



Comhairle Ceantair  
**an Iúir, Mhúrn  
agus an Dúin**  
**Newry, Mourne  
and Down**  
District Council

January 16th, 2023

**Notice Of Meeting**

You are requested to attend the Audit Committee Meeting to be held on **Wednesday, 18th January 2023** at **2:00 pm** in **Chamber Civic Centre Downpatrick / via Teams.**

**Committee Membership (2022 - 2023)**

Ms B Slevin Independent Chairperson

**Councillor P Byrne**

**Councillor C Casey**

**Councillor L Devlin**

**Councillor C Enright**

**Councillor M Gibbons**

**Councillor O Hanlon**

**Councillor A Lewis**

**Councillor D McAteer**

**Councillor D Murphy**


**Councillor Kathryn Owen**

# Agenda

## 1.0 Apologies and Chairperson's Remarks

## 2.0 Declarations of Interest.

## 3.0 Action Sheet: Audit Committee Meeting - Thursday 22 September 2023. (Attached)

 3. Final Action Sheet - Audit Cmte 22 Sept 2022.pdf

Page 1

---

### Corporate Services - (OPEN SESSION)

---

## 4.0 Corporate Risk Register - (including ERT Directorate Risk Register). (Attached)

 4. Corporate Risk Register Jan 2023.pdf

Page 6

 4. Appendix 1 - CRR Overview - Jan 2023.pdf

Page 9

 4. Appendix 2 - CRR - Jan 2023.pdf

Page 10

 4. Appendix 3 - ERT Directorate Risk Register.pdf

Page 33

## 5.0 Prompt Payments. (Attached)

 5. Prompt Payments Report Q2 Q3.pdf

Page 46

## 6.0 Members' Register of Interests. (Attached)

 6 - Members Register of Interests Report-January 2023.pdf

Page 49

---

### NIAO (OPEN SESSION)

---

## 7.0 NIAO Annual Audit Letter. (Attached)

 7 - Annual Audit Letter NMD.pdf

Page 51

---

### NIAO (CLOSED SESSION)

---

## 8.0 Final - NIAO 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.

 **EXEMPT - 8 - Marie Ward 021122.pdf**

**Not included**

## **9.0 NIAO Audit Fees. (Attached)**

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

 **EXEMPT - 9 - Audit Fees - Accounting Officers 5 12 22.pdf**

**Not included**

---

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

---

## **10.0 Update re: Audit Recommendations. (Attached)**

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

 **EXEMPT 10 - Update on Audit Recommendations Jan 2023.pdf**

**Not included**

 **EXEMPT Internal Audit Follow Up Tracker Jan 2023.xlsx**

**Not included**

## **11.0 Direct Awards Contracts. (Attached)**

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

 **EXEMPT - 11. STA Cover Report Q3 2022-23.pdf**

**Not included**

 **EXEMPT - 11. Appendix 1 - STA-DAC Q3.pdf**

**Not included**

## **12.0 Update re: Fraud and Whistleblowing. (To Follow)**

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

 **EXEMPT 12 - Fraud and Raising Concerns update new.pdf**

**Not included**

 **EXEMPT 12 - Appendix 1 - Fraud and Raising Concerns Register.pdf**

**Not included**

---

### **13.0 ASM Summary Report. (Attached)**

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

 **EXEMPT - 13- NMDDC Summary report January 2023 to Audit Committee.pdf**

**Not included**

### **14.0 Final Report re: Cash Handling. (Attached)**

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

 **EXEMPT - 14 - 2022.23 NMDDC Cash Handling - Final report.pdf**

**Not included**

### **15.0 Final Report re: Project 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.

 **EXEMPT - 15 - 2022.23 NMDDC Project Governance - Final report.pdf**

**Not included**

### **16.0 Final Report re: Payroll. (Attached)**

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

 **EXEMPT - 16 - 2022.23 NMDDC Payroll and Travel and Subsistence - Final report.pdf**

**Not included**

### **17.0 Final Report re: Waste 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.

 **EXEMPT - 17 - 2022.23 NMDDC Waste Management - final report.pdf**

**Not included**

### **18.0 Review of DfC Funding Applications**

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

 **EXEMPT - 18 - 202223 NMDDC Review of DfC funding applications - Final report.pdf**

**Not included**

---

## **Performance**

---

### **19.0 Performance Audit & Assessment s95 report 22-23**

 **19 - Correspondence S95 report.pdf**

**Page 64**

### **20.0 Mid Year Assessment of Performance. (Attached)**

 **20 - Mid Year Progress Report PIP 2022-23.pdf**

**Page 89**

 **20 - Appendix 1 - PIP Mid Year Progress Report April-September 2022.pdf**

**Page 92**

---

## **Circulars**

---

### **21.0 DAO 06/22 - Direct Award Contracts. (Attached)**

 **21 - DAO06 - 22 Direct Award Contracts.pdf**


**Page 105**

### **22.0 DAO -05/22 - Grant or procurement. (Attached)**

 **22 - DAO05 - 22 - Grant or Procurement.pdf**

**Page 115**

### **23.0 Rates Support Grant Reduction**

 **23 - RSG 2022-23 Allocation Letter.pdf**

**Page 121**

# Invitees

Cllr Terry Andrews  
.....  
Mr Patrick Barr  
.....  
Ms Karen Beattie  
.....  
Cllr Callum Bowsie  
.....  
Cllr Jim Brennan  
.....  
Cllr Robert Burgess  
.....  
Cllr Pete Byrne  
.....  
Mr Gerard Byrne  
.....  
Mr Andrew Cassells  
.....  
Cllr William Clarke  
.....  
Mrs Linda Cummins  
.....  
Cllr Dermot Curran  
.....  
Cllr Laura Devlin  
.....  
Ms Louise Dillon  
.....  
Cllr Cadogan Enright  
.....  
Cllr Aoife Finnegan  
.....  
Cllr Hugh Gallagher  
.....  
Cllr Mark Gibbons  
.....  
Christine Hagan  
.....  
Cllr Oonagh Hanlon  
.....  
Cllr Glyn Hanna  
.....  
Cllr Valerie Harte  
.....  
Cllr Roisin Howell  
.....  
Ms Catherine Hughes  
.....  
Cllr Jonathan Jackson  
.....  
Cllr Geraldine Kearns  
.....  
Mrs Josephine Kelly  
.....  
Mrs Sheila Kieran  
.....  
Cllr Cathal King  
.....  
Cllr Mickey Larkin  
.....  
Cllr David Lee-Surginor  
.....  
Cllr Alan Lewis  
.....  
Mr Michael Lipsett  
.....  
Cllr Oonagh Magennis  
.....  
Mr Conor Mallon  
.....  
Cllr Gavin Malone  
.....  
Colette McAteer  
.....  
Cllr Declan McAteer  
.....  
Cllr Leeanne McEvoy  
.....  
Cllr Harold McKee  
.....  
Patricia McKeever  
.....  
Cllr Karen McKevitt  
.....

