

January 13th, 2020

**Notice Of Meeting**

You are invited to attend the Audit Committee Meeting to be held on **Thursday, 9th January 2020** at **2:00 pm** in **The Mourne Room Downshire Estate.**

**Councillor P Byrne**

**Councillor W Clarke**

**Councillor L Devlin**

**Councillor C Enright**

**Councillor M Gibbons**

**Councillor O Hanlon**

**Councillor H Harvey**

**Councillor A Lewis**

**Councillor G Sharvin**

**Councillor M Ruane**

# Agenda

**1.0 Apologies and Chairpersons remarks.**

**2.0 Declarations of Interest.**

**3.0 Action Sheet: Audit Committee Meeting held on Tuesday 24 September 2019. (Attached)**

 *Action Sheet - Audit Committee Meeting September 2019.pdf*

*Page 1*

---

## **Corporate Services - (OPEN SESSION)**

---

**4.0 Corporate Risk Register. (Attached)**

 *Rpt re Corporate Risk Register.pdf*

*Page 7*

**5.0 Direct Awards Contract. (Attached)**

 *Rpt re Direct Award Contracts Single Tender Actions.pdf*

*Page 32*

**6.0 Prompt Payment Statistics. (Attached)**

 *Rpt re Prompt Payment Statistics.pdf*

*Page 38*

---

## **Corporate Services (CLOSED SESSION)**

---

**7.0 Update re: Audit Recommendations (including Risk Profile). (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.

 *Rpt re Update on Audit Recommendations Exempt.pdf*

*Not included*

**8.0 Update re: Fraud and Whistleblowing. (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.


 *Rpt re Fraud and Whistleblowing Exempt.pdf*

*Not included*

---

## **9.0 ASM Progress 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.

 **NMDDC IA Summary report January 2020.pdf**

**Not included**

## **10.0 ASM Internal Audit Plan - revision. (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.

 **201920 NMDDC IA Plan - update January 2020 - draft Exempt.pdf**

**Not included**

## **11.0 ASM Internal Audit Report - Leisure (time recording). (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.

 **201920 NMDDC Leisure services - Time Recording Exempt.pdf**

**Not included**

## **12.0 ASM Internal Audit Report - Contract Management. (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.

 **NMDDC 2019.20 Contract management Exempt.pdf**

**Page 40**

## **13.0 ASM Internal Audit Report - Tourism Service Level Agreements. (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.

 **201920 NMDDC - Tourism SLAs - Final report.pdf**

**Not included**

## 14.0 PCSP Internal Audit. (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.

 *PCSP Expenditure Audit - 31 March 2019.pdf*

*Not included*

---

### ***NIAO (CLOSED SESSION)***

---

## 15.0 NIAO re Report to Those Charged with Governance. (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.

 *RTTCWG Exempt.pdf*

*Not included*

---

### ***NIAO (OPEN SESSION)***

---

## 16.0 NIAO re Annual Audit Letter. (Attached)

 *Annual Audit Letter.pdf*

*Page 55*

 *Annual Audit Letter (Appendix).pdf*

*Page 56*

---

### ***Performance (OPEN SESSION)***

---

## 17.0 Mid Year Assessment of the Performance Improvement Plan 2019 - 2020. (Attached)

 *Rpt re Mid Year Assessment of PIP 2019-20.pdf*

*Page 68*

## 18.0 NIAO Performance Audit and Assessment Report 2019 - 2020. (Attached)

 *Rpt re NIAO Perform Audit and Assessment 2019-20.pdf*


*Page 87*

---

### ***Circulars***

---


## 19.0 Circular LG 23/2019 - Councillors' Allowances Guidance for District Councils in Northern Ireland. (Attached)

 *Circular lg-23-2019 Cllrs Allowances.pdf*

*Page 115*



**20.0 Circular LG 25/2019 - Article 19 Application re:  
Reimbursement of Travel and Subsistence. (Attached)**

 *Circular lg-25-2019 Travel and Subst.pdf*

*Page 147*

# Invitees

Cllr Terry Andrews

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 Hugh Gallagher

Cllr Mark Gibbons

Christine Hagan

Cllr Oonagh Hanlon

Cllr Glyn Hanna

Cllr Valerie Harte

Cllr Terry Hearty

Cllr Roisin Howell

Cllr Liz Kimmins

Cllr Mickey Larkin

Cllr Alan Lewis

Mr Michael Lipsett

Cllr Oonagh Magennis

Cllr Gavin Malone

Cllr Cathy Mason

Colette McAteer

Cllr Declan McAteer

Aoife McCreesh

Cllr Leeanne McEvoy

Cllr Harold McKee

Patricia McKeever

Cllr Karen McKevitt

Cllr Andrew McMurray

Mr Roland Moore

Cllr Roisin Mulgrew

Cllr Barra Ó Muirí

Linda O'Hare

Cllr Gerry O'Hare

Cllr Kathryn Owen

Cllr Henry Reilly  
.....  
Cllr Michael Ruane  
.....  
Cllr Gareth Sharvin  
.....  
Ms Brona Slevin  
.....  
Donna Starkey  
.....  
Sarah Taggart  
.....  
Cllr David Taylor  
.....  
Cllr Jarlath Tinnelly  
.....  
Cllr John Trainor  
.....  
Cllr William Walker  
.....  
Mrs Marie Ward  
.....  
Mr Tomas Wilkinson NIAO  
.....

**ACTION SHEET**  
**AUDIT COMMITTEE MEETING**  
**WEDNESDAY 18 SEPTEMBER 2019**

**(Outstanding issue: Audit Committee Meeting - 11 January 2018)**

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/18/2018	Internal Audit Asset Summary Report	<ul style="list-style-type: none"> <li>A status report on the Grants Database be brought back to Committee.</li> </ul>	D Carville/G Byrne	ITPG approved project mandate on 22.6.18. Specification to go out on the 3/10/2019. The new Financial Assistance Policy will not be effective until the new GMS.	N

**(Outstanding issue: Audit Committee Meeting – 3 July 2019)**

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/047/2019	Members Training	a) One to one training will be provided by the Director of Corporate Services and the Audit			N

		<p>Services Manager, for newly elected Councillors who are members of the Audit Committee.</p> <p>b) Any member of the Audit Committee who wishes to attend external On Board training should contact Ms L Dillon Democratic Services Officer who will arrange booking.</p> <p>c) Ms D Carville Director of Corporate Services arrange for `in house` Audit Committee training to take place after the Audit Committee Meeting September 2019.</p>	<p>L Dillon DSO</p> <p>D Carville Director Corporate Services</p>	<p>4 No. Members have been booked to attend On Board Training.</p> <p>In House Training will be delivered on a date prior to the AC Meeting January 2020.</p>	<p><b>N</b></p> <p><b>N</b></p>
--	--	--	---	---	---------------------------------

(Actions: Audit Committee Meeting – 24 September 2019)

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/047/2019	Members Training	In-House Training for Members of the Audit Committee will be	G Byrne	Members Training to be provided on 9 January 2020.	N

		provided by ASM Internal Audit and will be held on Thursday 9 January 2020, prior to the Audit Committee Meeting to be held on that date.			
AC/055/2019	Update re Audit Recommendations	Update re Audit Recommendations to remain on the Action Sheet.	G Byrne	Risk profile of legacy recommendations to be brought to January Committee	Y
AC/063/2019	ASM Summary/Progress Report	To note the ASM Summary/Progress Report for period 4 July 2019 – 24 September 2019.	ASM	Noted	Y
AC/064/2019	ASM Revised Internal Audit Plan	To approve the revised ASM Internal Audit Plan.	ASM	Approved	Y
AC/065/2019	ASM Internal Audit Report (Leisure)	To note the ASM Audit Fieldwork 2019-20 Report on Leisure Services – cash handling and bookings management.	ASM	Noted	Y

AC/066/2019	NIAO: Report to Those Charged with Governance	To note the NIAO Report to Those Charged with Governance, and note adjustments reflected in the Annual Accounts.  A complete Report to Those Charged with Governance will be tabled at the Audit Committee Meeting in January 2020.	B O'Neill	Noted	Y
AC/067/2019	Statement of Accounts 2018-19	Statement of Accounts 2018-19 and Annual Governance Statement.	K Montgomery	Approved	Y
	Update re: Audit Recommendations	To note the update on Internal Audit Recommendations and NIAO recommendations.  A report be tabled at the Audit Committee Meeting in January 2020 outlining the level of risk against all outstanding audit recommendations. UOTFGIUOGTIUGIUG;IO HO;HO'IHOI'	G Byrne	Noted – Paper being brought to the January 2020 Committee	Y

AC/069/2019	Corporate Risk Register	<p>(a) To note the Corporate Risk Register</p> <p>(b) A report on absenteeism levels to be brought to the next meeting of the Strategic Policy &amp; Resources</p> <p>Committee Meeting to be held on Thursday 17 September 2019.</p> <p>(c) Update to be provided to Members on the Area Development Plan process and on outstanding legacy Planning Applications.</p>	D Carville	Noted	Y
AC/070/2019	Fraud & Whistleblowing	To note the Fraud and Whistleblowing cases as per Report from Mr G Byrne Audit Services Manager.	G Byrne	Noted	Y
AC/071/2019	Direct Awards Contracts	To note report dated 3 July 2019 from Mr G Byrne Audit Services Manager regarding the Direct	G Byrne	Noted	Y



		Awards Contracts/Single Tender Actions.			
AC/072/2019	Prompt Payment Statistics	To note the Report on Prompt Payment Statistics.	G Byrne	Noted	Y
AC/073/2019	Assessment of Performance 2018-19	To note the Assessment of Performance 2018- 19 which was presented to the Strategic Policy & Resources Committee Meeting held on 12 September 2019.	G Byrne	Noted	Y
AC/074/2019	Performance Improvement Assessment Programme	To note the Performance Improvement Assessment Programme which was presented to the Strategic Policy & Resources Committee Meeting held on 12 September 2019.	G Byrne	Noted	Y

\*\*\*\*\*

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	<b>Corporate Risk Register</b>
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne, Audit Services Manager
<b>Contact Officer (Including Job Title):</b>	Dorinnia Carville, Director of Corporate Services

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

<b>For decision</b>	<b>For noting only</b>	<b>x</b>
---------------------	------------------------	----------

<b>1.0</b>	<b>Purpose and Background:</b>
1.1	SMT completed a thorough review of the Corporate Risk Register on the 17 <sup>th</sup> December 2019. Updated Directorate Assurance Statements were presented to SMT to inform the review of the Corporate Risk Register.
<b>2.0</b>	<b>Key issues:</b>
2.1	<p>No new risks were added to the Corporate Risk Register.</p> <p>Corporate Risk 3 'Non- Compliance with legislative requirements' residual risk score has been revised upwards due to the absence of Asbestos and Legionella Policies and Management plans. An action has been included for these Policies to become effective as soon as possible.</p> <p>Corporate Risk 4 'Failure to effectively manage waste' residual risk score has been revised upwards due to the Operator's Licence expiring in March 2020. There are a significant number of TRU and FTA recommendations to be implemented in relation to Fleet procedures. A detailed action plan has been included within CR4 as to how these recommendation will be implemented in January 2020.</p> <p>Corporate Risk 7 has been amended to demonstrate a revised direction set by the Chief Executive. The previous risk was 'Failure to develop a transformational programme of organisational change that addresses Local Government Reform and delivers efficiencies and improvement'. The new risk and associated actions is 'Failure to adequately plan for the future and deliver efficiencies and improvement'.</p> <p>Numerous minor changes were made including new actions updating the progress of actions and new detail included within certain risks. These can be evidenced on the Corporate Risk Register attached.</p> <p>The Audit Services Manager has begun updating Directorate Risk Registers in November 2019, this will be completed in January 2020.</p>
<b>3.0</b>	<b>Recommendations:</b>

3.1	For consideration by the Audit Committee on a quarterly basis.
<b>4.0</b>	<b>Resource implications</b>
4.1	None.
<b>5.0</b>	<b>Equality and good relations implications</b>
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
<b>6.0</b>	<b>Rural Proofing implications</b>
6.1	A rural needs impact assessment is not required at this time.
<b>7.0</b>	<b>Appendices</b>
	Appendix 1 – Corporate Risk Register Cover Sheet Appendix 2 – Corporate Risk Register – January 2020 AC
<b>8.0</b>	<b>Background Documents</b>
	None

## NMDDC - Corporate Risk Register Cover Sheet

Risk	Description	Risk Owner/s	Gross Risk Score	Previous Residual Risk Score	Revised Residual Risk Score	Reason for change in Residual Score
CR01	Failure to deliver the capital investment programme for the District	Dorinnia Carville and Michael Lipsett	25	9	9	no change
CR02	Breach of legislation in relation to the procurement of goods and services and works	Dorinnia Carville	20	12	12	no change
CR03	Non-compliance with legislative requirements	Dorinnia Carville, Michael Lipsett and Roland Moore	25	9	15	Residual risk score has been revised upwards due to the absence of Asbestos and Legionella Policies and Management plans. An action has been included for these Policies to become effective as soon as possible.
CR04	Failure to effectively manage waste	Roland Moore	20	12	16	Increase in risk score due to operator licence renewal required on 31 March 2020 and a number of TRU/FTA recommendations still remain outstanding.
CR05	Failure to provide timely planning decisions	Conor Mallon	25	20	20	no change - however specialist planning consultant to be appointed in January 2020, which will hopefully improve processes and procedures which in turn will reduce the residual score.
CR06	IT Services do not support the Statutory, Strategic or Operational requirements of Council	Dorinnia Carville	25	16	16	no change
CR07	Failure to develop a transformational programme of organisational change that addresses Local Government Reform and delivers efficiencies and improvement	Liam Hannaway	20	12	12	Risk now amended due to a new direction set by the current Chief Executive
CR07	Failure to adequately plan for the future and deliver efficiencies and improvement	Marie Ward	20	n/a	12	Amended risk with new actions
CR08	Failure to adequately react to a major incident which would minimise any negative consequences/impact	Dorinnia Carville	20	12	12	no change
CR09	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	Marie Ward and Conor Mallon	20	20	20	no change
CR10	Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery	Marie Ward and Dorinnia Carville	20	16	16	no change
CR11	Accidents/injuries may occur if health and safety of service users and staff is not considered, with a particular focus on Fire Risk Assessments	Roland Moore and Dorinnia Carville	20	15	15	no change - new action in relation to Legionella and Asbestos policies and associated management plans. Once policies are effective, residual score should reduce.
CR12	If sickness absence is not kept to a minimum, this may affect the delivery of services, staff morale and lead to increased costs	Marie Ward and Dorinnia Carville	20	16	16	no change

Risk Assessment Matrix							
			PROBABILITY				
			Rare	Unlikely	Possible	Likely	V Likely
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	Finance
Consequence	Score							
Fundamental	5	• Death	• Multiple breach of statutory legislation and prosecution.	• Litigation – £500k expected.	• Critical Environmental Impact.	• Severe impact on customer satisfaction.	• Significant financial impact (over 5% of total directorate budget )	
				• National Media Interest	• Service closed for unacceptable period.	• Gross failure to meet professional / national standards	• Theft / loss –£250k	
				• Severe loss of confidence and reputation				
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 financial impact (between 2% - 5% of total directorate budget).	
		• Major clinical intervention		• Adverse publicity	• Severe disruption to service	• Failure to meet professional / national standards	• Theft / loss between £100k - £250k	
		• 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.	• Moderate financial impact (between 1% and 2% of total directorate budget)	
		• Short term monitoring		• Potential for adverse publicity, avoidable with careful handling	• Moderate disruption to services	• Failure to meet internal standard	• Theft / loss between £50k - £100k	
		• 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 financial impact (up to 1% of total directorate budget)	
		• Minor injury		• Impact on reputation – internal awareness.	• Disruption to service perceived as inconvenient.	• Single failure to meet internal standard.	• Theft / loss between £1 - £50k	
		• 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.						

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.





## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Asset Management Strategy	To identify surplus assets to sell and use sale proceeds to assist funding in the capital programme.	In Progress	Dorinnia Carville	31/05/2020	<p>In Progress - All surplus land assets have been identified. Paper brought to SP&amp;R in September 2019 detailing the expressions of interest from other Public Bodies for these surplus assets.</p> <p>30 sites were considered for release, and out of that list, 24 sites were considered for release through the D1 process. 1 site has been sold and 5 sites are being considered by other public bodies.</p> <p>Of the sites that went through the D1 process with no interest, Council have lodged 10 Planning Applications in order to increase the sale value of the land, 10 sites have moved to be released through the Open Market and 4 have been removed from the list due to either legal issues or constraints.</p>
SIF Projects	Implement Sufficient cost and change control measures so projects are delivered within budget. The project board will continue to meet as and when required to update project risk register	In Progress	Michael Lipsett	30/04/2020	<p>Risk registers in place for each project.</p> <p>The issues with the Kilcooley pitch have now been resolved by Ards Council. Business case has been approved by the Executive Office and the planning application has been lodged. Monthly updates are provided and a risk register updated for these meetings.</p> <p>Ballyhorman pitch is now on site and the risks are being managed by the Project Manager through the terms of the Contract and monthly site meetings.</p> <p>The chosen site in Downpatrick has unsuitable ground conditions and SIF have now decided that the site is not financially viable. This site no longer going ahead.</p>

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

Consequence	5					<b>Risk Categories</b> Financial Impact on individuals (staff or public) Quality of Service Statutory Duty (Legal/Regulatory)
	4		T	R	G	
	3					
	2					
	1					
		1	2	3	4	5
Probability						
<b>Risk Description</b> Breach of legislation in relation to the procurement of goods and services and works						
<b>Potential Root Cause</b> Lack of awareness of legislation Lack of compliance to Council procurement policy Lack of training of staff Lack of a comprehensive policy for the new Council						
<b>Consequence</b> Negative PR Financial Loss to the Council Litigation						
<b>Risk Owners</b> Dorinnia Carville						
<b>Gross/Inherent Risk</b> Red 20						
<b>Residual Risk</b> Amber 12						
<b>Target Risk Level</b> Yellow 8						
<b>Last Review</b> 17/12/2019						
<b>Next Review</b> 31/03/2020						
<b>Risk Appetite</b> Risk Averse						

### Objectives

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

### Key Controls Identified

1. Procurement team
2. Financial regulations and procurement policy in place
3. Use of regional and national frameworks
4. Specialist legal advice available
5. Single Tender Actions list
6. Procurement training rolled out to all relevant staff based on expenditure level

### Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Contract Management Internal Audit	Internal Audit are to complete a review of contract management. the audit is to commence in November 2019.	In Progress	Ken Montgomery	31/03/2020	Management will aim to implement the recommendations from the audit as soon as possible.
Contracts Management	Training to be rolled out to relevant staff on the best practice with regards to contract management.	Audit Recommendation	Ken Montgomery	29/02/2020	Line Management to target relevant staff and a training schedule to be devised.
Contracts Register	Development of a Council contracts register, this should be maintained and reviewed by the procurement team.	Audit Recommendation	Ken Montgomery	31/05/2020	Currently legacy contracts are being analysed to see where contracts can be merged to achieve economies of scale. Examples of spend which is currently being procured includes PPE, Metal Fabrication and Cleaning Services.



## Risk CR. 03 - Non-compliance with legislative requirements

Consequence	5			R	G	<b>Risk Categories</b>	Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)		
	4					<b>Risk Description</b>	Failure to have the necessary policies and procedures in place with staff adequately trained to comply with the necessary legislation.		
	3		T			<b>Potential Root Cause</b>	Failure to understand legal requirements in relation to H&S & Information Management (GDPR)		
	2					<b>Consequence</b>	Lack of resources Untrained staff		
	1						Non-compliance leading to prosecution Reputational Damage Reduced trust and public confidence Increased number of complaints and queries		
		1	2	3	4	5	<b>Risk Owners</b>	Dorinnia Carville; Michael Lipsett; Roland Moore	
Probability						<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b>	17/12/2019
						<b>Residual Risk</b>	Amber 15	<b>Next Review</b>	31/03/2020
						<b>Target Risk Level</b>	Green 6	<b>Risk Appetite</b>	Risk Averse

### Objectives

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

### Key Controls Identified

1. Majority of Policies and procedures in place
2. Dedicated skilled teams in place for:
  - Health and Safety
  - HR
  - Legal (including info mgt)
3. Health and Safety Committees in place and ongoing programme of training in place
4. Access to information policy approved in June 2019.

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Asbestos Policy and Management Plan	Provide draft Asbestos Policy and Management Plan for approval through CMT, SMT and Corporate Health and Safety Committee.	In Progress		30/01/2020	Draft Policy being worked on by Consultants – ready for review in Jan/Feb 2020.
GDPR	Audit of Council information to ensure Council meets its objectives under GDPR and PRONI guidance	In Progress	Alison Robb	31/03/2020	Year end actual's of the audit of information will be reported in the Corporate Services Annual Business Plan return. The audit of information will inform the annual retention and disposal reviews as well as targets to take forward for inclusion within the annual business plan. A Records Management Policy and Procedure was approved by the Strategic Policy and Resources Committee on 12 September 2019 and ratified by Council on 7 October 2019. Implementation has commenced across Council with the Records Manager providing ongoing support to staff. Training is anticipated to be provided in quarter 4 of 2019/20.
Legionella Policy and Management Control Scheme	Provide draft Legionella Policy and Management Control Scheme for approval through CMT, SMT and Corporate Health and Safety Committee.	In Progress	Kevin Scullion	31/01/2020	Draft Policy presented to CMT and Corporate H&S Committee members in December 2019 with view to presenting to SMT on 10th January 2020.

## Risk CR. 04 - Failure to effectively manage waste

Consequence	5					<b>Risk Categories</b>	Buildings / Engineering / Environment Quality of Service Statutory Duty (Legal/Regulatory)			
	4				R	G	<b>Risk Description</b>	Failure to effectively manage waste		
	3			T			<b>Potential Root Cause</b>	Insufficient resources Market forces enable commercial operators to increase prices Failure to plan effectively for future (including financial planning) Historic contract arrangements which are not providing the Council with VFM Potential loss of operators licence Future changes to waste management arrangements		
	2									
	1									
		1	2	3	4	5	<b>Consequence</b>	Reputational Issues Lower customer satisfaction impact on service delivery and lost productivity		
						<b>Probability</b>				
						<b>Risk Owners</b>	Roland Moore			
						<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b>	17/12/2019	
						<b>Residual Risk</b>	Amber 16	<b>Next Review</b>	31/03/2020	
						<b>Target Risk Level</b>	Yellow 9	<b>Risk Appetite</b>	Risk Averse	

### Objectives

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

### Key Controls Identified

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

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Long term strategic plan	Implementation of long term strategic plan to ensure we manage our wastes to ensure statutory compliance.	In Progress	Roland Moore	31/03/2020	Fundamental review required of the long term strategic plan. Draft review to be completed in March 2020.
Neighbourhood Services Transformation Project	The Neighbourhood Services Transformation project will aim to make efficiencies within NS while still maintaining the level of service.	In Progress	Roland Moore	31/03/2020	A Project Manager was appointed in January 2019. The Outline Business Case will be completed in March 2020.
Operators Licence	Internal Audit carried out a review of the progress in implementing TRU and FTA recommendations in October 2018. The Council's Operator Licence is due for renewal on 31 March 2020, and currently only one of TRU's five recommendations have been implemented.	Proposed	Roland Moore	31/03/2020	A meeting took place on 17th December with Director and Heads of Service. The following was agreed: Fleet policy and procedures to be reviewed with a view to finalising in January 2020. There was agreement between Maintenance, Refuse & Cleansing and Fleet in relation to the following procedures; Driver pre-use defect procedure; Driver Hours procedure; Vehicle Overload controls procedure; Good repute and notifiable offences procedure; Heads of Service to finalise all documentation and arrange to meet with FT TU representative w/c 6th January, and remaining TU working group thereafter. A meeting has also been requested with HR in relation to some elements of the documentation. All papers will go to the NS committee on the 22 January 2020.
Waste Management Action Plan	The waste management action plan is organised by ARC 21. The Council will have to feed into and approve ARC 21s Waste Management Plan.	In Progress	Roland Moore	31/03/2020	ARC 21 waste management action plan is due to be updated. The specification is being finalised by all 11 Councils prior to procurement exercise. Once this is finalised NMDDC will have to approve the Waste Management Action Plan.

