		
2.0	Key issues		
2.1	In accordance with statutory requirements, the Council is required to publish the Performance Improvement Plan by 30 June 2021. The Performance Improvement Plan 2021-22 is attached at Appendix 1 , and includes the following information: <ul style="list-style-type: none"> • Performance improvement objectives 2021-22 • Statutory performance indicators and standards for economic development, planning and waste management • Self imposed performance indicators, as outlined in the Corporate Plan 2021-23 		
	Public Consultation and Engagement 2021-22		
2.2	The development of the performance improvement objectives 2021-22 was based on a robust and reliable evidence base which includes:		

	<ul style="list-style-type: none"> • 764 responses to the Residents Survey (September 2018) • 581 individuals engaged in the consultation on COVID-19 and draft Corporate Plan 2021-23 (September 2020) <p>This was supplemented by an eight week public consultation and engagement process around the proposed draft performance improvement objectives 2021-22, which took place between 15 March – 10 May 2021 and consisted of the following elements:</p> <ul style="list-style-type: none"> • 41 responses to the survey on the draft performance improvement objectives • Engagement with 100 stakeholders through the DEA Forums, Youth Council, Older Persons Forums and Cedar Foundation <p>Overall feedback from the consultation and engagement process revealed widespread support for the proposed performance improvement objectives.</p>
	Objective Delivery Plans 2021-22
2.3	Delivery plans for each performance improvement objective have been developed, as outlined in Appendix 3 . They seek to demonstrate how the Council will manage the effective delivery of each objective, in terms of resources, risk management and governance arrangements. These plans are a 'work in progress' and will be reviewed and updated on a continuous basis to support the delivery of each performance improvement objective.
3.0	Recommendations
3.1	To note: <ul style="list-style-type: none"> • The Performance Improvement Plan 2021-22 (including the five performance improvement objectives), Consultation and Engagement Report 2021-22 and Objective Delivery Plans 2021-22.
4.0	Resource implications
4.1	There are no financial resource implications within this report.
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please complete the following:</p>

	The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input checked="" type="checkbox"/>
	The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/>
5.3	<p><i>Proposal initiating consultation</i></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input checked="" type="checkbox"/></p> <p><i>Rationale:</i> At the Strategy, Policy and Resources Committee meeting on 11 March 2021, it was agreed to implement an eight week consultation and engagement process, in order to meet the statutory deadline of 30 June 2021 for publishing the Performance Improvement Plan.</p>
6.0	Due regard to Rural Needs (please tick all that apply)
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input checked="" type="checkbox"/></p>
7.0	Appendices
	<ul style="list-style-type: none"> • Appendix 1 – Performance Improvement Plan 2021-22 • Appendix 2 – Consultation and Engagement Report 2021-22 • Appendix 3 – Objective Delivery Plans 2021-22
8.0	Background Documents
	Performance Improvement Plans 2017-18, 2018-19 and 2019-20

Performance Improvement Plan 2021-22



Comhairle Ceantair
**an Iúir, Mhúrn
agus an Dúin**

**Newry, Mourne
and Down**
District Council

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Cathaoirleach
Chairperson
Councillor Cathy Mason



Príomhfheidhmeannach
Chief Executive
Marie Ward

Réamhrá

Seo chugat Plean Feabhsúcháin Feidhmíochta Chomhairle Ceantair an Iúir, Mhúrn agus an Dúin 2021-22. Bhí an bhliain seo caite neamhchosúil le bliain ar bith roimhe seo, tháinig ár gcathair, mbailte agus sráidbhailte chuig lánstad agus muid ag dul i ngleic le paindéim Covid-19 le chéile. Bhí impleachtaí na paindéime le braith ag gach duine, gnólachtaí áitiúla, grúpaí pobail agus clubanna spóirt san áireamh. Thug sé dúshlán dúinn athmhachnamh a dhéanamh ar an bhealach a oibríonn muid, na seirbhísí a sholáthraíonn muid agus an bealach a sholáthraíonn muid iad. Mar Chomhairle, nuair a amharcann muid siar le machnamh a dhéanamh ar an bhliain seo a chuaigh thart, is féidir linn a bheith bródúil as an mhéid a bhfuil bainte amach againn.

Lean muid ag soláthar seirbhísí riachtanacha, bailiúcháin bhruscair, glanadh sráideanna, sláinte comhshaoil agus ár gcóras clárúcháin san áireamh. D'oibrigh muid in éineacht lenár gcomhpháirtithe phleanáil phobail chun 18,407 dáileacht bhia a chur ar fáil dár dteaghlaigh is leochailí. Thacaigh muid le 367 gnó áitiúil agus fiontar sóisialta, chuidigh muid le 60 post nua a chruthú agus bhronn muid thart ar £1.1m chun tacú le gnóthaí áitiúla dul i ngleic leis an

phaindéim. Nasc muid le níos mó daoine ná riamh trinár n-ardáin mheán sóisialta agus rinne cuid mhór dár gcónaitheoirí athcheangal le háilleacht nádúrtha ár gCeantar trí chuairt a thabhairt ar ár bpáirceanna foraoise, trána agus sléibhte iontacha.

Agus muid ag teacht amach ó bhuaic na paindéime, baineann 2021-22 le téarnamh COVID-19. Trí chuspóirí feabhsúcháin feidhmíochta na bliana seo, tá pleananna curtha i bhfeidhm againn chun díriú ar na rudaí is tábhachtaí duit - caighdeán ár bpáirceanna agus ár spásanna oscailte a fheabhsú, an geilleagar áitiúil a fhás, glaineacht ár gCeantar a fheabhsú, acmhainn na bpobal áitiúil a chothú, chomh maith le feidhmíocht ár Seirbhís Pleanála a fheabhsú. Tá muid muiníneach go leanfaidh an Chomhairle ar aghaidh ag feabhsú caighdeán marachtála don phobal áitiúil, agus ag tógáil Cheantair gur féidir linn uilig a bheith bródúil as.

Foreword

Welcome to Newry, Mourne and Down District Council's Performance Improvement Plan 2021-22. The past year has been a year like no other when our city, towns and villages came to a standstill as we collectively

responded to the Covid-19 pandemic. The pandemic has been tough on everyone, including local businesses, community groups and sports clubs, and has challenged us to re-think the way we work, the services we provide and the way we provide them. As a Council, when we look back and reflect on the past year, we can be proud of our achievements.

We continued to provide essential services, including refuse collection, street cleansing, Environmental Health and Registration. We worked alongside our community planning partners to deliver 18,407 food parcels to our most vulnerable households. We supported 367 local businesses and social enterprises, helped create 60 new jobs and awarded approximately £1.1m to assist local businesses in responding to the pandemic. We engaged more people than ever through our social media platforms and many of our residents re-connected with the natural beauty of our District by visiting our wonderful forest parks, beaches and mountains.

As we emerge from the peak of the pandemic, 2021-22 is all about COVID-19 recovery. Through this year's performance improvement objectives, we have put in place plans to focus on what matters most to you - improving the

quality of our parks and open spaces, growing the local economy, improving the cleanliness of our District, building the capacity of local communities and improving the performance of our Planning Service.

We remain confident that the Council will continue to improve the quality of life for all local communities and build a District we can all be proud of.

Introduction

Part 12 of the Local Government Act (NI) 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. The Council is required to set annual improvement objectives for the services it provides and to have in place arrangements to achieve these objectives. The Council recognises 'improvement' to mean activity that enhances the sustainable quality of life and environment for ratepayers and communities.

The performance improvement objectives do not describe every improvement the Council plans to make during 2021-22. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Plan outlines the Council's objectives for improvement, how performance will be measured and what positive outcomes stakeholders can expect as a result of improvement activity. It represents the Council's commitment to achieving continuous improvement in the delivery of key services.

Performance Improvement Objectives 2021-22

- 1. We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces**
- 2. We will grow the economy by supporting local businesses and creating new jobs**
- 3. We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents**
- 4. We will build the capacity of local communities through the Financial Assistance Scheme**
- 5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme**

These objectives have been developed within the context of the Business Planning and Performance Management Framework. They are:

✓	Linked to the Community Plan, Corporate Plan and Directorate Business Plans
✓	Based on a robust and reliable evidence base, including performance trends
✓	Aligned to the seven strategic aspects of improvement
✓	Legitimate, clear, robust, deliverable and demonstrable

Our District, Our Organisation, Our Performance

District

- Population: 18,634
- Households: 8,112
- 7 District Electoral Areas
- 41 Elected Members
- 1,000+ employees
- 87% of residents are satisfied with the Council

Community

- Life expectancy:
 - Males: 74.3 years / Females: 83.3 years
- Age profile: 6-15 years: 12% / 16+ years: 16%
- 72% of residents agree that their local area is a place where people from different backgrounds get on well together
- 94% of residents had cars during the day
- 87% of residents had cars after dark
- 111 neighbourhood watch schemes
- 18,807 food parcels delivered to vulnerable households

Economy

- Employment rate: 73.6%
- 6,805 VAT registered businesses
- Average weekly earnings: £563 (just over)
- 21% of the population aged 16-64 years have no qualifications
- 18% more businesses are supported and 144 new jobs created as a result of business start-up activity

Tourism

- Between 2018 and 2020:
 - 15% increase in visitor numbers for CALTEI
 - 23% increase in enquiries to CALTEI
- Three Aps of the Outstanding Natural Beauty













Health and Wellbeing

- 70% of residents say they are in very good or good health
- 78% of residents are physically active at least once a week for 15 mins
- 25.5% of customers are satisfied with the Council's 66 leisure facilities
- 20% recorded visits to Council parks and open spaces

Environment

- Recycling is important to 86% of residents
- The perceived pressure for residents:
 - Dog mess and fouling
 - Recycling rates: 13.7%
 - Increase in bins and brown bin receptacle usage

Performance Improvement Objective 1

We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces									
Why this matters	<p>You told us that:</p> <ul style="list-style-type: none"> • The impact of COVID-19 on mental health and well-being is one of your top concerns • To alleviate the impact of COVID-19, the Council should provide well maintained parks and green spaces • 'Improving people's health and wellbeing (and reducing health inequalities)' is your second highest priority for improvement • Over the past two years, investment in local community projects, such as parks, has become more important to you • 100% of respondents to our survey agreed with this objective <p>The COVID-19 pandemic has reinforced the strong correlation between healthy lifestyles and outdoor recreation. Since the lockdown restrictions eased in May 2020, the Council's greenways and blueways have become increasingly popular, providing excellent opportunities for people of all ages and abilities to lead healthy and active lives whilst enjoying the natural beauty of our District.</p> <p>However, high visitor numbers can put pressure on parks and open spaces, particularly in relation to car park congestion, littering, irresponsible behaviour and general wear and tear on the environment. Promoting good visitor management will enhance the quality of the Council's parks and open spaces, ensuring they are welcoming, safe and well maintained places to encourage local people to be active and healthy.</p>								
Looking Back: What we did in 2020-21	<table border="1"> <tr> <td style="text-align: center;"></td> <td>New counter systems installed at Kilbroney and Slieve Gullion Forest Parks</td> </tr> <tr> <td style="text-align: center;"></td> <td>3 'blue flag' beaches and 4 'green flag' parks</td> </tr> <tr> <td style="text-align: center;"></td> <td>84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life</td> </tr> <tr> <td style="text-align: center;"></td> <td>87,854 recorded visits at four community trails</td> </tr> </table>		New counter systems installed at Kilbroney and Slieve Gullion Forest Parks		3 'blue flag' beaches and 4 'green flag' parks		84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life		87,854 recorded visits at four community trails
	New counter systems installed at Kilbroney and Slieve Gullion Forest Parks								
	3 'blue flag' beaches and 4 'green flag' parks								
	84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life								
	87,854 recorded visits at four community trails								
Looking Forward: What we will do in 2021-22	<ul style="list-style-type: none"> • Continue to develop the district's bid to achieve UNESCO Global Geopark designation • Invest in new facilities at Kilbroney Park and Rostrevor Forest, Tyrella beach, Slieve Gullion Forest Park and Delamont Country Park • Retain green flag accreditation for Kilbroney Park, Slieve Gullion Forest Park, Warrenpoint Municipal Park and Newry Canal and heritage accreditation for Warrenpoint Municipal Park • Apply for green flag accreditation for Delamont Country Park and heritage accreditation for Newry Canal • Retain blue flag accreditation for Cranfield, Murlough and Tyrella beaches • Build three new play parks and upgrade two existing play parks 								

	<ul style="list-style-type: none"> Complete three new community trails Promote good visitor management across all Council parks and open spaces 					
How we will measure success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	2021-22 Target
Number of recorded visits at:						
Kilbroney Park*	447,616	453,704	454,848	584,148	-	No targets
Slieve Gullion Forest Park*	341,888	253,376	366,444	183,712		
Carlingford Lough Greenway**	-	40,219	73,138	47,005		
Warrenpoint Municipal Park	-	-	205,126	119,600	▽	143,500
Community trails	48,844	43,305	47,669	87,854	△	No target
Number of parks with green flag accreditation	2	3	3	4	△	5
Number of parks with green flag heritage accreditation	-	-	-	1	△	2
Number of beaches with blue flag accreditation***	3	3	3	2	▷	3
Level of satisfaction with the Council's forest parks	Baseline to be established					
Number of new/upgraded play parks****	-	17	9	0	▽	5
What you will see by March 2022	<ul style="list-style-type: none"> Improvements to the Council's parks, beaches and open spaces including effective visitor management arrangements UNESCO Global Geopark status achieved for the Mourne, Gullion, Strangford Five green flag awards and two green flag heritage awards for the Council's parks Three blue flag awards for the Council's beaches Five new/upgraded play parks and three new community trails 					
Alignment						
Corporate Plan 2021-23	<ul style="list-style-type: none"> Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities Support sustainable forms of tourism which value our environment and cultural heritage 					
Community Plan	<ul style="list-style-type: none"> All people in Newry, Mourne and Down enjoy good health and wellbeing All people in Newry, Mourne and Down benefit from prosperous communities 					
Programme for Government	<ul style="list-style-type: none"> We all enjoy long, healthy, active lives People want to live, work and visit here 					
7 aspects of improvement	Strategic effectiveness	Service quality	Fairness	Innovation		
Responsible Officer	Director: Enterprise, Regeneration and Tourism					
















*Number of recorded visits at Kilbroney Park and Slieve Gullion Forest Park are for the calendar years of 2017/2018/2019. 2020-21 visitor data is incomplete as new counter systems were installed and the annual datasets cannot be compared. The recorded number of visits at Warrenpoint Park reduced due to the closure of the park and reduced number of events/activities.

**2018-19 visitor numbers for the Carlingford Lough Greenway covers September 2018- March 2019.

***Whilst blue flag accreditation was awarded for the Council's three beaches in 2020-21, lifeguard services are not being offered at Murlough beach due to COVID-19 restrictions.