Deborah McKim  
.....  
Cllr Andrew McMurray  
.....  
Cllr Declan Murphy  
.....  
Cllr Barra Ó Muirí  
.....  
Cllr Gerry O'Hare  
.....  
Cllr Henry Reilly  
.....  
Cllr Michael Rice  
.....  
Cllr Michael Ruane  
.....  
Cllr Michael Savage  
.....  
Cllr Gareth Sharvin  
.....  
Ms Brona Slevin  
.....  
Donna Starkey  
.....  
Cllr Gary Stokes  
.....  
Sarah Taggart  
.....  
Cllr David Taylor  
.....  
Cllr Jarlath Tinnelly  
.....  
Cllr John Trainor  
.....  
Mrs Marie Ward  
.....

**ACTION SHEET**  
**AUDIT COMMITTEE MEETING**  
**TUESDAY 22 SEPTEMBER 2022**

**Actions: arising from Audit Committee Meeting – 22 September 2022**

<b>Minute Ref</b>	<b>Subject</b>	<b>Decision</b>	<b>Lead Officer</b>	<b>Actions taken/ Progress to date</b>	<b>Remove from Action Sheet Y/N</b>
<b>AC/071/2022</b>	ACTION SHEET: AUDIT COMMITTEE MTG 28 APRIL 2022	To note the Action Sheet for Audit Committee Meeting held on Tuesday 28 April 2022.	B. Slevin	Noted	<b>Y</b>
<b>AC/072/2022</b>	ACTION SHEET: AUDIT COMMITTEE MTG 19 JULY 2022	To note the Action Sheet for Audit Committee Meeting held on Tuesday 19 July 2022.	B. Slevin	Noted	<b>Y</b>
<b>AC/073/2022</b>	AUDIT COMMITTEE ANNUAL REPORT 2021-2022	To note the Audit Committee Annual Report 2021/22.	B. Slevin	Noted	<b>Y</b>



<b>AC/074/2022</b>	CORPORATE RISK REGISTER (Rpt dated 19 July 2022)	(a) To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. (Full Corporate Risk Register can be evidenced at Appendix 2)	G Byrne	Updates approved	<b>Y</b>
		(b) To note the revised NS Directorate Risk Register at Appendix 3.	G Byrne	NS Directorate Risk Register noted	<b>Y</b>
<b>AC/075/2022</b>	CORPORATE RISK REGISTER (Rpt dated 22 Sept 2022)	To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. (Full Corporate Risk Register can be evidenced at Appendix	G Byrne	Updates approved	<b>Y</b>
		To note the revised Corporate Services Directorate Risk Register at Appendix 3.	G Byrne	CS Directorate Risk Register noted	<b>Y</b>
<b>AC/076/2022</b>	PROMPT PAYMENT STATISTICS	To note the Quarter 1 2022-23 Prompt Payment statistics.	G Byrne	Noted	<b>Y</b>

<b>AC/077/2022</b>	A) NMDDC STATEMENT OF ACCOUNTS B) ANNUAL GOVERNANCE STATEMENT	It was agreed, subject to approval of the NI Audit Office Report to Those Charged with Governance, to approve the Statement of Accounts for year ending 31 March 2022 for signing by the Chief Executive and Chairperson.	G Byrne	Approved	Y
<b>AC/078/2022</b>	(EXEMPT) DRAFT REPORT TO THOSE CHARGED WITH GOVERNANCE	To note the Report and agree not to make any changes in respect of unadjusted mis-statements.	K Costley	Noted	Y
<b>AC/079/2022</b>	(EXEMPT) PERFORMANCE UPDATE	To note the Performance Audit Update.	K Costley	Noted	Y
<b>AC/080/2022</b>	(EXEMPT) UPDATE RE: AUDIT RECOMMENDATIONS	To note the update in relation to legacy audit recommendations.	G Byrne	Noted	Y
<b>AC/081/2022</b>	(EXEMPT) DIRECT AWARD CONTRACTS	To note the Quarter 2 Update in relation to Single Tender Actions.	G Byrne	Noted	Y
<b>AC/082/2022</b>	(EXEMPT) FRAUD AND WHISTLEBLOWING	a) To note the update in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1.	G Byrne	Noted	Y

		b) To note progress on actions arising from the NIAO Internal Fraud Risk Self-Assessment.			
<b>AC/083/2022</b>	(EXEMPT) PROCUREMENT ACTION PLANS	To note the update in relation to the Procurement Action Plans for each Directorate.	G Byrne	Noted	<b>Y</b>
<b>AC/084/2022</b>	(EXEMPT) ASM INTERNAL AUDIT SUMMARY REPORT	To note the report.	C Hagan	Noted	<b>Y</b>
<b>AC/085/2022</b>	(EXEMPT) ASM INTERNAL AUDIT STRATEGY & ACTION PLAN	To approve the updated Action Plan	C Hagan	Approved	<b>Y</b>
<b>AC/086/2022</b>	(EXEMPT) NMDDC TOIL PAYMENT REVIEW	To note the Report.	C Hagan	Noted	<b>Y</b>
<b>AC/087/2022</b>	(EXEMPT) INFORMATION GOVERNANCE AUDIT	To note the Report.	C Hagan	Noted	<b>Y</b>
<b>AC/088/2022</b>	ASSESSMENT OF PERFORMANCE 2021-22	To note the Assessment of Performance 2021-22, Including the summary Document 'Our	C Hughes	Noted	<b>Y</b>

		Performance Looking Back Going Forward'			
		*****			

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 January 2023
<b>Subject:</b>	Corporate Risk Register
<b>Reporting Officer (Including Job Title):</b>	Josephine Kelly – Director of Corporate Services
<b>Contact Officer (Including Job Title):</b>	Gerard Byrne – Assistant Director of Finance & Performance

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

	For decision	X	For noting only	
<b>1.0</b>	<b>Purpose and Background</b>			
1.1	The Corporate Risk Register was reviewed and updated by SMT on 5 January 2023. Quarter two Assurance Statements for 2022-23 have been used to inform and update the content of the Corporate Risk Register. Where relevant, Officers have also provided updates in relation to specific controls and action plans.			
<b>2.0</b>	<b>Key issues</b>			
2.1	<p><b>Corporate Risk Register</b></p> <p>The Council has identified 11 corporate risks, 6 of which are red, 4 of which are Amber and 1 of which is a yellow level risk. Appendix 1 provides an overview of each risk, risk owner(s), gross and residual risk scores, as well as a summary of changes and updates which have been made to the Corporate Risk Register since September 2022.</p> <p>Several actions have been updated to ensure the Corporate Risk Register is a live document and can be used as a Management tool for decision making.</p> <p>The updated Corporate Risk Register is attached at Appendix 2.</p>			
2.2	<p><b>Other Risk factors which were considered</b></p> <p>No further risk factors considered for this quarters update.</p>			
2.2	<p><b>Directorate Risk Register – Enterprise, Regeneration and Tourism</b></p> <p>The Risk Reporting section of the Risk Strategy states that Directorate Risk Registers will be presented to the Audit Committee on a rotational basis. The Risk Register for the ERT Directorate is attached at Appendix 3. The Risk Register was reviewed and updated at a Departmental Team meeting on the 9 January 2023.</p>			
2.3	<p>Within the ERT Directorate Risk Register, eight risks have been identified, seven of which are amber and one yellow. These risks cover a range of service areas and functions.</p> <p>The ERT Risk Register will be updated on a regular basis and considered by the Audit Committee annually.</p>			