## Risk CR. 05 - Failure to provide timely planning decisions

Consequence	5		T		R	G	<b>Risk Categories</b> Business operational/reputational Financial Quality of Service  <b>Risk Description</b> Failure to provide timely planning decisions  <b>Potential Root Cause</b> Significant back log in planning decisions inherited from DoE Ineffective and/or inadequate resources Insufficient capacity building for members Cultural inertia Ineffective technology - EPIC system changes  <b>Consequence</b> Litigation Reputational issues Lower Customer satisfaction Impact on service delivery and lost productivity Financial implications resulting in budget constraints  <b>Risk Owners</b> Conor Mallon  <b>Gross/Inherent Risk</b> Red 25  <b>Residual Risk</b> Red 20  <b>Target Risk Level</b> Yellow 10
	4						
	3						
	2						
	1						
		1	2	3	4	5	
Probability							<b>Last Review</b> 17/12/2019  <b>Next Review</b> 31/03/2020  <b>Risk Appetite</b> Risk Averse

### Objectives

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

### Key Controls Identified

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

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Appointment of a specialist planning consultant	Business case to appoint a specialist planning consultant was approved at the December 2019 SP&R Committee.	In Progress	Conor Mallon	31/03/2020	Specialist planning consultant to be appointed in January 2020. The consultant will review and implement transformational change to improve planning performance. The number of live applications at the 6/12/19 was 956 (30/08/19 - 1108). The target of 750 live applications remains. Management are giving consideration to other mechanisms to reduce the backlog of cases. The Council has concluded Stage 1 of the process with production of, and consultation on, the Preferred Options Paper. Work has commenced on Stage 2 The Plan Strategy, to be concluded by the end of 2020. Time table has been revised and agreed with the Department and Council. Specialists have assisted in providing expertise to implement the plan (i.e. Retail Planning / Landscaping). Council has agreed to the procurement of a replacement planning computer system, in a joint arrangement with the other 10 Councils and DfI. The joint procurement exercise is to be complete by December 2019 and the new system and supplier to be selected by March 2020. The existing system will be supported until the end of 2020.
Backlog cases	Implement action plan to reduce backlog in line with timeframe set	In Progress	Anthony Mckay	31/03/2020	
Delivery of a new Development Plan	To progress the local development plan in line with agreed timetable.	In Progress	Anthony Mckay	31/03/2020	
IT infrastructure	Upgrade of technical IT infrastructure (EPIC Replacement)	In Progress	Anthony Mckay	31/03/2020	

## Risk CR. 06 - IT Services do not support the Statutory, Strategic or Operational requirements of Council

Consequence	5					G	<b>Risk Categories</b> Business operational/reputational Impact on individuals (staff or public) Quality of Service  <b>Risk Description</b> Failure to provide an effective IT Service Failure to respond to and recover from a major incident within, or impacting upon, the Council Failure to predict service requirements  <b>Potential Root Cause</b> Resistance to change both internally and externally Lack of resources for new IT system / network Lack of staff with specialist expertise IT systems not being secure - Council could have systems hacked  <b>Consequence</b> Resources not used effectively Poor service delivery IT system becoming obsolete Loss of sensitive data Service downtime  <b>Risk Owners</b> Dorinnia Carville  <b>Gross/Inherent Risk</b> Red 25  <b>Residual Risk</b> Amber 16  <b>Target Risk Level</b> Yellow 9
	4					R	
	3			T			
	2						
	1						
		1	2	3	4	5	
Probability							

### Objectives

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

### Key Controls Identified

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



## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
IT Disaster Recovery/Business Continuity Plans	Identify and address gaps in IT Disaster Recovery/Business Continuity Plans and Increase resilience of legacy IT systems until IT Strategy is fully implemented- Recommendation coming from 2017/18 internal audit plus controls which IT section want implemented.	In Progress	Gavin Ringland	31/03/2020	A number of audits and assessments have taken place, with actions ongoing to address recommendations. 50% of Disaster recovery recommendations have now been implemented, and IT Departments working through the remaining actions. Procurement has commenced for a new DR platform with full DR capability - operational by March 2020.
IT Strategy (1)	In order to implement the Councils IT strategy, Council have to procure and implement the infrastructure projects in order to stabilise the IT platform.	In Progress	Gavin Ringland	31/12/2019	WAN/LAN at implementation phase. There has been a delay due to an issue on the contractor's side, expected completion has moved from 31 July 2019 to 31 December 2019.
IT Strategy (2)	Procure and implement the 'fundamental' transformation program identified as a priority	In Progress	Gavin Ringland	29/02/2020	Email/Fixed Telephony at implementation stage. Email system now completed. The expected completion for telephony was 31 August 2019 but this has slipped to the 29 February 2020 due to delay on WAN implementation which telephony is dependent upon.
IT Strategy (3)	Council Wifi Project to be implemented	In Progress	Gavin Ringland	31/12/2019	Contract awarded in April 2019. Supplier was procured as a framework for NI Local Councils. WIFI installation is dependent on the completion of the telephony system which is dependent on the completion of the WAN project. Downshire Building now complete with core sites to be completed by the end of December (MR / GB / NLC / DLC)



## Risk CR. 07 - Failure to adequately plan for the future and deliver efficiencies and improvement

Consequence	5					
	4		T	R		G
	3					
	2					
	1					
		1	2	3	4	5
		Probability				

### Risk Categories

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

### Risk Description

Failure to adequately plan for the future and deliver efficiencies and improvement

### Potential Root Cause

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

### Consequence

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

### Risk Owners

Marie Ward

### Gross/Inherent Risk

Red 20

### Residual Risk

Amber 12

### Target Risk Level

Yellow 8

### Last Review

17/12/2019

### Next Review

31/03/2020

### Risk Appetite

Risk Neutral

## Objectives

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

## Key Controls Identified

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

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Develop and implement controls for tracking the realisation of business benefits. Develop, Plan and implement a programme of transformational (business and IT) change that aligns all improvement / Effic Embedding Organisational Design	Develop and implement controls for tracking implementation and results	In Progress	Johnny McBride	31/03/2020	Working groups established for IT and NS projects in September 2019 which will track the implementation of results.
	Develop, Plan and implement a programme of transformational (business and IT) change that aligns all improvement / Efficiency activity across the Council.	In Progress	Johnny McBride	31/03/2020	The Working Groups continue to meet to take-forward their initial work. An outline programme & business case for business transformation has also been prepared for consideration of SMT.
	Complete tier 5 of the organisation structure	In Progress	Catrina Miskelly	31/03/2020	In Progress

## Risk CR. 08 - Failure to adequately react to a major incident which would minimise any negative consequences/impact

Consequence	5				G	
	4		T	R		
	3					
	2					
	1					
		1	2	3	4	5
Probability						

**Risk Categories**  
Buildings / Engineering / Environment  
Business operational/reputational  
Impact on individuals (staff or public)  
Statutory Duty (Legal/Regulatory)

**Risk Description**  
In the event of a disaster or an emergency, the Council may not respond in a way which minimises any negative consequences/impact

**Potential Root Cause**  
Natural disasters, Localised flooding, Harbour disasters, Fire  
Significant IT failure  
Inadequate preparedness to be able to respond in the event of an emergency

**Consequence**  
Reputational damage through inadequate civic leadership to provide adequate community emergency support  
Loss of income  
Litigation - civil/criminal  
increased insurance premiums

**Risk Owners**  
Dorinnia Carville

**Gross/Inherent Risk**  
Red 20

**Residual Risk**  
Amber 12

**Target Risk Level**  
Yellow 8

**Last Review**  
17/12/2019

**Next Review**  
31/03/2020

**Risk Appetite**  
Risk Averse

### Objectives

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

### Key Controls Identified

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

### 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	Dorinnia Carville	31/12/2019	ongoing - another management test exercise to be completed in 2020.
Emergency Management Response Plan	An update of the Emergency Management Response Plan	Completed	Dorinnia Carville	31/12/2019	An update of the Emergency Management Response Plan in line with best practice and lesson's learned was presented to SMT in December 2019.

## Risk CR. 09 - 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

Consequence	5						<b>Risk Categories</b>	Impact on individuals (staff or public) Quality of Service	
	4					R/G	<b>Risk Description</b>	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	
	3			T			<b>Potential Root Cause</b>	Failure to engage stakeholders (public and private sector) Lack of resources Reduction in rates income Economic downturn and economic uncertainty Impact of Brexit on funding Permanent Secretaries not able to make decisions in absence of Minister Impact of City Deals Reduced funding from Central Government due to lack of a NI Executive The fall and continuing weakness in sterling driving inflation expectations higher	
	2						<b>Consequence</b>	Lack of investment and economic activity Loss of confidence from the private sector Negative PR Poor service delivery	
	1								
		1	2	3	4	5	<b>Probability</b>		
							<b>Risk Owners</b>	Conor Mallon; Marie Ward	
							<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b> 17/12/2019
							<b>Residual Risk</b>	Red 20	<b>Next Review</b> 31/03/2020
							<b>Target Risk Level</b>	Yellow 9	<b>Risk Appetite</b> Risk Averse

### Objectives

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

### Key Controls Identified

1. Economic development and investment strategy in place
2. Establishment of Economic Forum including public and private sector stakeholder
3. Rural Development Programme in place
4. Engagement with other Councils, other Departments, NILGA and the Private Sector through the Chamber of Commerce
5. Brexit Task and Finish Working Group Risk Matrix and Risk Register

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Brexit	Continue to closely monitor effects of Brexit on on-going funding	In Progress	Jonathan McGilly	31/01/2020	Paper being brought to SP&R Committee on 12/9/19 which is a NMDDC specific risk register in relation to Brexit, and the actions certain Services are taking to mitigate against potential risk, especially in the case of a no deal scenario. Brexit Management Team meeting to take place in early in January 2020 following the December election result.
City Deals	Actively engage in Belfast Region City Deals process planning	In Progress	Liam Hannaway	31/01/2020	Head of Terms have been signed. Governance Arrangements and Working groups being set up. OBC currently being developed.
Local Full Fibre Network (LFFN)	Local Full Fibre Network to improve connectivity across all of Northern Ireland.	In Progress	Conor Mallon	31/03/2020	Phase one of the project has to be delivered by March 2020 - £15m funding has been secured for phase 1. Preparation of the procurement documents has commenced and governance structures are in place.



Risk **CR. 10. Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery**

Consequence	5						<b>Risk Categories</b>	Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service		
	4		T		R	G	<b>Risk Description</b>	Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service delivery.		
	3						<b>Potential Root Cause</b>	A range of different T&C's operate across the organisation Culture changes between the two legacy councils Lack of completed structure Resistance to change		
	2						<b>Consequence</b>	Industrial action Reputational damage to the Council Low staff morale Increased sickness absence Poor service delivery and VFM		
	1									
		1	2	3	4	5	<b>Probability</b>			
							<b>Risk Owners</b>	Dorinnia Carville; Liam Hannaway		
							<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b>	17/12/2019
							<b>Residual Risk</b>	Amber 16	<b>Next Review</b>	31/03/2020
							<b>Target Risk Level</b>	Yellow 8	<b>Risk Appetite</b>	Risk Averse

Objectives

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

Key Controls Identified

- CMT working group established to examine positions and make recommendations
- Full time release of 2 permanent members of staff to be Trade Union coordinators with agreed terms of references
- Increased capacity in HR
- Joint (Management and Trade Union side) internal working group established with agreed TOR
- Negotiating Forum established between management and trade union sides (LCNF)
- Regular reporting to CMT
- Working Group established for consultation on key people policies for the new organisation – being facilitated by LRA

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Policy Alignment for NMDDC - phase 1	Adopt and implement phase 1 of the agreed new policies	In Progress	Catrina Miskelly	29/02/2020	Completed in June 2018 with the exception of absence management procedures. Revised Absence Management Policy is now with TU in draft form.
Policy alignment for NMDDC - phase 2	Commence and implement phase 2 of HR policies	Proposed	Catrina Miskelly	31/03/2020	Phase 2 commenced in November 2019.
Preferred Contractual Arrangements	The working group is to consider preferred contractual arrangements for each of the key services and cost impact the preferred options.	In Progress	Dorinnia Carville Roland Moore	31/03/2020	Working group established with representation from Management and Trade Union side and meetings are progressing towards a targeted completion date.

## Risk CR. 11 Accidents/injuries may occur if health and safety of service users and staff is not considered, with a focus on Fire Risk Assessments

Consequence	5		T	R	G		<b>Risk Categories</b>	Buildings / Engineering / Environment Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)		
	4						<b>Risk Description</b>	Accidents/injuries may occur if health and safety of service users and staff is not considered, with a focus on fire risk assessments and their associated actions		
	3						<b>Potential Root Cause</b>	Lack of H&S Planning Training inadequacies Lack of responsibility - public negligence Unforeseen event Absence of or ineffective operational procedures / policies / systems or processes Fire Risk Assessments of Council Buildings not be undertaken Actions from Fire Risk Assessments not being implemented		
	2									
	1									
		1	2	3	4	5	<b>Consequence</b>	injury/death to staff or public Damage to Council reputation Loss of income Personal liability/Corporate Manslaughter Litigation - Civil/Criminal Increased insurance premiums		
<b>Probability</b>							<b>Risk Owners</b>	Dorinnia Carville; Roland Moore		
							<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b>	17/12/2019
							<b>Residual Risk</b>	Amber 15	<b>Next Review</b>	31/03/2020
							<b>Target Risk Level</b>	Yellow 10	<b>Risk Appetite</b>	Risk Averse

### Objectives

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

### Key Controls Identified

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



## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Actions from Fire Risk Assessment Audits	The actions from the Fire Risk Assessments which have been completed need to be actioned as soon as possible for all Council properties by the Facilities Management and Maintenance Department.	In Progress	Kevin Scullion	31/03/2020	The Building Maintenance Department has developed a pro forma form for completion by Facility Managers to raise building maintenance requests associated with Fire Risk Assessments. Roles and responsibilities regarding compliance issues have been agreed through Facilities Working Group and have been approved through CMT and SMT.
Asbestos Policy and Management Plan	Provide draft Asbestos Policy and Management Plan for approval through CMT, SMT and Corporate Health and Safety Committee.	In Progress	Kevin Scullion	29/02/2020	Draft Policy being worked on by Consultants – ready for review in Jan/Feb 2020.
Health and Safety Policy	Review of the current Health and Safety Policy to ensure it complies with best practice and it is fit for purpose.	In Progress	Dorinnia Carville	31/03/2020	The H&S policy has been updated and revisions are being made to the first draft in line with best practice. Once the new policy is effective a H&S management system will be developed.
Internal Audit - Health and Safety	Internal Audit are due to begin a review on Corporate H&S and make recommendations to SMT	In Progress	Dorinnia Carville	30/04/2020	Internal Audit fieldwork completed in November/December 2019. Wash up meeting with management towards the end of December 2019. Final Report to be issued to the April Audit Committee.
Legionella Policy and Management Control Scheme	Provide draft Legionella Policy and Management Control Scheme for approval through CMT, SMT and Corporate Health and Safety Committee.	In Progress	Kevin Scullion	31/01/2020	Draft Policy being presented to CMT and Corporate H&S Committee members December 2019 with view to presenting to SMT on 10th January 2020.

## Risk CR. 12 - If sickness absence is not kept to a minimum, this may affect the delivery of services, staff morale and lead to increased costs

Consequence	5					<b>Risk Categories</b> Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service  <b>Risk Description</b> If sickness absence is not kept to a minimum, this may affect the delivery of services, staff morale and lead to increased costs  <b>Potential Root Cause</b> Period of change Currently working to 6 absence management policies - may have an issue with consistency across the organisation Stress  <b>Consequence</b> Low Staff morale Lower Customer satisfaction due to an impact on service delivery Increased in overtime level Increase in the use of agency staff Reputation issues  <b>Risk Owners</b> Dorinnia Carville; Marie Ward  <b>Gross/Inherent Risk</b> Red 20  <b>Residual Risk</b> Amber 16  <b>Target Risk Level</b> Yellow 9
	4				R G	
	3			T		
	2					
	1					
		1	2	3	4	
Probability						

### Objectives

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

### Key Controls Identified

Absence Management figures regularly reported to CMT/SMT  
 Employee Assistance scheme in place including counselling service  
 Health and Well-being group in place  
 Internal Audit focusing on Absence Management - April 2019 - Satisfactory Assurance rating  
 Legacy absence management policies are in place  
 Occupational health referrals and workplace health initiatives  
 PAMS HR Management System  
 Return to work meetings

### Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Introduction of a Managing Attendance Procedure for all Council staff	Managing Attendance Procedure to become effective for all Council staff. This will replace the 6 legacy absence management policies which are currently in operation.	In Progress	Catrina Miskelly	31/03/2020	Final Draft of the Absence Management Procedures is currently with Trade Unions for consideration.

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	<b>DAC / STA Register</b>
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne, Audit Services Manager
<b>Contact Officer (Including Job Title):</b>	David Barter, Procurement Manager

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

<b>For decision</b>	<input type="checkbox"/>	<b>For noting only</b>	<input checked="" type="checkbox"/>
---------------------	--------------------------	------------------------	-------------------------------------

<b>1.0</b>	<b>Purpose and Background:</b>
1.1	<p>Direct Award Contracts (DAC's) or Single Tender Actions (STA's) occur when any partly or fully funded contract is awarded to a contractor/supplier without a competition, or where there is a material change to an existing contract.</p> <p>It is considered best practice to bring DACs / STAs to the attention of the Audit Committee.</p>
<b>2.0</b>	<b>Key issues:</b>
2.1	<p>In the third quarter of the 2019/20 financial year, the Council awarded 33 contracts (Q2 11 contracts) by way of Direct Award (with a value greater than £5k). The total value of these contracts was £455,218 (Q2 - £165,646).</p> <p>There are three reasons for the large increase in both volume and expenditure of STAs this quarter:</p> <ol style="list-style-type: none"> <li>1. Nine STAs were awarded in relation to the St Patricks Day festivals 2020 amounting to £110k. The Tourism and Festivals Internal Audit (December 2018) highlighted that the rationale for the need for a STA was fully justified (Unique Artistic Performance). However Internal Audit did recommend that Council could establish a framework agreement for those performers who are regularly used at Council festivals and events. The AD of Tourism, Culture and Events is currently considering the best way forward in relation to reducing events STAs, with the possibility of a booking agent if these proved to be VFM. AD currently liaising with other Councils.</li> <li>2. Three STAs relating to Christmas Illuminations for 2019 amounting to £42k.</li> <li>3. The Procurement Team are currently completing an exercise matching annual expenditure to suppliers, and then following up with Service areas to enquire as to whether a contract is in place. If no contract is in place, then this spend needs to be covered by an STA until a time when the work/service is tendered competitively and there is a suitable contract/framework in place. Contract Management Internal Audit (item</li> </ol>

	number 12) will go into more detail, but significant progress is currently being made regularising Council expenditure to suppliers. However, in the interim, this exercise will lead to an increase in the number and expenditure in relation to STAs.
<b>3.0</b>	<b>Recommendations:</b>
3.1	For noting by the Audit Committee.
<b>4.0</b>	<b>Resource implications</b>
4.1	None
<b>5.0</b>	<b>Equality and good relations implications</b>
5.1	This report has been equality screened to assess the likely impact on the promotion of equality of opportunity and good relations. No equality impact assessment is required at this time.
<b>6.0</b>	<b>Rural Proofing implications</b>
6.1	A rural needs impact assessment is not required at this time.
<b>7.0</b>	<b>Appendices</b>
	Appendix 1: STA Report – Third Quarter 2019/20
<b>8.0</b>	<b>Background Documents</b>
	None

## STA Report from 1 Apr 2019 - 31 March 2020

	Date	Product	STA Price	Reasoning Provided	Company	Requisitioner	PO Number	Authoriser
1	12th Aug 2019	IT Infrastructure Support from 01/09/2019 to 30/11/2019 as per legacy Newry support	£10,302.00	The service will be procured within the new "IT Services" arrangements. New supplier transitioning costs are estimated at £9,500.	Capitia Managed IT Solutions	Gavin Ringland	PO 149064	Dorinnia Carville
2	5th September 2019	Additional services for Newry, Down and Kilkeel Leisure centres	£20,000.00	Additional non specified works for NLC, DLC and KLC pending future tender process to appoint a pool plant service agent. DLC is also under defect warranty period.	Oak Creative Water Engineering	Kiearn Gordon	PO 150058	Paul Tamati
3	12th September 2019	12 Week Flower arrangement Course in C/maglen, Bessbrook	£8,582.00	Three education bodies contacted for a quote. None could supply a suitable tutor, therefore STA approved for chosen supplier.	Ann Traynor	Julie Mc Cann	PO 150309	Micheal Lipset
4	17th September 2019	Outdoor Wifi for public sites DPK,Ballynahinch,N/castle towncentres	£5,145.00	Current WIFI in legacy Down is in operation however a new WiFi provider has been selected. Existing contract renewed for 6 months until new supplier installs WIFI in legacy Down Outstations.	Wifi Spark LTD	Michael Foster	PO 150457	Amanda Smyth
5	17th September 2019	Access to annual subscription - British Standards building regulations	£8,508.55	Annual Subscription. Single Supplier.	HIS Global	Joanne Donnan	PO 150459	Colum Jackson
6	17th September 2019	ESRI ArcGIS Annual Support and Maintenance	£5,964.00	Provision and maintenance of existing propitiatory software. Ongoing business requirement of Council. Single Supplier.	ESRI Ireland	Gavin Ringland	PO 150461	Dorinnia Carville
7	23rd September 2019	Gon Provide everyday Cleaning for Downshire & Strangford Road	£10,000.00	Contract expired. Cleaning Services still required. Tender was published but had to be re specified due to TUPE considerations. PQQ applicants currently being evaluated.	Gon Cleaning Services	Gail Kane	PO 150734	Roland Moore
8	26th September 2019	Street Wise to provide creative services for the 2020 St Patrick's Day parades	£25,200.00	Single Supplier for this artistic performance.	Street Wise	Laura Savage	PO 150946	Marie Ward
9	26th September 2019	Beam Creative to provide performance for the 2020 St Patrick's Day parades	£13,004.08	Single Supplier for this artistic performance.	Beam Creative Network	Laura Savage	PO 150949	Marie Ward