****There were no new or upgraded play parks in 2020-21 due to the COVID-19 pandemic.

Performance Improvement Objective 2

We will grow the economy by supporting local businesses and creating new jobs											
Why this matters	<p>You told us that:</p> <ul style="list-style-type: none"> • The impact of COVID-19 on businesses and employment is your top concern • To alleviate the impact of COVID-19, the Council should support local businesses, especially those which have been impacted most by lockdown restrictions • 'Supporting local businesses, attracting investment and jobs' is your top priority for improvement • Investment to grow the economy, create jobs and attract tourists is the most important form of investment • 93% of respondents to our survey agreed with this objective <p>The economic impact of COVID-19 is unparalleled and forecasters predict that economic output is unlikely to recover to pre-pandemic levels until 2022 at the earliest. The local sectoral concentrations of construction, manufacturing and retail suggests that Newry, Mourne and Down is likely to experience the fourth worst decline in terms of GVA and employment across Northern Ireland. Furthermore, across the District, many employees have been furloughed, there have been 500 confirmed redundancies and the claimant count for unemployment benefit has increased by 103% when compared to 2019.</p> <p>To support the economic recovery of the District, the Council has issued approximately 807 letters of offer, with a combined value of approximately £1.1m to assist local businesses as they navigate the impact of COVID-19. Through the Regeneration and Economic Development Strategy 2020-25, the Council will also work with partner organisations to unlock the rich potential of the District. Programmes such as 'Go For It', 'NMD Growth', 'Digital Growth', 'Tender for Growth' and 'SEAFLAG 2' will help new and established businesses to innovate, grow and expand, supporting the local economy to recover, reboot and rebuild in the years ahead.</p>										
Looking Back: What we did in 2020-21	<table border="1"> <tbody> <tr> <td style="text-align: center;"></td> <td>181 new business starts supported and 164 new jobs promoted through business start activity</td> </tr> <tr> <td style="text-align: center;"></td> <td>40 social enterprise businesses supported and 13 new social enterprise jobs created</td> </tr> <tr> <td style="text-align: center;"></td> <td>327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'</td> </tr> <tr> <td style="text-align: center;"></td> <td>5,004 mentoring hours, 22 workshops and 8 thematic programmes delivered through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'</td> </tr> <tr> <td style="text-align: center;"></td> <td>Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week</td> </tr> </tbody> </table>		181 new business starts supported and 164 new jobs promoted through business start activity		40 social enterprise businesses supported and 13 new social enterprise jobs created		327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'		5,004 mentoring hours, 22 workshops and 8 thematic programmes delivered through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'		Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week
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	Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week										
Looking Forward:	<ul style="list-style-type: none"> • Implement a District wide marketing campaign to revitalise our local economy and safely stimulate footfall across our District 										

What we will do in 2021-22	<ul style="list-style-type: none"> Support the creation of new businesses and promote new jobs through the NI 'Go for It' programme Invest in the social economy through the Social Enterprise programme Support local businesses and create new jobs through 'NMD Growth', 'Digital Growth', 'Tender for Growth' and 'Sales and Trade' Support the creation of new jobs and businesses in coastal areas through SEAFLAG 2 					
How we will measure success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	2021-22 Target
Number of business plans approved through NI 'Go For It'	245	300	298	266		312
Number of new business starts created through NI 'Go For It'	167	204	203	181		187
Number of new jobs promoted through NI 'Go For It'	168	184	183	164		>155
Number of social enterprise start-ups supported	12	9	10	40		12
Number of social enterprise jobs created	16	15	12	13		12
Number of businesses supported through 'NMD Growth'	New	79	198	198		128
Number of jobs created through 'NMD Growth'		11	24	36		64
Number of businesses supported through 'Digital Growth'	New programmes			90	-	90
Number of jobs created through 'Digital Growth'				5.5	-	50
Number of businesses supported through 'Tender for Growth'				39	-	81
Number of jobs created through 'Tender for Growth'				6	-	40
Number of businesses supported through 'Sales and Trade'				-	-	80
Number of jobs created through 'Sales and Trade'				-	-	40
Number of new jobs created in coastal areas (SEAFLAG 2)**	New programme	7	7	-	Mar 2023: 5.5	
Number of new businesses created in coastal areas (SEAFLAG 2)		1	1	-	Mar 2023: 2	
What you will see by March 2022	<ul style="list-style-type: none"> 312 entrepreneurs supported with an approved Business Plan and >155 new jobs promoted through the NI 'Go For It' programme 12 social enterprise start-ups supported and 12 social enterprise jobs created 379 businesses supported and 194 jobs created through the 'NMD Growth', 'Digital Growth' and 'Tender for Growth' and 'Sales and Trade' programmes The social economy and fishing dependent communities benefit from inward investment and growth 					

	<ul style="list-style-type: none"> • More support for new and established local businesses and more employment opportunities across the District • The economic recovery of Newry, Mourne and Down is underway, as the District becomes more economically active and prosperous 			
Alignment				
Corporate Plan 2021-23	<ul style="list-style-type: none"> • Invest in and support new and growing businesses, job creation and employment skills 			
Community Plan	<ul style="list-style-type: none"> • All people from Newry, Mourne and Down benefit from prosperous communities 			
Programme for Government	<ul style="list-style-type: none"> • Everyone can reach their potential • Our economy is globally competitive, regionally balanced and carbon neutral • People want to live, work and visit here 			
7 aspects of improvement	Strategic effectiveness	Service quality	Service availability	Innovation
Responsible Officer	Director: Enterprise, Regeneration and Tourism			

*There was a dip in performance during Q1 2020-21 which is attributed directly to the Covid-19 pandemic.

**SEAFLAG 2 includes year on year cumulative results for each performance indicator.

Performance Improvement Objective 3

We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents									
Why this matters	<p>You told us that:</p> <ul style="list-style-type: none"> • Dog mess and dog fouling is your top perceived problem • Rubbish or litter lying around is a problem for many of you, particularly those living in urban areas • To alleviate the impact of COVID-19, the Council should continue to keep the local environment clean, ensure dog fouling is kept to a minimum and reduce the perceived increase in littering • 98% of respondents to our survey agreed with this objective <p>Between 2018-19 and 2019-20, the LEAMS* score for the District reduced from 72 to 64, which was partially attributed to higher levels of littering and dog fouling. Issues around street cleanliness continue to escalate, largely as a result of the increased number of fly tipping incidents reported to the Council and the prioritisation of the refuse collection service throughout the COVID-19 pandemic.</p> <p>This approach has often resulted in the provision of a reduced street cleansing service. However, the Council remains committed to collaborating with partner organisations and local communities to address ongoing issues around littering and fly tipping and promote responsible dog ownership. Illicit dumping is a crime and the continued implementation of the Dog Fouling Strategy and Enforcement Improvement Plan will help generate local pride in having a cleaner, greener District for everyone to enjoy.</p>								
Looking Back: What we did in 2020-21	<table border="1"> <tbody> <tr> <td style="text-align: center;"></td> <td>Continued to issue fixed penalty notices and support community clean ups</td> </tr> <tr> <td style="text-align: center;"></td> <td>Achieved an average recycling rate of 53.3%</td> </tr> <tr> <td style="text-align: center;"></td> <td>60 schools participated in the calendar poster competition and 6,000 copies of the calendar were printed</td> </tr> <tr> <td style="text-align: center;"></td> <td>15 schools attended the virtual teachers Eco-Schools Information event in December</td> </tr> </tbody> </table>		Continued to issue fixed penalty notices and support community clean ups		Achieved an average recycling rate of 53.3%		60 schools participated in the calendar poster competition and 6,000 copies of the calendar were printed		15 schools attended the virtual teachers Eco-Schools Information event in December
	Continued to issue fixed penalty notices and support community clean ups								
	Achieved an average recycling rate of 53.3%								
	60 schools participated in the calendar poster competition and 6,000 copies of the calendar were printed								
	15 schools attended the virtual teachers Eco-Schools Information event in December								
Looking Forward: What we will do in 2021-22	<ul style="list-style-type: none"> • Address issues around littering, fly tipping and dog fouling by: <ul style="list-style-type: none"> - Implementing the Dog Fouling Strategy and Enforcement Improvement Plan - Promoting responsible dog ownership through publicity campaigns and dog licenses - Working with Louth County Council to raise awareness of the impact of fly tipping along the border area - Encouraging residents to bring properly sorted surplus recyclable waste to our Household Recycling Centres • Launch the 'mobile app' to enable officers to record incidents of environmental crime across the District • Support local community clean ups, in line with COVID-19 guidance 								

<ul style="list-style-type: none"> Participate in the Keep NI Beautiful 'Live Here Love Here' campaign 						
How we will measure success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	2021-22 Target
LEAMS score (Keep NI Beautiful Cleanliness Index)	72	72	64	-		68
Number of fixed penalty notices issued (littering, fly tipping and dog fouling)	72	54	83	52		90
Number of fixed penalty notices paid (littering, fly tipping and dog fouling)	58	50	72	21		72
Number of community clean ups supported**	100	100	94	33		60
Number of 'Live Here Love Here' environmental projects	16	27	34	24		No target
The percentage of household waste collected by District Councils that is sent for recycling	46.1%	51.4%	53.7%	(Q1-Q3) 53.3%	 	50% by 2020
The amount of biodegradable Local Authority Collected Municipal Waste that is landfilled	2,612t	1,846t	2,131t	(Q1-Q3) 1,777t	 	<20,954 tonnes (2019-20)
The amount of Local Authority Collected Municipal Waste arisings	81,483t	82,136t	84,610t	(Q1-Q3) 65,583t		No target
What you will see by March 2022	<ul style="list-style-type: none"> Increase in the number of fixed penalty notices issued and paid Responsible dog ownership and reduced levels of dog fouling, fly tipping and littering Improved opportunities to report littering, fly tipping and dog fouling Opportunities to engage in community clean ups and participate in the 'Live Here Love Here' campaign The Council achieves landfill and recycling targets A cleaner, greener District, with improved civic and community pride 					
Alignment						
Corporate Plan 2021-23	<ul style="list-style-type: none"> Enhance, protect and promote our environment 					
Community Plan	<ul style="list-style-type: none"> All people from Newry, Mourne and Down benefit from a clean, quality and sustainable environment 					
Programme for Government	<ul style="list-style-type: none"> We live and work sustainably - protecting the environment 					
7 aspects of improvement	Strategic effectiveness	Service availability	Innovation	Sustainability		
Responsible Officer	Director: Neighbourhood Services					













*Local Environmental Auditing Management System which is carried out by Keep Northern Ireland Beautiful.

**There has been a reduction in the number of fixed penalty notices issued and community clean ups supported due to the COVID-19 pandemic and social restrictions.

***The Q1-Q3 2020-21 data for the statutory waste management performance indicators remains provisional and will be finalised when the year-end data is validated and published by DAERA.

****The 2019-20 NI Landfill Allowance Scheme (NILAS) target has been included as the Council awaits more up to date targets from DAERA.













Performance Improvement Objective 4



We will build the capacity of local communities through the Financial Assistance Scheme									
Why this matters	<p>You told us that:</p> <ul style="list-style-type: none"> • The impact of COVID-19 on 'mental health and well-being' and 'vulnerable, isolated and lonely' residents are amongst your top concerns • To alleviate the impact of COVID-19, the Council should support community groups and charities • 'Improving community relations and safety, reducing crime and anti-social behaviour' is the third highest priority for improvement for residents • 95% of respondents to our survey agreed with this objective <p>The Council remains committed to building the capacity of local communities, enabling them to have a voice in shaping the future of their District. Through the Financial Assistance Scheme, local communities are empowered to address local issues using public funds. Since 2015-16, the Council has awarded £6.5m to 2,277 applications across a range of thematic areas including community engagement, summer schemes and festivals.</p> <p>In recognition of the impact of the COVID-19 pandemic on mental health and well being, the Council supplemented the 2020-21 Financial Assistance Scheme with the thematic areas of 'suicide prevention', 'COVID-19' and 'COVID response and recovery'. Over £10,000 was awarded to 11 applications to support suicide prevention and a further £76,630 was awarded to 58 applications to assist local communities in recovering from the impact of COVID-19. Each of the projects funded, which included 'holiday hunger support', 'community kitchen', 'feeding families' and 'friendship café', have been instrumental in building local capacity and generating a sense of pride across Newry, Mourne and Down.</p> <p>Going forward, the number of projects funded may reduce as applications are now scored and ranked, in line with the new Financial Assistance Policy, and demand for funding generally exceeds the level of funding available.</p>								
Looking Back: What we did in 2020-21	<table border="0"> <tr> <td style="text-align: center;"></td> <td>£731k awarded to 377 projects across 16 thematic areas</td> </tr> <tr> <td style="text-align: center;"></td> <td>Electronic Grant Management System launched and online training module developed</td> </tr> <tr> <td style="text-align: center;"></td> <td>Newry, Down and Kilkeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020</td> </tr> <tr> <td style="text-align: center;"></td> <td>18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers</td> </tr> </table>		£731k awarded to 377 projects across 16 thematic areas		Electronic Grant Management System launched and online training module developed		Newry, Down and Kilkeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020		18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers
	£731k awarded to 377 projects across 16 thematic areas								
	Electronic Grant Management System launched and online training module developed								
	Newry, Down and Kilkeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020								
	18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers								
Looking Forward:	<ul style="list-style-type: none"> • Launch 3 financial assistance calls across 19 thematic areas to support the delivery of community led projects 								

What we will do in 2021-22	<ul style="list-style-type: none"> Continue to promote and roll out the Electronic Grant Management System Deliver online training and capacity building to support local voluntary and community groups in applying for financial assistance 					
How we will measure success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Trend	2021-22 Target
% of successful financial assistance applications*	68%	71%	71%	72%		74%
% of financial assistance applications funded*	68%	71%	71%	64%		No target
Number of views of the online training module	New performance measure					100
Number of online capacity building sessions delivered	New performance measure					2
Number of participants/beneficiaries of the Financial Assistance Scheme	New performance measure (baseline to be established)					
What you will see by March 2022	<ul style="list-style-type: none"> Circa £1.2m awarded to local voluntary and community groups through the Financial Assistance Scheme Improved and accessible training and support when applying for financial assistance Voluntary and community groups are supported in meeting their objectives and delivering projects across a range of themes Representatives from the community and voluntary sector are empowered to have a voice and shape the future of their area Improved community capacity and cohesion across Newry, Mourne and Down 					
Alignment						
Corporate Plan 2021-23	<ul style="list-style-type: none"> Enable and support people to engage in inclusive and diverse activities in their communities 					
Community Plan	<ul style="list-style-type: none"> All people in Newry, Mourne and Down live in respectful, safe and vibrant communities 					
Programme for Government	<ul style="list-style-type: none"> We have an equal and inclusive society where everyone is valued and treated with respect We have a caring society that supports people throughout their lives 					
7 aspects of improvement	Strategic effectiveness	Service availability	Fairness	Innovation		
Responsible Officer	Director: Active and Healthy Communities					

*The methodology for scoring specific themes within the Financial Assistance Scheme was reviewed in 2020-21 and the success rate of the applications funded reduced as some themes were scored and ranked, based on the funding available.

Performance Improvement Objective 5

We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme						
Why this matters	<p>Delivering a more efficient and effective Planning Service for customers is a key priority for improvement for the Council. Planning plays a significant role in promoting sustainable development, regeneration, economic prosperity, investment and job creation for present and future generations of our District. 98% of respondents to our survey also agreed with this objective.</p> <p>The implementation of the Planning Service Improvement Programme is well underway. Despite the challenges presented by the COVID-19 pandemic, significant progress is being made in establishing and embedding modern, agile and responsive ways of working. However, as the number of planning applications received by the Council continues to rise, we remain committed to improving the processing times of local and major planning applications and enforcement cases, and providing a high quality service to all customers.</p>					
Looking Back: What we did between April-December 2020		Processed 39.2% of planning enforcement cases within 39 weeks, which is below the regional average of 69.2%				
		Average processing time of 19.6 weeks for local planning applications, which is above the regional average of 17.8 weeks				
		Average processing time of 64.6 weeks for major planning applications, which is above the regional average of 61.8 weeks				
		Received 1,177 planning applications and decided on 1,038, which is the highest across Northern Ireland				
		Reduced the number of live enforcement cases, particularly those in the system for more than 12 months				
Looking Forward: What we will do in 2021-22	<ul style="list-style-type: none"> Reduce the number of live planning applications and enforcement cases which have been in the system for over 12 months Work with agents and architects to improve the standard of planning applications submitted Support employees to deliver service improvements through ongoing training, capacity building and 'planning surgeries' 					
How we will measure success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Q1/Q2/Q3 Actual	Status Trend	2021-22 Target
Average processing time for local planning applications (weeks)	17	18	20.6	19.6	 	<15 weeks
Average processing time of major planning applications (weeks)	127.6	76.6	94	64.6	 	<30 weeks
Percentage of planning enforcement cases progressed within 39 weeks	59.9%	52.9%	36.2%	39.2%	 	70%
Number of planning applications in the system for 12 months or more	197	224	183	187		150

Number of planning applications in the system for 12 months or less	675	800	685	788		700
Number of enforcement cases in the system 12 months or more	571	734	620	551		450
What you will see by March 2022	<ul style="list-style-type: none"> • A more efficient and effective planning service • Improved processing times for local and major planning applications • Improved processing times for planning enforcement cases • Reduction in the number of live planning applications and enforcement cases in the system • An empowered and motivated workforce • Increased confidence in the Planning system • Sustainable development and regeneration of the District 					
Alignment						
Corporate Plan 2021-23	<ul style="list-style-type: none"> • Provide accessible, high quality and integrated services through continuous improvement 					
Community Plan	<ul style="list-style-type: none"> • All people in Newry, Mourne and Down benefit from prosperous communities 					
Programme for Government	<ul style="list-style-type: none"> • People want to live, work and visit here 					
7 aspects of improvement	Strategic effectiveness	Service availability	Sustainability	Efficiency		
Responsible Officer	Director: Enterprise, Regeneration and Tourism					

*Annual planning figures will be validated by the Department for Infrastructure and published through the Annual Report 2021-22.