<p><b>3.0</b></p>	<p><b>Recommendations</b></p>
<p>3.1</p>	<p>To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. Full Corporate Risk Register can be evidenced at Appendix 2.</p> <p>To note the revised ERT Directorate Risk Register at Appendix 3.</p>
<p><b>4.0</b></p>	<p><b>Resource implications</b></p>
<p>4.1</p>	<p>There are no resource implications.</p>
<p><b>5.0</b></p>	<p><b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b></p>
<p>5.1</p>	<p><b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
<p>5.2</p>	<p><b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
<p>5.3</p>	<p><b><i>Proposal initiating consultation</i></b></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
<p><b>6.0</b></p>	<p><b>Due regard to Rural Needs (please tick all that apply)</b></p>

6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
<b>7.0</b>	<b>Appendices</b>
	<p>Appendix 1: Summary Sheet – Corporate Risk Register</p> <p>Appendix 2: Corporate Risk Register – January 2023</p> <p>Appendix 3: ERT Directorate Risk Register – January 2023</p>
<b>8.0</b>	<b>Background Documents</b>
	None

## NMDDC Corporate Risk Register Cover Sheet - January 2023

Risk	Description	Risk Owner(s)	Gross Risk Score	Sep-22	Jan-23		Comments
				Residual Risk Score	Revised Residual Risk Score		
CR01	Failure to develop and deliver the capital investment programme for the District	SMT Caolain Boyd	25	20	20	↔	Risk score remains unchanged. Actions have been updated.
CR02	Non-compliance with legislative requirements, including procurement	Josephine Kelly Michael Lipsett Andrew Cassells	25	20	20	↔	Risk score remains unchanged. Actions have been updated.
CR03	Failure to effectively manage waste	Andrew Cassells	25	20	20	↔	Residual risk remains unchanged - new action in relation to ARC21. updated.
CR04	Failure to provide robust and timely planning decisions	Conor Mallon	25	16	16	↔	Risk score remained the same and actions has been updated including the <u>Epic system and backlog statistics.</u>
CR05	Failure to adequately plan for the future and deliver efficiencies and improvement	Marie Ward Josephine Kelly	20	16	16	↔	Residual rating remains the same - new action in relation to a new HR self service system to drive efficiencies.
CR06	Failure to adequately react to a major incident which would minimise any negative consequences/impact	Marie Ward Caolain Boyd	25	12	8	↓	Actions updated and Residual Risk Score has been lowered due to Council demonstrating it's ability to react to major incidents.
CR07	Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties caused by the current economic and political climate, including the NI Protocol	Marie Ward Conor Mallon	20	20	20	↔	Risk Score remains unchanged and all actions now updated. Key Milestone has been the contract for funding and funding agreements for BRCD being shared.
CR08	Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.	Senior Management Team	25	15	15	↔	Risk score is unchanged.
CR09	Risk that Council does not adequately react to the Economic Shocks facing the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term	Senior Management Team	25	20	20	↔	Risk score remains unchanged and actions now updated, reduced allocation of RSG for the 2022/23 year now confirmed.
CR10	Failure to effectively plan for and manage a cyber security attack.	Josephine Kelly Gavin Ringland	25	20	20	↔	Residual risk remain unchanged - actions and controls updated.
CR11	Risk of Industrial Action leading to the failure to have necessary staffing structures and resourcing to deliver services.	Senior Management Team	25	20	15	↓	Risk score reduced as 2022/23 pay award has been agreed.



# 1. Corporate Risk Register NMDDC

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

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

Probability

<b>Risk Categories</b>	Buildings / Engineering / Environment Business operational/reputational	
<b>Risk Description</b>	Failure to adequately resource the capital programme Failure to effectively manage capital contracts Capital programme does not sufficiently deliver on the Corporate Objectives	
<b>Potential Root Cause</b>	Lack of availability of construction materials and increases in the cost of materials due to - COVID19 / global demand / administration at UK ports and container shortages Contractors on key projects fail to deliver on time and on budget Consultant and/or contractor collusion Procurement delays, failures or legal challenges Governance Arrangements not being adhered to Projected timelines too optimistic Delays due to the statutory approvals process Lack of awareness in staff and managers Lack of resources - economic downturn/recession Funding reduced/withdrawn, timescales extended leading to increased costs Impact of the pay award and inflation on the financial viability of the capital plan going forward	
<b>Consequence</b>	Impact on service delivery Financial impact - inflationary pressures / pay demands Legal challenge / Negative PR Impact on quality/cost of projects Future reduction on the capital budget Reputational damage	
<b>Risk Owners</b>	Caolain Boyd; Senior Management Team	
<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b> 1/5/2023
<b>Residual Risk</b>	Red 20	<b>Next Review</b> 4/5/2023
<b>Target Risk Level</b>	Yellow 9	<b>Risk Appetite</b> Risk Open

### Objectives

- 1. Invest in and support new and growing businesses, job creation and employment skills
- 6. Promote the revitalisation of our city, towns, villages and rural communities.
- 7. Provide accessible, high-quality and integrated services through continuous improvement

### Key Controls Identified

1. Asset Management Strategy in Place to identify surplus assets
1. Monthly review of spend against budget
1. Professionally qualified and experienced staff
- 2 Project risk register in place for major projects
2. Capital Plan annually approved at Council
2. Four year Capital Plan
2. Large projects are project managed by external consultants who report to the Estates Team.
2. Monthly site progress meetings which are minuted
2. Strategic Finance Working Group scrutinises each Capital Project
3. Internal Audit of Project Governance of Capital projects scheduled for 2022/23.

### Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Capital Plan Cash Flow forecasting	Detailed cash flow of Council capital plan to be brought to SFWG in May to display to Members the scale of the capital programme and communicate when Council's big outlay will be required.	In Progress	Gerard Byrne	2/8/2023	AD of finance received information for each project via detailed project plans/business cases. AD of finance will also met with Councils treasury advisor to discuss options for financing the capital programme over the next 8 years. Work is continuing on estimating the MRP/Loan payments over the life of our capital programme.
Construction Industry - Material Shortages and Price Increases - Potential Impact to our capital Plan	NI central government have informed me that the Dept of Finance is being lobbied by the construction industry to contribute to the unforeseen increase in material costs for those construction projects (large value) which were awarded in advance of the recent price spikes, as well as term service contracts with fixed rates for undertaking works.	In Progress	Caolain Boyd	4/1/2023	Continue to keep Members updated of rising costs and supply chain difficulties leading to an impact on Councils Capital Plan.
Supplier/Contractor Options	AD of estates currently looking a number of option to counter act the over reliance on a small number of Contractors/Suppliers/PMs in NI	In Progress	Caolain Boyd	4/1/2023	Council has already availed of a number of construction frameworks and other options are being actively pursued.