10	26th September 2019	Arts Etska to provide performance for the 2020 St Patrick's Day parades	£8,950.00	Single Supplier for this artistic performance.	Arts Etska	Laura Savage	PO 150950	Andy Patterson
11	26th September 2019	Young at Art to provide performance for the 2020 St Patrick's Day parades	£5,390.00	Single Supplier for this artistic performance.	Young at Art	Laura Savage	PO 150954	Andy Patterson
12	26th September 2019	Creative Energy Works to provide performance for the 2020 St Patrick's Day parades	£6,410.00	Single Supplier for this artistic performance.	Sherrie Scott Creative Energy Works	Laura Savage	PO 150955	Andy Patterson
13	26th September 2019	Bui Bolg Ltd to provide performance for the 2020 St Patrick's Day parades	£8,369.63	Single Supplier for this artistic performance.	Bui Bolg Ltd	Laura Savage	PO 150956	Andy Patterson
14	26th September 2019	LUXE Gortcormican to provide performance for the 2020 St Patrick's Day parades	£20,000.00	Single Supplier for this artistic performance.	LUXE Gortcormican	Laura Savage	PO 150962	Marie Ward
15	27th September 2019	Mourne Gateway Project	£7,800.00	Council were required to complete a review of the SOC under tight timescales to comply with Belfast City Deal conditions. Failure to meet deadline could impact on the ongoing inclusion of this project.	Capaxo Ltd	Michelle Boyle	PO 151011	Marie Ward
16	30th September 2019	Downpatrick Pavilion Refurbishment ( additional works )	£23,500.00	Additional works required by AHC Directorate for Dunleath Pavilion, for adaptations while the contractor is still in the construction phase. Urgent safety works required.	Dobbin Contracts	Anna Magee	PO 151112	Micheal Lipset
17	7th October 2019	Annually recurring hosting, software assurance/maintenance/support Tascomi Te-	£16,429.00	Single Supplier - Annual support of the Building Control electronic systems.	Tascomi	Gavin Ringland	PO 151384	Micheal Lipset
18	7th October 2019	Eurofire to carry out all work on Community centers relating to fire alarms/fire extinguishers	£5,000.00	Fire Risk Assessments for Council owned community centres - STA being used until central Council Contract exists.	Eurofire	Julie Mccann	PO 151437	Micheal Lipset
19	8th October 2019	Service provision to the fitness suite in Newry/Down Leisure Centre to include electrical works, wi-fi, ongoing support and servicing and labour costs	£14,000.00	Specialist works - must use selected supplier so that current warranty conditions are not breached.	Communicate Better Limited	Kiearn Gordon	PO 151466	Micheal Lipset
20	9th October 2019	Christmas trees from Pomery and Tempo forests	£7,503.00	This is an annual requirement. A number of private sellers were asked for a quote but none could supply the size of tree required.	Forest Sevice	Jonathon Ellis	PO 151552	Roland Moore



21	9th October 2019	Living xmas trees from Consorzio Ortovivaisti Pistoiesi Pistoia Italy.	£12,250.00	Officers completed their own VFM exercise. Living trees could not be purchased at this comparable price including haulage costs.	Consorzio Ortovivaisti Pistoiesi Pistoia	Jonathon Ellis	PO 151556	Roland Moore
22	10th October 2019	St Patricks Day 2020 - Newry - Francis Morgan for Creative Services	£9,930.00	Single Supplier for this artistic performance.	Francis Morgan	Laura Savage	PO 151623	Andy Patterson
23	21st October 2019	Fire Alarm Maintenance and Monitoring Biannual service , Callout to checks all Legacy Newry Community Centres	£5,000.00	Annual maintenance and repairs of Councils Community Centres.	JBC Security	Julie McCann	PO 152002	Micheal Lipset
24	21st October 2019	Inishowen Carnival Group provide creative services for the 2020 St Patrick's Day	£12,950.00	Single Supplier for this artistic performance.	Inishowen Carnival Group	Donna Mullholland	PO 152040	Andy Patterson
25	31st October 2019	PPL PRS Music Licence Yearly Fee Leisure Centres	£16,531.27	Single Supplier - Legislation stipulates that music royalties have to be paid to this supplier.	PPL PRS Ltd	Paul Tamati	PO 152552	Micheal Lipset
26	1st November 2019	Annual Fire Maintenance in Community Centres Legacy Newry with some additional repairs	£5,000.00	Maintenance and repair of Council community buildings.	ELECTRONIC & SECURITY SERVICES LTD	Julie McCann	PO 152582	Micheal Lipset
27	4th November 2019	Vehicle Hire	£16,000.00	STA put in place until a formal vehicle hire contract is put in place.	Corrigans Vehicle Hire	Tom Daly	PO 152645	Roland Moore
28	8th November 2019	Building works to Ballykinler Community Centre	£27,225.00	Community centre to be opened pre Christmas. Limited time for an RFQ. Two quotes received and cheapest selected, this supplier had completed previous works at the centre.	Sean Murray Contracts	Paul Brannigan	PO 152860	Micheal Lipset
29	19th November 2019	Christmas Tree for Newcastle County Down	£22,130.00	Existing artificial tree required significant repairs. Ex Hire tree was procured prior to Christmas illumination event.	AJC Group Limited	Kevin Scullion	PO 153323	Roland Moore
30	25 November 2019.	Annual Maintenance of Finance System	£47,465.99	Single Supplier - Annual support for the Council finance system.	SYSCO	Gavin Ringland	PO 153559	Dorinnia Carville
31	28th November 2019	Remedial structural works to boundary wall at Newry Bunscoil, Kilmorey Street, Newry.[]	£7,755.00	H&S risk - immediate work required after structural engineers report. 3 suppliers asked to submit quotes with a tight deadline. Lowest supplier selected.	Sean Murray Contracts	Ciaran o'g Mussen	PO 153765	Roland Moore

32	10th December 2019	Maintenance service contract on the boilers	£9,500.00	Supplier chosen was the company who originally supplied the boilers. 2 year warranty would be void if any other supplier carried out works.	Intelligent Heating Supplies Ltd.	Sinead Greary	PO 154246	Micheal Lipset
33	12th December 2019	Te-Build Annual Maintenance and Support from 14/12/2019 for 12 months	£33,423.00	Annual support of the Building Control electronic systems.	Tascomi	Gavin Ringland/Col	PO 154335	Conor Mallon
			£455,217.52					



<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	<b>Prompt Payment Statistics</b>
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne, Audit Services Manager
<b>Contact Officer (Including Job Title):</b>	Ken Montgomery, Assistant Director of Finance

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

<b>For decision</b>	<input type="checkbox"/>	<b>For noting only</b>	<input checked="" type="checkbox"/>
---------------------	--------------------------	------------------------	-------------------------------------

1.0	<b>Purpose and Background:</b>																									
1.1	<p>'Prompt payment' is the payment of valid supplier invoices within 10 working days by public bodies, as set in government targets.</p> <p>This dataset contains:</p> <ul style="list-style-type: none"><li>total amount paid by each Northern Ireland council to suppliers</li><li>total number of invoices</li><li>number of invoices paid within 10 working days</li><li>number of invoices paid within 30 calendar days</li><li>number of invoices paid outside 30 calendar days</li></ul> <p>The Stormont Executive’s Prompt Payment Policy recommends that government departments should, “aim to pay 90% of valid invoices within 10 working days”, with councils encouraged to match that.</p> <p>Adherence to the policy is not mandatory for councils, but in a letter issued to council chief executives in October 2013, the Department of Environment’s Local Government Policy Division said that: “District councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by Northern Ireland Executive in response to the current economic position”.</p>																									
2.0	<b>Key issues:</b>																									
2.1	<p>Please find below statistics for quarter two of the 2019/20 financial year.</p> <p><b>1 July 2019 to 30 September 2019</b></p> <table><tr><td></td><td>Paid within 10 Days</td><td>Paid within 30 Days</td><td>Paid outside payment period</td><td>Total Invoices</td></tr><tr><td>Number of Invoices</td><td>1106</td><td>5667</td><td>734</td><td>6401</td></tr><tr><td><b>Percentage</b></td><td><b>17%</b></td><td><b>89%</b></td><td><b>11%</b></td><td><b>100%</b></td></tr><tr><td>Value</td><td>£1,587,419</td><td>£15,429,970</td><td>£5,663,316</td><td>£21,093,286</td></tr><tr><td colspan="5"><b>Average number of days to pay suppliers – 19</b></td></tr></table>		Paid within 10 Days	Paid within 30 Days	Paid outside payment period	Total Invoices	Number of Invoices	1106	5667	734	6401	<b>Percentage</b>	<b>17%</b>	<b>89%</b>	<b>11%</b>	<b>100%</b>	Value	£1,587,419	£15,429,970	£5,663,316	£21,093,286	<b>Average number of days to pay suppliers – 19</b>				
	Paid within 10 Days	Paid within 30 Days	Paid outside payment period	Total Invoices																						
Number of Invoices	1106	5667	734	6401																						
<b>Percentage</b>	<b>17%</b>	<b>89%</b>	<b>11%</b>	<b>100%</b>																						
Value	£1,587,419	£15,429,970	£5,663,316	£21,093,286																						
<b>Average number of days to pay suppliers – 19</b>																										

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

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.

## **Newry, Mourne and Down District Council**

### **Audit fieldwork 2019/20**

#### **Contract management**

**17 December 2019**

**Draft for client consideration**



Ref: CH/pb

## Private and Confidential

Marie Ward  
Chief Executive  
District Council Offices  
Newry, Mourne and Down District Council  
O'Hagan House  
Monaghan Row  
Newry  
BT35 8DJ

ASM  
4<sup>th</sup> Floor  
Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

17 December 2019

Dear Madam

## Re: Fieldwork visit – Contract management

### Introduction

1. We have completed our internal audit fieldwork visit in relation to the Newry, Mourne and Down District Council's ("Newry, Mourne and Down District Council") systems for Contract management. This report summarises our findings.

### Background

2. The Council has documented their expected contract management processes as part of the overarching Procurement Policy, when that Policy was updated in January 2018.

3. During the 2019/20 year, the Council has established a contracts register to record details of all contracts operating across the Council. The contracts register is therefore at an early stage of development.

4. The contracts register is currently being maintained by the Council's procurement team. Information on contracts is being obtained either from the Council's e-hub system or directly from information provided by contracts managers.

### Scope

5. This review was undertaken in accordance with Newry, Mourne and Down District Council's Internal Audit Plan, approved by the Audit Committee on 25 June 2019. The fieldwork visit focussed on assessing the following control objectives:

- a) to consider the adequacy of the contract management procedures established by the Council to ensure that best practice is being achieved when managing contracted expenditure;
- b) to consider the adequacy and effectiveness of the Council's contracts register or other mechanism used to monitor contract values versus contract expenditure including those contracts awarded without competition;
- c) to ensure that contracts awarded by Council are being managed in accordance with the Council's Procurement Policy;
- d) to ensure that Officers who are responsible for managing contracts have received appropriate training; and
- e) to ensure that the Council are undertaking performance reviews and post project evaluations, with due consideration to proportionality.

6. This report is addressed to the Chief Executive and it is not to be released beyond Newry, Mourne and Down District Council's management and staff, without our prior written consent. No duty of care is accepted to any party other than those to whom the report is addressed. No responsibility is accepted for any reliance placed upon our report, should it be used for any purpose other than that stated above.



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.

**Newry, Mourne and Down District Council - fieldwork visit – Contract management**

**Restricted – management only – draft for client consideration**

## Basis of assurance

7. We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards ("PSIAS"). Our work included an examination, on a test basis, of transactions processed in accordance with Newry, Mourne and Down District Council's system of internal control.

8. We planned and performed our internal audit work to obtain reasonable assurance that the systems were operating as described. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rests with management and the Chief Executive, as Chief Financial Officer.

## Findings

### *Contract management policy position*

9. Our review identified that the Council documented their expected contract management processes as part of their Procurement Policy when that Policy was updated in January 2018. As part of our testing we reviewed the policy position and compared it to best practice guidance i.e. the Construction and Procurement Delivery Procurement Policy Branch's *Procurement Guidance Note ("PGN") 01/12 Contract management and guidance*. While there is evidence of good practice, our review identified issues with the completeness of the information included in the policy position and identified a possible need to articulate a separate contract management policy. We have summarised our issues at **Appendix A**.

### *Contract register*

10. Our review identified that during 2019/20, the Council have established a contracts register and is currently reviewing all spend across Council to ensure that the contract register captures all contracted activity. This review by Council has identified areas where

contracts have not been put in place to support spending decisions. We consider that if complete, the contracts register can be an effectiveness management tool.

11. Our review of the current contract register identified a number of issues. In particular we noted that: that clarity is needed over who has responsibility for maintaining the contract register and ensure that these responsibilities are adhered to; the Council need to establish a mechanism to record total spend information; the Council need to agree whether direct award contracts/single tender actions are recorded in a separate register or captured in the overarching contracts register; and that currently there is no visibility of the Contracts Register at any Management Team or Committee meeting and this is something the Council may wish to consider.

12. Recognising the early stage of development of the contracts register, our testing of contracts from the register identified examples of poor contract management practices including: expenditure of at least £5,000 being incurred prior to a contract being put in place; actual contracted expenditure being greater than agreed contracted values; and examples of where £5,000 or more was spent on projects after contracts had expired.

### *Single tender actions ("STA")*

13. Our review identified that as well as a contract register the Council maintain a separate STA register to record the details of any STA/DACs awarded in the year. The Council's Procurement Policy sets out the STAs are to be put into place for expenditure items in excess of £5,000 in any given 12 month period and that STAs should not exceed a three year period. The recording, an approval, of STA/DAC is not new practice in the Council.

14. Our testing of STA/DACs identified occasions where STAs appear to be duplicated in one year; and occasions where STAs appear to be duplicated over multiple years i.e. year on year spend. In these instances contracted arrangements have not been put in place and this is something the Council may wish to consider going forward.



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.

**Newry, Mourne and Down District Council - fieldwork visit – Contract management  
Restricted – management only – draft for client consideration**

43

*Performance review and post project evaluations*

15. As part of our review we discussed the contract management process with 7 contract managers across a range of Departments to understand the processes followed to ensure that the contracts are being managed in line with the Council's policy. We noted issues where: contract managers do not complete formal performance reviews of the contracts they manage; post project evaluation ("PPE") reviews are not completed for all contracts managed; contract managers do not maintain any information on their contracts due to the small number of contracts that they manage. We consider this represents a lack of understanding of what is expected from Contract Managers and an area that a revised contract management policy will help strengthen.

16. We selected a sample of 5 contracts that have ended during the year per the contract register and checked whether PPE review was completed, we note that on 2 occasions the PPE form was completed and signed by the Contract Manager but it was not signed off as being reviewed by the relevant budget holder as required by the Policy. In the other 3 instances, no evidence of a PPE being completed could be provided.

*Training*

17. Our review identified that the Council provided general procurement training which included a review of the contract management process. We note that the Council's HR Department maintain records of the training sessions held, including attendance by each member of staff. We selected a sample of 8 contract managers and identified that in all instances relevant procurement training had been completed.

18. However, in light of the results of the discussions with contract managers regarding contract management responsibilities, along with the exceptions to the contract register testing and the recommendations to change the contract management policy position set out at **Appendix A**, we consider that the Council should hold dedicated contract management training for all relevant Officers.

19. We have attached at **Appendices A** to **D** the key findings identified in the course of our work. These are set out as follows:

Findings	Appendix
Contract management policy position	A
Contract register	B
Single Tender Actions	C
Performance review and post project evaluations	D

20. These findings were discussed with Ms Dorinnia Carville (Director of Corporate Services), Mr Ken Montgomery (Assistant Director Finance), Mr David Barter (Procurement Manager) and Mr Gerard Byrne (Audit Services Manager) on 12 December 2019. A draft of this report was issued on 17 December 2019. Client comments were received on tbc.

**Assurance rating – Satisfactory**

21. Recognising the relative early stage of development of the contract register in Council and to ensure that it is complete and accurate, in our opinion, there are number of other improvements which could be incorporated within the Council's systems for Contract management. Specifically, we noted the need to: establish a separate contract management policy; 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 to ensure performance reviews and post Our review also noted a need for dedicated contract management training for all relevant Officers.

22. Notwithstanding the importance of contract management as a control over public expenditure, the existing risk management, control and governance systems in place for Contract management are basically sound and can provide **satisfactory** assurance regarding the effective and efficient achievement of the Council's objectives.

23. We have attached definitions of the assurance ratings and our priority levels at **Appendices E** and **F**.

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**  
**Restricted - management only - draft for client consideration**

---

44

### Other matters

24. We would like to take this opportunity to thank Newry, Mourne and Down District Council's management and staff for their assistance and co-operation during the course of this assignment.

25. If you have any queries in relation to this correspondence, please do not hesitate to contact Christine Hagan or Padraig Brady.

Yours faithfully

ASM (B) Ltd

Email: [christine.hagan@asmbelfast.com](mailto:christine.hagan@asmbelfast.com)  
[padraig.brady@asmbelfast.com](mailto:padraig.brady@asmbelfast.com)



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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Contract management policy position

A

45

### Findings

A1. Our review identified that the Council documented their expected contract management processes as part of their Procurement Policy when that Policy was updated in January 2018. As part of our testing we reviewed the policy position and compared it to best practice guidance i.e. the Construction and Procurement Delivery Procurement Policy Branch's *Procurement Guidance Note ("PGN") 01/12 Contract management and guidance*. Our review of the Council's policy position identified the following issues:

- a) in line with Council Policy, the Procurement Policy and hence the contract management policy position is not due for review until January 2022 (i.e. review every 4 years). When developing the Procurement Policy, the controls operating over contract management were not fully articulated to deal with the complexity of the Council's contracted arrangements. We consider that following the completion of this review that there might be merit in introducing a separate contract management policy and for that policy to be reviewed on a more regular basis;
- b) the current policy does not set out the expected controls operating over the Council's newly established contracts register. We consider that there needs to be clarity with respect to the role of the Contract Manager and the role of the procurement section in respect of contract management and that these responsibilities are clearly understood by both parties;
- c) when compared with best practice guidance we consider that the Council's policy position could be strengthened by including consideration of:
  - i. the need for service continuity or contingency when awarding contracts to consider what will happen if the service fails or is interrupted; and
  - ii. the need for soft market testing to be completed prior to a contract being awarded;
- d) the Council's Procurement Policy does not reference the need for contract managers to update the Procurement Team on contract spend on a quarterly basis; and
- e) while our review identified limited evidence of successful examples of variations/changes to contracts. We understand that the contract manager needs to agree with budget holder all changes to a contract. We note that the contract policy does not set out the expected controls and approvals required for making changes or amendments to controls.

### Effects

- A2. Failure to define the policy position with regards to contract management increases the risk that the Council does not achieve value for money.
- A3. Failure to define the roles for effective contract management increases the risk that contracts are managed at the wrong level and this may lead to poor performance going undetected.

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted – management only – draft for client consideration**

## Contract management policy position (cont'd)

**A**

46

Recommendations and management action plans					
Recommendations	Priority	Status  (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
A4. We recommend that the Council establishes a separate Contract Management Procedural document taking cognisance of the points raised at <b>A1 a)</b> to <b>e)</b> .	2				
A5. We recommend that the Council define the role of the "Contract Manager" in respect of managing contracts and ensure that Contract Managers are made aware of these responsibilities.	2				



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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Contract Register

B

47

### Findings

B1. Our review identified that during 2019/20, the Council have established a contracts register and is currently reviewing all spend across Council to ensure that the contract register captures the contracted activity across Council i.e. this process is in the early stages and has not been completed. Our review of the contract register identified the following issues:

- a) *responsibility for maintaining the contract register* – we note that the Council's Procurement Team are taking centralised responsibility for the maintenance of the contracts register but we note that decentralised responsibility for contract management exist. At the time of our review the contract register contained 66 contracts but there is an expectation that the number of contracts are in the hundreds. Once fully established, the Council should review the responsibilities of the Procurement Team and the Contract Manager to ensure that the contract register is an effective management tool;
- b) *mechanism to record total spend information* – our review of the contract register identified that it does not currently capture the total spend information against the approved contract value which we consider could improve the reporting functionality of the contracts register and to prevent overspending on contracts. We note that as the contracts register is Excel based, it is currently limited in its ability to automatically link to the Finance system and thereby requires contract managers or budget holders to provide this information. We note that any future decision taken on a new software system could consider an automated contract management functionality;
- c) *direct award contracts/single tender actions* – the contract register does not currently detail any direct award contracts approved by the Council. Instead, these are recorded in a separate register;
- d) *contracts not in place* – our review identified that the Council's Procurement Team have requested details of all spend in 2019/20 to date to cross check to the information included, or to be included, on the contract register. This contract mapping exercise has identified issues where spend is made but there is no related contract. We understand that where "gaps" in arrangements have been identified that the Council will seek to put new arrangements in place;
- e) *testing of the current contracts register* - our testing of a sample of 20 contracts from the register identified the following:
  - i. in 10 instances out of 20, expenditure of at least £5,000 being incurred prior to a contract being put in place;
  - ii. in 2 instances out of 20, actual contracted expenditure appeared to be greater than agreed contracted value; and
  - iii. in 11 instances out of 20, £5,000 or more was spent on projects after contract expired;
- f) *visibility of the Contracts Register* - our review identified that currently there is no visibility of the Contracts Register at any Management Team or Committee meeting which presents limited opportunity for scrutiny of spend on Council contracts or information in respect of contracts nearing completion.

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Contract Register (cont'd)

**B**

48

### Effects

B2. Failure to ensure the contract register is completed fully and at the right resource level increases the risk of ineffective contract management or contracts being managed by the wrong officers, which may impact on decision making.

B3. Failure to ensure that appropriate contracts are in place increases the risk that the Council are not achieving value for money.

### Recommendations and management action plans

Recommendations	Priority	Status  (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
<p>B4. We recommend that the Council: introduce a mechanism preventing:</p> <ul style="list-style-type: none"> <li>a) expenditure being incurred on a contract prior to a contract being put in place;</li> <li>b) actual contracted expenditure being greater than agreed contracted values; and</li> <li>c) spend on projects after contract expired.</li> </ul>	1				
<p>B5. We recommend that the Council completes the contract mapping exercise and seeks to ensure contract arrangements are put in place where gaps are identified.</p>	1				



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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Contract Register (cont'd)

**B**

49

Recommendations and management action plans					
Recommendations	Priority	Status  (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
B6. We recommend that the Council review the responsibilities of the Procurement Team and the Contract Manager with respect to the Contracts Register to ensure that the contract register becomes an effective management tool.	2				
B7. We recommend that the total spend information is recorded on the contract register. We consider this requires the contract managers to be in direct communication with the Procurement Team.	2				
B8. We recommend that the Council considers whether the contracts register should capture direct award contract information.	3				
B9. We recommend that the Council considers which forum will provide oversight and scrutiny of the contracts register and whether a full or a summarised version of the contracts register is made available to all staff.	3				

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Single Tender Actions (STAs)

C

50

### Findings

- C1. Our review identified that as well as a contract register the Council maintain a separate STA register to record the details of any STA/DACs awarded in the year. The Council's Procurement Policy sets out the STAs are to be put into place for expenditure items in excess of £5,000 in any given 12 month period and that STAs should not exceed a three year period.
- C2. We reviewed the STA registers held by the Council's Procurement Team for the last 3 years. We noted:
- a) 5 occasions where STAs appear to be duplicated in one year; and
  - b) 3 occasions where STAs appear to be duplicated over multiple years i.e. year on year spend.
- C3. In these instances, the Council may wish to consider whether a contract should be put in place with those "duplicated" contractors.

### Effects

- C4. Failure to test the market and put contract arrangements in place increases the risk that the Council may not be obtaining value for money.

### Recommendations and management action plans

Recommendations	Priority	Status  (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
C5. We recommend that the Council reviews 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.	2				



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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Performance reviews and post project evaluations

**D**

51

### Findings

D1. As part of our review we discussed the contract management process with 7 contract managers across a range of Departments to understand the processes followed to ensure that the contracts are being managed in line with the Council's policy. Our review identified the following issues:

- a) 6 contract managers confirmed that they do not complete formal performance reviews of the contracts they manage. We note that the current policy position requires at least annual performance review;
- b) 5 contract managers confirmed they would not complete post project evaluation ("PPE") reviews for all contracts they manage; and
- c) 2 contract managers confirmed that they do not maintain any information on their contracts due to the small number of contracts that they manage. In these instances, contract information is not being captured. We consider that the missing information will be captured as part of the Council's contract mapping exercise. We have provided our recommendations in this respect at **Appendix B**;

D2. We selected a sample of 5 contracts that have ended during the year per the contract register and checked whether PPE review was completed, we note that on 2 occasions the PPE form was completed and signed by the Contract Manager but it was not signed off as being reviewed by the relevant budget holder as required by the Policy. In the other 3 instances, no evidence of a PPE being completed could be provided.