Strategic Alignment

Performance Improvement Objective	Corporate Objective(s)	Community Planning Outcome(s)	Duty of Improvement
We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces	Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities Support sustainable forms of tourism which value our environment and cultural heritage	All people in Newry, Mourne and Down enjoy good health and wellbeing All people in Newry, Mourne and Down benefit from prosperous communities	Strategic effectiveness Service quality Fairness Sustainability
We will grow the economy by supporting local businesses and creating new jobs	Invest in and support new and growing businesses, job creation and employment skills	All people from Newry, Mourne and Down benefit from prosperous communities	Strategic effectiveness Service quality Service availability Innovation
We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents	Enhance, protect and promote our environment	All people from Newry, Mourne and Down benefit from a clean, quality and sustainable environment	Strategic effectiveness Service availability Innovation Sustainability
We will build the capacity of local communities through the Financial Assistance Scheme	Enable and support people to engage in inclusive and diverse activities in their communities	All people in Newry, Mourne and Down live in respectful, safe and vibrant communities	Strategic effectiveness Service availability Fairness Innovation
We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme	Provide accessible, high quality and integrated services through continuous improvement	All people in Newry, Mourne and Down benefit from prosperous communities	Strategic effectiveness Service availability Service quality Efficiency

Statutory Performance Indicators and Standards

Section 89 of the Local Government Act (NI) 2014 requires the Council to publish the results of the performance indicators and standards that are set by central government around economic development, planning and waste management.

The seven statutory performance indicators and standards, as outlined in the Local Government Performance Indicators and Standards Order (2015), are set out below:

Ref	Statutory Performance Indicator	Annual Standard
Economic Development		
ED1	The number of jobs promoted through business start-up activity	>155
Planning		
P1	The average processing time of major planning applications	<30 weeks
P2	The average processing time of local planning applications	<15 weeks
P3	The percentage of enforcement cases processed within 39 weeks	70%
Waste Management		
W1	The percentage of household waste collected by District Councils that is sent for recycling (including waste prepared for reuse)	50% by 2020
W2	The amount (tonnage) of biodegradable Local Authority Collected Municipal Waste that is landfilled	<20,954 tonnes (2019-20 target)
W3	The amount (tonnage) of Local Authority Collected Municipal Waste arisings	85,500 tonnes

The Council has put in place the following arrangements to monitor progress against the standards set for the statutory performance and indicators:

- Inclusion within the Performance Improvement Plan, with progress being monitored on a bi-annual basis by the Strategy, Policy and Resources Committee and Audit Committee.
- Inclusion within Directorate Business Plans, with progress being monitored on a bi-annual basis by the relevant Council Committee.
- Data submissions to Government Departments, with reports being issued to monitor the performance of each Council, outlining regional trends and comparisons.

Self Imposed Performance Indicators

The Council has identified the following self imposed performance indicators to measure progress in delivering the Corporate Plan 2021-23.

Corporate Objective	Measure of Success
Invest in and support new and growing businesses, job creation and employment skills	Number of jobs created and businesses supported through Council programmes
	Number of jobs promoted through business start-up activity
	Amount of investment secured by Council
Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities	Number of people participating in targeted health programmes
	Attendance at free play sessions
	Number of attendances at Council indoor leisure facilities
Enhance, protect and promote our environment	Level of street cleanliness across the District (Keep Northern Ireland Beautiful Street Cleanliness Index)
	65% of municipal waste recycled by 2030
	Level of compliance with Sustainable Development Duty
Support sustainable forms of tourism which value our environment and cultural heritage	Increased visitor spend
	Increased overnights stays
	Increased visitor satisfaction
Enable and support people to engage in inclusive and diverse activities in their communities	Percentage of residents who agree that their local area is a place where people from different backgrounds get on well together
	Percentage of residents who agree that the Council consults with and listens to the views of local people
	Percentage of residents who feel they can have a say on how services are delivered in their local area
	Number and percentage of financial assistance projects funded and successfully delivered
Promote the revitalisation of our city, towns, villages and rural communities	Progress against key Belfast City Region Deal projects
	Number of public realm schemes delivered
	Increased business growth and employment
Provide accessible, high quality and integrated services through continuous improvement	Increased citizen satisfaction
	Compliance with the Duty of Improvement

<p>Advocate with others for the benefit of all people of the District</p>	<p>Compliance with the Duty of Community Planning / monitor delivery of outcomes with partners</p> <p>Percentage of residents who are satisfied with their local area as a place to live</p>
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The Council has put in place the following arrangements to monitor progress against the self imposed performance indicators:

- Inclusion within the Performance Improvement Plan, with progress being monitored by the Strategy, Policy and Resources Committee and Audit Committee through the annual Assessment of Performance.
- Some performance indicators are included within Directorate Business Plans, with progress being monitored on a bi-annual basis by the relevant Council Committee.

These performance indicators are aligned to community planning outcomes. This will ensure the Council continues to address the needs and aspirations of local communities and deliver sustainable outcomes for all, now and in the future.

Identifying the Performance Improvement Objectives 2021-22

The performance improvement objectives 2021-22 have been developed in close liaison with elected members, Senior Management Team, Corporate Management Team and employees across the organisation. Each objective is underpinned by a suite of 'supporting actions' and 'measures of success'. They are clearly aligned to the Community Plan and Corporate Plan 2021-23, as well as other regional and local plans, particularly the Council's Business Plans which have been developed by each Directorate. These plans influence and guide the overall direction of travel for the organisation.

- Draft Programme for Government
- Community Plan for Newry, Mourne and Down 2017-2030, Priority Actions Areas and District Electoral Area (DEA) Action Plans
- Newry, Mourne and Down District Council Corporate Plan 2021-23
- Thematic plans and strategies, including the IT Strategy and Regeneration and Economic Development Strategy
- Annual Directorate Business Plans 2021-22

The Council has also taken into consideration performance information from the following sources to support the development of the performance improvement objectives:

- The Northern Ireland Audit Office Audit and Assessment Reports and the 'proposals for improvement', which are currently being progressed
- The Assessment of Performance 2019-20, including progress against corporate priorities, performance improvement objectives and statutory performance indicators and standards for economic development, planning and waste management

Community Plan for Newry, Mourne and Down

The Community Plan has been developed and agreed by the Community Planning Partnership Board. Entitled 'Living Well Together', the Community Plan provides a framework for collaborative working to deliver positive change for our communities, and sets out the following long term overarching vision for the District:

'Newry, Mourne and Down is a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs'.

The Community Plan sets out the following five positive outcomes:

Our Outcomes

These are the positive outcomes we all wish to see in our community.



Newry, Mourne and Down District Council Corporate Plan 2021-23

The Corporate Plan 2021-23 sets out the following mission statement and eight strategic objectives:

Council Mission Statement

'To support and advocate for a welcoming District which is progressive, healthy and sustainable, providing better economic, environmental and social outcomes for all'

Council Strategic Objectives

 <p>Invest in and support new and growing businesses, job creation and employment skills</p> <p>We will facilitate investment by new and growing businesses while contributing to the further development of workforce skills to retain existing and attract new industries.</p>	 <p>Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities</p> <p>We will help to reduce health inequalities and improve the quality of life for all by contributing fully to programmes, services, facilities and amenities.</p>
 <p>Enhance, protect and promote our environment</p> <p>We will contribute to tackling climate breakdown and reducing harmful impacts on the environment while enabling residents and visitors to enjoy our rich natural and built heritage.</p>	 <p>Support sustainable forms of tourism which value our environment and cultural heritage</p> <p>We will support and advocate for increased investment and development in tourism which promotes our unique assets and increases visitor satisfaction and spend.</p>
 <p>Enable and support people to engage in inclusive and diverse activities in their communities</p> <p>We will encourage people to play an active part in civic life in all its forms and develop the capacity of communities, particularly those in greatest need, to attract the right support to address needs and sustain valued projects and facilities</p>	 <p>Promote the revitalisation of our city, towns, villages and rural communities</p> <p>We will work with residents, businesses and our partners in regeneration to further develop desirable places to live, work, invest in and visit across the District.</p>



Provide accessible, high-quality and integrated services through continuous improvement

We will build a high performing Council, fit for the future, that delivers efficient and effective services for the benefit of all



Advocate with others for the benefit of all people of the District

We will lobby and campaign with government and others to attract investment, develop modern infrastructure across the District, address needs and improve the quality of life for all.

Alignment with the Strategic Aspects of Improvement

In accordance with the Local Government Act (NI) 2014, each performance improvement objective seeks to bring about improvement in at least one of the following aspects:

- Strategic effectiveness
- Service quality
- Service availability
- Fairness
- Sustainability
- Efficiency
- Innovation

The table below outlines how Newry, Mourne and Down District Council's performance improvement objectives 2021-22 are aligned with the seven specified aspects of improvement:

Performance Improvement Objective	Seven Aspects of Improvement						
	Strategic Effectiveness	Service Quality	Service Availability	Fairness	Sustainability	Efficiency	Innovation
We will promote healthier lifestyles by increasing participation in physical activity	✓	✓		✓			✓
We will grow the economy by supporting local businesses and creating new jobs	✓	✓	✓				✓
We will improve the cleanliness of our District by reducing littering, fly tipping and dog fouling	✓		✓		✓		✓
We will build the capacity of local communities through the Financial Assistance Scheme and DEA Forum initiatives	✓		✓	✓			✓
We will improve the average processing times of planning applications and enforcement cases by implementing the recommendations from the Planning Service Review	✓		✓		✓	✓	

The Council has also assessed the performance improvement objectives against the following criteria, and considers them to be:

- Legitimate
- Clear
- Robust
- Deliverable
- Demonstrable

Equality Screening and Rural Needs Impact Assessment

In accordance with the Section 75 requirements of the Northern Ireland Act (1998), whereby the Council must carry out its functions having due regard to the need to promote equality of opportunity and regard for the desirability to promote good relations, the Performance Improvement Plan has been subject to an equality screening. The outcome of the equality screening process determined that the Performance Improvement Plan 2021-22 is not subject to an equality impact assessment, with no mitigating measures required.

In accordance with the Rural Needs Act Northern Ireland (2016), the Council has given due regard to rural needs by carrying out a Rural Needs Impact Assessment of the Performance Improvement Plan 2021-22.

Consultation and Engagement

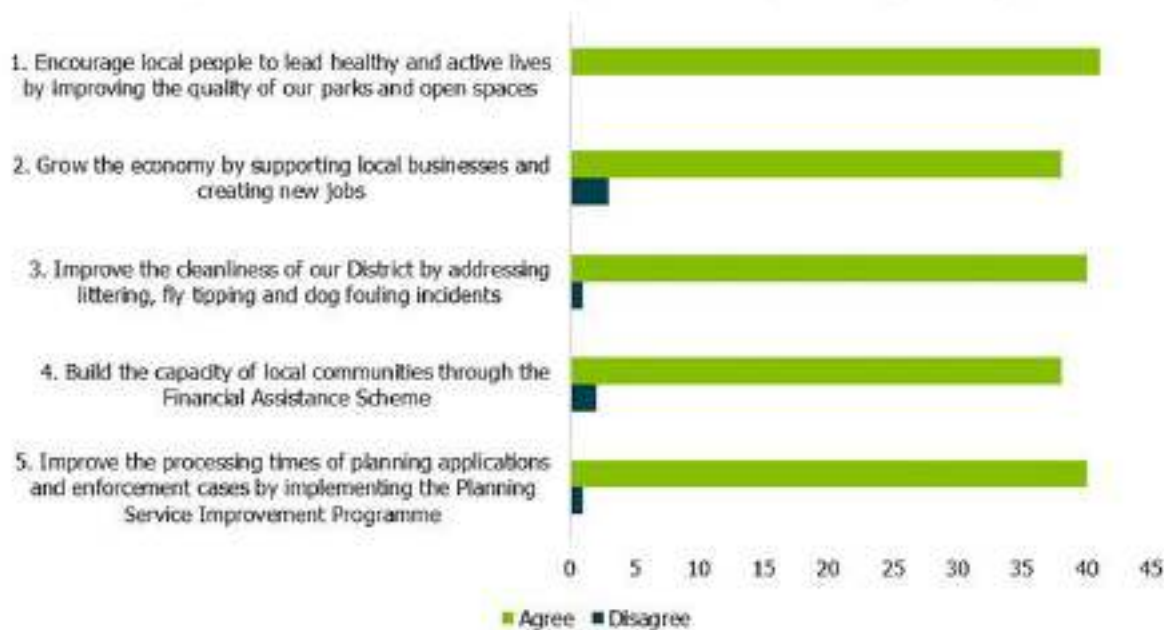
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The Council is committed to listening to local people and taking on board their views. Since 2017, the Council has carried out extensive consultation and engagement, inviting key stakeholders, including elected members, residents, local businesses and community planning partners to put forward their views on the proposed performance improvement objectives. This year, the consultation and engagement process resulted in 41 completed surveys and engagement with 100 stakeholders. This response has been supplemented by the input of 1,345 respondents to the consultation on COVID-19 and the Corporate Plan in 2020 and Residents Survey in 2018.

Electronic documentation and survey on the draft performance improvement objectives 2021-22 on the Council's website and social media platforms	41 respondents
Engagement with the: <ul style="list-style-type: none"> Seven District Electoral Area Forums which are made up of Elected Members and independent members representing the voluntary, community and business sectors Section 75 groups, including the Older Persons Forums in Newry and Downpatrick, Newry and Mourne Youth Council and Cedar Foundation 	100 consultees
Electronic survey and focus groups on the impact of COVID-19 and the Corporate Plan 2021-23 (September 2020)	560 respondents to survey 21 participants in focus groups
Residents Survey (September 2018)	764 respondents

The consultation responses revealed widespread support for the proposed performance improvement objectives, with almost all respondents agreeing with each of the five objectives.

Agreement on Performance Improvement Objectives (2021/22)



The areas for improvement and issues raised through the overall consultation and engagement processes are clearly aligned to the five performance improvement objectives 2021-22, and will be addressed through the Performance Improvement Plan, and as part of the Council’s business planning process.