## Risk CR. 02 - Non-compliance with legislative requirements, including procurement

Consequence	5				R	G	<b>Risk Categories</b>	Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)		
	4		T				<b>Risk Description</b>	Failure to have the necessary policies and procedures in place with staff adequately trained to ensure legislative compliance. This includes complying with Procurement legislation, health and safety and fire risk assessments. best practice. Council not having adequate insurance cover.		
	3						<b>Potential Root Cause</b>	Failure to understand and meet legal requirements in relation to Health and Safety, Information Management, Rural Needs, Disability, Section 75, Performance and Improvement and Safeguarding. Lack of resources and inadequate training provision. Staff not complying with Council's procurement policy. Property and vehicle schedules not being up to date. Absence of effective operational procedures and policies.		
	2							Fire Risk Assessments at Council buildings not being undertaken and actions not being implemented and managed. Unforeseen events and public negligence/lack of responsibility. COVID19 - increased risks in relation to H&S at properties: statutory inspections required under legislation (i.e - vehicle and plant lifts, lifting equipment, pressurised water systems, local exhaust ventilation) are not taking place due to lack of access. FRA / Legionella / Asbestos etc (are not being reviewed due to front line services being provided).		
	1							Non-compliance leading to prosecution Personal liability / Corporate Manslaughter Risk of a fatality at a Council site Reputational damage Reduced trust and public confidence Increased number of complaints and queries Increased insurance premiums Loss of income		
		1	2	3	4	5	<b>Probability</b>	<b>Risk Owners</b>	Andrew Cassells; Josephine Kelly; Michael Lipsett	
							<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b>	1/5/2023
							<b>Residual Risk</b>	Red 20	<b>Next Review</b>	4/5/2023
							<b>Target Risk Level</b>	Yellow 8	<b>Risk Appetite</b>	Risk Averse

### Objectives

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

**Key Controls Identified**

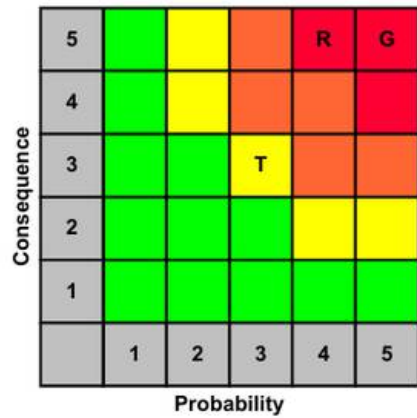
- 1. Asbestos and Legionella Policies and Management Plans in place
- 1. COVID19 - New Governance Arrangements in place in Council. Delegated authority amended through SO.
- 1. COVID19 - New legislation introduced to allow virtual committee meetings
- 1. COVID19 Risk Assessments being completed and reviewed as required
- 1. Dedicated skilled teams in place for:
  - Health and Safety, HR, Legal and Procurement
  - 1. Health and Safety Committees in place and ongoing programme of training in place
- 1. Policies and procedures in place - i.e H&S Policy, Procurement Policy, Access to Information, Records Management
  - 1. Procurement training rolled out to all relevant staff
- 2. Compliance Reporting to SMT and H&S Committees
- 2. Procurement a standing agenda item at Councils Audit Committee
- 3. Internal Audit Completed
  - H&S Check - 2019/20
  - Contract Management - 2019/20
  - Emergency Planning 2020/21
- 3. Internal Audits Scheduled:
  - Contract Management - 2021/22
  - Information Governance - 2022/21

**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	4/30/2023	<p>The current level of risk regarding fire risks in our buildings is considered Low. The Fire Risk Management Policy has been approved and effective since 12th March 2020, however the associated Fire Safety Management Plan requires progressing. The priority is to seek agreement on a Fire Safety Management Plan which will guide future control of this risk.</p> <p>The Council has appointed a Council wide Contractor/s to undertake annual inspections of fire alarms and firefighting equipment. In relation to fire alarms inspections are likely to highlight a programme of work to upgrade some systems. The Council's Building Maintenance team continue to address work as required.</p>

Advisory Internal Audit Review - Health and Safety	Implement the 30 recommendations arising from the internal audit review of Health and Safety	In Progress	Caolain Boyd Kevin Scullion	5/1/2023	An external review has been undertaken and a Report is expected in early February from which an Action Plan will be developed. A revised Facilities Management Working Group is being established under the Chairmanship of the Directors of Corporate Services and Sustainability & Environment. Draft Terms of reference are currently under consideration. Where appropriate updates from the Working Group will be provided to the Corporate Health and Safety Committee.
Asbestos Policy and Management Plans	Implementation of Asbestos Policies and Management Plans	In Progress	Kevin Scullion	5/31/2023	The current level of risk for asbestos, is considered Low. All buildings have been surveyed and no significant risks have been identified which cannot be managed through good building practices. A Contractor was appointed in October 2020 for a three-year period to undertake inspections, air sampling, training and related asbestos consultancy work. There was a defined year 1, 2 and 3 work programmes. Current Contract to be reviewed and retendered.
E-Learning Training	E-Learning training to be promoted throughout the organisation as take up is low - this is particularly relevant to mandatory training sessions.	In Progress	Catrina Miskelly	5/31/2023	Promotion of eLearning was less in Q3 due to contract expiring on 25 December 2022, retender of contract and uncertainty of provider and materials. Not awarded and LCCC will be going out again on behalf of LGTG. Contract with existing provider being extended for 6-months to allow for this process.
Insurance	CMT to ensure that Council Properties and Vehicles are adequately covered and schedules are up to date	In Progress	Caolain Boyd	5/1/2023	Work currently under to validate Councils Operators License against Councils fleet insurance schedule. CMT have completed an exercise to ensure are Property/Contents schedules are up to date. Consideration is being given by SMT of a Insurance Officer role.
Legionella Policy and Management Plan	Implementation of Legionella Policies and Management Plans	In Progress	Kevin Scullion	5/31/2023	The current level of risk for legionella is considered Medium. A Contractor was appointed in August 2020 for three-year period to undertake legionella control measures on behalf of the Council. This comprises monthly, quarterly, six monthly and annual inspections and works. Current Contract to be reviewed and retendered.
Social Procurement Policy	Council to consider bringing in a social procurement policy following the guidance issued by the Minister of Finance in June 2021.	Proposed	Gerard Byrne	5/31/2023	Legislation to be reviewed to determine if this is possible while adhering to Public Contract Regulations. Procurement team are liaising with the LG Procurement Working Group. Council is currently adhering to legislative requirements.

**Risk CR. 03 - Failure to effectively manage waste**



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

**Risk Description** Failure to effectively manage waste

**Potential Root Cause** Insufficient resources (availability of HGV drivers)  
Market forces enable commercial operators to increase prices  
Failure to plan effectively for the 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  
Unable to procure new contracts to process & dispose of our waste  
Operation of the ARC21 Corporate Body going forward  
Suppliers are requesting on CPI increases for almost all contracts within waste management

**Consequence** Reputational Issues  
Lower levels of customer satisfaction  
impact on service delivery and lost productivity  
Failure to meet statutory standards around recycling and waste to landfill  
With CPI price increases the budget for waste management is likely to be insufficient for the 2022/23 year.