D3. In light of the results of the discussions with contract managers and the recommendations to change the contract management policy position at **Appendix A**, we consider that the Council should hold dedicated contract management training for all relevant Officers.

### Effects

D4. Failure to monitor the performance of contractors during and after the completion of a contract increases the risk that poor performance is repeated or that contracts do not deliver on contract expectations.

D5. Failure to provide relevant and appropriate training to Contract Managers increases the risk of inconsistent practices emerging across the Council.



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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Performance reviews and post project evaluations (cont'd)

**D**

52

Recommendations and management action plans					
Recommendations	Priority	Status  (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe
D6. We recommend that the Contract Managers conduct performance reviews on at least an annual basis for all contracts.	2				
D7. We recommend that the Council ensure that Contract Managers are completing PPE reviews at the end of each contract term.	2				
D8. We recommend that the Council deliver dedicated contract management training to all relevant staff.	3				

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted - management only - draft for client consideration**

## Assurance ratings

E

53

Level of assurance	Definition
<b>Satisfactory</b>	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
<b>Limited</b>	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
<b>Unacceptable</b>	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

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.

**Newry, Mourne and Down District Council - fieldwork visit - Contract management**

**Restricted – management only – draft for client consideration**

**APPENDIX**

## Priority ratings

**F**

54

In prioritising recommendations for action, we have used the following definitions:

Priority rating	Definition
<b>1</b>	An issue which requires urgent management decision and action without which there is a substantial risk to the achievement of key business / system objectives, to the reputation of the organisation, or to the regularity and propriety of public funds.
<b>2</b>	An issue which requires prompt attention, as failure to do so could lead to a more serious risk exposure.
<b>3</b>	Improvements that will enhance the existing control framework and / or represent best practice.



**Pamela McCreedy**  
Local Government Auditor

## Northern Ireland Audit Office

106 University Street  
Belfast  
BT7 1EU  
Direct Line : (028) 9025 1076  
Fax : (028) 9025 1051  
E-mail : [pamela.mccreedy@niauditoffice.gov.uk](mailto:pamela.mccreedy@niauditoffice.gov.uk)  
[www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)  
 @NIAuditOffice

55

Marie Ward  
Chief Financial Officer  
Newry, Mourne and Down District Council  
Downpatrick Office, Downshire Civic Centre  
Ardglass Road, Downpatrick  
Co. Down  
BT30 6GQ

20 December 2019

Dear Marie

### **Annual Audit Letter 2018-19: Newry, Mourne and Down District Council**

Please find enclosed the Annual Audit Letter issued under Regulation 17 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Code of Audit Practice 2016.

Regulation 17 requires a local government body to:

- a) publish (as a minimum on the local government body's website) the letter;
- b) notify the local government auditor of the date of publication, and
- c) make copies available for purchase by any person on payment of a reasonable sum.

The Code of Audit Practice 2016 states that whilst it is the responsibility of the Council to publish the Annual Audit Letter, the Local Government Auditor may publish each Annual Audit Letter on the NIAO website to enhance the transparency of public reporting.

I would be grateful if you would arrange to include the Annual Audit Letter on the agenda of the next meeting of the Audit Committee.

I would like to take this opportunity to thank you and your staff for the assistance and co-operation received throughout the audit.

Yours sincerely

**Pamela McCreedy**  
Local Government Auditor



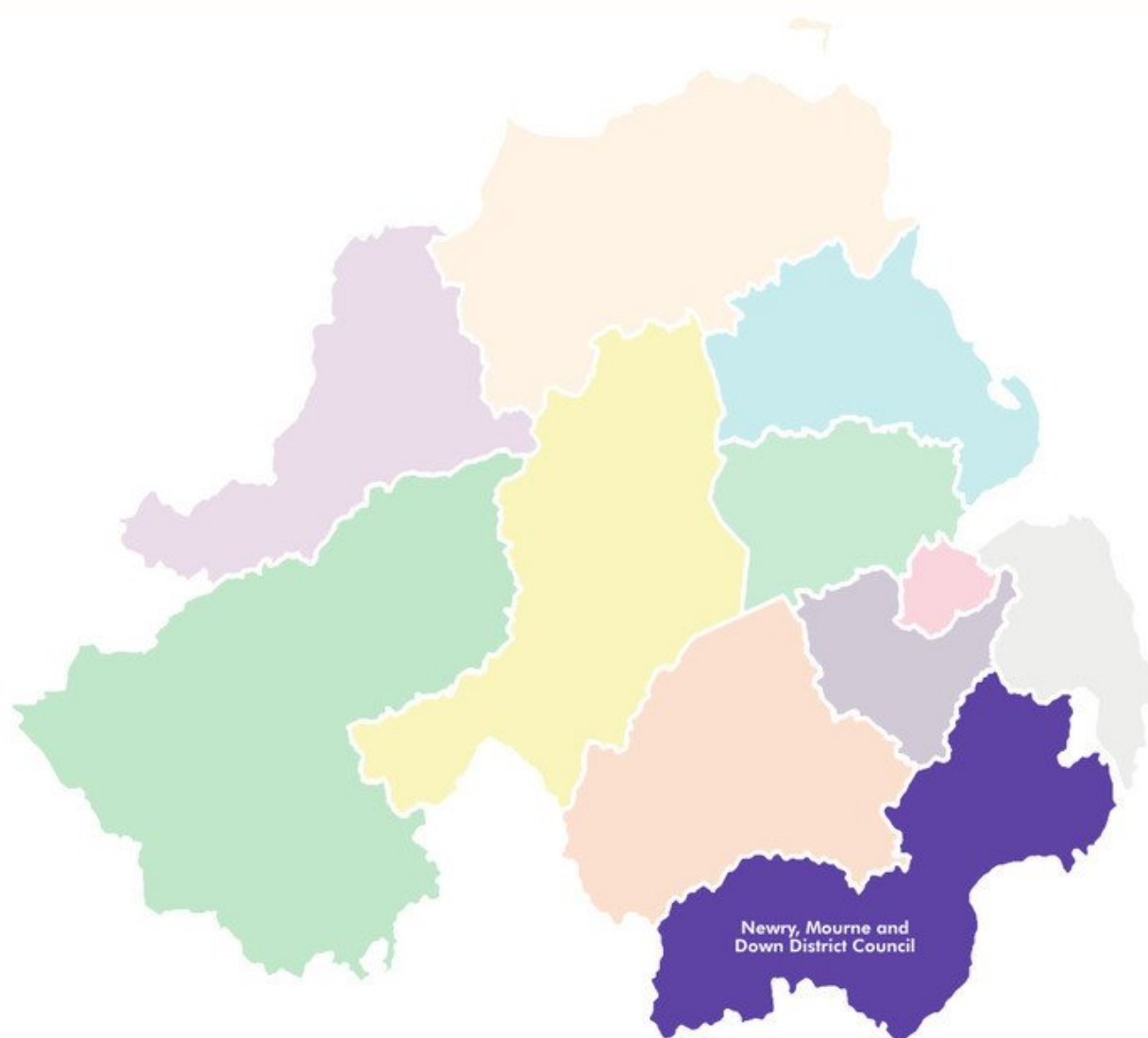


Northern Ireland Audit Office

# Annual Audit Letter

56

## Newry, Mourne and Down District Council 2018-2019



**Pamela McCreedy**

Local Government Auditor  
Northern Ireland Audit Office  
December 2019

# Contents

	Page
Key Messages	3
Introduction	4
Audit of Financial Statements	5
Work on economy, efficiency and effectiveness	7
Governance	8
Other areas of audit interest	10
Outlook	12

## Key messages

### Audit of Financial Statements

- The 2018-19 financial statements were certified without qualification as noted in my audit report. Key statistics from the accounts are outlined.

### Work on economy, efficiency and effectiveness

- The Council has in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

### Governance

- The governance statement reflects compliance with relevant guidance standards.

### Other areas of audit interest

- Absenteeism figures for 2018-19.
- The latest National Fraud Initiative.
- The Local Government Auditor's Report for the year to 31 March 2019 was published in June 2019.

### Outlook

- Brexit considerations.
- IFRS 16 Leases.
- City Deals.



# Introduction

1. As Local Government Auditor, I have a statutory responsibility to provide an opinion on the Council's financial statements. The results of my audit of the 2018-19 Statement of Accounts and my work on proper arrangements for 2018-19 are summarised in this report.
2. The legislative role for the Local Government Auditor is contained in the Local Government (Northern Ireland) Order 2005 and the Local Government (Northern Ireland) Act 2014. In addition, the Code of Audit Practice, published in March 2016, prescribes the ways in which statutory audit functions are to be carried out. The Code of Audit Practice is supported further by a Statement of Responsibilities of Local Government Auditors and Local Government Bodies. Both of these documents are published on the NIAO website.
3. Management have specific responsibilities regarding the production of financial statements and are expected to have effective governance arrangements in place to deliver the Council's corporate objectives. The publication of the financial statements is an essential means to account for the stewardship and use of public money each year.
4. As external auditor, it is my responsibility to form an opinion on whether:
  - the financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year then ended;
  - the financial statements have been prepared in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other directions thereunder;
  - the parts of the remuneration report to be audited have been properly prepared in accordance with the Department for Communities' directions; and
  - the information given in the Narrative Report is consistent with the financial statements.
5. There is a range of various other matters which can be reported by exception and they are outlined in the Code of Audit Practice. One of these items relates to the information published with the audited financial statements, such as the governance statement. I report if the governance statement is not consistent with the information gathered during the audit including that gained from carrying out work on the Council's arrangements for securing economy, efficiency and effectiveness of resources, and our work on performance improvement.
6. This report is solely based upon those matters that have come to my attention as a result of normal audit procedures. Consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or all improvements that could be made.

# Audit of Financial Statements

## Statement of Accounts

1. The accounts should be prepared in accordance with International Financial Accounting Standards as interpreted for Local Government in the, 'Code of Practice on Local Authority Accounting in the United Kingdom'.
2. The financial statements were signed by the Chief Financial Officer and submitted for audit before the statutory deadline of 30 June 2019. Following the audit, the Statement of Accounts were approved by the Council and certified by me within the statutory deadline of 30 September 2019. The Statement of Accounts are published on the Council's website.
3. On conclusion of the audit, the 2005 Order requires me to issue a certificate stating the audit is complete and to give an opinion on the statement of the accounts. The audit certificate and opinion are contained within the Statement of Accounts.

## Audit Certificate and Opinion

4. For the year ended 31 March 2019, I gave the following unqualified opinion on the financial statements.

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19, of the financial position of the Council as at 31 March 2019, and its income and expenditure for the year then ended; and
  - the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.
5. At the end of the audit I issue a Report to those charged with Governance, addressed to the Chief Executive of the Council, on the results of the audit, noting the most significant issues, making recommendations and seeking comments. That report is presented separately to the Audit & Risk Committee.
  6. My report noted significant control weaknesses over fixed assets and procurement and made recommendations to address these issues.

# Audit of Financial Statements

## Key Statistics

	2018-19	2017-18	Variance
Population (figures used by DfC for rates purposes)	177,816	176,369	↑ 1,447

Income/Expenditure /assets/liabilities	2018-19 £	2017-18 £	Variance £	Per Person 2018-19 £	Per person 2017-18 £
Total Income	72,703,000	69,305,665	↑ 3,397,335	408	392
Costs for rates purposes (adjusted for accounting entries)	-72,000,812	-66,687,443	↑ 5,313,369	405	378

Capital Expenditure in year	17,277,813	17,344,786	↓ 66,973	97.12	98.34
-----------------------------	------------	------------	----------	-------	-------

Capital/Reserves/Staff Costs	2018-19	2017-18	Variance
Useable Reserves	13,484,614	12,782,426	↑ 702,188
Long Term Assets	185,424,220	175,558,693	↑ 9,865,527
Loans Outstanding	(69,750,776)	(64,183,888)	↑ 5,566,888

Staff	2018-19	2017-18	Variance
Staff numbers	1,026	942	↑ 84

Staff Costs	£33,123,718	£30,751,833	↑ £2,371,885
-------------	-------------	-------------	--------------

Staff Absence Total	14.7 days	17.13 days	↓ 2.43 days
– short term	3.73	4.55	↓ 0.82 days
– long term	10.97	12.58	↓ 1.61 days



## Work on economy, efficiency and effectiveness

### Proper Arrangements

1. The Local Government (Northern Ireland) Order 2005 requires me to be satisfied that the Council has in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.
2. Councils are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives, while safeguarding and securing value for money from the public funds and other resources at their disposal.
3. My review of the Council's arrangements for securing value for money covered a wide range of areas including:
  - Strategic priorities, financial strategies and policies;
  - Financial reporting systems and sound financial internal controls;
  - Procurement strategies and policies to deliver sustainable outcomes and value for money;
  - Promoting a good governance environment including managing risks and systems of internal control;
  - Asset management strategies and policies to safeguard assets, deliver objectives and generate value for money; and
  - A framework to manage the workforce to effectively support the achievement of strategic priorities.
4. On the basis of my review this year, I am satisfied the Council has in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

# Governance

## Key Principles

1. The "Delivering Good Governance in Local Government: Framework," issued by CIPFA includes seven key principles, as follows:
  - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
  - Ensuring openness and comprehensive stakeholder engagement;
  - Defining outcomes in terms of sustainable economic, social and environmental benefits;
  - Determining the interventions necessary to optimise the achievement of the intended outcomes;
  - Developing the entity's capacity, including the capacity of its leadership and the individuals within it;
  - Managing risks and performance through robust internal control and strong public financial management; and
  - Implementing good practices in transparency, reporting and audit to deliver effective accountability.

## Annual Governance Statement

2. The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires the Council to conduct a review, at least once in a financial year, of the effectiveness of its governance framework (including its system of internal control) and to then approve an Annual Governance Statement.
3. I am required to report if the Annual Governance Statement:
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19;
  - does not comply with proper practices specified by the Department for Communities; or
  - is misleading or inconsistent with other information I am aware of from my audit.
4. My review did not highlight any inconsistencies. I note the inclusion of the Big Screen Investigation in the Annual Governance Statements and this is an area on which I have previously reported on in the annual Local Government Auditor's Report, published in June 2019.

## Internal Audit

5. The 2015 Regulations also require councils to undertake an adequate and effective internal audit of its accounting records and of its systems of risk management, internal controls and governance processes using current internal auditing standards. The Council has an outsourced Internal Audit function that conducted a review on the effectiveness of the systems of internal controls in place during 2018-19. The findings of this work were presented to the Council's Audit & Risk Committee for review and considered by me as part of the audit process.

## Audit & Risk Committee

6. It is essential that Members exercise effective scrutiny of the internal controls processes and procedures in place within the Council. One way that Members carry out this function is through the Audit & Risk Committee.
7. The Audit & Risk Committee is also invited to review my audit reports and my staff attend meetings to present audit findings.

## Other areas of audit interest

### Absenteeism

1. For the twelve months to the end of March 2019, the average number of day's sick absence in the Council was 14.7 days per full time employee as compared to 17.13 days in 2017-18. The Council has told me that the decrease of 2.43 days has been mainly due to a major focus on ensuring return to work meetings are being held in a timely manner. Senior Management is still continuing to work towards securing agreement with the locally recognised Trade Unions on a single Managing Attendance Procedure.

### Local Government Auditor's Report - 2019

2. The annual Local Government Auditor's Report was published in June 2019 and is available on the NIAO website. The report summarises my perspective on financial audits and performance improvement work in the financial year to 31 March 2019.
3. The Report highlights areas of strength and areas for improvement within local councils. It also considers important issues that may affect council's in the medium term. The Council and its members should consider this report in the context of its own activities for any improvements that could be made.

### Improvement audit and assessment

4. Under the Local Government (Northern Ireland) Act 2014 the Council has a statutory duty to make arrangements to secure continuous improvement in the exercise of its functions and to set improvement objectives for each financial year.
5. With the phased introduction of the performance improvement framework, 2017-18 was the first time the Council was required to publish a self-assessment of its prior year improvement performance. The improvement audit and assessment work included a review of 2018-19 Annual Improvement Plan and self-assessment report for 2017-18. The Local Government Auditor issued the Audit and Assessment Report resulting from this work on 30 November 2018. The Local Government Auditor did not undertake any special inspections or recommend any formal intervention by the Department.
6. My Annual Improvement Report summarising the review of the 2019-20 Annual Improvement Plan and self-assessment report for 2018-19 will be published in early 2020.



## WGA

7. Whole of Government Accounts (WGA) are consolidated financial statements for the whole of the UK public sector. The National Audit Office audits these accounts and sets the overall audit approach. As such the Council is within the band of organisations in 2018-19 where additional audit procedures were not required.
8. The Whole of Government Accounts annual return has been submitted for HM Treasury's consolidation process.

## NFI

9. The Council participates in the National Fraud Initiative, a UK wide data matching exercise undertaken every two years that is designed to highlight savings for the public sector as a whole.
10. The report on the results of NFI data matches for 2016-17 was published in June 2018. The amount of fraud and error detected, plus forward savings where appropriate, was almost £1.9m. The majority of cases related to fraud and error in rates, pensions, trade creditors and private supported care home residents.
11. The 2018-19 data matching exercise is currently under way and the results are due to be published in June 2020.

## Audit Fee

12. The estimated audit fee is disclosed in note 5 of the financial statements. The final audit cost is in line with the estimate.

# Outlook

## Brexit considerations

1. Northern Ireland may be particularly impacted by the out-workings of Brexit. Issues may include funding of Council programmes, cross border trade, tourism, imports and exports, employment, local supplies and local business. As we approach the deadline for the UK leaving the EU, considerable uncertainty still remains. It is vital the Council continues to prepare for possible impacts as far as possible.

## IFRS 16 Leases Adoption

2. In preparation for the implementation of IFRS 16, the Council are advised to commence work on assessing the impact of this new standard on the financial statements. The new leasing standard removes the current distinction between operating and finance leases. IFRS 16 essentially requires leases with a term of over 12 months to be capitalised rather than expensed, unless the underlying asset is of low value. This means that lease costs will be funded from a capital budget and included in the Minimum Revenue Provision and Capital Financing Requirement calculations. The Council should work closely with the Department to ensure a smooth transition towards the implementation of this new accounting standard.

## City Deals

3. The Belfast City Deal is the first of its kind in Northern Ireland. City Deal is a co-investment from the UK government, local government, the universities and the private sector that is designed to deliver a step change in the region's economic fortunes, help achieve a programme of inclusive growth, and create thousands of new and better jobs, accessible to people from all communities.
4. The outline business case for the Belfast City Deal was approved by the Secretary of State in March 2019. The participant councils (Including Newry, Mourne and Down District Council) are still refining the list of potential projects to form part of the City Deal submission.

## And Finally.....

5. I would like to thank the Council for its continued co-operation during the audit. My staff and I look forward to working with Council during the year in preparation for next year's audit.

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	Mid Year Assessment of the Performance Improvement Plan 2019-20
<b>Reporting Officer (Including Job Title):</b>	Johnny McBride – Assistant Director, Community Planning and Performance
<b>Contact Officer (Including Job Title):</b>	Kate Bingham – Head of Performance and Improvement

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

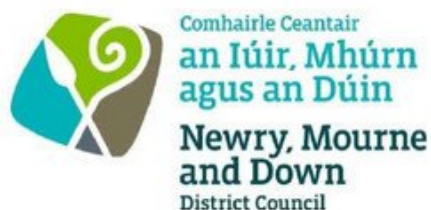
<b>For decision</b>	<b>For noting only</b>	<b>X</b>
<b>1.0</b>	<b>Purpose and Background</b>	
1.1	<p>Through the Performance Improvement Plan 2019-20 and Business Planning and Performance Management Framework, the Council makes a commitment to monitor and review performance on a regular basis.</p> <p>This report provides an overview of the Council's progress in implementing the performance improvement objectives between April-September 2019. Where possible, performance has been compared over time and tracked against the targets set within the Performance Improvement Plan 2019-20.</p>	
<b>2.0</b>	<b>Key issues</b>	
2.1	<p>The majority of 'supporting actions' and 'measures of success' within the Performance Improvement Plan 2019-20 are on track to be achieved. However, progress has been limited against the following areas:</p> <ul style="list-style-type: none"> <li>• The statutory standards for processing local and major planning applications, and enforcement cases, have not been achieved. Performance has also declined when compared to Q1 2018-19.</li> <li>• The Council is currently establishing baselines and putting in place arrangements to set targets for a reduction in general waste arisings at Household Recycling Centres.</li> <li>• The Council is putting in place arrangements to monitor the refuse collection completion rate.</li> <li>• The number of services users and calls made through the 'Good Morning Good Neighbour' Scheme has reduced slightly when compared to Q1/Q2 2018-19.</li> </ul>	
2.2	<p>It should be noted that the information contained within this report may be subject to change when the results are verified and reported through the annual Assessment of Performance which will be published by 30 September 2020.</p>	
<b>3.0</b>	<b>Recommendations</b>	
3.1	<p>To note:</p> <ul style="list-style-type: none"> <li>• The Mid Year Assessment of the Performance Improvement Plan 2019-20</li> </ul>	

<b>4.0</b>	<b>Resource implications</b>
4.1	There are no resource implications contained within this report.
<b>5.0</b>	<b>Equality and good relations implications</b>
5.1	There are no equality and good relations implications contained within this report.
<b>6.0</b>	<b>Rural Proofing implications</b>
6.1	There are no rural proofing implications contained within this report.
<b>7.0</b>	<b>Appendices</b>
	Mid Year Assessment of the Performance Improvement Plan 2019-20
<b>8.0</b>	<b>Background Documents</b>
	<ul style="list-style-type: none"> <li>Performance Improvement Plan 2019-20</li> </ul>

# Newry, Mourne and Down District Council

## Performance Improvement Plan 2019-20

### Mid Year Assessment





## Contents

	Page
Introduction	3
Progress at a Glance	4
<b>Performance Improvement Objective 1</b> Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	5
<b>Performance Improvement Objective 2</b> 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	7
<b>Performance Improvement Objective 3</b> Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and invest in	10
<b>Performance Improvement Objective 4</b> Create a cleaner, greener, more attractive District	12
<b>Performance Improvement Objective 5</b> Encourage and empower local communities to participate in Council engagement structures and initiatives	14







## Introduction

This report provides an overview of the Council's progress in implementing the performance improvement objectives between April-September 2019. Where possible, performance has been compared over time and tracked against the targets set within the Performance Improvement Plan 2019-20, using the legend below.

### Performance Improvement Objectives 2019-20

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

#### Legend:

Status		Trend	
	Target or objective achieved / on track to be achieved / baseline being established		Performance has improved since Q1/Q2 2018-19
	Target or objective partially achieved / likely to be achieved / subject to delay		Performance is similar to Q1/Q2 2018-19
	Target or objective not achieved / unlikely to be achieved		Performance has declined since Q1/Q2 2018-19

It should be noted that the information contained within this report may be subject to change when the results are verified and reported through the annual Assessment of Performance which will be published by 30 September 2020.