Achieving Continuous Improvement

Transforming and improving how the Council delivers services is a key objective within the Corporate Plan. Newry, Mourne and Down District Council is committed to developing a 'can do' culture, where managing performance and achieving improvement is everyone's responsibility. In pursuing the corporate vision and objectives, the Council has identified the following three core values:

We will be:	What this means:
Accountable	We will be accountable for how we plan for and use resources sustainably
Collaborative	We will work in partnership with others
Transparent	We will be transparent in how we make decisions

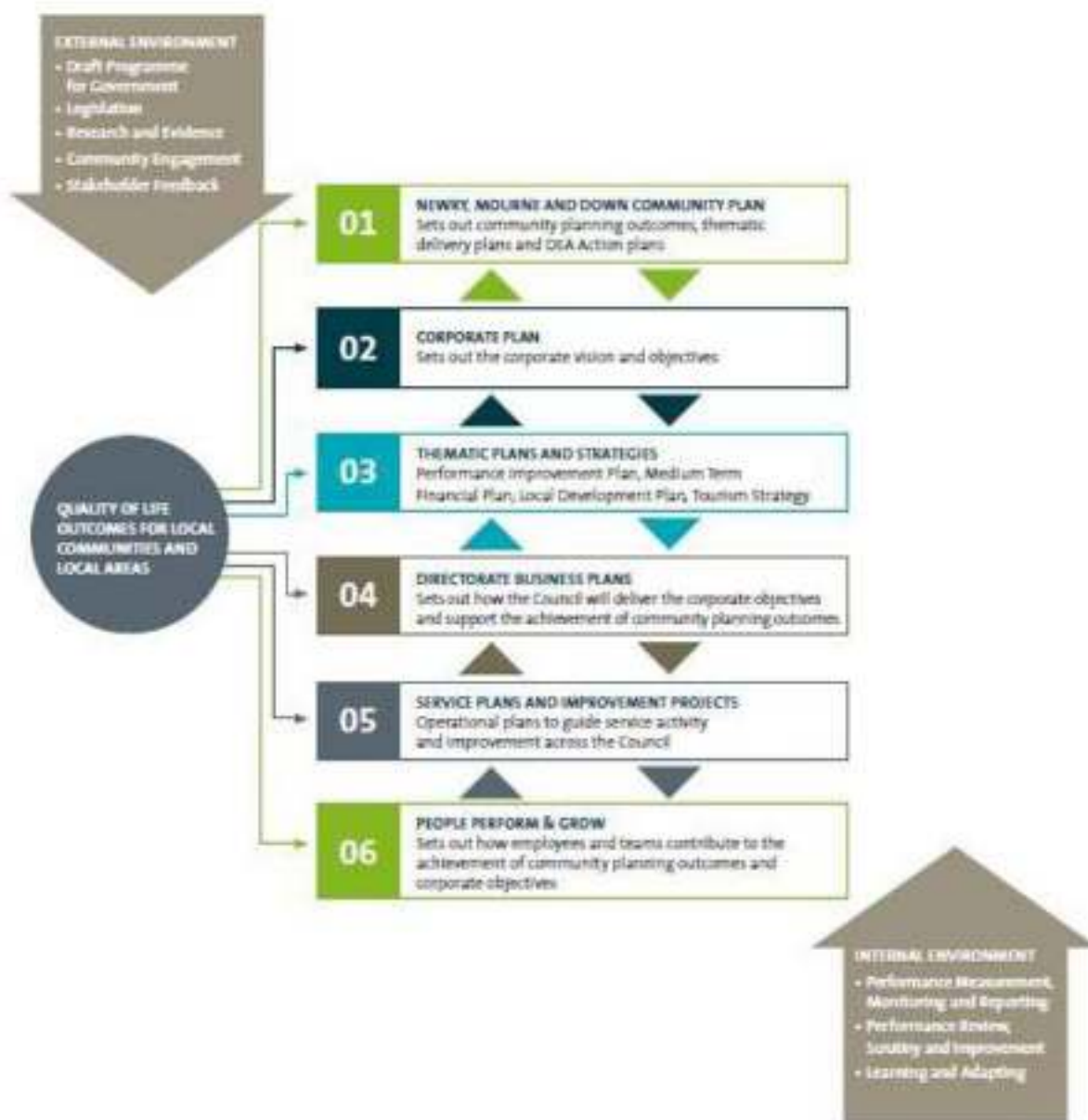
The Council has put in place a number of frameworks and systems to drive forward continuous improvement and facilitate a performance improvement culture. These include the Business Planning and Performance Management Framework, Policy Development Framework, Equality Scheme, Governance Framework and Risk Management Policy.

The Council also assesses how performance compares with other Councils. Newry, Mourne and Down District Council is working with the Association of Public Service Excellence to benchmark performance against the performance of Councils across Northern Ireland and other jurisdictions. This information is being used to collate a robust and reliable evidence base, in order to identify and address future areas for improvement.

The Performance Improvement Plan underpins the Council's overall approach to effective performance management. It supports the Council in identifying more efficient and effective ways of working to facilitate the achievement of community planning outcomes, corporate objectives and Directorate objectives, which together support the implementation of the Business Planning and Performance Management Framework.

Business Planning and Performance Management Framework

The Council’s Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate objectives and performance improvement objectives are being delivered, with the primary goal of making life better for our citizens.



The Community Plan and Corporate Plan sit within a hierarchy of plans that informs the Council’s overall direction of travel and guides all activity within the organisation. Community planning outcomes and corporate objectives are cascaded across the organisation through thematic plans and strategies and Directorate Business Plans. Performance indicators continue to be developed at all levels across the Business Planning and Performance Management Framework, in order to ensure performance is measured, monitored and evaluated on a continuous basis.

During 2021-22, the Council will progress the development of Service Plans and roll out of Individual Performance (People Perform Grow), both of which seek to demonstrate the 'line of sight' between the work of employees and how they contribute to the achievement of community planning outcomes and corporate objectives.

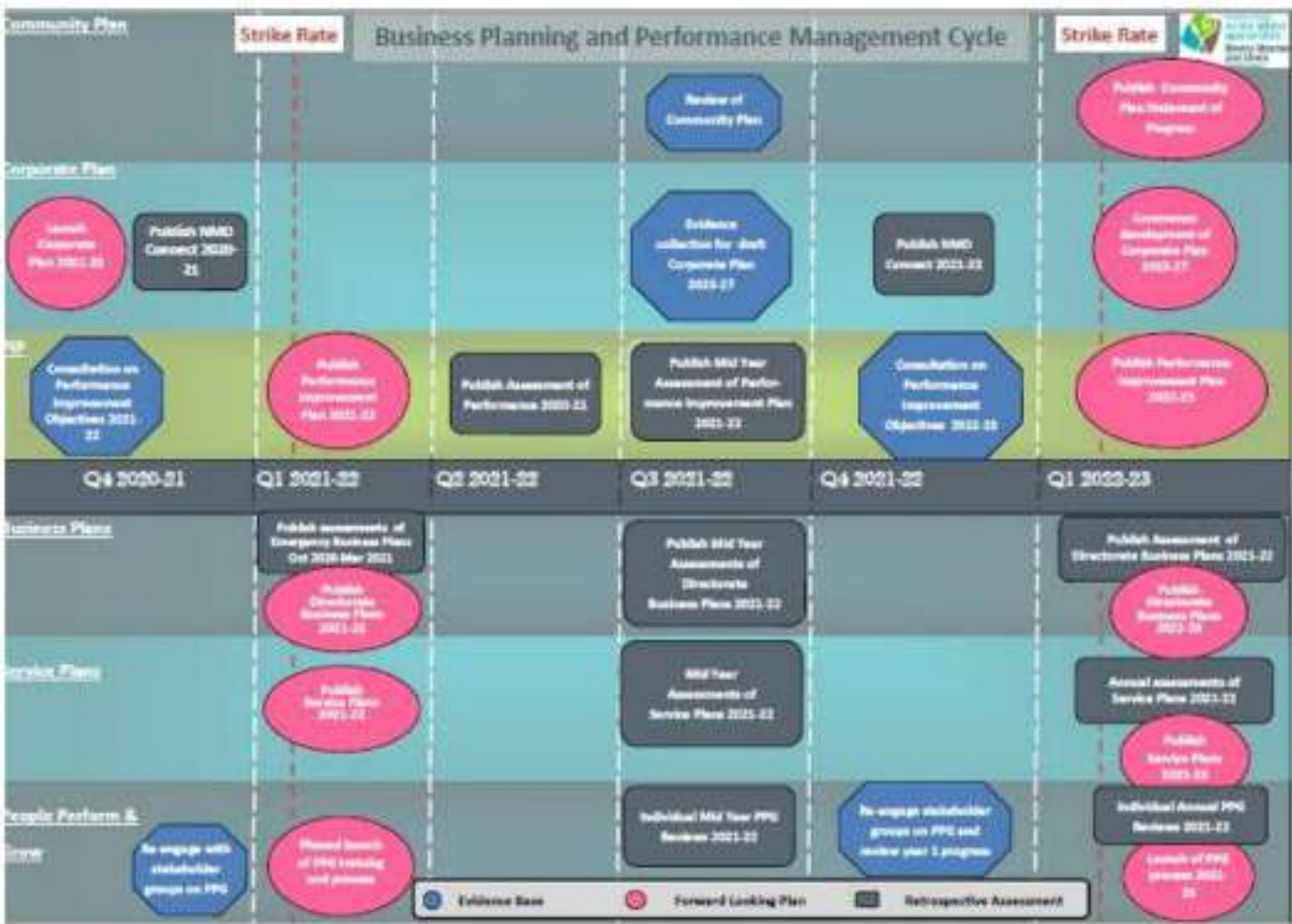
Through the Business Planning and Performance Management Framework, the Council will manage performance at all levels across the organisation, in order to ensure the necessary steps are taken to secure continuous improvement in the exercise of functions. Each level of the Business Planning and Performance Management Framework is, and will be, accompanied by a relevant set of performance measures to monitor and assess the Council's progress in improving the quality of life for local communities.

The table below provides a description of the various plans and strategies that form part of the Council's Business Planning and Performance Management Framework.

Community Plan	The Community Plan for Newry, Mourne and Down sets out the long-term vision for improving the economic, social and environmental wellbeing of the District. Developed in collaboration with partners across the statutory, business and voluntary sectors, the Community Plan is underpinned by Priority Actions Areas and seven DEA Action Plans, which seek to deliver the five community planning outcomes at a local level. Progress in implementing the Community Plan is reviewed on a biennial basis.
Corporate Plan	The Corporate Plan 2021-23 sets out the vision, values and strategic objectives for the Council. Each strategic objective is underpinned by 'supporting actions' and 'measures of success'. Progress in delivering the Corporate Plan is reported annually through the NMD Connect Newsletter and Assessment of Performance.
Thematic Plans and Strategies	The Council has put in place a number of Thematic Plans and Strategies to support the implementation of the Community Plan and Corporate Plan, including the Performance Improvement Plan, Medium Term Financial Plan and Regeneration and Economic Development Strategy. These plans provide the strategic context for multiple programmes of work across the organisation.
Directorate Business Plans	Business Plans are developed annually to demonstrate how Directorates contribute to the achievement of community planning outcomes, corporate objectives and performance improvement objectives. Directorate Business Plans include suites of key performance measures to measure progress and drive continuous improvement, with performance being monitored and reviewed bi-annually by the relevant Committee.
Service Plans and Improvement Projects	Service Plans and Improvement Projects are operational and set out the direction for service areas across the Council. They outline how each service contributes to the delivery of community planning outcomes, corporate objectives and performance improvement objectives, include key performance measures and provide a mechanism to manage performance consistently across the organisation.

People Perform Grow
 The Council recognises the significant role employees play in contributing to the achievement of the Community Plan, Corporate Plan, Thematic Plans and Strategies, Directorate Business Plans and Service Plans. People Perform Grow will demonstrate the link between the work of employees and how they contribute to the achievement of key plans and strategies, as well as the outcomes experienced by local communities.

The Business Planning and Performance Management Framework is complemented by the integrated cycle of activity outlined in the diagram below.



Governance Arrangements

Reviewing performance and reporting progress to elected members and other key stakeholders is very important, as it facilitates transparency, accountability and improvement in everything the Council does. The governance arrangements to develop, monitor, report and review the Council's progress in implementing the Performance Improvement Plan 2020-21 are outlined below:



The Council must publish an Assessment of Performance by 30 September 2021 which will provide an overview of how the Council has performed during 2020-21. The Assessment of Performance will be published on the Council's website and is supplemented by the Mid Year Progress Report for the Performance Improvement Plan 2021-22.



















The arrangements the Council has put in place to secure continuous improvement are subject to an annual audit and assessment by the Northern Ireland Audit Office. The outcome of the Performance Audit and Assessment is expected in November 2020. Subject to the General Duty of Improvement being met, the Northern Ireland Audit Office will issue a Letter of Assurance to both the Council and Department for Communities.




















Performance Improvement Objectives 2017-20




A snapshot of the past three years

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In 2017-18, the Council set performance improvement objectives which were medium term and carried forward to 2018-19 and 2019-20. Many of the supporting actions and targets which underpin these objectives, have now been achieved, and all performance improvement objectives have therefore been reviewed and updated for 2021-22.

Performance Improvement Objective	Key achievements 2017-20	Status Trend
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	Newry and Down Leisure Centres open and operational	
	12.7% increase in attendances at indoor leisure facilities / Target exceeded	
	73.5% customer satisfaction rating with indoor leisure facilities	
	3,516 children and young people took part in Community Play and other leisure initiatives	
	25,761 enrollments on Everybody Active 2020	
	Implementation of Play Strategy and Sports Facility Strategy well underway	
	Plans to develop the Albert Basin Park, Newry are progressing	
	The majority of residents are physically active for 30 minutes per week and are in good health	
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	574 new businesses and 535 jobs promoted through the NI Business Start Programme	
	31 social enterprise start ups created and 43 social enterprise jobs created	
	198 business supported through 'NMD Growth'	
	Employment rate increased from 65.6% to 73.6%	
	29 businesses supported and 133 jobs created through the Rural Business Investment Scheme	
	£2.3m secured to invest in the fishing dependent communities of Kilkeel, Annalong and Ardglass	
	Newry, Mourne and Down Economic Development Strategy 2020-25 adopted	
	Planning application for phase 2 of the Carlingford Lough Greenway submitted	
	113,357 pedestrians and cyclists used the Greenway since September 2018	
	The Giant Adventure Festivals attracted over 360,000 visitors with an average satisfaction rating of 96%	

	Decrease in tourist visitor numbers and spend	
Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in	Warrenpoint Municipal Park restored and re-opened, attracting 205,126 visitors in 2019-20	
	Newry/Warrenpoint Revitalisation Schemes and Downpatrick/Newry Hill Street Environmental Improvement Schemes complete	
	Forkhill Greenspace Project and Derrynore Demesne complete	
	45 Village Plans updated/created and 7 environmental improvement schemes complete	
	£15m awarded to FFNI Consortium to improve digital infrastructure*	
	Increased processing times for planning applications and enforcement cases	
	Create a cleaner, greener, more attractive District	LEAMS score of 64, which is below the regional average of 68
16 community groups participated in the Cleaner, Greener Communities initiative		
294 community clean ups supported		
347 visits to schools and community groups to deliver environmental awareness sessions		
Arrangements to monitor the refuse collection completion rate delayed		
Glass collection standardised across the District		
Downpatrick Household Recycling Centre open		
Increase in blue and brown bin recyclable waste		
7.6% increase in the rate of recycling, to 53.7%		
86% of residents state that recycling is important to them		
18.3% increase in the amount of waste going to landfill		
Encourage and empower local communities to participate in Council engagement structures and initiatives		Significant representation from the community, voluntary and business sectors on Council engagement structures
	1,310 meetings, events and programmes took place through Community Engagement Structures	
	Reduction in the number of Neighbourhood Watch Schemes, from 177 to 95	
	94% of residents feel safe during the day and 87% feel safe after dark	
	1,838 homes secured and 15,573 devices fitted through the Home Secure Scheme	
	277 service users received 45,391 calls through the 'Good Morning Good Neighbour Scheme' in 2019-20	

	£4.2m awarded to 1,385 applications through the Financial Assistance Scheme	
	47 community projects funded through four participatory budgeting schemes	
	4,924 recorded visits to the Ethnic Minority Support Centre	

*FFNI: Newry, Mourne and Down District Council hosts the Full Fibre Northern Ireland Consortium.

How to Propose New Performance Improvement Objectives

Newry, Mourne and Down District Council welcomes your ongoing feedback on the performance improvement objectives 2021-22, as well as any suggestions you may have on how services can be improved in the future.

The Council can be contacted in the following ways:

In writing: Kate Bingham
 Head of Performance and Improvement
 Newry, Mourne and Down District Council
 O'Hagan House
 Monaghan Row
 Newry
 Co Down
 BT35 8DJ

Telephone: 0300 013 2233

Email: kate.bingham@nmandd.org

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Oifig an Iúir
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Newry BT35 8DJ

Oifig Dhún Pádraig
Downpatrick Office
Downshire Civic Centre
Downshire Estate, Ardglass Road
Downpatrick BT30 6GQ

Newry, Mourne and Down District Council

Consultation and Engagement Report on
the Performance Improvement Objectives
2021-22



Introduction

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 and set performance improvement objectives for each financial year. Each Council also has a statutory duty to consult key stakeholders on the proposed performance improvement objectives.

Through the consultation and engagement process, five performance improvement objectives were considered and approved by the Strategy, Policy and Resources Committee in March 2021. This was followed by extensive consultation and engagement activity which encouraged key stakeholders, including residents and Elected Members to have their say on the proposed performance improvement objectives.

This report provides an overview of the consultation and engagement methodology and an analysis of the responses which were received.