**Risk Owners** Andrew Cassells

**Gross/Inherent Risk** Red 25

**Last Review** 1/5/2023

**Residual Risk** Red 20

**Next Review** 4/5/2023

**Target Risk Level** Yellow 9

**Risk Appetite** Risk Cautious

**Objectives**

- 2. Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities.
- 7. Provide accessible, high-quality and integrated services through continuous improvement

**Key Controls Identified**

- 1. Contingency Plans in place
- 1. Long term Waste Strategic Plan in place
- 1. Partnership working with key stakeholders
- 3. Internal Audits Completed;  
Fleet Management 2020/21  
Fuel Management procedures
- 3. Internal Audits Scheduled;  
Waste Management - 2021/22

## 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>
arc21 Waste Management Group	Following the May 2022 refusal to grant arc21 planning permission for their residual waste project and the requirement to recycle 70% by 2030 as per the Climate Change Bill and the Circular Economy package coupled with governance and internal issues within arc21 the long term viability of the group is now very questionable.	In Progress	Andrew Cassells	5/31/2023	SOLACE NI commissioned SIB to produce a Project Business Case entitled "Strategic Review of NI Council Waste Management Arrangements" which is currently in the process of being presented to all 11 Councils. Since the changes that RPA wrought in 2015 the current NI Council waste management arrangements have been viewed as unsustainable and in serious need of overhaul.
Operators Licence	Internal Audit carried out a review of the progress in implementing TRU and FTA recommendations in October 2018. A further review took place during November/December 2020 which has provisionally highlighted that limited progress has been made in implementing a number of recommendations from the 2018 audit.	In Progress	Andrew Cassells	5/31/2023	An action plan in relation to compliance to the Council's Operators license was presented to NS in October 2021. A further Audit was carried out by RHA in January 2022 with the action plan considered by Committee and the Transport Regulation Unit; implementation is ongoing. Staffing issues are being addressed and the Head of Cleansing has been seconded as interim Head of Fleet. Further operators license COTC holders trained/being trained.
Waste Management Plan	The Waste Management Plan is organised by ARC 21. The Council is required to feed into and approve ARC 21s Waste Management Plan.	In Progress	Andrew Cassells	5/31/2023	A review of the arc21 Waste Management Plan (which includes NMDDC) has been completed by WRAP on behalf of DAERA/NIEA. Technical expertise (RPS) has been procured to produce an Addendum for the Plan. It is understood that DAERA will be consulting on a draft Waste Management Strategy for NI by the end of 2023; the publication of which will better inform the Councils Waste Management Plan.

**Risk CR. 04 - Failure to provide robust and timely planning decisions**

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

**Risk Categories** Business operational/reputational  
Financial  
Quality of Service

**Risk Description** Failure to provide robust and timely planning decisions

**Potential Root Cause** Ineffective and/or inadequate resources  
Planning Legislation not being followed  
Ineffective technology - EPIC system changes

**Consequence** Litigation and financial costs  
Reputational issues  
Lower levels of customer satisfaction  
Impact on service delivery and lost productivity  
Financial implications resulting in budget constraints  
Failure to achieve the statutory standards around local / major planning applications and enforcement cases

**Risk Owners** Conor Mallon

**Gross/Inherent Risk** Red 25

**Residual Risk** Amber 16

**Target Risk Level** Yellow 9

**Last Review** 1/5/2023

**Next Review** 4/5/2023

**Risk Appetite** Risk Open

**Objectives**

- 3. Enhance, protect and promote our environment
- 6. Promote the revitalisation of our city, towns, villages and rural communities.

**Key Controls Identified**

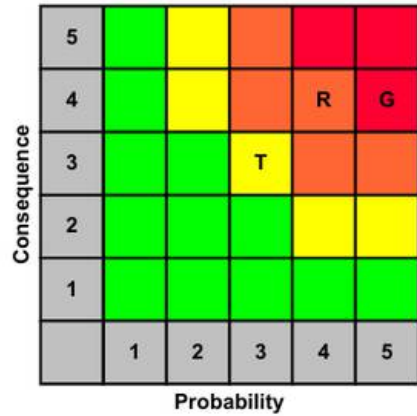
- 1. Action plan in place to reduce backlog
  - 1. Increase in employee numbers
  - 1. Ongoing training for officers and members
  - 2. Dedicated Planning Committee in operation
- 2. Local Development Plan developed and timetable agreed
  - 2. Planning Consultant in place since January 2020 to bring about performance improvements
- 2. Scheme of Delegation in place to facilitate timely planning decisions



## 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>
Backlog cases	Implement action plan to reduce backlog in line with timeframe set	In Progress	Anthony Mckay	5/31/2023	<p>Live applications at 10-1-22 are 1,269 (September 2022 1,105).</p> <p>Average processing times for 2021/22 across Councils was 17.2 weeks with Newry, Mourne and Down at 18.8 weeks.</p> <p>During 2021/22, Newry, Mourne and Down received the highest number of applications at 1,744 (accounting for 12.8% of all applications received across NI).</p> <p>The number of decisions issued during 2021/22 was the highest</p>
Internal Review of overturn decisions	Council will undertake a review/audit of overturn decisions - this is based on the NIAO Public Accounts Committee report on Planning decisions across Councils in NI	In Progress	Gerard Byrne Conor Mallon	3/31/2023	Terms of Reference to be agreed - Audit to take place in February 2023.
IT infrastructure	Upgrade of technical IT infrastructure (EPIC Replacement)	In Progress	Anthony Mckay	5/31/2023	Went Live on the 5 December 2022 - Department still working on some go live improvements.
Regional Planning Review	The Public Accounts Committee issued a regional report on Planning in Northern Ireland on 24 March 2022	In Progress	Conor Mallon	5/1/2023	Actions are being progressed at both Solace and Dfl level and the first joint workshop taken place.
Specialist Planning Consultant	Business case to appoint a specialist planning consultant was approved at the December 2019 SP&R Committee.	Completed	Conor Mallon	1/31/2023	The Consultants final report has been considered by SMT and recommendations are in the process of being implemented.

**Risk CR. 05 - Failure to adequately plan for the future and deliver efficiencies and improvement**



**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** Difficulty recruiting key positions in Councils Management Team  
Corporate efficiency projects and other improvement activities are not currently joined-up with wider transformational activity  
The Council is currently unable to track the realisation of benefits (financial or non-financial) arising from investment in new IT systems (i.e. Legend)  
A lack of corporate capacity currently exists to support transformational activity  
The overall affordability of the Councils long term plans considering COVID19 / Cost of Living Crisis / inflation / pay demands.