## Progress at a glance

Performance Improvement Objective	Progress	Status Trend
Encourage healthy lifestyles through increased participation in leisure, sport and recreational activities	Increased attendances at Council leisure facilities	△
	264% increase in membership at Down Leisure Centre since it re-opened in November 2018	△
	73.5% satisfaction rating with Council leisure facilities	😊
	2,365 children participated in Community Play sessions and Summer Schemes	😊
	4,328 participants enrolled on Everybody Active 2020	😊
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	Additional £8m secured to fund further public realm schemes and office space in Newry City	😊
	101 new business starts supported and 91 new jobs promoted through business start-up activity	😊
	115 local businesses and 57 social enterprises supported through Council programmes	😊
	Consultation on the Arts, Culture and Heritage Strategy underway	😊
	The five Giant Adventure Festivals have taken place	😊
Deliver urban and rural regeneration initiatives that will create a District where people want to live, work and visit	139,954 visits recorded at Warrenpoint Municipal Park	😊
	Letter of Offer received for Newry Hill Street Public Realm Scheme	😊
	Planning approval granted and business cases complete for 6 environmental improvement schemes in Village Plans	😊
	Increased processing times for major planning applications	▽
	Increased processing times for local planning applications	▽
Create a cleaner, greener more attractive District	16 community groups participated in the Cleaner, Greener Communities initiative	😊
	Assistance provided towards 72 community clean ups	😊
	Increase in blue and brown bin recyclables	△
	Downpatrick Household Recycling Centre open	😊
	Glass collection standardised across the District	😊
Encourage and empower local communities to participate in Council engagement structures and initiatives	343 referrals made and 2,791 devices fitted through the Home Secure Scheme	😊
	274 service users received 21,557 calls through the 'Good Morning Good Neighbour' Scheme	😊
	71% of the 697 applications to the Financial Assistance Scheme received £1.2m funding	△
	1,385 recorded visits to the Ethnic Minority Support Centre	△








# Performance Improvement Objective 1








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

**Senior Responsible Officer: Director of Active and Healthy Communities**

## Progress:

- Between April-September 2019, there was an 11% increase in the number of members across all leisure facilities, including a 29% increase at St Colman's (to 67) and a 16% increase at Down Leisure Centre (to 4,208).
- Since Down Leisure Centre re-opened in November 2018, there has been a 264% increase in membership.
- Over half of leisure centre members currently have an online account.
- Following a successful trial period, weekly autism friendly sessions have been introduced at Down Leisure Centre.
- As part of the EBA programme, the new 'Wheelie Active Club' was launched in Down Leisure Centre to promote disability sport amongst children aged 4-12 years.
- Several projects within the Play Strategy are complete, including new play parks in Carlingford Park (Newry) and Newtownhamilton.
- Several projects within the Sports Facility Strategy are complete, including the Newcastle Bowling Pavilion, Bessbrook Bowling Green and Ardglass Football Pitch and Pavilion.
- The Terms of Reference for the Albert Basin Stakeholders Group have been approved and the Contamination Report for the Albert Basin site is complete.
- Through the Financial Assistance Scheme, the Council awarded £306,830 towards sports projects, including £57,455 towards sports active projects and £249,375 towards sports facilities capital. £60,994 was also awarded towards Summer Schemes across the District.

Measure of Success	2019-20		Status Trend	Explanatory note
	Target	YTD Actual		
14% increase in attendances at indoor leisure facilities	1,678,140 attendances	1,012,512 attendances	 	The Council has achieved 60.3% of the 2019-20 target. Overall attendance levels have increased by 21.2% when compared to Q1/Q2 2018-19.
72% increase in attendances at Down Leisure Centre (DLC)	360,000 attendances	172,754 attendances	 	The Council has achieved 48% of the 2019-20 target. Overall attendance levels have increased by 48.1% when compared to Q1/Q2 2018-19, which can be attributed to the opening of the new leisure centre.
Level of customer satisfaction with indoor leisure facilities	NLC	70%		Satisfaction levels across the six leisure facilities range from 64% in Down Leisure Centre to 85% in the Ballymote Centre. The overall satisfaction rating of 73.5% for Council leisure facilities compares favourably to the UK average of
	St Colman's	74.8%		
	Newcastle Centre	71.2%		

	Ballymote Centre	84.8%		73.19%. Improvements have been introduced across many facilities, and the impact will be monitored through the Customer Satisfaction Surveys which are scheduled to be carried out in Q4 2019-20.
	DLC	64.3%		
	KLC	76.1%		
Number of children and young people engaged in Community Play and other health and wellbeing initiatives	-	2,365	 	Between April-September 2019, 1,276 children took part in the Community Play sessions which were held across the seven District Electoral Areas, with the highest levels of participation in Crotlieve (34%) and Slieve Gullion (30%). This is well above the 697 children and young people who took part in Community Play sessions between April-September 2018. A further 1,089 children also took part in the 2019 Council run Summer Schemes.
Number of participants from targeted groups involved in physical activity programmes (EBA 2020)	Total participants 8,280	4,328		The Council continues to work with the EBA 2020 Delivery Partners to engage participants in a range of programmes, including Couch to 5K, yoga and rugby. Between April-September 2019, 4,328 participants enrolled on EBA 2020, which represents 52.2% of the annual target. To date, 60% of participants have a disability, 50% are female and 27% are from areas of high social need. However, it is anticipated that all targets will be achieved by March 2020.
	Women and Girls 4,885	2,443		
	Sustained participation 2,649	1,198		
	People with a disability 1,490	891		
	High social need 2,898	789		

\*EBA 2020 is the regional Everybody Active Programme.





## Performance Improvement Objective 2










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

**Senior Responsible Officer: Director of Enterprise, Regeneration and Tourism**



### Progress:

- The Council is on track to submit the revised application for Global Geopark status for the Mourne and Ring of Gullion in November 2019.
- The 12 week consultation on the Arts, Culture and Heritage Strategy is currently underway.
- The Council hosted 'Taste the Island' events in Newcastle, Warrenpoint and Killeavy Castle, showcasing local produce and promoting local tourism.
- Through the Financial Assistance Scheme, the Council awarded £163,945 towards 16 local tourism events.
- In September 2019, the Council was the lead sponsor at the NI Small Business Conference which attracted around 150 representatives from the business sector.
- The Outline Business Cases for the Regeneration of Newry City and visitor attractions in the Mourne Mountains are currently underway, with an estimated completion date of Q2 2020/21.
- The Outline Business Cases for 'skills and employability' and 'digital connectivity' are being developed at a regional level, with officers and stakeholders from Newry, Mourne and Down engaged in the process.
- Through the Belfast Region City Deal, the Council secured an additional £8m towards further public realm schemes and grade A office space in Newry City, which will seek to reduce car dependency and make the area more sustainable in the future.
- The governance and financial arrangements for phase two of the Belfast Region City Deal are currently being established.
- Through NMD Growth, 66 participants attended six workshops which focused on themes such as social media, personal effectiveness and financial management.

Measure of success	2019-20		Status Trend	Explanatory note
	Target	YTD Actual		
Number of business plans approved	301	148	 	Through the NI 'Go For It' programme, the Council achieved 49.2% of the annual target around business plan approvals, 49.2% of the target around new business starts and 58.7% of the target around jobs promoted through business start up activity. When compared to April-

Number of new business starts	205	101		<p>September 2018, this represents a 20.3% increase in the number of business plans approved, 21.7% increase in the number of new business starts and 21.3% increase in the number of jobs promoted.</p> <p>Since 2018, the most popular business sectors have been 'other services' (16.3%), 'domestic and personal services' (12.9%) and 'health and wellbeing' (12.2%). 51.3% of the applicants which have accessed the programme are male and 48.6% are female.</p>
Number of new jobs promoted through business start up activity <i>(statutory performance indicator)</i>	155	91		
Number of new social enterprise starts	8	7		<p>Through the Social Enterprise Programme, the Council achieved 87.5% of the start-up target, with seven new social enterprises being established, six of which have commenced trading. The Council also achieved 58% of the target set for new jobs created and 60% of the target set for new volunteers recruited.</p>
Number of new social enterprise jobs created	12	7		
Number of new volunteers recruited	30	18		<p>In total, 130 themed mentoring sessions have been delivered, with 29 social enterprises receiving one to one mentoring and 16 receiving group mentoring support. A further 12 social enterprises have been engaged in the programme, and the Council has exceeded the target set by 43%. The Council is on track to achieve all annual targets by March 2020.</p>
Community groups and organisations provided with business planning, start-up and business development support	40	57		
Number of businesses supported through NMD Growth	190	84		<p>Through NMD Growth, 84 local businesses accessed mentoring support and/or attending workshops, which represents 44.2% of the annual target. It is anticipated that the annual target will be achieved by March 2020, as the programme gains increased momentum.</p>
Number of micro and small rural businesses created by March 2020	<b>2020 target</b>	<b>Actual to date</b>		<p>Through the Rural Business Investment Scheme to date, 16 micro and small businesses have been created, which represents 29.1% of the programme target. 31 micro and small businesses have been supported, exceeding the programme target by 3% and 68 FTE jobs have been created in rural areas, which represents 49.6% of the programme target.</p>
	55	16		
Number of micro and small businesses in rural areas supported by March 2020	30	31		



Number of new jobs created in rural areas by March 2020 (FTE)	137	68		Letters of Offer have been issued for calls 1,2 and 3 of the scheme, and these are contributing to the overall programme target of creating 137 new FTE jobs in rural areas by March 2020.
Number of new jobs created in fishing dependent communities by 2022 (includes Portavogie)	55	3	-	The Council has continued to progress the implementation of SEA FLAG. To date, 10 information sessions have been held, resulting in £183,302 being awarded between Annalong, Ardglass and Kilkeel. Achievements to date include the creation of three new jobs in Kilkeel, and current projections anticipate that one additional new business will be created in Ardglass and 10 FTE jobs will be created in Kilkeel and Ardglass by the end of 2022.  It should be noted that there is a 'lag' between the initiation of the programme and the subsequent creation of new jobs and businesses, as well as the achievement of qualifications. Progress against the targets set will continue to be monitored by SEA FLAG during the programme period.
Number of new businesses created in fishing dependent communities by 2022 (includes Portavogie)	22	-	-	
Number of new qualifications and skills achieved in fishing dependent communities, through SEAFLAG 2, by 2022 (includes Portavogie)	130	-	-	
Overall growth rate of 6% per annum in overnight expenditure in Newry, Mourne and Down	6%	-	-	Tourism statistics are produced annually by the NI Statistics and Research Agency (NISRA). The 2019-20 figures for tourism visitor revenue, volume and jobs for Newry, Mourne and Down will be released in Q2 2020/21, and reported through the annual Assessment of Performance.
Level of footfall on the Great Eastern Greenway	-	70,919		Between January-October 2019, 39,260 pedestrians used the Greenway Dublin Bridge (daily average: 142). A further 28,169 pedestrians (daily average: 102) and 3,490 cyclists (daily average: 13) used the Greenway Victoria Lock.
Number of visitors to the Giant Adventure festivals	-	-	-	The five Giant Adventure Festivals have taken place (Footsteps in the Forest, Festival of Flight, Skiffie Festival, Wake the Giant and City of Merchants). The impact of each event is currently being evaluated, and will be reported through the annual Assessment of Performance 2019-20.
Total estimated spend associated with the Giant Adventure festivals, including direct spend	-	-	-	

Level of visitor satisfaction with Giant Adventure festivals	-	-	-	


### Performance Improvement Objective 3

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



**Senior Responsible Officer: Director of Enterprise, Regeneration and Tourism**

#### Progress:


- The Strangford Lough and Lecale Partnership secured £5k from the 'Live Here Love Here' small grant scheme to engage volunteers in the ecological restoration of threatened coastal plant species. The partnership also worked with volunteers to remove ¾ tonne of marine litter from Ardglass harbour.
- The initial phase of the Ring of Gullion Landscape Partnership Scheme is complete and the new 10 year phase will commence in January 2020.
- The Department for Communities issued a Letter of Offer for £1.5m for Phase III of the Newry Hill Street Environmental Improvement Scheme. Planning permission has been granted and contractor procurement is underway, with works scheduled to commence in January 2020.
- Planning approval has been granted for the 6 environmental improvement schemes identified within the Village Plans. The business cases are complete and funding applications have been submitted. Planning approval and the funding submission for 7<sup>th</sup> scheme should be complete by December 2019. The preferred contractor has been selected, and the appointment is subject to the funding being secured by January 2020, with the Letters of Offer being issued thereafter.
- Planning approval has been granted for the Derrymore Demesne and the business case is complete. The preferred contractor has been selected, and the appointment is subject to the funding being secured by January 2020, with the Letters of Offer being issued thereafter.
- The Council continues to work closely with Government departments and the local community to agree the final phases of the Forkhill Masterplan.
- During Q1 2019-20, Newry, Mourne and Down received the highest number of major planning applications, joint with Belfast (6), second highest number of local planning applications (435) and concluded the second highest number of enforcement cases (150) across N. Ireland.

Measure of success	2015-16 Actual	2019-20 Target	2020-21 Target	Status Trend	Explanatory note
34% increase in the number of visitors to Warrenpoint Municipal Park, reaching 27,900	20,865	27,900 YTD Actual	35,000		Between April-September 2019, 139,954 visits were recorded at Warrenpoint Municipal Park, exceeding the annual target set by 502%. The highest number of



per annum by Q2 2019-20		139,954			visitors were recorded in July (31,138) and August (39,927).
6% increase in visitor satisfaction with Warrenpoint Municipal Park, reaching 74% by Q2 2019-20	68%	74%	80%	-	The baseline data was collated in 2015-16 and the next survey will be carried out during Q3 2019-20.
9% increase in the number of people who believe Warrenpoint Municipal Park enhances their quality of life, reaching 40.5% by Q2 2019-20	31%	40.5%	50%	-	
Improved business/visitor perception and reduced/sustained vacant properties by 2020-21, following the completion of the Downpatrick, Newry and Warrenpoint environmental improvement and revitalisation schemes	-			-	The environmental improvement and revitalisation schemes in Downpatrick, Newry and Warrenpoint are complete, and the post project evaluation of each scheme will be carried out in 2020.
Percentage of planning enforcement cases that are processed within 39 weeks	<b>Standard</b>	<b>Q1 Actual</b>			The percentage of enforcement cases processed within 39 weeks reduced by 26.2% when compared to Q1 2018-19. Performance remains below the regional average of 81.1%%, placing the Council 11/11 across Northern Ireland, and the statutory standard has not been achieved.
	70%	36%			
Average processing time of major planning applications	<30 weeks	230.8 weeks			The processing time for major planning applications increased by 182.2 weeks when compared to Q1 2018-19. This is well above the regional average of 55.8 weeks, placing the Council 8/9



				across Northern Ireland*. Similar to Q1 2018-19, only 20% of applications were processed within 30 weeks.
Average processing time of local planning applications	<15 weeks	22.2 weeks		The processing time for local planning applications increased by 6.8 weeks when compared to Q1 2018-19. This is well above the regional average of 13.8 weeks, placing the Council 11/11 across Northern Ireland. Only 24.5% of local planning applications were processed within 15 weeks, compared to 48.5% in Q1 2018-19.

\*Information in relation to the processing time of major planning applications was published for 9 out of 11 Councils across NI.

\*\*The 2019-20 Q1 planning statistics remain provisional and will be finalised when the Department for Infrastructure releases the 2019-20 Annual Report in June 2020.

## Performance Improvement Objective 4







Create a cleaner, greener, more attractive District

**Senior Responsible Officer: Director of Neighbourhood Services**


### Progress:

- Between April-September 2019, the Council assisted with 72 community clean ups and delivered talks on environmental issues to 65 schools and community groups.
- During June-July 2019, 16 community groups participated in the Cleaner, Greener Communities initiative, receiving assistance with litter picks, promoting anti dog fouling and raising awareness of food recycling.
- Newcastle won third place in the small town category of the Translink Ulster in Bloom competition.
- Through the Financial Assistance Scheme, the Council awarded £9,935 towards 10 local biodiversity enhancement projects.
- In June 2019, the Chairperson hosted a reception for the eight local schools which were awarded their first green flag, bringing the total number of schools in the District with a green flag award to 46. To date, 36 teachers have also attended Eco Schools information events.
- 40 schools took part in the Environment Youth Speak competition, with junior schools debating 'A day in the life of an Eco Warrior' and senior schools debating 'Is plastic really that fantastic?'.
- The Council issued standardised bin collection calendars to all households, which outline specific collection dates and information on recycling. An on-line post code search facility can now be accessed through the corporate website.
- The Enforcement Improvement Plan has been developed, and seeks to secure a more co-ordinated, integrated approach to the enforcement of illicit dumping, littering and dog fouling.
- In September, Newry Town Hall and Down Leisure Centre were lit up green to mark 'Recycle Week' and raise awareness of the importance of 'recycling right'.

- The Downpatrick Household Recycling Centre opened to the public in August 2019, and the official opening took place in October 2019.
- Glass collection has been fully standardised across the District and early indications suggest that, when compared to April-September 2018, the amount of blue bin recyclables collected has increased by 11.1% across the District and 34% in the legacy Down area.
- A review of the ten Household Recycling Centres is well underway, which seeks to standardise operations and reduce the amount of non-recyclable residual waste currently received and processed at these facilities.
- The Council's Waste Management Department was shortlisted for the finals of the 2019 APSE Awards in the Waste Management and Recycling category.

Measure of Success	2019-20		Status	Explanatory note
	Standard	Q1 Actual		
Percentage of household waste collected by the Council that is sent for recycling by 2020 (including waste prepared for reuse)	50% by 2020	57.8%		The rate of recycling continues to increase and the Council has exceeded the statutory standard of 50% by 2020. The Q1 rate of recycling is well above the regional average of 54.8%, and the Council is ranked 4/11 across Northern Ireland. This represents a 2.2% increase in the rate of recycling (from 55.6%) when compared to Q1 2018-19.
Reduction in the amount of biodegradable Local Authority collected municipal waste that is landfilled	<20,954 tonnes	444 tonnes		During Q1 2019-20, the Council used 2.1% of its total landfill allocation, which was the second lowest across Northern Ireland. However, this represents an increase of 13.3% in the amount of waste landfilled (from 392 tonnes), when compared to Q1 2019-20.
Amount of Local Authority Collected Municipal Waste Arisings	-	21,937 tonnes		When compared to Q1 2018-19, the amount of local authority collected municipal waste arisings decreased by 1.9%, from 22,373 tonnes.
Reduction in black bin waste	-	<b>YTD Actual</b>		There has been a 1% reduction in black bin waste when compared to April-September 2018.
		15,101 tonnes		
Increase in blue bin waste	-	6,400 tonnes		There has been an 11% increase in blue bin waste when compared to April-September 2018.
Increase in brown bin waste	-	10,519 tonnes		There has been a 10% increase in brown bin waste when compared to April-September 2018. This may be attributed to an increase in the level of garden waste produced due to the



				weather conditions and longer growing season.
Amount of general waste arisings at Household Recycling Centres	Target to be established	-	-	The data is not currently available and will be reported through the Assessment of Performance 2019-20.
Refuse collection completion rate	Target and baseline to be established		-	The data is not currently available and will be reported through the Assessment of Performance 2019-20.
Level of street cleanliness across the District	-	72		Through the Cleaner, Greener Neighbourhood Surveys, the LEAMS score for the District has remained at 72, and is above the regional average of 71. However, the LEAMS score had dipped slightly in August 2018, largely due to increased levels of littering and dog fouling, and the improvement may be attributed to the continued implementation of the Dog Fouling Strategy.

\*YTD actuals for waste and recycling remain provisional and will be finalised when DAERA publishes the 2019-20 Annual Report in November 2020.

## Performance Improvement Objective 5






Encourage and empower local communities to participate in Council engagement structures and initiatives

**Senior Responsible Officer: Director of Active and Healthy Communities**









### Progress:


- The revised Financial Assistance Policy has been adopted and the procurement of an electronic Grant Management System is underway.
- Six partner organisations have allocated a total of £24k towards successful 'participatory budgeting' projects under the overarching theme of 'building community connections – within your community, with other communities, across generations'. Two events took place in Newry and Downpatrick in November 2019.
- Through the Financial Assistance Scheme, the Council awarded £1,243,284.95 towards 497 projects across 18 themes. This included £50,240 towards Irish Language projects, £7,130 towards Minority Communities projects and £27,722 towards Good Relations projects.
- The Council has been proactive in promoting social inclusion and community cohesion:
  - Approximately 300 migrants attended Information Sessions on the EU Settlement Scheme and their future status after BREXIT.
  - Over 100 migrant workers attended the EU Registration Clinics in Newry and Downpatrick, receiving either settled or pre-settled status.
  - Around 10-15 Syrian clients visit the weekly Arabic Clinic, accessing support in relation to the translation and completion of official documentation.
  - 160 people from a range of community backgrounds attended the Eid celebration in Bessbrook Community Centre to mark the end of Ramadan.

- The Council has successfully engaged young and older people in a range of initiatives:
  - 13 young people took part in an eight week drama programme in Ballykinlar, which focused on issues around mental health, internet safety and drug abuse.
  - 45 young people took part in the six week multi-agency 'Youth Shops' initiative in Newry, which targeted hard to reach young people, including those who were barred from shopping facilities.
  - Over 260 older people attended the 'Silver Screening' event in Newry.
- The Council nominated Altnaveigh House (Newry) and Hanna's Close (Kilkeel) for Pride of Place All Ireland 2019, and the awards ceremony will take place in November 2019.
- The Council secured £48k to deliver community educational programmes in Bessbrook and Crossmaglen, as part of the Areas at Risk programme.

Measure of Success	2019-20	Status	Explanatory note
	YTD actual		
Number of meetings and public engagement events	56		The five community engagement structures continue to meet on a regular basis and have hosted a range of public engagement events, on themes including neighbourhood watch, safety, education and housing.
Number of events delivered (including programmes)	66		The community engagement structures have organised 42 events and 24 programmes which attracted over 5,000 attendees. Programmes included 'Shared Schools' which 120 young people took part in, 'Youth Leadership' which attracted 150 attendees and 'Shared History and Culture', which over 60 people took part in. Events included International Children's Day which attracted over 120 attendees and the Traveller Living History exhibition which 220 people attended.
Number of events supported	15		The community engagement structures supported 15 events, including the Kilbroney Vintage Show, Newry Triathlon, Chairman's Charity Walk and 'Back to School' initiatives.
Number of capacity building programmes	11		Through the community engagement structures, approximately 245 attendees took part in 11 capacity building programmes, including PEACE IV capacity building sessions and financial assistance workshops.
The effectiveness of Council run community engagement structures in facilitating stakeholder participation	-		52% of the 196 places currently occupied through the community engagement structures are taken by representatives from the community, voluntary and business sectors. This demonstrates the Council's commitment to working alongside key stakeholders, enabling them to inform and influence the local decision making process and have their say on the future of the district.



Number of Neighbourhood Watch Schemes	171		There are currently 171 Neighbourhood Watch Schemes across the District, which represents a slight reduction from 175 schemes in March 2019.
Number of beneficiaries of the 'Good Morning, Good Neighbour' Scheme	Service users	 	Between April-September 2019, 274 service users, including 46 new referrals, received a total of 21,557 calls through the 'Good Morning Good Neighbour' scheme. The 53 active volunteers registered with the scheme also received training on software updates and call handling. This represents a slight reduction when compared to the 315 service users who received a total of 21,072 calls between April-September 2018.
	274		
	Calls made		
	21,557		
Number of beneficiaries of the 'Home Secure' Scheme	Referrals	 	Between April-September 2019, 343 referrals were made to the 'Home Secure' Scheme, which resulted in 2,791 devices being fitted. The majority of referrals were made in the Newry and Mournes DEA's. This represents a slight increase when compared to the 285 referrals which were made and 2,676 devices which were fitted between April-September 2018.
	343		
	Devices fitted		
	2,791		
Number and percentage of financial assistance projects funded and successfully delivered	Applications	 	Through calls one and two of the Financial Assistance Scheme, the Council received 697 applications, 71% of which were awarded a total of £1,243,284 across a range of themes including Christmas illuminations, community engagement, community safety and good relations. This is similar to 2018-19, when 71% of the 668 applications received were awarded £1.56m.
	697		
	Success rate		
	71%		
Number of visits to the Ethnic Minority Support Centre	1,385		Between April-September 2019, the Ethnic Minority Support Centre recorded 1,385 visits, receiving free, confidential and impartial advice in a range of languages including Arabic, Romanian, Russian and Polish. Over 60% of clients are Romanian or Romanian / Bulgarian Roma. This is similar to April-September 2018, when there were 1,500 recorded visits at the centre.