Consultation and Engagement Activity

Between 15 March–10 May 2021, Newry, Mourne and Down District Council carried out an eight week consultation and engagement process with key stakeholders on the draft performance improvement objectives 2021-22, through the following mechanisms:

- Electronic documentation and survey on the Council's website and social media channels
- Public Notices in local newspapers
- Engagement sessions with the following stakeholders:
 - Seven District Electoral Area Forums
 - Older Persons Forums in Newry and Downpatrick
 - Newry and Mourne Youth Council
 - Cedar Foundation

This process was further supplemented by the consultation and engagement process which was carried out to support the development of the Corporate Plan 2021-23:

- Residents Survey (September 2018)
- Consultation and engagement on the Corporate Plan 2021-23 and impact of COVID-19 (September 2020)

Analysis Methodology

A total of 41 completed surveys were received in response to the consultation and engagement on the Council's draft performance improvement objectives 2021-22. Respondents were asked whether they agreed or disagreed with the draft

performance improvement objectives, if they had any comments to make regarding each objective and to put forward their suggested priorities for future improvement.

In carrying out the quantitative and qualitative consultation and engagement, a structured process was used to capture responses around each of the five draft performance improvement objectives 2021-22. This was supplemented by the consultation and engagement process outlined below, which:

- Provided 100 stakeholders with the opportunity to have their say on the proposed performance improvement objectives 2021-22.
- Engaged 1,345 stakeholders through the Residents Survey and consultation on COVID-19 and the Corporate Plan 2021-23

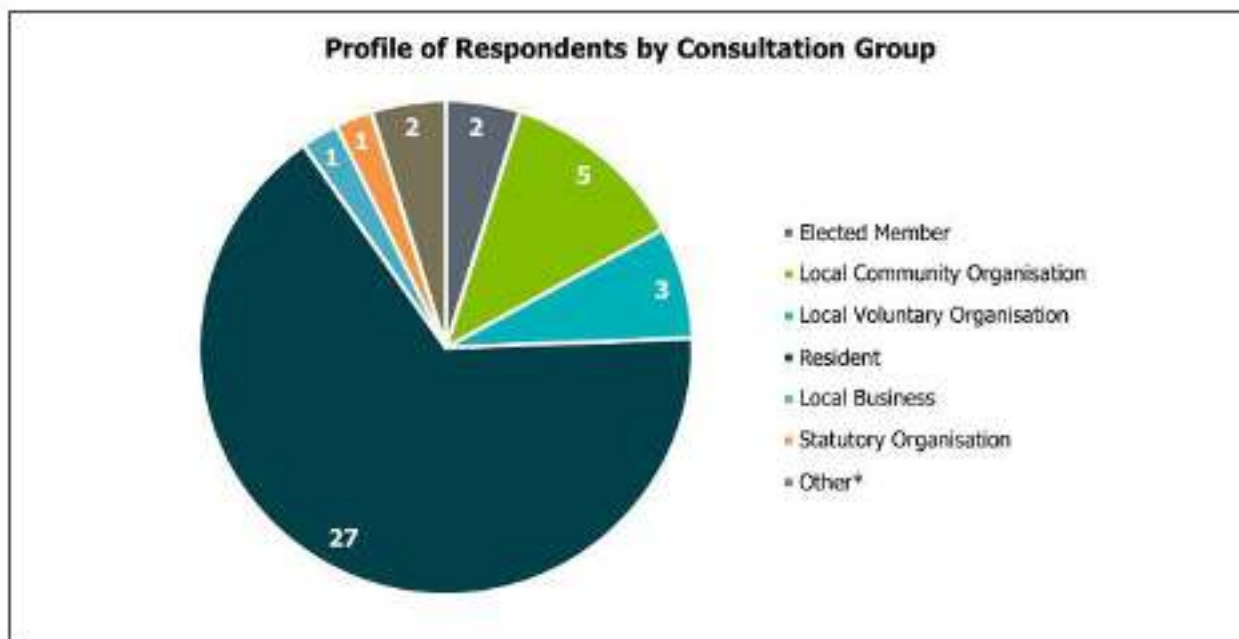
Consultation and Engagement	Details
Newry and Mourne Older Person's Forum	30 March 2021
Mournes DEA Forum	31 March 2021
Slieve Gullion DEA Forum	13 April 2021
Downpatrick DEA Forum	13 April 2021
Cedar Foundation User Forum	13 April 2021
Newry DEA Forum	15 April 2021
Crotlieve DEA Forum	20 April 2021
Slieve Croob DEA Forum	20 April 2021
Down Senior Forum	22 April 2021
Newry and Mourne Youth Council	11 May 2021
Residents Survey (September 2018)	764 residents aged 16+ with quotas applied for age, gender, social class and District Electoral Area
Consultation on COVID-19 and the Corporate Plan 2021-23 (September 2020)	560 individuals completed the online survey / 21 residents participated in three focus groups

Consultation and Engagement Findings

Performance Improvement Objectives 2021-22

Profile of Respondents

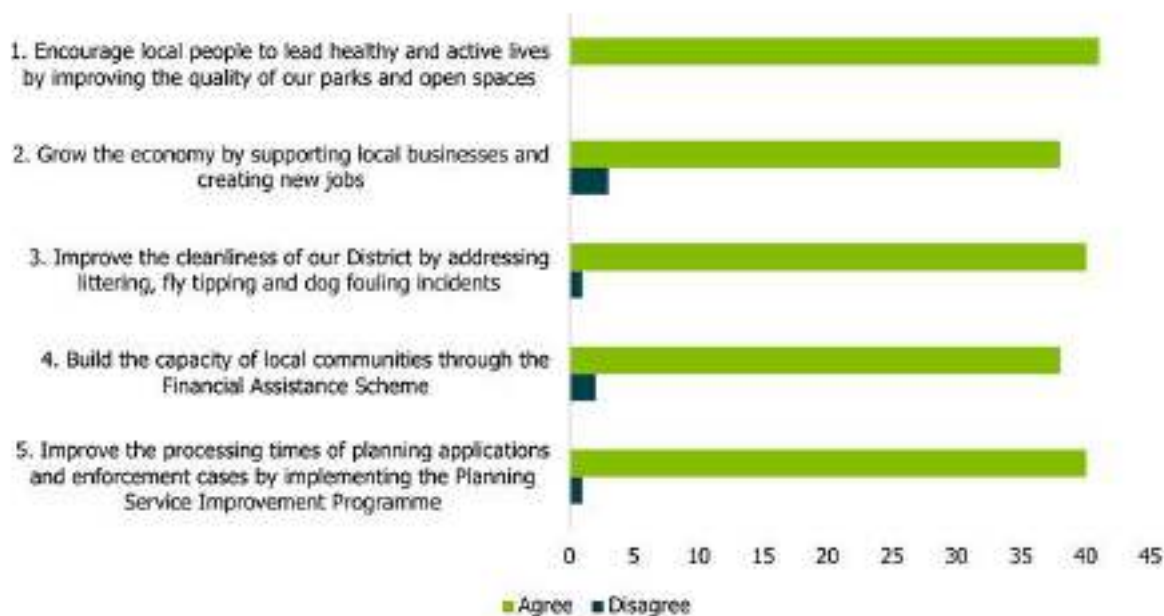
Responses to the draft performance improvement objectives have been received from a range of key stakeholders, with the highest number of responses submitted by residents and local community organisations, as outlined in the following chart.



Analysis of Findings

There has been a positive response to the five proposed performance improvement objectives, with almost all respondents agreeing with each objective.

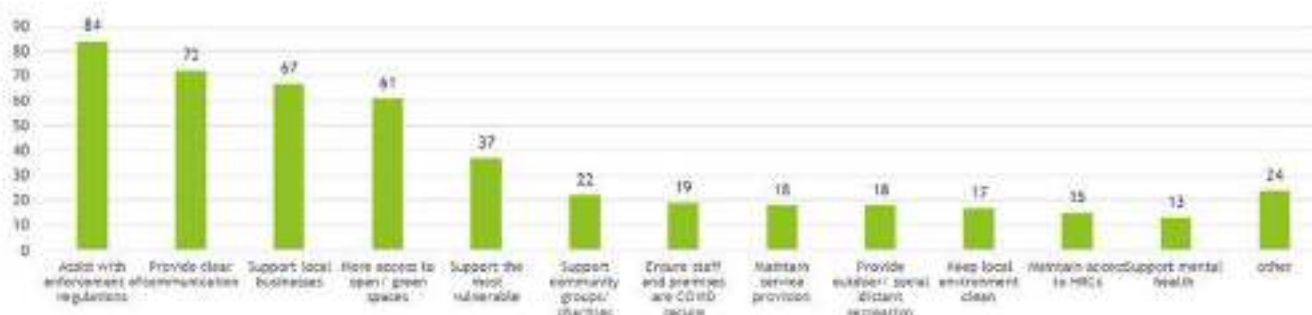
Agreement on Performance Improvement Objectives (2021/22)



Consultation on COVID-19 and the Corporate Plan 2021-23 (2020)

These findings are endorsed by the results of the consultation and engagement on the impact of COVID-19 and the Corporate Plan 2021-23, which reinforces the alignment between the performance improvement objectives 2021-22 and the top concerns identified by residents.

Specific things which the Council can do to help alleviate the impact of COVID-19 locally



- The top concerns for residents include the impact of the pandemic on local businesses and employment, mental health and wellbeing, economy, lack of enforcement of COVID-19 regulations and the spread of the Coronavirus.
- To alleviate the impact of COVID-19, the Council can continue to support local businesses, provide access to open/green spaces and support local community groups.

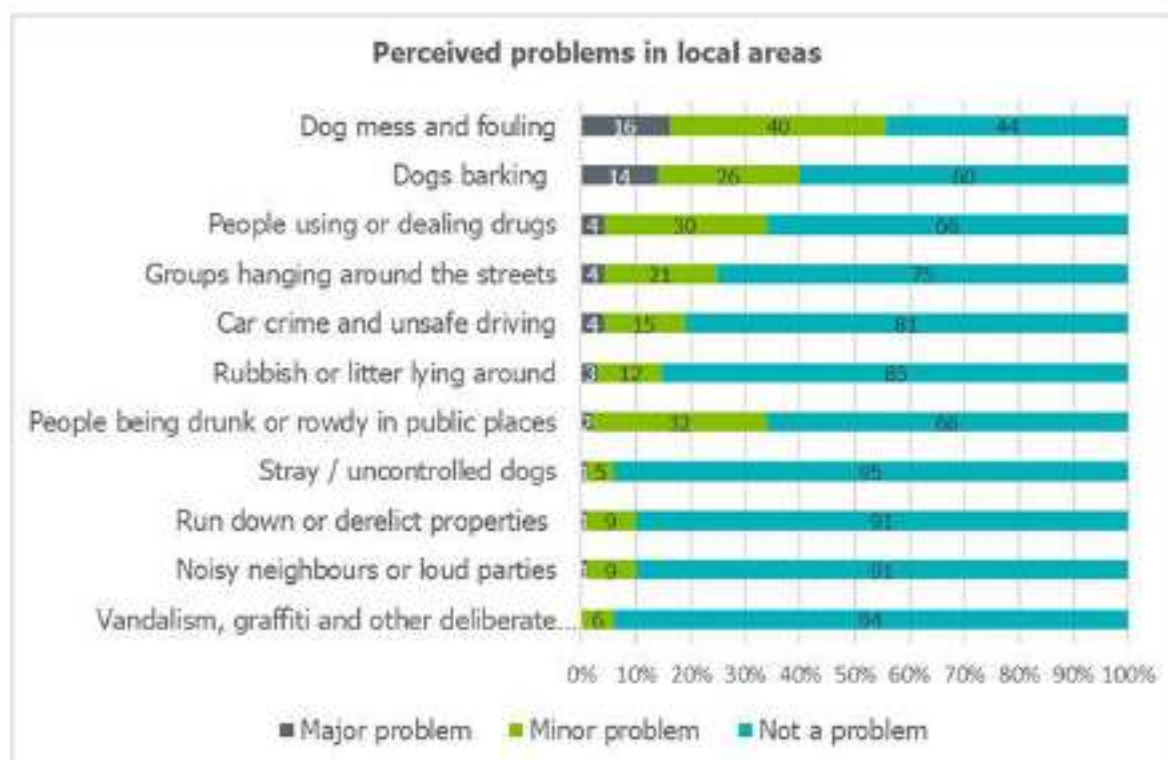
Residents Survey (2018)

These findings are further endorsed by the results of the Residents Survey which indicate that the performance improvement objectives broadly address the top improvements identified to make somewhere a good place to live.



- The local economy, health and wellbeing, community relations, good relations, community safety, protecting the environment and managing waste are amongst the top 10 priorities for improvement.
- A cleaner, more attractive area, regeneration, accessible leisure centres, tourism and participating in cultural activities are amongst the lesser priorities for improvement.

These findings are further reinforced by the fact that residents identify dog mess and littering as the top perceived problems in the local area.



You Said, We Did - Overview of Consultation Feedback

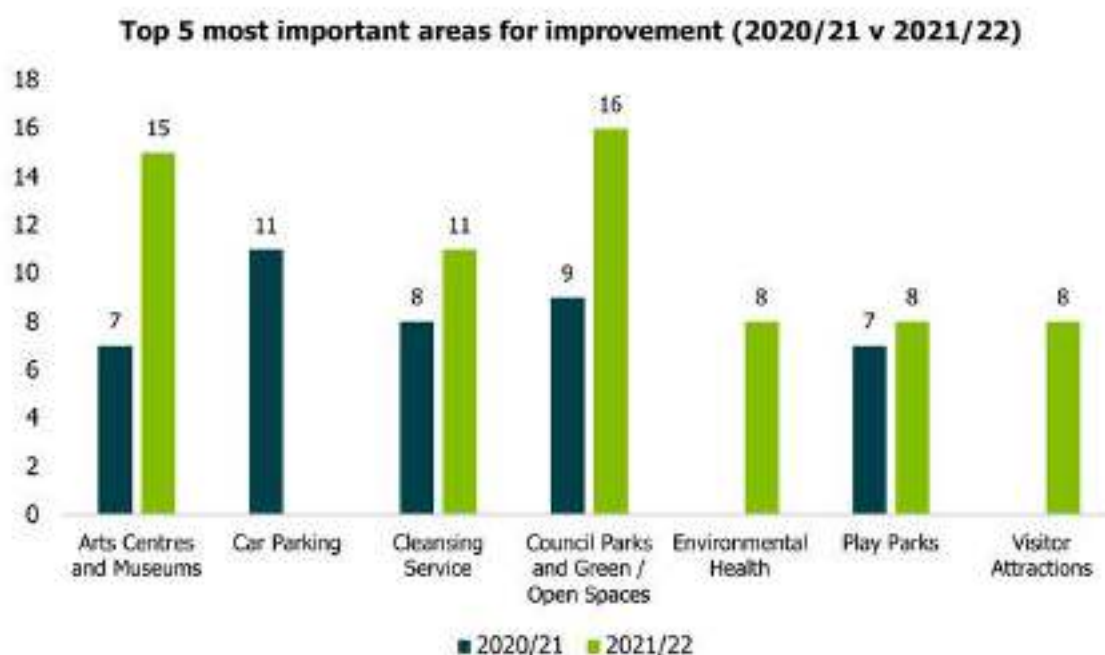
Performance Improvement Objectives

An analysis of the results of all consultation and engagement processes indicates that many of the issues raised will be addressed through the proposed 2021-22 performance improvement objectives, 'supporting actions' and 'measures of success', or as part of the Council's business planning process. An additional action and measure in relation to community trails has been proposed as part of performance improvement objective 1.

	You Said	We Did
Performance Improvement Objective 1: We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces	Community trails should be referenced and incorporated	Action: Complete and launch 5 community trails Measure: Number of recorded visits at community trails

Suggested Areas for Improvement

As part of the survey, respondents were asked to put forward their suggested areas for improvement for 2021-22.



- 'Parks and green spaces' and 'arts centres and museums' are the top priorities for improvement in 2021-22.
- Car parking was only identified as a priority for improvement in 2020-21.
- Environmental Health and Visitor Attractions have been identified as new priorities for improvement in 2021-22.

Next Steps

Based on the feedback obtained through the consultation and engagement process, as well as the ongoing developmental work around each performance improvement objective 2021-22, this report includes one recommendation to update the actions and measures within the Performance Improvement Plan 2021-22.

The Consultation and Engagement report will be published on the Council's website by 30 June 2021, alongside the Performance Improvement Plan 2021-22. It will also be circulated to key stakeholders to support the business planning process.