**Consequence** Not promoting a single corporate identity  
The budget situation will continue to get worse (salaries and wages) therefore not providing VFM  
Our ability to provide citizens / customers with the services they require will be significantly constrained  
We will potentially lag behind other Councils & other public sector organisations

**Risk Owners** Josephine Kelly; Marie Ward

**Gross/Inherent Risk** Red 20

**Residual Risk** Amber 16

**Target Risk Level** Yellow 9

**Last Review** 1/5/2023

**Next Review** 4/5/2023

**Risk Appetite** Risk Hungry

**Objectives**

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

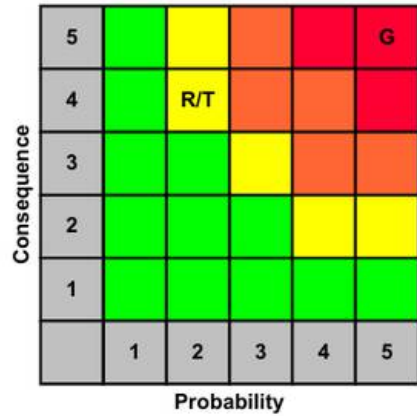
**Key Controls Identified**

1. Severance Rate agreed by Unions and Members
2. IT Project Group in place and meets monthly
2. Specialist independent IT consultants have been tasked with implementing the IT strategy

## 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>
Alternative methods of recruitment	HR to look at alternative method of recruitment due to the difficulties in recruiting into key positions across Council. The difficulties are not limited to senior positions, all Directorate are struggling to fill vacant posts currently.	In Progress	Catrina Miskelly	5/31/2023	This includes the Regional Approach in relation to the Talent Management Strategy which is overseen by the LG Staff Commission. NMDDC represented on and contributing to LGSC Regional Talent Management Group Council recruited several Apprentices on the 1 September 2022 and are now part of the BRCD apprenticeship scheme going forward. Council have also approved an Agile working policy in July 2022.
New HR System	New Self Service Human Resource Management system to be procured	In Progress	Josephine Kelly Catrina Miskelly	6/30/2023	Working ongoing to develop the specification Council requires to drive efficiencies.
Service Reviews	Service Reviews are currently being completed across Directorate in line with paper which was approved at SP&R	In Progress	Senior Management Team	2/28/2023	Service reviews are progressing and discussion is ongoing with Trade Unions. Update paper to be brought to SP&R in February 2023.
Voluntary Severance Call	Roll out of a voluntary severance call to communicated to staff	In Progress	Senior Management Team	7/31/2023	The Business Administration severance has been agreed and is currently being implemented between December 2022 and June 2023. The Tier 3 Business Case was approved in September 2022 and will be implemented between April and June 2023.

**Risk CR. 06 - Failure to adequately react to a major incident which would minimise any negative consequences/impact**



**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  
Pandemics - COVID 19  
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** Caolain Boyd; Marie Ward

**Gross/Inherent Risk** Red 25

**Residual Risk** Yellow 8

**Target Risk Level** Yellow 8

**Last Review** 1/5/2023

**Next Review** 4/5/2023

**Risk Appetite** Risk Averse

**Objectives**

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

**Key Controls Identified**

- 1. Emergency planning measures in place, including:
  - Flood risk plan
  - Inter-agency group
- 1. Annual Winter Resilience Plan in place
- 1. Business Continuity scenario plans in place
- 1. Dedicated Emergency Planning team and professionally trained and experienced staff
- 1. Emergency Plan Activated in March 2020 due to COVID19
- 1. Ferryman test exercise completed (May 2019) -Security alert in February 2021 - Lessons learned
- 2. Member of Southern Region Emergency Planning Group
- 2. New regional local government regional model
- 3. Internal Audits Completed;
  - Health and Safety Checks 2019/20
  - Emergency Planning 2020/21

**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>
Documenting Business Continuity Plans	BCPs to be documented for each Service Area	In Progress	Caolain Boyd	5/31/2023	Stage one of the work is now complete and was presented to SMT in June 2022 in relation to critical services and systems. Work is being led by the SHEP unit.
Northern Ireland Emergency Planning Structures	Officers will continue to attend and contribute to the NI Emergency Planning Structures.	In Progress	Senior Management Team	5/31/2023	Council is represented at NIEPS were any upcoming incidents will be discussed.

**Risk CR. 07 - Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties caused by the current economic and political climate, including the NI Protocol**

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

<b>Risk Categories</b>	Impact on individuals (staff or public) Quality of Service		
<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, including the NI Protocol.		
<b>Potential Root Cause</b>	Failure to engage stakeholders (public and private sector) Inflationary pressures and cost of living crisis. FFNI - NMDDC is lead Council with operations team - increased risk Impact of the City Deal The weakness in sterling driving inflation expectations higher Issues around the NI Protocol including: -Loss of EU funding -Disruption of food and medical supplies -Community tension and public disorder -Changes in regulations, border controls, cross border trade and movement of goods and people -Uncertainty amongst the business community in relation to food standards, trading standards and exports -Lack of employees with the required expertise and experience, eg Environmental Health Officers		
<b>Consequence</b>	Lack of investment in the District and lower levels of economic activity Lack of confidence from the private sector Some services, which were funded externally, not being delivered Lack of leadership and direction from the NI Executive and UK Government Inadequate levels of service provision		
<b>Risk Owners</b>	Conor Mallon; Marie Ward		
<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b>	1/5/2023
<b>Residual Risk</b>	Red 20	<b>Next Review</b>	4/5/2023
<b>Target Risk Level</b>	Yellow 9	<b>Risk Appetite</b>	Risk Hungry

**Objectives**

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

---

### Key Controls Identified

1. FFNI Operations team in place. Operations group established with other Councils. Project Risk Register established
1. Regeneration and Economic Development Strategy 2020-25 in place
1. Rural Development Programme in place
2. Brexit Forum and Brexit Task and Finish Working Group operational
2. Engagement with other Councils, other Departments, NILGA and the Private Sector through the Chamber of Commerce
2. Establishment of Economic Forum including public and private sector stakeholders
2. Internal Brexit Working Group established and meeting regularly to plan for an respond to organisational impacts
2. Participation in Cross Council Brexit Working group, Liaising with the NI Executive Office.
3. Internal Audits Completed;  
FFNI - 2019/20

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
City Deals	Actively engage in Belfast Region City Deal	In Progress	Marie Ward	5/31/2023	The Head of Terms have been signed (March 2019). OBCs for NMD projects have been approved by BRCD Board and relevant Government Departments. On the 15 December 2021, The Belfast Region City Deal was signed and unlocks £1 billion of transformative co-investment. In December 2022 Contracts for funding and funding agreements have been shared.
Full Fibre Network NI (FFNI)	Local Full Fibre Network to improve connectivity across all of Northern Ireland.	In Progress	Conor Mallon	6/30/2023	FFNI has successfully secured £23.1m of UK DCMS Government funded investment to improve digital infrastructure across Northern Ireland. Together as a Consortium FFNI has delivered next generation Gigabit Capable connectivity to 887 public sector sites, which will vastly improve the robustness, resilience, and speed of service. A separate WAN (Wide area network) project is now underway and being delivered by ABC Council to lay services over the top of the FFNI funded fibre. Councils are currently migrating existing services on to the fibre and WAN and this is expected to be completed by June 2023
Support local businesses	The Council is also providing support, advice and guidance to local businesses as they anticipate and manage the changes associated with Brexit.	In Progress	Conor Mallon	5/31/2023	ERDF and ESF funded programmes will cease as of 31 March 2023, contingency plans are in place to continue support post that date and work is well advanced in developing new programmes to support businesses from inception through to growth under a range of funds such as Peace plus, Shared prosperity fund, Shared island fund etc.
Warrenpoint Port	To ensure efficient delivery of statutorily required of food import checks on relevant Agri-Food goods entering Northern Ireland at Warrenpoint port	In Progress	Michael Lipsett	5/31/2023	Required checks are being completed at Warrenpoint Port on an on-going basis by trained and authorised staff. Regular meetings with relevant partners, DAERA, FSA, Border force, Seatruck, Warrenpoint Port, to continue to share learning and work through operational issues as they arise. Negotiations to commence in January 2022 around the FSA providing certainty of funding for a longer period. MoU signed with BCC in relation to offering staff assistance if required.