Number of participants aged 0-24 years who complete approved PEACE IV programmes to develop soft skills and respect for diversity by 2020	744		To date, 744 children and young people (294 in 2018-19 and 450 in 2019-20) have completed programmes to enhance their capacity to form positive relationships with others from different backgrounds and make a positive contribution to building a cohesive society. Programmes have included Shared History and Culture, Youth Leadership and Personal Development and feedback to date indicates that 91% feel that relations between the catholic and protestant communities will be better in five years and 100% feel they have benefited from the programmes.
---	-----	---	--

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	Improvement Audit and Assessment Report 2019-20
<b>Reporting Officer (Including Job Title):</b>	Johnny McBride – Assistant Director: Community Planning and Performance
<b>Contact Officer (Including Job Title):</b>	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
<b>1.0</b>	<b>Purpose and Background</b>	
1.1	The purpose of this report is to provide an overview of the key findings from the Improvement Audit and Assessment 2019-20 which was carried out by the Northern Ireland Audit Office (NIAO) on behalf of the Local Government Auditor (LGA). This audit and assessment underpins the general duty to make arrangements to secure continuous improvement in the exercise of functions, which has been placed on Councils through Part 12 of the Local Government (NI) Act (2014). A copy of the report is attached at <b>Appendix 2</b> .	
<b>2.0</b>	<b>Key issues</b>	
2.1	<p>The LGA is proposing an unqualified audit and assessment opinion, with no statutory recommendations being made. An Audit and Assessment certificate has been issued.</p> <p><b>Audit Opinion</b> The LGA has certified that the Council has discharged its performance improvement and reporting duties, including the Performance Improvement Plan 2019-20 and Assessment of Performance 2018-19, and has acted in accordance with the guidance issued by the Department for Communities (DfC).</p> <p><b>Audit Assessment</b> It is the opinion of the LGA that the Council is likely to discharge its duties in respect of Part 12 of the Act during 2019-20 and has demonstrated a track record of ongoing improvement. The LGA did not exercise her discretion to assess and report whether the Council is likely to comply with these arrangements in future years.</p>	
2.2	<p>As part of the Improvement Audit and Assessment, the LGA assessed progress in implementing the 'proposals for improvement' which were put forward in 2016, 2017 and 2018. The purpose of these proposals is to assist the Council in meeting its performance improvement responsibilities, across the following thematic areas:</p> <ul style="list-style-type: none"> <li>• General duty to improve</li> <li>• Governance arrangements</li> <li>• Improvement objectives</li> <li>• Consultation</li> </ul>	

	<ul style="list-style-type: none"> <li>• Improvement plan</li> <li>• Arrangements to improve</li> <li>• Collection, use and publication of performance information</li> </ul> <p>The LGA has designated all 'proposals for improvement' as implemented or in the process of being implemented. Detailed observations on each thematic area are also included in the report.</p>
2.3	<p>Two new 'proposals for improvement' have been put forward in 2019, in relation to the Council's Improvement Objectives:</p> <ul style="list-style-type: none"> <li>• The Council should redefine objectives so that they are more specific rather than aspirational and open-ended. This would enhance both the transparency and meaningfulness of the Council's commitment to continuously improve its functions as it should be easier to link projects to objectives and see how the completion of projects contributes to the achievement of the identified objective.</li> <li>• The Council should review the measures of success attributed to the supporting actions underpinning the improvement objectives and ensure that the measures are meaningful and their achievement demonstrates improvement.</li> </ul> <p>An action plan has been developed to assist with the continued implementation of the existing and new 'proposals for improvement', and to support the development of a performance improvement culture across the organisation. The Improvement Audit and Assessment Action Plan 2019-20 is attached at <b>Appendix 4</b>.</p>
<b>3.0</b>	<b>Recommendations</b>
3.1	<p>To note:</p> <ul style="list-style-type: none"> <li>• The Improvement Audit and Assessment Report 2019-20 (Appendix 2)</li> <li>• The Improvement Audit and Assessment Action Plan 2019-20 (Appendix 4)</li> </ul>
<b>4.0</b>	<b>Resource implications</b>
4.1	<p>There are no resource implications contained within this report. However, some proposals for improvement may result in additional resource implications for the Council. Examples include the implementation of an electronic performance management system and delivery of performance improvement training, both of which will be considered further by the Council.</p>
<b>5.0</b>	<b>Equality and good relations implications</b>
5.1	<p>There are no equality and good relations implications contained within this report.</p>
<b>6.0</b>	<b>Rural Proofing implications</b>
6.1	<p>There are no rural proofing implications contained within this report.</p>
<b>7.0</b>	<b>Appendices</b>
	<ul style="list-style-type: none"> <li>• <b>Appendix 1</b> – Correspondence to the Chief Executive</li> <li>• <b>Appendix 2</b> – S95 Improvement Audit and Assessment Report 2019-20 for Newry, Mourne and Down District Council</li> <li>• <b>Appendix 3</b> – Audit Certificate</li> <li>• <b>Appendix 4</b> – Improvement Audit and Assessment Action Plan 2019-20</li> </ul>



<b>8.0</b>	<b>Background Documents</b> <ul style="list-style-type: none"><li>• Improvement Audit and Assessment Report 2018-19</li><li>• Improvement Audit and Assessment Report 2017-18</li><li>• Improvement Audit and Assessment Report 2016-17</li></ul>
------------	---



**Tomas Wilkinson**  
Director

## Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

Direct Line : (028) 9025 1073

Fax : (028) 9025 1051

E-mail : [tomas.wilkinson@niauditoffice.gov.uk](mailto:tomas.wilkinson@niauditoffice.gov.uk)

[www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)

 [@NIAuditOffice](https://twitter.com/NIAuditOffice)

90

Marie Ward  
Chief Financial Officer  
Newry, Mourne and Down Council  
Downpatrick Office  
Downshire Civic Centre  
Ardglass Road  
Downpatrick  
Co. Down  
BT30 6GQ

29 November 2019

Dear Marie

### **NEWRY, MOURNE AND DOWN DISTRICT COUNCIL: Section 95 of the Local Government Act 2014**

#### **Improvement Audit and Assessment – Audit and Assessment Report**

The Local Government Auditor has now certified the improvement audit and assessment for the Council with a standard, unqualified opinion. I attach a copy of our final audit and assessment report.

The report sets out the findings and conclusions from our work, it includes the audit and assessment certificate as an Annex. I also attach a scanned copy of the original certificate signed by the Local Government Auditor.

This letter and attachments have been copied to the Department for Communities as the legislation requires. I would like to thank you and your staff for the assistance and co-operation we received throughout the audit.

Yours sincerely

**TOMAS WILKINSON**  
Director



## Newry, Mourne and Down District Council

### Audit and Assessment Report 2019-20

Report to the Council and the Department for Communities under Section 95 of the Local Government (Northern Ireland) Act 2014



29 November 2019

Contents	Page
1. Key Messages	3
2. Audit Scope	5
3. Audit Findings	6
4. Annexes	8

*We have prepared this report for sole use of Newry, Mourne and Down District Council and the Department for Communities. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.*



## 1. Key Messages

### Summary of the audit

Audit outcome	Status
Audit opinion	Unqualified opinion
Audit assessment	The LGA has concluded that the Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014
Statutory recommendations	The LGA made no statutory recommendations
Proposals for improvement	The LGA made two new proposals for improvement

This report summaries the work of the Local Government Auditor (LGA) on the 2019-20 performance improvement audit and assessment undertaken on Newry, Mourne and Down District Council. We would like to thank the Chief Executive and her staff, particularly the Performance Improvement Manager, for their assistance during this work.

We consider that we comply with the Financial Reporting Council (FRC) ethical standards and that, in our professional judgment, we are independent and our objectivity is not compromised.

### Audit Opinion

The LGA has certified the performance arrangements with an unqualified audit opinion, without modification. She certifies an improvement audit and improvement assessment has been conducted. The LGA also states that, as a result, she believes that Newry, Mourne and Down District Council (the Council) has discharged its performance improvement and reporting duties, including its assessment of performance for 2018-19 and its 2019-20 improvement plan, and has acted in accordance with the Guidance.

### Audit Assessment

The LGA has assessed whether Newry, Mourne and Down District Council (the Council) is likely to comply with its performance improvement responsibilities under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act). This is called the 'improvement assessment'.

In her opinion the Council is likely to discharge its duties in respect of Part 12 of the Act during 2019-20 and has demonstrated a track record of improvement. The LGA did not exercise her discretion to assess and report whether the Council is likely to comply with these arrangements in future years.

## Audit Findings

During the audit and assessment we identified no issues requiring a formal recommendation under the Act. We made two proposals for improvement (see Section 3). These represent good practice which should assist the Council in meeting its responsibilities for performance improvement. Detailed observations on thematic areas are provided in Annex C and progress on key proposals for improvement raised in prior years, which had not been fully addressed last year, have been noted in Annex B.

## Status of the Audit

The LGA's audit and assessment work on the Council's performance improvement arrangements is now concluded. By March 2020 she will publish an Annual Improvement Report on the Council on the NIAO website, making it publicly available. This will summarise the key outcomes in this report.

The LGA did not undertake any Special Inspections under the Act in the current year.

The total audit fee charged is in line with that set out in our Audit Strategy.

## Management of information and personal data

During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

---

## 2. Audit Scope

---

Part 12 of the Act provides all councils with a general duty to make arrangements to secure continuous improvement in the exercise of their functions. It sets out:

- a number of council responsibilities under a performance framework; and
- key responsibilities for the LGA.

The Department for Communities (the Department) has published '*Guidance for Local Government Performance Improvement 2016*' (the Guidance) which the Act requires councils and the LGA to follow. Further guidance to clarify the requirements of the general duty to improve was issued by the Department during 2019.

The improvement audit and assessment work is planned and conducted in accordance with the Audit Strategy issued to the Council, the LGA's Code of Audit Practice for Local Government Bodies in Northern Ireland and the Statement of Responsibilities.

### *The improvement audit*

Each year the LGA has to report whether each council has discharged its duties in relation to improvement planning, the publication of improvement information and the extent to which each council has acted in accordance with the Department's Guidance. The procedures conducted in undertaking this work are referred to as an "improvement audit". During the course of this work the LGA may make statutory recommendations under section 95 of the Act.

### *The improvement assessment*

The LGA also has to assess annually whether a council is likely to comply with the requirements of Part 12 of the Act, including consideration of the arrangements to secure continuous improvement in that year. This is called the 'improvement assessment'. She also has the discretion to assess and report whether a council is likely to comply with these arrangements in future years.

### *The annual improvement report on the Council*

The Act requires the LGA to summarise all of her work (in relation to her responsibilities under the Act) at the Council, in an 'annual improvement report'. This will be published on the NIAO website by March 2020, making it publicly available.

### *Special inspections*

The LGA may also, in some circumstances, carry out special inspections which will be reported to the Council and the Department, and which she may publish.



### 3. Audit Findings

This section outlines key observations in the form of proposals for improvement, arising from following thematic areas of the Council's audit and assessment:

- General duty to improve;
- Governance arrangements;
- Improvement objectives;
- Consultation;
- Improvement plan;
- Arrangements to improve;
- Collection, use and publication of performance information; and
- Demonstrating a track record of improvement.

These are not formal recommendations, which are more significant matters which require action to be taken by the Council in order to comply with the Act or Guidance. Proposals for improvement include matters which, if accepted, will assist the Council in meeting its performance improvement responsibilities. The LGA may follow up on how key proposals have been addressed in subsequent years. We recommend however that the Council's Audit Committee track progress on all proposals for improvement.

Our procedures were limited to those considered necessary for the effective performance of the audit and assessment. Therefore, the LGA's observations should not be regarded as a comprehensive statement of all weaknesses which exist, or all improvements which could be made.

Detailed observations for the thematic areas can be found at Annex C.

Thematic area	Issue	Proposal for improvement
Improvement Objectives	Some objectives appear to have been set at a high level which presents challenges in ascertaining whether the Council has been successful in achievement of the objective.	The Council should redefine objectives so that they are more specific rather than aspirational and open-ended. This would enhance both transparency and meaningfulness of the Council's commitment to continuously improve its functions as it should be easier to link projects to objectives and see how the completion of projects contributes to the achievement of the identified objective.
Improvement Objectives	Some of the measures of success underpinning projects are not clearly defined as they do not have specific targets that can be clearly associated with improvement.	The Council should review the measures of success attributed to the supporting actions underpinning the improvement objectives and ensure that the measures are meaningful and their achievement demonstrates improvement.



Thematic area	Issue	Proposal for improvement
	Using the baseline data which has been collated to set standards and targets for performance indicators (where appropriate and relevant) would assist in demonstrating improvement.	

---

## *4. Annexes*

---



## Annex A – Audit and Assessment Certificate

### **Audit and assessment of Newry, Mourne and Down District Council's performance improvement arrangements**

#### **Certificate of Compliance**

I certify that I have audited Newry, Mourne and Down District Council's (the Council) assessment of its performance for 2018-19 and its improvement plan for 2019-20 in accordance with section 93 of the Local Government Act (Northern Ireland) 2014 (the Act) and the Code of Audit Practice for local government bodies.

I also certify that I have performed an improvement assessment for 2019-20 at the Council in accordance with Section 94 of the Act and the Code of Audit Practice.

This is a report to comply with the requirement of section 95(2) of the Act.

#### **Respective responsibilities of the Council and the Local Government Auditor**

Under the Act, the Council has a general duty to make arrangements to secure continuous improvement in the exercise of its functions and to set improvement objectives for each financial year. The Council is required to gather information to assess improvements in its services and to issue a report annually on its performance against indicators and standards which it has set itself or which have been set for it by Government departments.

The Act requires the Council to publish a self-assessment before 30 September in the financial year following that to which the information relates, or by any other such date as the Department for Communities (the Department) may specify by order. The Act also requires that the Council has regard to any guidance issued by the Department in publishing its assessment.

As the Council's auditor, I am required by the Act to determine and report each year on whether:

- The Council has discharged its duties in relation to improvement planning, published the required improvement information and the extent to which the Council has acted in accordance with the Department's guidance in relation to those duties; and
- The Council is likely to comply with the requirements of Part 12 of the Act.

#### **Scope of the audit and assessment**

For the audit I am not required to form a view on the completeness or accuracy of information or whether the improvement plan published by the Council can be achieved. My audits of the Council's improvement plan and assessment of performance, therefore, comprised a review of the Council's publications to ascertain whether they included elements prescribed in legislation. I also assessed whether the arrangements for publishing the documents complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing them.

For the improvement assessment I am required to form a view on whether the Council is likely to comply with the requirements of Part 12 of the Act, informed by:

- A forward looking assessment of the Council's likelihood to comply with its duty to make arrangements to secure continuous improvement; and

- A retrospective assessment of whether the Council has achieved its planned improvements to inform a view as to its track record of improvement.

My assessment of the Council's improvement responsibilities and arrangements, therefore, comprised a review of certain improvement arrangements within the Council, along with information gathered from my improvement audit.

The work I have carried out in order to report and make recommendations in accordance with sections 93 to 95 of the Act cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

### **Audit opinion**

#### **Improvement planning and publication of improvement information**

As a result of my audit, I believe the Council has discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

#### **Improvement assessment**

As a result of my assessment, I believe the Council has discharged its duties under Part 12 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

The 2019-20 year was the fourth in which councils were required to implement the performance improvement framework. The Council's arrangements to secure continuous improvement, should by now be well embedded. Whilst the Council continues to strengthen these arrangements, it nonetheless delivered some measurable improvements to its services in 2018-19 and has demonstrated a track record of ongoing improvement. In my opinion I believe that the Council is likely to comply with Part 12 of the Act during 2019-20.

I have not conducted an assessment to determine whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent years. I will keep the need for this under review as arrangements become more fully established.

### **Other matters**

I have no recommendations to make under section 95(2) of the Local Government (Northern Ireland) Act 2014.

I am not minded to carry out a special inspection under section 95(2) of the Act.

PAMELA McCREEDY  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

28 November 2019



## Annex B – Follow up of implementation of key prior year proposals for improvement

Year of report	Reference	Proposal for improvement	Action taken by Council	Status
	<b>General Duty to Improve (GD)</b>			
2016	<b>2016GD3</b>	Given its statutory nature, expand upon the Council's interim corporate performance management framework to include the development of a performance improvement policy. The purpose of this will define the Council's own interpretation of the new duty.		Implemented
2017	<b>2017GD1</b>	The Council should prioritise the development of its performance management system to enable the performance of all its functions and services to be measured, and to support the identification of those areas which would most benefit from improvement.		Implemented
2017	<b>2017GD2</b>	The Council should take steps to further develop, establish and embed all elements which underpin its performance management framework more fully across the organisation, ensuring that corporate priorities and performance improvement objectives are effectively cascaded to all employees.	The Chief Executive holds annual briefings for employees across a number of locations to provide an overview of progress to date in implementing corporate priorities and key programmes of work, as well as improvements planned for the year ahead. Performance management has also been incorporated into the corporate induction sessions for new employees.	In progress

Year of report	Reference	Proposal for improvement	Action taken by Council	Status
			<p>The Council should continue to use performance information to identify and drive improvements at all levels in the organisation.</p> <p>The Council is in the process of developing Service Plans and Individual Performance Appraisals which will demonstrate how each department and employee contributes to the achievement of community planning outcomes and corporate priorities.</p>	
	<b>Governance Arrangements (GA)</b>			
2016	<b>2016GA1</b>	<p>The Terms of Reference of the Audit Committee and the Strategy, Policy and Resources (SP&amp;R) Committee should be updated as required to reflect their respective performance improvement responsibilities.</p> <p>This should include a clearly defined separation between the role of the SP&amp;R Committee in managing and scrutinising Council performance and the role of the Audit Committee in providing assurance that the Council's arrangements are operating effectively.</p>		Implemented
2016	<b>2016GA3</b>	Senior management should also facilitate members of both the Audit Committee and the SP&R Committee with training and	There has again been progress with internal support for Committee members, however, further training and capacity building sessions for Elected	In progress

Year of report	Reference	Proposal for improvement	Action taken by Council	Status
		support to discharge their new performance improvement responsibilities.	Members on performance improvement should be developed and delivered.	
2017	<b>2017GA1</b>	The Council needs to ensure that its SP&R Committee is subjecting the Council's priorities, improvement objectives, activities, projects, risks and performance to appropriate scrutiny, challenge and evaluation and that this is monitored by the Audit Committee. To this end, officers must provide the relevant committees with appropriate and timely information in respect of the delivery of the performance improvement objectives.		Implemented
	<b>Improvement Objectives (OBJ)</b>			
2017	<b>2017OBJ2</b>	The Council should continue to focus on the development and appropriate use of baseline performance data and information within the existing data management system going forward and set standards for achievement which are both challenging and realistic.		Implemented
	<b>Collection, Use and Publication of Performance Information (PINFO)</b>			
2017	<b>2017PINF01</b>	The Council should continue to develop and embed its performance management	The Performance Improvement Policy has been adopted, providing the context for mainstreaming the Business	In progress

Year of report	Reference	Proposal for improvement	Action taken by Council	Status
		framework and establish a performance management system as a priority.	<p>Planning and Performance Management Framework across the Council.</p> <p>The Business Planning and Performance Framework is included in the Performance Improvement Plan and Directorate Business Plans, demonstrating how employees contribute to the achievement of key plans and strategies.</p> <p>During 2018-19, the Council also developed Performance Profiles for each Directorate to collate and present baseline performance information in an accessible, meaningful and consistent way. Each profile provides an overview of relevant information from the Residents' survey, alignment across the Business Planning and Performance Management Framework and year on year performance information on the themes of customer, finance and internal business processes since 2015-16.</p> <p>The electronic performance management system has not been developed in the year and is part of an</p>	



Year of report	Reference	Proposal for improvement	Action taken by Council	Status
			overall IT Strategy to be considered in the future. This system would be a more efficient and effective way of monitoring and reporting progress and would help with embedding performance improvement across the Council.	
2017	<b>2017PINF02</b>	<p>The Council should continue working with other councils and the Department to agree a suite of self-imposed indicators and standards.</p> <p>This will enable meaningful comparisons to be made and published in line with its statutory responsibility.</p>	<p>A sub-group of SOLACE's performance improvement working group has produced a paper on the way forward to establish a regional performance framework (benchmark framework). The approach will be agreed with the Department for Communities. A meeting of the sub-group discussed the issue in November 2019.</p> <p>Some progress has been made in the current year following advice from the Department for Communities that councils should benchmark at least two self-imposed indicators relating to the general duty to improve in addition to benchmarking the statutory indicators. The Council has benchmarked these indicators against the other councils within the annual assessment report 2018-19.</p>	In progress

Year of report	Reference	Proposal for improvement	Action taken by Council	Status
			Significant progress by all councils is essential in the coming year to allow a broader range of functions to be compared.	