Summary of Consultation and Engagement Feedback

Performance Improvement Objective 1

Older Peoples Forums

- Why does Warrenpoint beach not have a blue flag?
- Does the Council plan to introduce car parking charges at forest parks and Warrenpoint Car Park? If so, this may have a negative impact on tourism.
- There is an entrance charge for Delamont Country Park and access to other forest parks is free.
- Derrymore Woods is an excellent regeneration project. However, it has attracted more visitors and there is an issue with car parking along the Derrymore Road.
- The Council should be congratulated on the Greenway which is an excellent asset with plenty of litter bins for visitors.
- Clonallon Park in Warrenpoint is not referenced within this objective. Additional seating and an outdoor gym should be considered.
- Additional seating and litter bins are required on the Towpath.
- The play park at Bessbrook Pond should be upgraded.
- The temperature in Newry swimming pool at Newry Leisure Centre is too low, especially for those with mobility issues.

Mournes DEA

- There has been an issue with overcrowding in parks and open spaces during the pandemic which needs to be managed in the future.

Slieve Gullion DEA

- The issue with car parking at Derrymore Woods needs to be resolved, as visitors are parking on the road.

Cedar

- Slieve Gullion Forest Park and access to the play park is very steep and challenging for those who are less abled and those with mobility issues. Car parking at Slieve Gullion is very good.
- There are not many parks in Newry City. When the Council consults on the Albert Basin Park in Newry, disability groups should be engaged to ensure the new park is accessible to all. Accessibility to parks and open spaces is also dependent on transport and the transport connections from rural areas are not frequent enough. Accessibility and affordability may therefore become key issues in the future.
- Issues were raised in relation to the accessibility of Ulsterbus buses and the need to book wheelchair access in advance, which is dependent on the spaces available.

Downpatrick DEA

- This is a good, relevant objective. However, some villages do not have parks and Downpatrick has no park, which raises questions around the equal distribution of investment across the District.

- There is an opportunity to reference community trails and links to long distance parks, as many villages or towns in our area do not have safe circular walking routes. As most settlements in East Down in particular have either the Ulster Way or the Saint Patrick/Saints Way running through them in a linear manner, it would be fairly easy to liaise with DfI to ensure that roads and pavements were configured to 'loop back' to create a circular walk. However, the emphasis needs to be ease of application. Once community groups have applied, the system should automatically remember items such as constitutions, health and safety and child protection and not require these documents to be uploaded anew every time, unless they have changed.

Newry DEA

- There should be more reference to the footfall and improvement works underway at the Towpath and Greenway.
- The Council is committed to working with community groups to provide community gardens, allotments and green spaces, as a way to support local people throughout the pandemic.
- The Council is supporting 'no mow May' to help facilitate bee pollination.

Slieve Croon DEA

- Forest parks have been an excellent lifeline to local communities during the pandemic and require effective management going forward.
- Emphasis on mental health and wellbeing as this will be a key issue for the District in the future and the Council need to plan ahead accordingly.

Rowallane DEA

- This objective should make reference to Delamont Country Park as it is one of the main forest parts across the District. Consultation was recently carried out at Delamont and work is underway to upgrade the park, in a three staged approach. Delamont has been a lifeline for many residents during the pandemic and the Council should recognise the role that nature can play in promoting wellbeing. There is also an issue with charging at Delamont and a District wide approach to charging for entry at forest parks is required. The Council needs to ensure that all parks remain accessible.

Newry and Mourne Youth Council

- Parks should remain accessible and free of charge for all visitors, in order to help ensure residents lead health and active lifestyles.
- There should be a focus on maintaining, and where required, upgrading the smaller parks, such as Clonallon Park.

Performance Improvement Objective 2

Older Peoples Forums

- Free wifi in Newry and Warrenpoint is working.
- Do the new jobs created include positions with zero hours contracts?

- The lockdown restrictions have had a huge impact on local coffee shops as office workers are generally working from home. Are there any plans to get workers back to the office?

Mournes DEA

- Can we encourage residents to shop local online? Is there support available to do this?
- Are the economic development programmes open to all businesses across the District and all industry sectors?

Slieve Gullion DEA

- Essential skills are lacking for some residents, in relation to maths and English. Can the Council work with SRC to make courses more accessible for residents?
- Is the Council delivering any programmes with DKIT?

Cedar

- Small businesses are dependent on the local economy – will they survive?
- There is a lack of diversity in businesses across Newry, Mourne and Down.
- The Council should continue to liaise with the business community to maintain and retain local jobs.
- Any potential loss of income will have a negative impact on accessibility to facilities and increased community isolation.
- The Council supported a local business to offer 'Al Fresco' dining in the market in Newry. This was an excellent, innovative initiative and experience for customers, helping the local economy.
- 'Neighbourhood Food Newry' is an excellent concept to support local businesses and encourage people to shop local.

Downpatrick DEA

- This objective should focus on the 'Green Economy' and jobs for the future, similar to the progress neighbouring Councils have made in this area, which may lead to an increase in the rates base. Suggest: 'Put a plan in place to ensure NM&D maximises the benefit of the New Green Economy to ratepayers in our District and maximises employment from these areas'.
- Newry should capitalise on its geographic location and Downpatrick should focus on increasing public sector employment.
- The support to businesses should be more than the distribution of COVID-19 grant aid.

Newry DEA

- This objective should focus on the support provided for social enterprises in the District, beyond the Social Enterprise Programme.

Crotlieve DEA

- There is a need to ensure that small businesses that wish to diversify can access the COVID-19 Revitalisation Grant Scheme to get support.

- It is unclear how the NI 'Go For It' programme supports the creation of business starts and jobs as it only provides advice.

Newry and Mourne Youth Council

- This is a very relevant objective and the Council has been successful in supporting local businesses during the pandemic.

Performance Improvement Objective 3

Older Peoples Forum

- Bins should be extended to rural areas, all litter bins should be emptied regularly and bags should be placed on top of dog fouling bins.
- Additional education, marketing and publicity around responsible dog ownership is required.
- A toilet and additional litter bins are required at Monks Hill Cemetery.
- The Belfast Road in Downpatrick does not have enough litter bins and more bins should be provided. Does the Council have a Litter Bin Strategy and a Dog Fouling Strategy?

Mournes DEA

- The Council should make it clear that it can only support community groups with the necessary public liability insurance to carry out community clean ups.
- The Mourne Esplanade has numerous dog fouling incidents. Can we target hot spots?
- Can we educate people on environmental crime?

Slieve Gullion DEA

- Is there an option to provide walkers with litter picking equipment on their walks? This equipment could be stored in community buildings.

Cedar

- There are not enough litter and dog bins at Derrymore Woods and the bins are overflowing.
- Can dog fouling bags be left at dog bins in the future? Can compost bags be left by brown bins to encourage food recycling in parks?
- Newry City is fairly clean and doesn't seem to have much dog fouling.
- Dog fouling can be off putting for those in wheelchairs and those with children.
- It is positive that the Council will include information on responsible dog ownership in dog licenses.
- Children are influential in reinforcing the requirement to recycle and not litter.
- There should be an onus on local businesses to provide bins and clear waste in relation to their trading and takeaway's. Can the Council have a recognition scheme for those businesses which help clean up the local area responsibly?

- Can the Council help promote the use of reusable cups as opposed to disposable cups?

Downpatrick DEA

- This is a good objective and performance should be compared with neighbouring Councils where possible, particularly Ards and North Down, Lisburn and Castlereagh and Armagh, Banbridge and Craigavon. In particular the statistics from Ards and North Down as they have a similar area and population to ourselves but have always performed far better than our Council in this area.

Slieve Croob DEA

- Dog fouling and fly tipping are key issues for the District. Community clean ups are an excellent initiative and have been a good support in helping to keep the District clean. The Council should consider allocating more resources to street cleansing.

Crotlieve DEA

- Littering is a crime and the Council can be more proactive in monitoring and addressing litter hotspots.

Rowallane DEA

- It is positive that the Council is recognising that improvements are required regarding littering, dog fouling and fly tipping as this is a key issue for constituents. The Council should consider developing policies which target offenders through fines and signage, to reduce incidents of littering and dog fouling.

Newry and Mourne Youth Council

- There is an issue with dogs being off lead in rural areas and attacking sheep, lambs and other livestock, which needs to be addressed.
- Fly tipping is a growing issue across the District and the Council needs to come up with innovative ways to deter people from fly tipping and dumping their excess waste.
- Is there an opportunity for young people to get involved in community clean ups and record the voluntary hours accrued for their CV's or get a certificate/recognition for their participation?

Performance Improvement Objective 4

Mournes DEA

- The Electronic Grants Management System is very good and useful, and the team has been very flexible with applicants.

Slieve Gullion DEA

- The objective should reflect the ethos of the Council supporting local community groups, as an enabler, not just a funder.

- The Council should also provide support for those groups who may lack the necessary skills to submit online applications.

Cedar

- Past summer schemes in Newry were very good and accessible.
- Smaller and new community groups may need more support in completing the Financial Assistance application forms.
- The local community has become increasingly diverse and there is a need to develop projects which enable people to integrate and learn from each other, which could focus on community background, disability and age. Is there an opportunity for Newry to have a MELA festival to showcase and celebrate local diversity?

Downpatrick DEA

- There have been improvements to the Financial Assistance Scheme, and it is questionable whether this should be an objective. However, it was noted that further improvements are required to support community groups in applying for funding through the Financial Assistance Scheme.
- The Council should promote the distribution of funding through the Financial Assistance Scheme by District Electoral Area.

Newry DEA

- It is positive that more training and capacity building will be provided to community groups to help them apply for funding using the Electronic Grants Management System.

Slieve Croob DEA

- The number of applicants from rural areas to the Financial Assistance Scheme may reduce as many groups didn't apply for funding due to the uncertainty associated with COVID-19. However, the Financial Assistance Scheme is a lifeline for many community groups.

Crotlieve DEA

- There have been positive developments with the application process which should be sustained going forward.

Newry and Mourne Youth Council

- This is a good objective which supports local community groups. However, as the Financial Assistance Scheme is so popular, the Council sometimes allocates smaller amounts of funding towards projects which does not cover all the required costs and good projects may therefore not be delivered.

Performance Improvement Objective 5

Cedar

- It is positive to provide staff with the opportunity to be creative to identify areas for improvement.

- It would be useful to understand what the Planning Department is responsible for. There may be difficulties for the less able in navigating the planning process and it may be useful for Planning staff to participate in disability awareness training to understand and anticipate potential issues.

Downpatrick DEA

- This is a relevant objective as the performance of the Planning Department needs to improve.

Slieve Croob DEA

- This is a very relevant objective as the performance of the Planning Department needs to improve.

Rowallane DEA

- There is a clear need to reduce the processing times of planning applications, as there are often delays to the process which could be avoided. Consideration should be given to support the diversification of local SME's, potentially zoning industrial land for this purpose.

Other

- There is no reference to Age Friendly in the objectives.
- Mental health is an issue for young people. Access to Council Community Facilities to deliver youth activities/engagement is an issue, particularly in rural areas, as the facilities remain closed.

Objective Delivery Plans 2021-22

Delivery Plans have been developed to demonstrate the arrangements which have been put in place to support the effective implementation of each performance improvement objective. They provide an overview of:

- Responsible Officers
- Alignment with the Community Plan and Corporate Plan
- Governance arrangements for the Performance Improvement Plan
- Meeting the seven legislative criteria
- 'Supporting actions' and 'measures of success'
- Links to existing plans and strategies
- Resources
- Governance arrangements

In recognition of the dynamic nature of the information included within the Objective Delivery Plans, they should be considered as a 'work in progress', subject to change to a continuous basis.

Performance Improvement Objective 1

We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces			
Responsible Officers	<p>Director: Enterprise, Regeneration and Tourism Assistant Directors: Tourism, Culture and Events / Leisure and Sport / Enterprise, Employment and Regeneration</p>		
Link to Community Plan	<p>All people in Newry, Mourne and Down enjoy good health and wellbeing</p> <p>Link to Corporate Plan 2021-23 Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities</p>		
Governance: Performance Improvement Plan 2021-22	<ul style="list-style-type: none"> Mid Year Progress Report of the Performance Improvement Plan 2021-22 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee. Annual Assessment of Performance to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee. 		
Meeting the legislative criteria	<p>Strategic Effectiveness: Aligned to community planning outcomes and corporate objectives, achieving this objective will deliver real benefits and outcomes for local communities and other key stakeholders.</p> <p>Service Quality: The quality of services will continue to improve through the planned upgrades to existing parks and open spaces, new capital projects which are scheduled to be delivered and UNESCO Global Geopark status.</p> <p>Fairness: Includes opportunities for people across all Section 75 categories to access the Council's parks and open spaces, with specific references to play parks for children.</p> <p>Innovation: Innovative ways to invest in and upgrade parks and open spaces in order to improve the visitor experience and encourage local people to live healthy and active lives.</p>		
What we are going to do			
Supporting Action	Link to existing Plan/Strategy	Measures of Success	Responsible Officers
Continue to develop the district's bid to achieve UNESCO Global Geopark designation	Corporate Plan 2021-23	UNESCO Global Geopark status achieved	Assistant Director Tourism, Culture and Events
	ERT Business Plan 2021-22		Head of Product Development and Visitor Experience
			ACOMB and Geopark Manager
		£20k towards Global Geopark designation	Annual Assessment of Performance 2020-21
		Within the existing resources of the AONB and Geopark Team	Annual and bi-annual assessments of the ERT Business Plan 2021-22

Invest in new facilities at Kilbroney Park and Rostrevor Forest, Tyrella beach, Slieve Gullion Forest Park and Delamont Country Park	ERT Business Plan 2021-22 Capital Plan	New walking trail at Kilbroney Forest Park / new visitor facilities at Tyrella Beach / outdoor performance and interpretive improvements at Slieve Gullion Forest Park / consultation on proposals for a viewpoint upgrade, walking trails and visitor information centre at Delamont Country Park complete Number of recorded visits at Forest Parks	Kilbroney Forest Park Fallows Community Trail: £450k in total. £250k from DAERA Tyrella Beach: £330k in total Slieve Gullion: £900k in total. £500k from DAERA Delamont: £60k in total towards the design phase	Annual and bi-annual assessments of the ERT Business Plan 2021-22 Ongoing monitoring of projects within the Capital Plan	Assistant Director Tourism, Culture and Events Head of Product Development and Visitor Experience
Retain green flag accreditation for Kilbroney Park, Slieve Gullion Forest Park, Warrenpoint Municipal Park and Newry Canal and heritage accreditation for Warrenpoint Municipal Park	ERT Business Plan 2021-22 NS Business Plan 2021-22	Five green flag awards and two green flag heritage awards for the Council's parks	Application fee: Circa £500 per application	Annual and bi-annual assessments of the ERT/NS Business Plans 2021-22	Head of Product Development and Visitor Experience Grounds Maintenance Manager Project Development Officer National Lottery Heritage Fund
Apply for green flag accreditation for Delamont Country Park and heritage accreditation for Newry Canal Retain blue flag accreditation for					

<p>Cranfield, Murlough and Tyrella beaches</p>	<p>AHC Business Plan 2021-22 Play Strategy 2017-22</p>	<p>Three new parks in Ballymartin / Newcastle / Newry</p> <p>Two upgraded parks in Kilkeel (Kitty's Road and Mourne Esplanade)</p> <p>Three new Community Trails at: Aughrim Hill / Daisy Hill / Glendeshia Forest</p> <p>Extensions to the Tievenadarragh Forest Car Park / Drumkeeragh Forest Car Park</p> <p>Number of recorded visits at Community Trails</p>	<p>£2.5m over 5 years allocated through the Play Strategy</p> <p>2021-22 SLA with ORNI: £75,410</p>	<p>Annual and bi-annual assessments of the AHC Business Plan 2021-22</p> <p>Ongoing assessment of the Play Strategy</p> <p>Annual and bi-annual assessments of the AHC Business Plans 2021-22</p>	<p>Assistant Director: Leisure and Sport Head of Outdoor Leisure</p> <p>Assistant Director: Leisure and Sport Head of Outdoor Leisure</p>
<p>Complete three new community trails</p>	<p>AHC Business Plan 2021-22 Service Level Agreement with Outdoor Recreation NI (ORNI)</p>	<p>Level of footfall at: Kilbroney Park / Slieve Gullion Forest Park / Carlingford Lough Greenway / Warrenpoint Municipal Park</p> <p>Level of satisfaction with the Council's forest parks</p>	<p>Within existing resources</p>	<p>Annual and bi-annual assessments of the ERT Business Plans 2021-22</p>	<p>Assistant Director: Tourism, Culture and Events Head of Product Development and Visitor Experience</p>
<p>Risks</p>		<p>Risk Management Actions to Mitigate Risks</p>			

UNESCO Global Geopark designation and green/blue flag accreditation is not achieved	UNESCO Global Geopark Management Plan developed and implemented. Ongoing work underway across the Councils parks and beaches to achieve green/blue flag accreditation.
Delays in delivering the capital works to the forest park upgrades, community trails and play parks	Project management arrangements are in place for upgrades to forest parks and beaches. SLA with ORNI for Community Trails in place and implementation of Play Strategy underway.
Low level of usage and satisfaction with Forest Parks	Work is underway to promote good visitor management across the Council's parks and open spaces.