**Risk CR. 08 - Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.**

Consequence	5	T	R	G		
	4	T	R	G		
	3	T	R	G		
	2	T	R	G		
	1	T	R	G		
		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 manage sickness absence resulting in delays and an inability to deliver Council services.

**Potential Root Cause** Increased levels of sickness absence  
Failure to adequately manage sickness absence  
Failure to complete Return to Work interviews following instances of absenteeism  
Period of change, uncertainty and increased stress  
COVID absences are currently high - April 2022

**Consequence** Increase in sickness absence  
Critical services failing to be delivered  
Reputation damage  
Increased cost to Council due to the use of agency staff/overtime

**Risk Owners** Senior Management Team

**Gross/Inherent Risk** Red 25      **Last Review** 1/5/2023

**Residual Risk** Amber 15      **Next Review** 4/5/2023

**Target Risk Level** Yellow 10      **Risk Appetite** Risk Minimal

**Objectives**

- 2. Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities.
- 8. Advocate with others for the benefit of all people of the district.

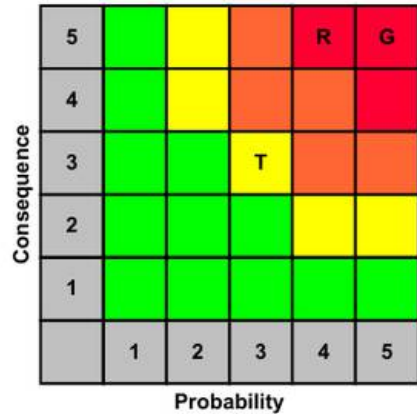
**Key Controls Identified**

- 1. Employee Health Cash Plan
- 1. Human Resources Team
- 1. Managing Attendance Policy
- 2. Health and Wellbeing Working Group/Team
- 2. Occupational Health Service
- 2. RTW absence interviews are now being monitored through the CMT group
- 3. Internal Audits completed;  
HR Policy Review 2020/21  
Leisure Services - review of Flexi/Toil -2019/20

**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>
Return to Work interviews	The completion rate of RTW is very low presently.	Proposed	Catrina Miskelly	5/31/2023	SMT/CMT to follow up on RTW interviews and reiterate the importance of these being completed on a timely basis.
Training	All Managers must complete Managing Attendance training on the Councils e-learning platform	In Progress	Catrina Miskelly	5/31/2023	In progress and regular reminders sent to staff to ensure their training records are up to date.

**Risk CR. 09 - Risk that Council does not adequately react to the Economic Shocks facing the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term**



**Risk Categories** Business operational/reputational  
Financial  
Quality of Service  
Statutory Duty (Legal/Regulatory)

**Risk Description** Risk that Council does not adequately react to the Economic Shocks facing the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term

**Potential Root Cause** Inflation and rising utility costs  
Political uncertainty - RSG cuts  
Environmental Services - Loss of income (SEUPB/PHA)  
Leisure - significant loss of Leisure centre income and members going forward  
Community - Loss of income at community centres / difficulty in progressing financial assistance claims / uncertainty over PEACE funding  
Impact on Capital Projects - funding reduced/withdrawn, timescales extended / increased costs - capital budget may be reduced going forward  
Loss of Ratepayers income  
TU Demands in relation to staff pay and the recurring costs into the future

**Consequence** Council income reducing  
Going concern issues  
Large increase in District Rate going forward - negative publicity  
Council Reserves reducing to inadequate levels  
Social impact - economic inequality and increased risk factor for poor mental health

**Risk Owners** Senior Management Team

**Gross/Inherent Risk** Red 25      **Last Review** 1/5/2023

**Residual Risk** Red 20      **Next Review** 4/5/2023

**Target Risk Level** Yellow 9      **Risk Appetite** Risk Open

**Objectives**

1. Invest in and support new and growing businesses, job creation and employment skills
2. Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities.
6. Promote the revitalisation of our city, towns, villages and rural communities.
7. Provide accessible, high-quality and integrated services through continuous improvement
8. Advocate with others for the benefit of all people of the district.

### Key Controls Identified

1. Monthly Management Accounts completed by Finance
2. Multi agency Community Hub
2. NMDDC COVID-19 Recovery Group
2. Service and Business plans now in place
2. Working with ALFCO around a Council wide position to DfC and DoF
3. Internal Audits Completed;  
Emergency Planning with a focus on COVID19 - 2020/21

### Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Management Accounts	New procedure to be developed.	In Progress	Gerard Byrne	6/30/2023	ADs to provide variance analysis going forward on a quarterly basis on their own cost codes. This will feed into the Quarterly Management Accounts which are presented to SP&R. Now effective from Q2 2022/23. Quarterly budget meetings are to take place with Directorates, led by the DCS and AD of Finance & Performance.
Rates Support Grant	Director of Corporate Services to write to the Minister of Finance and Communities about the reduction of the Rates Support Grant and to ascertain the grant will not be reduced going forward	In Progress	Gerard Byrne	3/31/2023	RSG allocations for 2022/23 were confirmed in December 2022. NMDDC's allocation for 2022/23 is £753,437. This is a huge impact on our management accounts position in year and on our rate for future years. The 2020/21 level was £1,473,859. SOLACE are lobbying the Department.
Rising utility costs	All Councils are currently out of contract for Electric / Gas suppliers and have to pay monthly in arrears, no agreed costs due to the volatile markets, previously there was a Council wide tender. No specific risk has been created yet as we are unsure of the effects presently. Based on current market trends and indicative pricing from the suppliers, bills for the month of April are likely to increase by 200% for Electricity and 400% for gas. However, these are only indicative, and the percentage increase could be higher or lower at the end of April. Diesel and Heating oil have also increased significantly. These large increases have not been factored into the 2022/23 budgets	In Progress	Gerard Byrne Eoin Devlin	3/31/2023	Submission made by NMDDC along with all other Council to DfC in July 2022 - continued discussion with DfC to lobby for additional financial support. No confirmation of any available funding to date.
Working Groups	Multiple Officer groups discussing these financial concerns on a regular basis.	In Progress	Gerard Byrne Senior Management Team	3/31/2023	CEO attends Solace and the AD of Finance & performance attends the Council wide Finance Working Group and ALGFO. AD of Finance & Performance and the CEO have also met with our Treasury Advisors to get an overview of the economic situation on a global scale - i.e. interest rates / borrowing etc Officers will continue to attend and input into the above groups.