## Annex C – Detailed observations

Thematic area	Observations
General duty to improve	<p>The Council has in place arrangements to secure continuous improvement in the exercise of its functions. A description of how the Council will discharge its duty under s84(1) of the Act has been set out within the 2019-20 Performance Improvement Plan, and the Council has provided evidence of these arrangements by way of self-imposed improvement indicators which are also set out within the Plan.</p> <p>The Council has made progress in year with the implementation of the Performance Improvement Policy in November 2018 to support the Business Planning and Performance Improvement Framework. The Council continues to try to embed performance improvement in a consistent and meaningful way throughout the organisation however further efforts should be focused on ensuring a culture of improvement is firmly embedded in all areas of the Council.</p> <p>The Council has devised a proposed timetable for developing, agreeing and implementing Service Plans that will be driven by the Corporate Plan, Performance Improvement Plan and Directorate Business Plans. The Service Plans will provide an annual overview of the operational activity that is planned for the year ahead and these will play an important role in cascading performance improvement objectives to staff at a meaningful, operational level and will further help to embed performance improvement as part of individual performance appraisals.</p> <p>The monitoring, reporting and review arrangements relating to Performance Improvement continues to be developed and refined. An electronic performance management system would assist with these arrangements as it would be a much more efficient way of monitoring and reporting progress and would help with embedding performance improvement across the Council. This is being considered as part of the overall IT Strategy.</p>
Governance arrangements	<p>The Council has adequate governance and scrutiny arrangements for performance improvement and these arrangements are operating effectively. The Council has established a range of governance arrangements to assist in the delivery of the Performance Improvement Plan.</p> <p>The Council has made progress in respect of the development of governance arrangements particularly in relation to the adoption and communication of the Performance Improvement Policy in November 2018 which provides the context for mainstreaming of the Business Planning and Performance Management Framework across the organisation.</p>

Thematic area	Observations
	<p>Furthermore, the Terms of Reference for the Audit Committee have been revised and strengthened in February 2019. There has again been progress with internal support for Committee members, however, further training and capacity building sessions for Elected Members on performance improvement should be developed and delivered.</p>
Improvement objectives	<p>The Council has demonstrated that the 2019-20 improvement objectives are legitimate, clear, robust, deliverable and demonstrable. The improvement objectives cover a wide range of Council services and they relate to both improving Council functions and improving services for communities and citizens. However, a proposal for improvement has been raised relating to the measures of success used and the level at which objectives are being set.</p> <p>The 2019-20 Performance Improvement Plan contains five objectives all of which have been carried forward from the prior year. The Council continues to review and refine improvement objectives and the associated actions, outcomes and measures every year as part of development of the Performance Improvement Plan. It is evident that improvement objectives have been developed in accordance with the strategic priorities of the Council as detailed in the Corporate Plan flowing from the Community Plan outcomes and in accordance with consultation with stakeholders. It is also clear that the objectives align with the strategic aspects of improvement.</p>
Consultation	<p>The Council has met its statutory duty to consult on its general duty to improve and on the proposed 2019-20 improvement objectives.</p> <p>The Council consulted on both the 2019-20 performance improvement objectives and the 2019-23 Corporate Plan simultaneously considering the close link between both and given the stakeholders are broadly similar. There was a twelve week consultation period and a variety of mechanisms were used to gain feedback including online and hard-copy questionnaires. Corporate Plan feedback was received mainly through the residents' survey and engagement sessions with various relevant groups. With respect to consultation specifically on performance improvement objectives, 74 responses were received and this is considered to be a substantive level of response when compared with other Councils. However, the Council should continue to seek out innovative ways of engaging key stakeholders and reporting performance to them in user-friendly and understandable formats.</p> <p>The Council has been able to demonstrate that feedback received from the consultation in 2019-20 and prior years has been reviewed and assessed and it has been demonstrated that underlying "actions," and "measures of success," related to performance improvement objectives have been tailored in response to the feedback received.</p>



Thematic area	Observations
Improvement plan	<p>The Council's 2019-20 Improvement Plan complies with the Act and with DfC guidance.</p> <p>The Council's Performance Improvement Plan was published in June 2019 and the plan continues to be available in a wide variety of media formats, through its website and social media channels, thereby encouraging stakeholder involvement in its current and future plans, in the context of performance improvements.</p> <p>The document contains a high-level description of the Council's plan for discharging its statutory performance improvement duties. It includes a description of its annual performance improvement objectives, how these were selected, the key actions to be undertaken in order to achieve each of the objectives, and how the progress of the key actions will be measured and what the outcomes for local communities and stakeholders will be. For each objective it is also detailed how it is linked to the corporate plan priorities, community plan outcomes and Programme for Government outcomes as well as detailing the alignment of each objective to the seven aspects of improvement.</p> <p>The plan also provides a summary of the Council's consultation process and the outcome of that process, together with information on how citizens and stakeholders may propose new objectives during the year and how performance against the plan will be reported.</p> <p>The Council also produces a summary document, "Our Performance, Looking Back, Going Forward," which sets out the key points from its Performance Improvement Plan (and its assessment of performance).</p>
Arrangements to improve	<p>The Council's arrangements to secure the achievement of its improvement objectives, statutory indicators and to comply with the general duty to improve, are adequate.</p> <p>The Council has further developed and refined its arrangements for performance improvement in year as referred to in other sections in this report. The Business Planning and Performance Management Framework has been supplemented by the introduction of the Performance Improvement Policy and links have been made between the different aspects of performance improvement and key strategic documents including Business Plans. The Council has identified areas in its self-assessment report for improvement and action should be taken to address these areas.</p>
Collection, use and publication of performance information	<p>The Council's arrangements to assess its performance and to publish the results are adequate. The self-assessment of the Council's performance in relation to the 2018-19 Performance Improvement Plan was transparent and meaningful. It</p>

Thematic area	Observations
	<p>contains explanations and plans for 2019-20 where improvement objectives and indicators have not been met and benchmarking information on the Council's performance over previous years.</p> <p>The Council continues to use a Microsoft Excel based system to identify, measure and monitor performance improvement at all levels of the Business Planning and Performance Management Framework – this is however, a very labour intensive method of collating performance information, and ensuring that it is robust and accurate. An electronic performance management system would be a much more efficient way of capturing the growing central repository of performance information. An electronic system would also provide a platform to demonstrate the alignment and interdependencies across the Business Planning and Performance Management Framework, create capacity for further analysis of the information and focus on key improvement areas across the organisation. A project mandate for such a system has been developed and is to be considered as part of the overall IT strategy.</p> <p>The Council continues to work as part of the Association of Public Sector Excellence (APSE) Performance Network NI benchmarking project. Internal audit carried out a review of the APSE performance indicators and have raised a number of recommendations in relation to the validation of performance indicators and the Council should work to ensure these recommendations are implemented as soon as practicable. The Council should also consider the use of internal audit to review the validation of indicators not relating to APSE.</p> <p>The Council has also developed internal "Performance Profiles" for each directorate. Information is collated from a variety of sources and presented based on key themes such as Customer, Finance and Internal business processes and are used to inform the business planning process and support a culture of continuous improvement.</p>
Demonstrating a track record of improvement	<p>The Council can demonstrate a positive track record of improvement.</p> <p>The Council has produced an assessment of its performance in each year. The latest assessment entitled, "Our Performance Looking Back, Going Forward," shows the Council's progress in delivering both the Corporate Plan and Performance Improvement Plan. Each Performance Improvement Objective has been assessed and whilst there are some instances of individual project performance declining or showing lack of improvement, on the whole since 2016-17 the Council has been able to demonstrate an overall record of improvement. Sustaining this level of improvement within the current resource capacity may present future challenges around strengthening the Council's existing performance management arrangements and embedding a culture of improvement.</p>

## **Audit and assessment of Newry, Mourne and Down District Council's performance improvement arrangements**

### **Certificate of Compliance**

I certify that I have audited Newry, Mourne and Down District Council's (the Council) assessment of its performance for 2018-19 and its improvement plan for 2019-20 in accordance with section 93 of the Local Government Act (Northern Ireland) 2014 (the Act) and the Code of Audit Practice for local government bodies.

I also certify that I have performed an improvement assessment for 2019-20 at the Council in accordance with Section 94 of the Act and the Code of Audit Practice.

This is a report to comply with the requirement of section 95(2) of the Act.

### **Respective responsibilities of the Council and the Local Government Auditor**

Under the Act, the Council has a general duty to make arrangements to secure continuous improvement in the exercise of its functions and to set improvement objectives for each financial year. The Council is required to gather information to assess improvements in its services and to issue a report annually on its performance against indicators and standards which it has set itself or which have been set for it by Government departments.

The Act requires the Council to publish a self-assessment before 30 September in the financial year following that to which the information relates, or by any other such date as the Department for Communities (the Department) may specify by order. The Act also requires that the Council has regard to any guidance issued by the Department in publishing its assessment.

As the Council's auditor, I am required by the Act to determine and report each year on whether:

- The Council has discharged its duties in relation to improvement planning, published the required improvement information and the extent to which the Council has acted in accordance with the Department's guidance in relation to those duties; and
- The Council is likely to comply with the requirements of Part 12 of the Act.

### **Scope of the audit and assessment**

For the audit I am not required to form a view on the completeness or accuracy of information or whether the improvement plan published by the Council can be achieved. My audits of the Council's improvement plan and assessment of performance, therefore, comprised a review of the Council's publications to ascertain whether they included elements prescribed in legislation. I also assessed whether the arrangements for publishing the documents complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing them.

For the improvement assessment I am required to form a view on whether the Council is likely to comply with the requirements of Part 12 of the Act, informed by:

- A forward looking assessment of the Council's likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- A retrospective assessment of whether the Council has achieved its planned improvements to inform a view as to its track record of improvement.



My assessment of the Council's improvement responsibilities and arrangements, therefore, comprised a review of certain improvement arrangements within the Council, along with information gathered from my improvement audit.

The work I have carried out in order to report and make recommendations in accordance with sections 93 to 95 of the Act cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

#### **Audit opinion**

##### **Improvement planning and publication of improvement information**

As a result of my audit, I believe the Council has discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

##### **Improvement assessment**

As a result of my assessment, I believe the Council has discharged its duties under Part 12 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently.

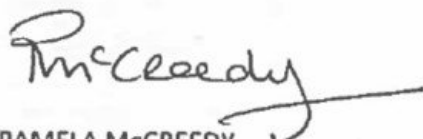
The 2019-20 year was the fourth in which councils were required to implement the performance improvement framework. The Council's arrangements to secure continuous improvement, should by now be well embedded. Whilst the Council continues to strengthen these arrangements, it nonetheless delivered some measurable improvements to its services in 2018-19 and has demonstrated a track record of ongoing improvement. In my opinion I believe that the Council is likely to comply with Part 12 of the Act during 2019-20.

I have not conducted an assessment to determine whether the Council is likely to comply with the requirements of Part 12 of the Act in subsequent years. I will keep the need for this under review as arrangements become more fully established.

#### **Other matters**

I have no recommendations to make under section 95(2) of the Local Government (Northern Ireland) Act 2014.

I am not minded to carry out a special inspection under section 95(2) of the Act.



PAMELA MCCREEDY  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

28 November 2019



### Improvement Audit and Assessment 2019-20 – Action Plan

Thematic Area: Duty to Improve		Timescale
<ul style="list-style-type: none"> <li>Strengthen the alignment between the Performance Improvement Plan 2020-21, Corporate Plan 2019-23 and Community Plan.</li> </ul>		2019-20
<ul style="list-style-type: none"> <li>Continue to use performance information to identify and drive improvements across the organisation.</li> </ul>		Ongoing
<ul style="list-style-type: none"> <li>Identify and strengthen the suites of performance indicators at all levels of the Business Planning and Performance Management Framework, particularly within the emerging Corporate Plan, Business Plans and Service Plans.</li> </ul>		Ongoing
<ul style="list-style-type: none"> <li>Further embed the Business Planning and Performance Management Framework and Performance Improvement Policy across the organisation by mainstreaming a corporate approach to developing Service Plans.</li> </ul>		2019-20 2020-21
<ul style="list-style-type: none"> <li>Continue to populate and manage the excel based system and progress the identification of a suitable electronic performance management system.</li> </ul>		Ongoing
<ul style="list-style-type: none"> <li>Facilitate staff briefings/roadshows in relation to the Corporate Plan 2019-23 and supporting plans.</li> </ul>		2019-20
Thematic Area: Governance Arrangements		Timescale
<ul style="list-style-type: none"> <li>Review and strengthen the Terms of Reference for all Committees in relation to performance and improvement responsibilities.</li> </ul>		Ongoing
<ul style="list-style-type: none"> <li>Contribute to the development and delivery of a regional training and capacity building programme for Elected Members around performance and improvement. Supplement this programme with local training sessions for the Strategy, Policy and Resources Committee and Audit Committee.</li> </ul>		2019-20
<ul style="list-style-type: none"> <li>Progress the recommendations arising from the internal audit of performance indicators around the accuracy of performance information and adequacy of data collation processes.</li> </ul>		2019-20
<ul style="list-style-type: none"> <li>Work with Internal Audit to develop and agree a programme to validate the accuracy of performance data and the integrity of data collation processes in relation to the Corporate Plan and Performance Improvement Plan.</li> </ul>		2019-20 2020-21
Thematic Area: Improvement Objectives		Timescale
<ul style="list-style-type: none"> <li>Review and redefine the performance improvement objectives, so that they are more specific.</li> </ul>		2019-20
<ul style="list-style-type: none"> <li>Review and strengthen the 'supporting actions' and 'measures of success' which underpin each objective.</li> </ul>		2019-20
<ul style="list-style-type: none"> <li>Work with departments to communicate and enhance awareness of future performance improvement objectives.</li> </ul>		2020-21
<ul style="list-style-type: none"> <li>Continue to embed the Business Planning and Performance Management Framework in order to ensure community planning outcomes, corporate priorities and performance improvement objectives are effectively cascaded to Directorate Business Plans and Service Plans.</li> </ul>		2019-20

<ul style="list-style-type: none"> <li>Continue to identify and collate robust baseline data to facilitate a performance driven approach to strategic planning. Use performance data to identify year on year trends, carry out comparisons with other local authorities, set targets for the future and inform the development of new plans and strategies.</li> </ul>	<b>Ongoing</b>
<b>Thematic Area: Consultation</b>	<b>Timescale</b>
<ul style="list-style-type: none"> <li>Identify new and innovative, accessible and inclusive mechanisms to engage stakeholders in the development of future performance improvement objectives and areas of improvement, using existing processes where possible.</li> </ul>	<b>Ongoing</b>
<b>Thematic Area: Improvement Plan</b>	<b>Timescale</b>
<ul style="list-style-type: none"> <li>Strengthen the alignment between the emerging Corporate Plan 2019-23, Performance Improvement Plan 2020-21 and future Business Plans and Service Plans.</li> </ul>	<b>2020-21</b>
<b>Thematic Area: Collection, use and publication of performance information</b>	<b>Timescale</b>
<ul style="list-style-type: none"> <li>Continue to strengthen the governance arrangements around key plans and strategies, and ensure, where appropriate, performance is reported in a consistent format across the organisation.</li> </ul>	<b>Ongoing</b>
<ul style="list-style-type: none"> <li>Update the baseline data included in the 'Performance Profiles' for each Directorate to support the development of Business/Service Plans and facilitate a performance driven approach to business/service planning.</li> </ul>	<b>2019-20</b>
<ul style="list-style-type: none"> <li>Continue to form part of the Multi-Stakeholder Group, which is made up of local government, Department for Communities and the NI Audit Office, to consider the benchmarking within the context of the legislative requirements of Part 12 of the Local Government Act (NI) 2014.</li> </ul>	<b>Ongoing</b>





Department for  
**Communities**  
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  
Level 4  
Causeway Exchange  
1-7 Bedford Street  
BELFAST  
BT2 7EG  
Phone: 028 9082 3375  
email: jeff.glass@communities-ni.gov.uk

## Circular LG 23/2019

Our ref: CO1-19-1925

27 September 2019

Dear Sir/Madam

### **CONSOLIDATED GUIDANCE ON COUNCILLOR ALLOWANCES – UPDATED SEPTEMBER 2019**

1. The attached Local Government Circular provides a consolidated guidance on councillor allowances. This supersedes the previous guidance provided in Local Government Circular 23/2016 (and the addenda to that circular).
2. The current associated rates of councillor allowance can be found in Local Government Circular 07/2019. Link to that circular can be found at <https://www.communities-ni.gov.uk/publications/circular-lg-0719-consolidated-councillor-allowances-updated-february-2019>
3. The updated guidance is to accompany the recent updated Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019, which were made on 9 September 2019 and come into operation on 1 October 2019. Please see the link to the legislation site <http://www.legislation.gov.uk/nisr/2019/174/contents/made>
4. The proposed changes incorporated in this guidance were issued to stakeholders (including council chief executives, finance officers, National Association of Councillors (NI) and Northern Ireland Local Government Association (NILGA)) on 4 April 2017 following discussions at Departmental Finance Working Group. There were no responses to the proposed changes. The regulations were consulted on in late 2016 and the consultation and synopsis of responses is available on the departmental website.

5. The changes in guidance relate to the following issues:-
  - Schedules 1 and 2 of the 2012 Regulations have been incorporated into the guidance.
  - The amount claimed for subsistence should be inclusive of VAT.
  - The amount claimed for subsistence should not include any alcohol.
  - Each council's scheme of allowances must state that where a councillor is suspended from carrying out the duties of a councillor, in accordance with section 59(5) of the Local Government Act (NI) 2014, the part of basic allowance, special responsibility allowance, or Chairperson / Vice Chairperson allowance payable to the councillor in respect of the period for which the councillor is suspended, must be withheld.
6. If you have any queries on the content of this letter please contact me on the above number or email address or Ian Lewis on 02890 823506 or by email [ian.lewis@communities-ni.gov.uk](mailto:ian.lewis@communities-ni.gov.uk).

Yours faithfully

**JEFF GLASS**  
**Local Government and Housing Regulation**



# **Local Government Circular 23/2019**

## **Councillors' Allowances Guidance for District Councils in Northern Ireland**

**Department for Communities  
September 2019**

**Contents**

<b>1. Introduction</b>	<b>Page 3</b>
<b>2. Details of Allowances Payable to Councillors</b>	<b>Page 3</b>
<b>3. Scheme of Allowances</b>	<b>Page 4</b>
<b>4. Basic Allowance</b>	<b>Page 5</b>
<b>5. Special Responsibility Allowance</b>	<b>Page 6</b>
<b>6. Chairperson's/Vice Chairperson Allowance</b>	<b>Page 9</b>
<b>7. Dependants' Carers' Allowance</b>	<b>Page 11</b>
<b>8. Travel And Subsistence Allowances; Expenses for Official and Courtesy Visits etc; Expenses Incurred in Attending Conferences and Meetings</b>	<b>Page 13</b>
<b>9. Councillors' Support Services</b>	<b>Page 16</b>
<b>10. Renunciations</b>	<b>Page 17</b>
<b>11. Councillors' Pensions And Tax Implications</b>	<b>Page 17</b>
<b>12. Publication of Allowances Paid to Councillors</b>	<b>Page 18</b>
<b>13. Increase to Allowance Rates</b>	<b>Page 19</b>
<b>14. Administration</b>	<b>Page 19</b>
<b>Annex A: Suggested Template for Scheme of Allowances Payable to Councillors</b>	<b>Page 20</b>
<b>Annex B: Suggested Template for Councillor Dependant Carer's Claims</b>	<b>Page 26</b>
<b>Schedule 1: Rules with Respect to the Payment of Travel and Subsistence Allowances</b>	<b>Page 28</b>

## 1. **Introduction**

This guidance is issued under Section 31(5) of the Local Government Finance Act (Northern Ireland) 2011. The guidance consolidates the previous guidance of December 2016, Local Government Circular 23/2016 and the two addenda to that circular, and also incorporates travel and subsistence arrangements previously stated in subordinate legislation. This guidance supplements the consolidated Local Government Circular 07/2019 on Councillor Allowances rates, issued on 7 March 2019.

## 2. **Details of Allowances Payable to 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) 2019. Throughout this guidance the Act will be referred to as the 2011 Act and the Regulations as the 2019 Regulations. The definitions provided in the legislation carry forward to this guidance.

The main allowances which may be payable to a councillor are:

- Basic Allowance;
- Special Responsibility Allowance (SRA);
- Dependants' Carers' Allowance (standard/specialised care rates);
- Travel and Subsistence Allowance (also payable to committee members); and
- Chairperson/Vice Chairperson Allowance.

### 3. Scheme of Allowances

At a glance - Key information	
•	Legislation – Regulations 3 & 11 of the 2019 Regulations
•	Each council must have a scheme for the payment of all allowances it makes to councillors each year; travel & subsistence rates also apply to committee members
•	The scheme should advise that a councillor's allowances will be withheld during periods of suspension
•	Scheme must be agreed and commenced prior to payment of any allowances
•	The Scheme must be published as soon as practicable on the council's website

- i. The 2019 Regulations provide that each council must have in place a scheme for the payment of any allowance it intends to make to its councillors or committee members in respect of each year.
- ii. Before a scheme becomes effective, a council must approve the contents and the commencement date. Payments to councillors should not be made in advance of the scheme approval and commencement date. A scheme can be amended or revoked at any time but there must be no intervening period of time between one scheme ending and a further scheme commencing.
- iii. The council should as soon as practicable publish the approved scheme on the council's website, and make any other arrangements for publishing the scheme it considers appropriate.
- iv. For councils ease a generic scheme template is attached at Annex A, although it is not compulsory to use this layout.
- v. A scheme should state that where a councillor, in accordance with section 59(5) or section 60(5) of the Local Government Act (Northern Ireland) 2014, is suspended from carrying out the duties of a councillor, the part of basic allowance, special responsibility allowance and/or chairperson/ vice chairperson allowance payable for the period of suspension to the councillor will be withheld.



#### 4. Basic Allowance

At a glance - Key information
<ul style="list-style-type: none"> <li>• Legislation – Regulation 4 of the 2019 Regulations</li> </ul>
<ul style="list-style-type: none"> <li>• Basic allowance should be the same for each councillor and is intended to also cover incidental costs incurred by councillors</li> </ul>
<ul style="list-style-type: none"> <li>• A councillor's basic allowance will be withheld during periods of suspension</li> </ul>

- i. The 2019 Regulations provide that a council must make provision in its scheme of allowances for a basic allowance, with the same rate applicable to each councillor. Where applicable this is payable on a pro-rata basis.
- ii. Each council must determine the amount of basic allowance it will pay, which must be within the maximum rate set by the Department.
- iii. No council may pay more than one basic allowance to a councillor.
- iv. Basic allowance is intended to recognise all the time commitment of councillors, including such inevitable calls on their time as meetings with officers and constituents.
- v. The basic allowance is intended to cover incidental costs incurred by councillors in their official capacity, such as the use of their homes, office consumables and the cost of landline and mobile phone calls; subject to the discretion in paragraph 9(ii).
- vi. It is for the council to decide at what intervals payment of basic allowance should be made. The Department suggests payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.
- vii. In circumstances where a councillor is suspended from carrying out the duties of a councillor in accordance with section 59(5) of the Local Government Act (NI) 2014, the part of basic allowance payable to the councillor in respect of the period for which the councillor is suspended should be withheld.

## 5. Special Responsibility Allowance (SRA)

At a glance - Key information
<ul style="list-style-type: none"> <li>• Legislation – Regulation 5 of the 2019 Regulations</li> </ul>
<ul style="list-style-type: none"> <li>• Subject to a total maximum rate determined by size of council population</li> </ul>
<ul style="list-style-type: none"> <li>• Subject to maximum individual SRA councillor payment of <math>\frac{1}{5}</math><sup>th</sup> of council maximum SRA amount</li> </ul>
<ul style="list-style-type: none"> <li>• Restricted to 50% of councillors in council</li> </ul>
<ul style="list-style-type: none"> <li>• Restricted to one SRA per councillor</li> </ul>
<ul style="list-style-type: none"> <li>• A councillor's SRA will be withheld during periods of suspension</li> </ul>

- i. A council may make provision in its scheme for the payments of SRAs. A SRA is in addition to the basic allowance.
- ii. A councillor can only receive one SRA.
- iii. As elected representatives, councillors are expected to undertake responsibilities in the course of their duties which may include representation on a number of external bodies. SRA should only be paid to those councillors who have significant additional responsibilities, over and above the generally accepted duties of a councillor.
- iv. The amount a council may spend on SRA is subject to a maximum rate as determined by the Department, banded by the size of the council population. Each council's population figures are updated each year by the Northern Ireland Statistics and Research Agency and it is the duty of each council to operate within the total maximum rate appropriate to its population band. Population bands and applicable maximum rates are contained in Local Government Circular 07/2019 which can be found at:

<https://www.communities-ni.gov.uk/sites/default/files/publications/communities/lq-07-2019-covering-letter.pdf>

- v. Payment of SRA is limited to 50% of a council's councillors; based on the total number of seats on a council. Where this results in a fraction the figure may be rounded up to the next whole number. Examples are detailed in the table below:

Total Number of Seats in Council	Maximum Number of SRA Allowances Payable
40	20
41	21
60	30

- vi. In exceptional circumstances a council can apply to the Department for flexibility in this 50% restriction. This will not affect the maximum amount of SRA available to a council, only its distribution among the councillors of that council. In order for the Department to make a decision the council would need to submit all relevant information which should include:
- reasons for wishing to distribute SRA allocation to more than half the council;
  - the period involved;
  - details of the additional number of councillors to receive SRA; and
  - the resulting percentage of councillors to receive SRA.
- vii. Payment of SRA to an individual councillor is limited to  $\frac{1}{5}$ <sup>th</sup> of the SRA maximum rate applicable for that council.
- viii. It is a matter for each council to decide which significant additional responsibilities attract SRA. The special responsibility and associated SRA rate payable must be clearly stated in the scheme.
- ix. Councils should consider, very carefully, the additional roles of councillors and the significance of those roles, both in terms of responsibility and time commitment, before deciding which will warrant the payment of an SRA.