Performance Improvement Objective 2

We will grow the economy by supporting local businesses and creating new jobs			
Senior Responsible Officer	Director: Enterprise, Regeneration and Tourism Assistant Director: Enterprise, Employment and Regeneration		
Link to Community Plan	All people in Newry, Mourne and Down benefit from prosperous communities	Link to Corporate Plan 2021-23	Invest in and support new and growing businesses, job creation and employment skills
Governance: Performance Improvement Plan 2021-22	<ul style="list-style-type: none"> Mid Year Progress Report of the Performance Improvement Plan 2021-22 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee. Annual Assessment of Performance to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee. 		
Meeting the legislative criteria	<p>Strategic Effectiveness: Aligned to community planning outcomes and corporate objectives, and will deliver tangible benefits to citizens, local businesses and social enterprises.</p> <p>Service Quality: The quality of services available to businesses and stakeholders will improve through the various programmes, including the NI Go For It, Social Economy Programme, SEAFLAG 2 and NMD Growth.</p> <p>Service Availability: The continued roll-out of programmes to businesses, social enterprises and fishing dependent communities will improve access to and availability of key services, as well as the overall quality of life in the District.</p> <p>Innovation: Implicit within this objective are innovative ways to promote / create new jobs and support businesses / social enterprises across the District.</p>		
What we are going to do			
Supporting Action	Link to Thematic Plan/Strategy	Measures of Success	Resources
Implement a District wide marketing campaign to revitalise our local economy and safely stimulate footfall across our District	Regeneration and Economic Development Strategy 2020-25	Communication and Engagement Implementation Plan delivered	£70k
			Governance Arrangements Communication and Engagement Implementation Plan in place with external delivery agent and monitored regularly
			Responsible Officers Assistant Director: Enterprise, Employment and Regeneration

Support the creation of new businesses and promote new jobs through the NI 'Go for It' programme		Number of business plans approved through NI 'Go For It' Number of new business starts created through NI 'Go For It' Number of new jobs promoted through NI 'Go For It'	NMDDC contribution: 2021-22: £80k Regional programme led by Lisburn and Castlereagh City Council	Monthly meetings of the regional Management Team Annual and bi-annual assessments of the ERT Business Plan 2021-22.	Head of Regeneration and Business Development Assistant Director: Enterprise, Employment and Regeneration Head of Regeneration and Business Development
Invest in the social economy through the Social Enterprise programme	Corporate Plan 2021-23 Regeneration and Economic Development Strategy 2020-25 ERT Business Plan 2021-22	Number of social enterprise start ups created Number of social enterprise jobs created	Social Enterprise Programme: £51k	Quarterly meetings with Newry Enterprise Agency Annual and bi-annual assessments of the ERT Business Plan 2021-22	Assistant Director: Enterprise, Employment and Regeneration Head of Regeneration and Business Development Enterprise Development Officers Assistant Director: Enterprise, Employment and Regeneration Head of Regeneration and Business Development
Support local businesses and create new jobs through 'NMD Growth', 'Digital Growth', 'Tender for Growth', 'Tender for Sales Growth' and the 'Sales and Trade programme'		Number of businesses supported through 'NMD Growth', 'Digital Growth' and 'Tender for Growth' Number of jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'	Total funding: £338k / NMDDC contribution: £73k	Monthly meetings with the Delivery Agents Annual and bi-annual assessments of the ERT Business Plan 2021-22	Assistant Director: Enterprise, Employment and Regeneration Head of Regeneration and Business Development
Support the creation of new jobs and businesses in coastal	NI FLAG Strategy 2018-22	Number of new jobs created in coastal areas	£2.3m investment between 2018-22	Ongoing monitoring to ensure that Priority 4 of the SEA-EMFF are	Assistant Director: Enterprise, Employment and Regeneration

areas through SEAFLAG 2	ERT Business Plan 2021-22	Number of new businesses created in coastal areas	invested fairly, sustainably and successfully	SEAFLAG Development Manager
Risk Management				
Risks				
Actions and Controls to Mitigate Against Risks				
Failure to deliver the economic development programmes to support the economic recovery of the District	All programmes are in place with robust management and governance arrangements.			
The impact of COVID-19 and Brexit on delivering the various economic development programmes and achieving targets	Ongoing monitoring of key influences and economic development support adjusted to meet local demand.			
Lack of interest in and applications made to participate in programmes	Publicity campaigns delivered through online and social media platforms. Signposting service in place.			

Performance Improvement Objective 3

We will improve the cleanliness of our District by reducing littering, fly tipping and dog fouling				
Senior Responsible Officer	Director: Neighbourhood Services Assistant Directors: Waste Management / Health and Wellbeing			
Link to Community Plan	All people in Newry, Mourne and Down benefit from prosperous communities	Link to Corporate Plan 2021-23	Enhance, protect and promote our environment	
Governance: Performance Improvement Plan 2021-22	<ul style="list-style-type: none"> Mid Year Progress Report of the Performance Improvement Plan 2021-22 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee Annual Assessment of Performance to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee 			
Meeting the legislative criteria	<p>Strategic Effectiveness: Aligned to community planning outcomes and corporate objectives and will deliver real benefits and outcomes to local citizens.</p> <p>Service Availability: The availability of key services will improve, through support for community led initiatives and access to funding through the 'Live Here Love Here' initiative.</p> <p>Innovation: The Council has introduced innovative ways to improve civic and community pride across the District, as evidenced through support for Community Clean ups, Dog Fouling Strategy and Enforcement Action Plan and inclusion of information on responsible dog ownership in dog licenses.</p> <p>Sustainability: Initiatives to encourage public participation in key campaigns, promote responsible dog ownership and reduce levels of littering, fly tipping and dog fouling will empower residents and support the delivery of a more sustainable service and cleaner District in the future.</p>			
What we are going to do				

Supporting Action	Link to Thematic Plan/Strategy	Measure of Success	Resources	Governance Arrangements	Responsible Officers
Address issues around littering, fly tipping and dog fouling by:		LEAMS score (Keep NI Beautiful Cleanliness Index)	Within existing resources	Annual and bi-annual assessments of the Neighbourhood Services Directorate Business Plan 2021-22	Assistant Director: Waste Management
Implementing the Dog Fouling Strategy and Enforcement Improvement Plan		Number of fixed penalty notices issued (littering and dog fouling)		Ongoing assessments of the Dog Fouling Strategy and Enforcement Improvement Plan	Head of Waste Processing Head of Waste Management
Promoting responsible dog ownership through publicity campaigns and dog licenses	Corporate Plan 2021-23 Enforcement Improvement Plan	Number of fixed penalty notices paid (littering and dog fouling)			
Working with Louth County Council to raise awareness of the impact of fly tipping along the border area	Neighbourhood Services Directorate Business Plan 2021-22 Dog Fouling Strategy	The percentage of household waste collected by District Councils that is sent for recycling			
Encouraging residents to bring properly sorted surplus recyclable waste to our Household Recycling Centres		The amount of biodegradable Local Authority Collected Municipal Waste that is landfilled			
		The amount of Local Authority Collected Municipal Waste arisings			
Launch the 'mobile app' to enable officers to record incidents of environmental crime across the District.	Chief Executives Departmental Business Plan 2021-22	Mobile app launched	Within existing resources / existing ESRI software	Annual and bi-annual assessments of the Chief Executive Departmental Business Plan 2021-22	Head of Waste Processing Head of Evidence and Research

Support local community clean ups, in line with COVID-19 guidance	Active and Healthy Communities Directorate Business Plan 2021-22	Number of community clean ups supported	Within existing resources	Annual and bi-annual assessments of the AHC Directorate Business Plan 2021-22	Assistant Director: Health and Wellbeing Head of Sustainability
Participate in the Keep NI Beautiful 'Live Here Love Here' campaign		Number of 'Live Here Love Here' environmental projects	£13k allocated towards the media campaign / £13k to fund projects		
Risk Management					
Risks					
Stakeholders do not get involved in community clean ups and 'Live Here Love Here'					
Failure to improve the level of street cleanliness and reduce the level of littering, dog fouling and fly tipping					
Failure to achieve the statutory targets for waste management					
<p>Actions to Mitigate Against Risks</p> <p>All initiatives are promoted and publicised across the District, through social media, website, liaison with Council employees and word of mouth.</p> <p>The Council has a number of initiatives in place to encourage civic pride in the local area, promote responsible dog ownership, report littering and use enforcement action.</p> <p>Programmes are in place to increase the rate of recycling and reduce the amount of waste sent to landfill.</p>					

Performance Improvement Objective 4

We will build the capacity of local communities through the Financial Assistance Scheme			
Senior Responsible Officer	Director: Active and Healthy Communities Assistant Director: Community Engagement		
Link to Community Plan	All people in Newry, Mourne and Down live in respectful, safe and vibrant communities	Link to Corporate Plan 2021-23	Enable and support people to engage in inclusive and diverse activities in their communities
Governance: Performance Improvement Plan 2021-22	<ul style="list-style-type: none"> Mid Year Progress Report of the Performance Improvement Plan 2021-22 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee Annual Assessment of Performance 2020-21 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee 		
Meeting the legislative criteria	<p>Strategic Effectiveness: Aligned to community planning outcomes and corporate objectives and will deliver real benefits and outcomes to citizens.</p> <p>Service Availability: The availability of and accessibility to key services will improve through the continued roll-out of projects and initiatives funded through the Financial Assistance Scheme.</p>		

What we are going to do					
Supporting Action	Link to Thematic Plan/Strategy	Measure of Success	Resources	Governance Arrangements	Responsible Officers
<p>Launch 3 financial assistance calls across 19 thematic areas to support the delivery of community led projects</p> <p>Continue to promote and roll out the Electronic Grant Management System</p> <p>Deliver online training and capacity building to support local voluntary and community groups in applying for financial assistance</p>	Active and Healthy Communities Directorate Business Plans 2021-22	% of successful financial assistance applications	<p>£1.2m within the Financial Assistance Scheme</p> <p>Electronic Grant Management System</p>	<p>Annual and Bi-annual assessments of the AHC Directorate Business Plan 2021-22</p> <p>Reports considered and approved by the AHC Committee</p>	<p>Assistant Director: Community Engagement</p> <p>Head of Programmes</p>
	Active and Healthy Communities Directorate Business Plans 2021-22	% of financial assistance applications funded			
	Active and Healthy Communities Directorate Business Plans 2021-22	Number of participants/beneficiaries of the Financial Assistance Scheme			
	Active and Healthy Communities Directorate Business Plans 2021-22	Number of online capacity building sessions delivered			
		Number of views of the online training module			
Risk Management					
Risks		Actions to Mitigate Against Risks			
Reduction in the number/percentage of successful applications		Ongoing training and capacity building programme in place.			
Poor uptake and capacity to use the Electronic Grants Management System		Ongoing promotion of the system and training and capacity building programme in place.			

Performance Improvement Objective 5

We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme

Senior Responsible Officer	Director: Enterprise, Regeneration and Tourism Chief Planner		
Link to Community Plan	All people in Newry, Mourne and Down benefit from prosperous communities	Link to Corporate Plan 2021-23	Provide accessible, high quality and integrated services through continuous improvement
Governance: Performance Improvement Plan 2021-22	<ul style="list-style-type: none"> Mid Year Progress Report of the Performance Improvement Plan 2021-22 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee Annual Assessment of Performance 2020-21 to the Senior Management Team, Strategy, Policy and Resources Committee and Audit Committee 		
Meeting the legislative criteria	<p>Strategic Effectiveness: Aligned to community planning outcomes and corporate objectives and will deliver real benefits to citizens.</p> <p>Service Quality: The implementation of the Planning Service Improvement Plan has, and will continue to improve, the quality of the service provided by reducing the processing times and the number of applications/cases in the system.</p> <p>Sustainability: An improved Planning Service will contribute to the sustainable development of Newry, Mourne and Down.</p> <p>Efficiency: The purpose of the Planning Service Improvement Programme is to improve the overall efficiency and effectiveness of the service, by making better use of the resources available.</p>		
What we are going to do			
Supporting Action	Link to Thematic Plan/Strategy	Measure of Success	Governance Arrangements Responsible Officers
Reduce the number of live planning applications and enforcement cases which have been in the system for over 12 months Work with agents and architects to improve the standard of planning applications submitted	ERT Business Plan 2021-22	<p>Average processing time for local planning applications (weeks)</p> <p>Average processing time of major planning applications (weeks)</p> <p>Percentage of planning enforcement cases progressed within 39 weeks</p>	<p>Annual and bi-annual assessments of the ERT Business Plan 2021-22</p> <p>Chief Planner</p>
		Within existing resources	

<p>Support employees to deliver service improvements through ongoing training, capacity building and 'planning surgeries'</p>		<p>Number of planning applications in the system for 12-18 months</p> <p>Number of planning applications in the system for less than 12 months</p> <p>Number of enforcement cases in the system 12 months or more</p>		
Risks Management				
Risks		Actions to Mitigate the Risks		
<p>Failure to meet the statutory performance standards for processing planning applications, enforcement cases.</p> <p>The Council does not reduce the number of live planning applications and enforcement cases in the system</p>		<p>The Planning Service Improvement Programme outlines the key areas for improvement, with progress being monitored and reported on a regular basis.</p> <p>The Planning Service Improvement Programme outlines the key areas for improvement, with progress being monitored and reported on a regular basis.</p>		



Department for
Communities

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Department for
Commonities

www.communities-ni.gov.uk

Chief Executive of each District Council
Finance Officer of each District Council
Other Interested Parties

Local Government and Housing
Regulation Division
Finance Branch
Causeway Exchange
1-7 Bedford Street
BELFAST
BT2 7EG
Phone: 028 9082 3375
email: jeff.glass@communities-ni.gov.uk

Circular No. LG 13/2021

Our ref: CO1-20-1609

29 March 2021

Dear Sir/Madam

DISTRICT COUNCIL (NORTHERN IRELAND) RATE STATISTICS 2021/2022

I enclose for your information a copy of the District Council (Northern Ireland) Rate Statistics for 2021/2022.

Yours faithfully

JEFF GLASS
Local Government and Housing Regulation



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DISTRICT COUNCIL (NI) RATE STATISTICS

2021/2022

These tables contain summary details of the estimates of income and expenditure received from the 11 district councils in relation to section 3 of the Local Government Finance Act (Northern Ireland) 2011.

Under the above legislation," in each financial year a council shall cause to be submitted to it estimates of the income and expenditure of the council during the next financial year..... and shall fix for the next financial year the amount estimated to be raised by means of rates made by the council."

RATE STATISTICS 2021/2022
CALCULATION OF DISTRICT COUNCIL RATES

TABLE 1

District Council	Calculation of Non-Domestic and Domestic District Rates									
	Total Amount to be Raised	Rates Support Grant*	Balance Applied (+/-)	Amount To Be Raised (via District Rate, De-rating and Transferred Functions Grants)	Total Penny Product (GPRP)**	Non-Domestic District Rate	Council Specific Conversion Factor	Domestic District Rate		
Antrim and Newtownabbey	52,633,940	0	0	52,633,940	2,189,195	24.0426	0.015178	0.3649		
Ards and North Down	54,466,900	0	520,000	54,986,900	2,321,905	23.6818	0.014870	0.3521		
Armagh, Banbridge and Craigavon	77,164,238	-2,430,400	-900,000	73,833,838	2,845,421	25.9483	0.017368	0.4507		
Belfast	170,633,271	0	0	170,633,271	6,459,786	26.4147	0.013094	0.3459		
Causeway Coast and Glens	52,866,439	-2,124,324	0	50,742,115	1,991,578	25.4783	0.015656	0.3989		
Derry and Strabane	65,945,803	-2,952,476	-450,000	62,443,327	2,017,317	30.9537	0.016487	0.5103		
Fermanagh and Omagh	40,153,700	-956,000	0	39,197,700	1,771,848	22.1225	0.016807	0.3718		
Lisburn and Castlereagh	53,164,668	0	-1,048,979	52,115,689	2,299,739	22.6616	0.013937	0.3158		
Mid and East Antrim	57,548,500	-2,541,573	-484,100	54,522,827	1,748,533	31.1326	Not used in calculation	0.4414		
Mid Ulster	47,456,366	-3,403,043	-690,000	43,363,323	1,847,220	23.4749	0.014368	0.3373		
Newry, Mourne and Down	62,195,007	-1,698,859	0	60,496,148	2,520,986	23.9970	0.016949	0.4067		
NI TOTAL	734,128,832	-16,106,675	-3,053,079	714,969,078	28,013,528	***				

* The Rates Support Grant figures were input by councils in the absence of indicative budget figures for rate setting purposes.

** Total Penny Product is the total of Estimated Rateable and De-rated Penny Products and Derived Penny Product for Transformed Functions Grant (Fixed amount).

*** A True Average NI Non-Domestic District Rate and Average NI Domestic Rate cannot be shown as one council has struck both the non-domestic rate and domestic rate separately without the use of a conversion factor.

**RATE STATISTICS 2021/2022
CALCULATION OF DISTRICT COUNCIL RATES (cont.)**

TABLE 2

District Council	Penny Product Information				Grants Payable by DFC			Estimated Amount Payable by DOF Estimated Amount to be Raised via District Rates (Rateable)
	Estimated Penny Product (Rateable)	Estimated Penny Product (De-rated)	Derived Penny Product (Transferred Functions Grant) (Fixed Amount)	Total Penny Product	Estimated De-rating Grant	Transferred Functions Grant	Rates Support Grant*	
Antrim and Newtownabbey	2,048,430	105,764	35,001	2,189,195	2,542,842	841,515	0	49,249,583
Ards and North Down	2,244,240	58,805	18,860	2,321,905	1,392,608	446,639	0	53,147,653
Armagh, Banbridge and Craigavon	2,666,560	156,160	22,701	2,845,421	4,052,087	589,052	2,430,400	69,192,699
Belfast	6,253,110	206,676	0	6,459,786	5,459,285	0	0	165,173,986
Causeway Coast and Glens	1,910,560	66,198	14,820	1,991,578	1,686,613	377,588	2,124,324	48,677,914
Derry and Strabane	1,922,960	82,684	11,673	2,017,317	2,559,376	361,323	2,952,476	59,522,628
Fermanagh and Omagh	1,654,110	92,647	25,091	1,771,848	2,049,583	555,076	956,000	36,593,041
Lisburn and Castlereagh	2,164,040	117,515	18,184	2,299,739	2,663,078	412,079	0	49,040,532
Mid and East Antrim	1,627,520	92,334	28,679	1,748,533	2,674,597	894,269	2,541,573	50,753,961
Mid Ulster	1,630,750	188,350	28,120	1,847,220	4,421,497	660,114	3,403,043	38,281,712
Newry, Mourne and Down	2,397,550	97,097	26,339	2,520,986	2,330,037	632,057	1,698,859	57,534,054
NI TOTAL	26,519,830	1,254,230	229,468	28,013,528	32,031,603	5,769,712	16,106,675	677,167,763

* The Rates Support Grant figures were input by councils in the absence of indicative budget figures for rate setting purposes.

RATE STATISTICS 2021/2022

TABLE 3

COMPARISON OF ESTIMATED NET EXPENDITURE ON SERVICES AND OF RATES FIXED FOR 2020/2021 AND 2021/2022

COMPARISON OF ESTIMATED NET EXPENDITURE

District	Net Exp. 2020/2021	Net Exp. 2021/2022	Actual Increase	% Change
Antrim and Newtownabbey	52,993,722	52,633,940	-359,782	-0.68%
Ards and North Down	53,258,600	54,466,900	1,208,300	2.27%
Armagh, Banbridge and Craigavon	74,078,848	77,164,238	3,085,390	4.17%
Belfast	167,320,328	170,633,271	3,312,943	1.98%
Causeway Coast and Glens	50,943,648	52,866,439	1,922,791	3.77%
Derry and Strabane	63,870,667	65,845,803	1,975,136	3.09%
Fermanagh and Omagh	39,151,500	40,153,700	1,002,200	2.56%
Lisburn and Castlereagh	52,574,338	53,164,668	590,330	1.12%
Mid and East Antrim	54,974,989	57,548,500	2,573,511	4.68%
Mid Ulster	45,999,245	47,456,366	1,457,121	3.17%
Newry, Mourne and Down	60,925,722	62,195,007	1,269,285	2.08%
NI TOTAL/NI AVERAGE	716,091,607	734,128,832	18,037,225	2.52%

COMPARISON OF RATES

2020/2021	Non-Domestic Rate		Domestic Rate	
	2021/2022	Pence Increase	2020/2021	2021/2022
24.0426	24.0426	0.0000	0.3649	0.3649
23.1730	23.6818	0.5088	0.3446	0.3521
25.4413	25.9483	0.5070	0.4419	0.4507
25.9166	26.4147	0.4981	0.3394	0.3459
24.8603	25.4783	0.6180	0.3892	0.3989
30.3794	30.9537	0.5743	0.5009	0.5103
21.8231	22.1225	0.2994	0.3668	0.3718
22.6611	22.6616	0.0005	0.3158	0.3158
30.9186	31.1326	0.2140	0.4371	0.4414
23.4749	23.4749	0.0000	0.3373	0.3373
23.6209	23.9970	0.3761	0.4004	0.4067
25.1563	*	*	0.3799	*

*A True Average NI Non-Domestic District Rate and Average NI Domestic Rate cannot be shown as one council has struck both the non-domestic rate and domestic rate separately without the use of a conversion factor.



Finance Officer of each District Council

Circular No. LG 15/2021

Dear Finance Officer

RECORD OF COUNCILLORS' AND COMMITTEE MEMBERS' ALLOWANCES FUNDED BY COUNCIL 2020/2021

The attached annual return template seeks details of allowances funded by the council under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019, during the 2020/2021 financial year.

Councils are statutorily obligated, in accordance with the above Regulations, to publish a Scheme of Allowances for the payment of allowances to councillors and committee members. At the end of each financial year councils are also obligated to publish details of the amounts of allowances paid to each councillor and committee member. This return provides a standard format for those details to be recorded thus allowing comparisons of councillor allowances within a council and also between councils.

As you will be aware legislatively councils only have to publish details of payments made directly to councillors and committee members. If your council does not wish to publish costs incurred by councils on behalf of councillors and committee members, these figures should be left out and a note made on the top of the table that these costs are not included. However, for transparency and comparison purposes the Department would encourage councils to also include the costs incurred by councils on councillors and committee members' behalf.

The completed template should be published on your Council website by Friday 30 July 2021 and only the link to the published version should be returned to this Division. However if your Council is not publishing the Support Costs table this should be returned in pdf format to this Division. Guidance to

enable completion of the return is provided in tab 1 of the template. Please note that only allowances funded under Part 3 of the Act mentioned above should be included.

The link to your Council's Scheme of Councillor Allowances for 2021/22 should also be forwarded to this Division by Friday 30 July 2021.

If you have any queries on the content of this return please contact Lynne McCann via email lynne.mccann@communities-ni.gov.uk.

Yours faithfully

JEFF GLASS
Local Government & Housing Regulation

cc. Chief Executive of each District Council
Other Interested Parties

RECORD OF COUNCILLORS' AND COMMITTEE MEMBERS' ALLOWANCES FUNDED BY COUNCIL 2020/2021

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Guidance Notes

Background

This annual return seeks details of allowances funded by the council under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019, during the 2020/2021 financial year. Only allowances funded under Part 3 of the above Act should be included in this return. Circular LG 23/2019 provides detailed guidance issued by the Department on councillors allowances and is available at the following link:-

<https://www.communities-ni.gov.uk/publications/circular-lg-232019-councillors-allowances-guidance-district-councils-northern-ireland>

General

Councils are statutorily obligated, in accordance with the above Regulations, to publish a Scheme of Allowances for the payment of allowances to councillors and committee members. At the end of each year councils are also obligated to publish details of the amounts of allowances paid to each councillor and committee member. This return provides a standard format for those details to be recorded thus allowing comparisons of councillor allowances within a council and also between councils. Currently legislation does not obligate the publishing of allowances paid by councils on behalf of councillors or committee members '*incurred allowances*' (e.g. where a council pays a hotel bill on behalf of a councillor). However the Department believes all details are relevant and therefore, prior to there being a statutory obligation to publish this information, would encourage councils to publish this information.

Table 1 records all individual councillor and committee member allowances. Where councils decide not to publish '*incurred allowances*' it should state on the table that these are not included.

Table 2 records all council collective councillor support services costs such as IT costs. Councils are currently not obligated to publish this data, however councils are encouraged for transparency to publish this information.

Guidance on completion of the tables is provided below. If you have difficulty in completing the tables or need clarification on any item, please use the contact details below.

The Council web link for the published tables for 2020/2021 and the web link for the Council Scheme of Allowances for 2021/2022 should be forwarded to Lynne McCann (email:lynne.mccann@communities-ni.gov.uk) and copied to Kevin McGinn (email: kevin.mcginn@communities-ni.gov.uk).

Table 1 - Individual Councillors' Allowances

Table 1 should reflect all allowances. Where councils decide not to publish '*incurred allowances*' the note above the travel and subsistence allowances for councillors and the note above the travel and subsistence allowances for committee members should be amended stating that these are not included.

1. All figures in this table should reflect members' entitlement for the financial year 2020/2021 regardless of when the payments were actually made e.g. if a payment was made in April 2021 for 2020/2021 entitlement, that figure should be included but payments made in April 2020 for a 2019/2020 entitlement should not be included.
2. The name of each member receiving an allowance should be stated and all figures should be rounded to the nearest whole pound.
3. In this guidance note the term Chairperson means Chairperson/Vice Chairperson and Mayor/Deputy Mayor.

Basic and Special Responsibility Allowances

4. Figures for Basic and Special Responsibility Allowances (SRA) should be gross i.e. before tax and exclude any on-costs such as employer's contributions.

5. A council may not pay more than one SRA to a councillor as stated in regulation 5 of the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019 . Any Chairperson Allowance arrangement should be considered totally separate from SRA arrangements.

Chairperson Allowances

6. Allowances for the period of time served by all Chairpersons during the 2020/2021 financial year should be included.
7. Only personal allowances payable to each Chairperson should be recorded. Expenses such as hosting a dinner or Chairperson contributions should not be included as these are council expenses.
8. Travel & Subsistence for Chairpersons should be treated in the same manner as all other councillor travel and subsistence allowances and should be included as applicable under 'Mileage Allowance', 'Public Transport and Other Travel Incidentals', and 'Subsistence'.

Public Transport and Other Travel Incidentals

9. All travel costs, excluding mileage allowance, should be recorded under the heading Public Transport and Other Travel Incidentals. This should include flights and items such as toll payments or car parking as well as travel related to councillors attendance at conferences and courses.

Table 2 - Councillors' Support Services

Support costs are for secretarial and administration costs and should not include costs for the Office of the Northern Ireland Public Service Ombudsman or membership and subscription costs.

Communications and Support

10. This should include telephone equipment, IT equipment and Broadband, etc. as provided by the council.

Courses/ Conferences/Visits

11. Courses/Conferences/Visits should only include costs for registration fees and other non T&S costs. All accommodation, subsistence and travel costs should be recorded under appropriate columns in Table 1.

Other Costs

12. Costs above £1,000 per support service incurred by the council to support councillors in carrying out council duties not covered in other categories in Table 2 should be specified and detailed under Other Costs. This information is collated at council level and there is no requirement for the costs to be attributed to individual councillors.

Contact:

Lynne McCann | Local Government and Housing Regulation Division | Department for Communities

Causeway Exchange | 1-7 Bedford Street | Belfast | BT2 7EG

Contact: ✉ lynne.mccann@communities-ni.gov.uk | ☎ Tel: (028) 9082 3380 | 📠 DD: 39380

Table 1

COUNCIL NAME:

Record of Councillors' and Committee Members' Allowances funded by Council relating to the period 2020/2021

The following records allowances for 2020/21, paid under Part 3 of the Local Government Finance Act (NI) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019. Allowances paid directly to councillors by other bodies, such as by Policing & Community Support Services, which are not made under this legislation are not included, even where councillors are representing the Council.

N.B. Records travel & subsistence expenditure paid to councillor and incurred by council on behalf of councillor.

No.	Initials	Surname	Dates of Office (to be completed if not councillor for full year - e.g. 01/06/2020 to 30/09/2020)	Basic Allowance	Special Responsibility Allowance	Chairperson/ Mayor Allowance	Vice Chairperson/ Deputy Mayor Allowance	Total Personal Allowances	Mileage Allowance	Public Transport and Other Travel Incidentals	Subsistence (including accommodation)	Total Travel and Subsistence	Dependants' Carers Allowance
				£	£	£	£	£	£	£	£	£	£
1								0				0	
2								0				0	
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47								0				0	
48								0				0	
49								0				0	

Table 2

COUNCIL NAME

Record of Councillors' Support Services funded by Council relating to the period 2020/2021

Support Service	Amount £	Details
Communications and Support		
General Secretarial Services		
Courses/ Conferences/ Visits (Such as registration / joining fees)		
Other Costs not covered above (->£1,000 - such as providing business cards, council headed paper, etc)		
Total	0	



Department for
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Clerk and Chief Executive of each District Council

Local Government & Housing Regulation Division

Causeway Exchange
1-7 Bedford Street
BELFAST
BT2 7EG

Telephone: (028) 9082 3375

Circular LG 08/21 - Update

Email: Jeff.glass@communities-ni.gov.uk

Your reference:
Our reference:
Date: 24 June 2021

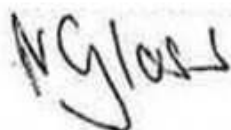
Dear Chief Executive

ACCOUNTS DIRECTION CIRCULAR 2020/21: NORTHERN IRELAND DISTRICT COUNCILS

1. In exercise of its powers under Article 24(2) of the Local Government (Northern Ireland) Order 2005 and Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 (the Regulations), the Department hereby directs that the accounts for the year ended 31 March 2021 should comply with this direction.
2. As you will be aware the Department allocated £49.5m to councils in 2020/21 to alleviate the impact of exceptional losses and costs that councils incurred or estimated to be incurred as a consequence of COVID-19. In addition, funding of £35.8m was allocated in 2020/21 to council reserves to support councils.
3. Given that the NI Executive agreed that the unspent funding of £39.5m should be added to reserves, this funding should be transferred to a usable reserve and ring-fenced for the purposes allocated. A separate disclosure should be made to identify this unspent funding within the accounts.
4. The Department has also issued the following range of COVID support grants during 2020/21 for the following:
 - Covid-19 Recovery Revitalisation programme
 - Covid-19 Community Support Fund (1st tranche)
 - Covid-19 Community Support Fund (2nd Tranche)
 - Covid-19 Financial Inclusion Fund
 - Covid-19 Food Partnership Fund
 - Food & Essential Supplies Fund
 - Volunteering Support Fund

- Warm Well and Connected Fund
 - Covid-19 Community Support Fund (3rd tranche)
 - Covid-19 Food & Essential Supplies Transition Fund
5. Any amounts not expended during 2020/21 should also be transferred to a usable reserve and ring-fenced for the purposes allocated. A separate disclosure should be made to identify unspent COVID support grants within the accounts.
6. Should you require clarification on any of the above matters, please contact me on 028 90 823375.

Yours faithfully



Jeff Glass
Head of Finance
Local Government & Housing Regulation Division

cc.

Colette Kane, Local Government Auditor, NI Audit Office
Finance Officers, District Councils