- x. It is for each council to decide the SRA payment intervals. The Department would suggest payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.
- xi. A council may wish to retain a portion of its SRA allocation to allocate later in the year; as unpredicted responsibilities may arise during the year.
- xii. Where applicable a SRA should be paid on a pro-rata basis.
- xiii. In circumstances where a councillor is suspended from carrying out the duties of a councillor in accordance with section 59(5) of the Local Government Act (NI) 2014, the part of the SRA payable to the councillor in respect of the period for which the councillor is suspended should be withheld.



## 6. Chairperson/Vice Chairperson Allowances

At a glance - Key information	
	<ul style="list-style-type: none"> <li>• Legislation – Section 32 of the Finance Act</li> </ul>
	<ul style="list-style-type: none"> <li>• A councillor's Chairperson/Vice Chairperson Allowance (CVA) will be withheld during periods of suspension</li> </ul>
	<ul style="list-style-type: none"> <li>• Chairperson/Vice Chairperson Allowances are completely separate from Special Responsibility Allowance (SRA) arrangements</li> </ul>

- i. Section 32 of the Finance Act provides that a council may pay to the chairperson and vice chairperson of the council such allowances as it considers reasonable to meet the expenses of those offices.
- ii. Where the district of a council has been designated as a borough, the chairperson and the vice chairperson are known as the mayor and deputy mayor of the borough.
- iii. The Department advises that any Chairperson/Vice Chairperson Allowance should be considered totally separate from SRA arrangements. Further, these allowances should not be taken into account when considering SRA limits. This follows the policy intent of the primary legislation in Section 32.
- iv. The Department advises that any Travel & Subsistence expenses for these offices/roles should be viewed and treated as normal Section 31 expenses.
- v. The Departmental issued yearly template for publishing the allowances being paid by each council to each councillor provides transparency of the amount councillors receive.
- vi. The councillor allowances statistical return has been revised to record and show the Chairperson/Vice Chairperson Allowance separate from SRA.
- vii. Section 6 and Part 3 of Schedule 1 of the Local Government (Northern Ireland) 2014 Act means that it will be unusual for a councillor receiving a Chairperson/Vice Chairperson Allowance to also be in receipt of a SRA. However this may occur if the Chairperson/Vice Chairperson is a member of a committee where

all members of the committee attract a SRA rather than just the Chair of the committee.

- viii. Where applicable a Chairperson/Vice Chairperson Allowance should be paid on a pro-rata basis.
- ix. In circumstances where a councillor is suspended from carrying out the duties of a councillor in accordance with section 59(5) of the Local Government Act (NI) 2014, the part of Chairperson/Vice Chairperson Allowance payable to the councillor in respect of the period for which the councillor is suspended should be withheld.

## 7. Dependants' Carers' Allowance

At a glance - Key information
<ul style="list-style-type: none"> <li>• Legislation – Regulation 6 of the 2019 Regulations</li> <li>• Open to all councillors who are the main carer of a dependant</li> <li>• Subject to a maximum rate per hour of care</li> <li>• Subject to a maximum amount payable per month</li> <li>• Claims must be made within 3 months</li> </ul>

- i. Each council may make provision in its scheme of allowances for the payment of a Dependants' Carers' Allowance ("DCA"). This is an allowance open to all councillors who are the main carers of a dependant where care is required to enable the councillor to perform an approved duty.
- ii. The allowance may be paid for a dependant who requires full-time care and who resides with the councillor as part of that household.
- iii. A dependant is defined as:
  - a child under 16 years old;
  - a child 16 years old or more, where there is medical or social work evidence that full-time care is required;
  - an adult with a recognised physical or mental disability where there is medical or social work evidence that full-time care is required; or
  - an elderly relative requiring full-time care.
- iv. For the purposes of this allowance, a carer is defined as a responsible person over 16 years old who does not normally live with the councillor as part of that household; and is not a parent/guardian of the dependant child.
- v. A specialist carer is defined as a qualified person who is needed where it is essential to have professional assistance. In these circumstances a receipt must be attached to the claim.
- vi. The Department determines maximum hourly rates of DCA for both standard care and specialised care. The rate for standard care is based on the hourly national living wage for age 25+, and the rate for specialised care is double the rate for standard care. In addition the Department sets maximum monthly amounts for standard care and specialised care, capped at the equivalent of 52 hours per month.

- vii. It is not intended that DCA will reflect the actual costs that may be incurred by a councillor, but will provide a reasonable amount towards the care of dependants.
- viii. Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.
- ix. Councils should ensure that they have a robust system in place for councillors to claim the relevant DCA applicable to their circumstances. Councillors wishing to claim DCA should be asked to complete a claim form and sign a declaration. Annex B provides suggested template forms for claiming DCA standard / specialised care.
- x. The process should include flexibility to allow for care for the period of essential travel time, councillors may claim for a period starting up to a maximum of one hour before the approved duty starts and ending up to one hour after it finishes. In exceptional cases, with the prior approval of the council, a greater travel time may be considered.
- xi. Councillors must disclose any financial support provided under DCA when applying for other care services offered by another public body.
- xii. Councils are encouraged to provide councillors with information as to where they might access advice on caring facilities and services. Councils should also review whether their family-friendly policies and practices cater for the needs of councillors, as well as staff.
- xiii. Councils must ensure they have a robust system in place for DCA claims which must be submitted within three months. In exceptional circumstances a council has discretion to consider claims outside this period.



**8. Travel And Subsistence Allowances;**  
**Expenses for Official and Courtesy Visits etc; and**  
**Expenses Incurred in Attending Conferences and Meetings**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"> <li>• Legislation – Regulation 7 the 2019 Regulations; Sections 33 &amp; 34 of the Finance Act</li> </ul>
<ul style="list-style-type: none"> <li>• Travel and subsistence rates are determined by the council</li> </ul>
<ul style="list-style-type: none"> <li>• Claims must be made within 3 months</li> </ul>

- i. Each council may make provision in its scheme of allowances for the payment of travel allowance and subsistence allowance; within the maximum rate, taking into consideration paragraph xii, as determined by the Department. These are open to all councillors and committee members who incur expenditure for travel and subsistence in relation to any approved duties.
- ii. The maximum rates of travel and subsistence are determined by the Department following consultation with the Northern Ireland Joint Council for Local Government Services.
- iii. The rate claimed for travel by public transport should be at economy/2<sup>nd</sup> class. It is at a council's discretion to reimburse for seat reservation where considered necessary.
- iv. Where no public transport is available, or where the council deems it applicable, a councillor or committee member may be reimbursed the receipted cost of travel by taxi. Where a councillor or committee member travels by taxi in preference to public transport the amount reimbursed will be limited to what would have been the cost of the equivalent public transport.
- v. Where the council deems a hired car is necessary a councillor or committee member may be reimbursed the receipted cost of the hired car along with the applicable mileage rate.
- vi. Where the council deems air travel is necessary the cost of the air travel inclusive of reasonable luggage allowance and seat allocation may be reimbursed.
- vii. Councils must ensure they have a robust receipted system in place for any travel allowance or subsistence allowance claims, other

than mileage-based or overseas rate claims, all of which must be submitted within three months.

- viii. The amount claimed for travel or subsistence must not exceed the actual amount paid. A claim for subsistence should not be made where a relevant meal has been provided free of charge. The purchase of any alcoholic beverages should be excluded from subsistence claims.
- ix. The rates paid for travel by car must not exceed the amount that would result from using an alternative mode of transport; e.g. public transport or air fare, unless previously agreed by the council.
- x. In addition to the mileage rate for car travel a councillor or committee member may claim the passenger rate for each passenger who is on council business.
- xi. In submitting the claim the claimant is declaring that no other body will be covering, part or all, of the costs claimed.
- xii. The consolidated circular 07/2019 states the maximum rates of subsistence, which are those set in 2006. However, there is flexibility for councils to increase the 2006 rates where necessary by applying a suitable price inflation measure.
- xiii. Where the mode of transport limits availability of meal options, such as via airplane or train, the reasonable cost of a meal taken, excluding alcoholic beverages, including VAT, may be reimbursed in full. This is in place of the relevant meal allowance.
- xiv. It is at the discretion of the council to cover expenditure incurred by councillors in making or receiving official/ courtesy visits or attending conferences, on behalf of the council, which are outside of the standard travel and subsistence arrangements. This type of expenditure may arise due to hosting guests to the council, or representing the council at an event or attending a conference. Where applicable the rates and rules for general travel and subsistence should be followed.
- xv. For travel and subsistence outside the British Isles, it is recommended that councils adopt the Overseas Subsistence Rates produced by Her Majesty's Revenue & Customs (HMRC). Where

these rates are applied receipts are not necessary. However the restrictions outlined in the paragraphs ix and xii still apply.

- xvi. The rules for payment of travel and subsistence are set out in Schedule 1.
- xvii. For convenience a link is provided to the wider HMRC travel rules which are in place at this time (these are subject to change):

<https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk>

## **9. Councillors' Support Services**

- i. The Basic Allowance was increased in April 2015, in part, to cover office consumables and incidental costs incurred by councillors in their official capacity; this includes the cost of landline and mobile telephone calls.
- ii. It is for each council to decide if it should provide councillors with:  
(a) any IT or mobile hardware, such as laptops or printers; and/or  
(b) broadband and mobile data, or cover all or part of the cost of these services;  
as required to carry out council duties.
- iii. Where mobile telephone calls, required for council business, form an integral part of a council's broadband and mobile data communications package these can also be provided.
- iv. A decision to provide or cover any of these costs must be supported by a robust business case.
- v. It is for each council to decide on the level of support services that it provides such as general secretarial services, council business cards and headed paper. However councils should not provide councillors with hard copies of electronic documents where the council has provided a portable IT device.



## 10. Renunciations

Councillors may, if they wish, renounce their entitlement to basic, chairperson, vice chairperson or special responsibility allowances. They can do this by writing to the Chief Executive. A councillor can subsequently withdraw the renunciation. They can also amend a renunciation (for example, to limit it to one kind of allowance only). The withdrawal or amendment cannot have retrospective effect.

## 11. Councillors' Pensions And Tax Implications

It is for councils and councillors to satisfy themselves that their tax and insurance arrangements are in order; where necessary consulting with advisers as required. As at September 2019, Her Majesty's Revenue and Customs website contains useful information on the treatment of tax for councillors:

<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65900>

## 12. Publication of Allowances Paid to Councillors

At a glance - Key information
<ul style="list-style-type: none"> <li>• Legislation – Regulation 11 the 2019 Regulations</li> <li>• Generic template for publishing details of allowances paid</li> </ul>



- i. As soon as possible after the end of a financial year, and before 30 June, a council must arrange for the amounts of basic allowance, special responsibility allowance, Chairperson/Vice Chairperson allowance, Official/Courtesy Visits expenses and dependants' carers' allowance it has paid to each councillor, and the amounts of travel and subsistence allowances paid to each councillor and committee member, to be published on its website.
- ii. Councils are provided each year with a template to complete to publish details of allowances paid to councillors. This must be adhered to. This generic approach aids transparency and allows for comparisons to be made between councils. The template will be issued each year via local government circular in advance of the end of the financial year. A copy of the latest template can be found at:  
<https://www.communities-ni.gov.uk/publications/circular-lg-1319-template-councillor-allowances-return-20182019>
- iii. In the template Travel & Subsistence payments made to councillors under Section 31 (Allowances, etc. for councillors), Section 33 (Expenses of official and courtesy visits, etc.) and Section 34 (Expenses incurred in attending conferences and meetings) of the Finance Act should be grouped together. This includes any Travel & Subsistence payments made to chairpersons/vice chairpersons.
- iv. The specific allowances under Section 32 (Allowances for chairperson and vice-chairperson) for carrying out these roles should be recorded separately.
- v. Section 33 of the Finance Act expenses (Expenses of official and courtesy visits, etc.), aside from Travel & Subsistence expenses, should be recorded separately.

**13. Increases to Allowance Rates**

- i. The amount of the maximum basic allowance, SRAs and Chairperson/Vice Chairperson allowances will be updated in line with pay increases for council officers.
- ii. The amount of Dependants' Carer's Allowance will be updated in line with the national living wage for age 25+.

**14. Administration**

Councils should retain the bank detail instructions from each councillor and committee member on where allowances are to be paid.

[NAME OF COUNCIL]

[Council to complete/consider colour font]

## SCHEME OF ALLOWANCES PAYABLE TO COUNCILLORS

This Scheme is made under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019.

### 1. Definitions

In this scheme 'approved duty' and committee member are as defined in the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019.

### 2. Commencement Date

This scheme of allowances shall be operational from 1 April 2019.

### 3. Basic Allowance

An annual basic allowance of (amount) shall be paid to each councillor. Where applicable this will be paid pro-rata.

### 4. Special Responsibility Allowance

4.1. A special responsibility allowance shall be paid to those councillors who hold the special responsibilities specified in Schedule 1.

4.2. The amount of allowance shall be the amount specified against that special responsibility in the Schedule. The allowance is only payable whilst the councillor is carrying out that duty.



**4.3.** At any time, only one special responsibility allowance will be paid to a councillor.

**4.4.** Where applicable any special responsibility allowances will be paid pro-rata.

## **5. Chairperson/Vice Chairperson Allowance**

**5.1.** An allowance of (amount) will be payable to the Chairperson/Mayor of the council. Where applicable this allowance will be paid pro-rata.

**5.2.** An allowance of (amount) will be payable to the Vice Chairperson/Mayor of the council. Where applicable this allowance will be paid pro-rata.

## **6. Dependants' Carers' Allowance**

**6.1.** Councillors are entitled to claim a dependants' carers' allowance towards reimbursement of actual reasonable costs necessarily incurred in providing care for an eligible dependant, while carrying out an approved duty.

**6.2.** A dependants' carers' allowance shall be payable based upon actual receipted costs or at the appropriate hourly rate, whichever is the lower; up to the monthly maximum.

**6.3.** The hourly rate of dependants' carers' allowance for standard care shall be (amount), and for specialised care (amount). The monthly maximum for standard care payable is (amount), and the monthly maximum for specialised care is (amount).

Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.

## 7. Travel and Subsistence Allowances

**7.1.** A councillor or committee member shall be entitled to claim travel and subsistence allowances where expenditure on travelling or subsistence has been necessarily incurred. The amount claimed should not exceed expense incurred.

**7.2.** The rates of travel allowance for travel by private vehicle shall be as shown in the table below. [Where council rates are set below maximum, or maximum increased, these figures should be amended.]

Type of Vehicle	Rate per Mile
A pedal cycle	20.0p
A motor cycle (all engine capacities)	24.0p
A motor car of cylinder capacity exceeding 450cc but not exceeding 999cc	46.9p *13.7p
A motor car of cylinder capacity exceeding 999cc but not exceeding 1,199cc	52.2p *14.4p
A motor car of cylinder capacity exceeding 1,199cc	65.0p *16.4p
An electric car	45.0p **25.0p
Passenger rate (per passenger)	5.0p

\*For mileage above 8,500 miles

\*\*For mileage above 10,000 miles

**7.3.** The rates of subsistence shall be as shown in the table below.

[Where councils have increased the set rates due to insufficiency, or where the default set rates have increased, the council rates should be input]

PERIOD/MEAL	RATES	
	British Isles £	London £
<b>Accommodation allowance</b> - An absence involving an overnight stay, away from the normal place of residence. This rate does not include any meal allowance.	100.70	122.45
<b>Breakfast allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period before 11 am)	11.50	
<b>Lunch allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 12 noon and 2pm)	13.50	
<b>Tea allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 3pm and 6pm)	4.70	
<b>Evening meal allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period ending after 7pm)	20.95	



## **8. General**

- 8.1. This scheme may be revoked or amended at any time.
- 8.2. The amounts stated in paragraphs 3-5 will be subject to any indexing increase during the year. [Where councils do not wish this to automatically be the case this wording should be amended/removed].
- 8.3. The amounts stated in paragraph 6 will be subject to any increase to the national living wage for age 25+. [Where councils do not wish this to automatically be the case this wording should be removed].

## **9. Claims and Payment**

- 9.1. Payments regarding basic allowance and special responsibility allowance shall be made (insert frequency, for example monthly).
- 9.2. Claims for dependants' carers' allowance, travelling allowance or subsistence allowance should be made in writing within three months, and should be accompanied by receipts, where appropriate.



**SCHEDULE 1 to the Scheme of Allowances**

The following table provides details of the council's duties which attract a Special Responsibility Allowance and the associated allowance amount.

Special Responsibility	Special Responsibility Allowance Rate (£)
Insert the role and details of the significant additional responsibility that is over and above the generally accepted duties of a councillor	Insert amount attached to this special responsibility

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – STANDARD CARE

Date care provided: .....

Approved duty covered: .....

(expand as necessary) .....

.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

(Claim amount is subject to agreed travel time, hourly and monthly rate limits)

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of Carer .....

**Declaration:**

*I declare that the above named provided a childcare/carers service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

*NB – A claim form should be completed and submitted for each relevant occurrence of approved duty -*

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – SPECIALISED CARE

Date care provided: .....

Approved duty covered: .....  
(expand as necessary) .....  
.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

*(Claim amount is subject to agreed travel time, hourly and monthly rate limits)*

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of carer: .....

**Declaration:**

*I declare that the above named provided a childcare/carers service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

**NB – A claim form should be completed and submitted for each relevant occurrence of approved duty. – an original invoice from the carer must be presented with this claim form**

## RULES WITH RESPECT TO THE PAYMENT OF TRAVEL ALLOWANCES

**1.** The rate for travel by public service shall not exceed the amount of the ordinary first class fare or any available cheap first class fare, provided that the sum paid shall not exceed the actual amount disbursed by the councillor or committee member.

**2.** The rate specified in the preceding paragraph may be increased by supplementary allowances not exceeding expenditure actually incurred—

- (a) on special supplements, reservation of seats and deposits or portage of luggage; and
- (b) on sleeping accommodation engaged by the councillor or committee member for an overnight journey subject, however, to reduction by one third of any subsistence allowance payable for that night.

**3.** The rate for travel by taxi shall not exceed—

- (a) in cases of urgency or where no public service is reasonably available, the amount of the actual fare and any reasonable gratuity paid; and
- (b) in any other case, the amount of the fare which the councillor or committee member would have been entitled to claim if travelling by appropriate public service.

**4.** The rate for travel by a hired motor vehicle other than a taxi shall not exceed the rate which would have been applicable had the vehicle belonged to the councillor or committee member who hired it, provided that where the council so approves, the rate may be increased to an amount not exceeding the actual cost of the hiring.

**5.** Fares for travel by air shall be payable if either—

- (a) the rate for travel by air does not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in subsistence expenses consequent on travel by air; or
- (b) the council resolves, either generally or specially, that the saving in time is so substantial as to justify payment of the fare for travel by air, in which case there may be paid an amount not exceeding—
  - (i) the ordinary or any available cheap fare for travel by regular air service; or
  - (ii) where no such service is available, or in any case of urgency, the fare actually paid by the councillor or committee member.

**6.—(1)** If a councillor or committee member uses a private motor vehicle in preference to a public service, or where a public service is not available, the rates per mile payable shall be determined by the council within the maximum rates determined by the Department in respect of the types of vehicles specified in subparagraph (2).



**SCHEDULE 1****145**

- (2) The types of vehicles specified for the purposes of sub-paragraph (1) are—
- (a) a pedal cycle;
  - (b) a solo motor cycle of cylinder capacity not exceeding 149cc;
  - (c) a solo motor cycle of cylinder capacity exceeding 149cc but not exceeding 499cc;
  - (d) a solo motor cycle exceeding 499cc cylinder capacity or a motor cycle with a sidecar;
  - (e) a motor car or tri-car of cylinder capacity not exceeding 450cc;
  - (f) a motor car or tri-car of cylinder capacity exceeding 450cc but not exceeding 999cc;
  - (g) a motor car or tri-car of cylinder capacity exceeding 999cc but not exceeding 1,199cc; and
  - (h) a motor car or tri-car of cylinder capacity exceeding 1,199cc.
- (3) The rates payable under sub-paragraph (1) may be increased—
- (a) where other councillors or committee members are conveyed in the same vehicle on the business of the council, by an additional rate per mile determined by the council for the carriage of each additional passenger;
  - (b) by not more than the amount of any expenditure incurred on tolls, ferries or parking fees; or
  - (c) in the case of an absence overnight from the usual place of residence, by an amount determined by the council for garaging a motor car, tri-car, or a motor vehicle of any other type, but not exceeding the amount actually paid by the councillor or committee member.
- (4) For the purpose of this paragraph, cylinder capacity shall be calculated in the manner prescribed by regulation 43 of the Road Vehicles (Registration and Licensing) Regulations 2002<sup>(1)</sup>, provided that where the engine of a car has been rebored the calculation shall be based on the engine as it was when new.

---

<sup>(1)</sup> S.I. 2002/2742

## **RULES WITH RESPECT TO THE PAYMENT OF SUBSISTENCE ALLOWANCES**

7. Subsistence allowances shall be payable in respect of both an absence involving an absence overnight from the usual place of residence and an absence not involving an absence overnight from the usual place of residence.

8. The rates determined in respect of an absence overnight from the usual place of residence shall cover a continuous period of absence of twenty-four hours.

9. For an absence overnight of a period less than twenty-four hours, an appropriate amount in respect of any meal allowance shall be deducted from the maximum rate determined.

10. Any rate determined shall be reduced by an appropriate amount in respect of any meal provided free of charge by any body during the period to which the allowance relates.

11.—(1) For an absence from the usual place of residence overnight in London or exceptionally in any other place in the British Isles approved by the Department, the rates may be increased by a supplementary allowance of such amount as the council may determine.

(2) For the purpose of this paragraph London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

Chief Executive of each District Council  
Finance Officer of each District Council

Local Government and Housing  
Regulation Division  
Finance Branch  
Level 4  
Causeway Exchange  
1-7 Bedford Street  
BELFAST  
BT2 7EG  
Phone: 028 9082 3346  
email: jeff.glass@communities-ni.gov.uk

**Circular LG 25/2019**

Our ref: CO1/19/253168

21 October 2019

Dear Sir/Madam

**ARTICLE 19 APPLICATION (RE: REIMBURSEMENT OF TRAVEL AND  
SUBSISTENCE EXPENSES)**

1. I refer to my letter dated 30 September 2019 which advised that the revised approved duties interpretation cannot be back dated to 1 April 2015. I appreciate councils may have made payment(s) in respect of reimbursement of expenses for which legislative cover cannot be retrospectively applied.
2. Given these circumstances the Department will consider applications for sanction in relation to article 19 of the Local Government (Northern Ireland) Order 2005 in respect of payments of reimbursed expenses for site visits carried out as part of a councillor's approved duties, following the transfer of the planning function to councils, for any period from 1 April 2015 to 30 September 2019.
3. I have set out in the attached pro forma the details required by the Department in order to consider fully an application. Please complete the pro forma carefully with all relevant details to avoid any delay in processing the application. A separate tab is provided for each financial year and the pro forma should be signed by the Council Head of Finance. If you intend to complete an application I should be grateful if you would return it to the Department by 29 November 2019 via email both as an excel document and a signed pdf document.

4. If you have any queries on the content of this circular please contact myself or Ian Lewis on 028 9082 3506 or by email [jeff.glass@communities-ni.gov.uk](mailto:jeff.glass@communities-ni.gov.uk) or [ian.lewis@communities-ni.gov.uk](mailto:ian.lewis@communities-ni.gov.uk) .

Yours faithfully

**Jeff Glass**  
**Local Government and Housing Regulation Division**

cc. Other Interested Parties