### Risk CR.10 - Failure to effectively plan for and manage a Cyber Security Attack

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

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

**Risk Description**  
Risk of a cyber security event causing significant operational, financial and reputational damage to the Council

**Potential Root Cause**  
Cyber attack  
Lack of staff compliance with IT training  
Accidental breach of security  
Breach of people, process, physical or technical controls  
Failure to respond to and recover from a cyber incident within, or impacting upon, Council  
Lack of skills and competencies  
System vulnerabilities

**Consequence**  
Threat to availability, integrity and confidentiality of Council information and systems  
Failure to deliver Council services (including statutory and regulatory services)  
Financial loss  
Reputational damage  
Extended period to recover services to Business as Usual (BaU)  
Destruction of systems and data  
Theft of data for criminal use  
Political impact  
Environmental impact

**Risk Owners**  
Josephine Kelly; Gavin Ringland

**Gross/Inherent Risk**  
Red 25

**Residual Risk**  
Red 20

**Target Risk Level**  
Yellow 9

**Last Review**  
1/5/2023

**Next Review**  
4/5/2023

**Risk Appetite**  
Risk Averse

### Objectives

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

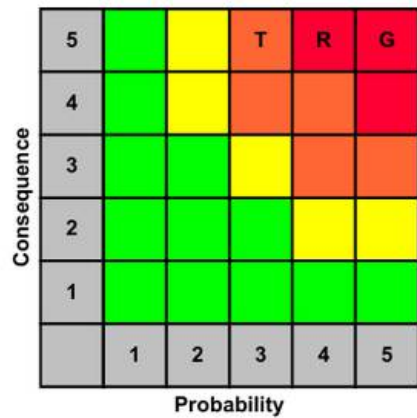
**Key Controls Identified**

- 1. Agile working policy now in operation from 12 September 2022
- 1. Back up arrangements
- 1. Business Continuity Scenario Planning
- 1. Participation in threat intelligence networks
- 1. Penetration testing and vulnerability scanning
- 1. Phishing simulation and learning exercises
- 1. Technical security controls and arrangements
- 2. Engagement with Cyber bodies
- 2. National Cyber Security training
- 3. Internal Audits Scheduled;  
IT Systems and Security - 2021/22  
IT Strategy 2021/22

**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>
Business Continuity Plans	BCP plans to be updated to reflect the cyber risk	In Progress	Caolain Boyd Gavin Ringland	5/31/2023	Critical and Priority Services currently being prioritised via scenario planning - being managed by the SHEP Department. First Stage completed and was presented to SMT in June 2022
Cyber Incident Response/Disaster Recovery	Establish and test cyber incident response and disaster recovery capabilities	In Progress	Gavin Ringland	5/31/2023	Event Scenarios and PlayBooks are being continually tested and refined where confidence of no-impact is high. Deep impact testing will be completed and as part of the IT Services project.
IT Strategy	Implement additional security tools including multifactor authentication, conditional access and modern authentication where possible and appropriate	In Progress	Gavin Ringland	5/31/2023	Remote access to LAN completely MFA. MFA and conditional access to Office 365 complete. MFA also enabled on many Line of Business Systems, including IDOX. Single Sign On (SSO) implemented on numerous systems.

**Risk CR.11 - Risk of Industrial Action leading to the failure to have necessary staffing structures and resourcing to deliver services**



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

**Risk Description** Risk of Industrial Action leading to the failure to have necessary staffing structures and resourcing to deliver efficient and effective services

**Potential Root Cause** TU Demands in relation the current cost of living crisis  
Financial implication for Council in meeting the TU demands and the recurring costs

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

**Risk Owners** Senior Management Team

**Gross/Inherent Risk** Red 25

**Residual Risk** Red 20

**Target Risk Level** Amber 15

**Last Review** 1/5/2023

**Next Review** 4/5/2023

**Risk Appetite** Risk Averse

**Objectives**

- 2. Continue to improve the health and wellbeing of everyone in the district and reduce health inequalities.
- 7. Provide accessible, high-quality and integrated services through continuous improvement

**Key Controls Identified**

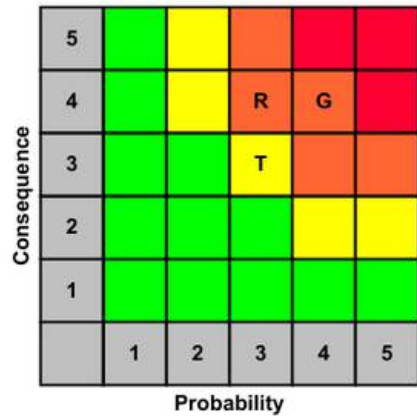
- 1. Detailed budgeting process in operation
- 1. Qualified HR, IT & Finance professionals in place
- 2. LCNF Meeting
- 2. SMT / Party Leaders Meetings
- 2. Solace Meeting

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Management Meetings with Trade Unions	Management Meetings with Trade Unions are ongoing	In Progress	Senior Management Team	3/31/2023	Management Meetings with Trade Unions are ongoing

# Enterprise, Regeneration and Tourism Directorate

## Risk 01. Failure to sustainably grow the tourism industry across the District



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

**Risk Description**  
 Failure to sustainably grow the tourism industry across the District

**Potential Root Cause**  
 NMD has a high dependency on one day domestic visitors  
 Impact of COVID-19 and social restrictions on the hospitality industry, visitor numbers and visitor spend  
 Impact of Brexit on international tourism  
 Lack of investment in tourism sites and opportunities  
 Poor collaboration with tourism industry  
 Impact of recession on tourism industry

**Consequence**  
 Reputational damage for the District and Council  
 Financial impact on the District and local tourism industry  
 Negative impact on the local economy and jobs

**Risk Owners**  
 Andy Patterson

**Gross/Inherent Risk**  
 Amber 16

**Residual Risk**  
 Amber 12

**Target Risk Level**  
 Yellow 9

**Last Review**  
 1/9/2023

**Next Review**  
 4/10/2023

**Risk Appetite**  
 Risk Open

### Objectives

Work with industry partners and key stakeholders to develop and implement the Tourism Strategy 2023-28

### Key Controls Identified

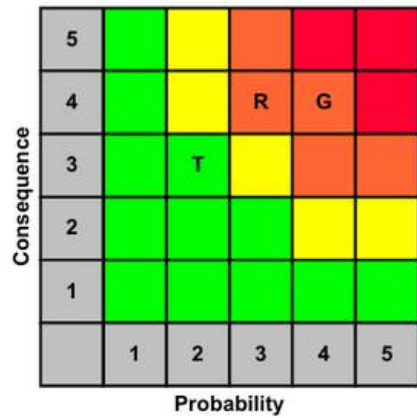
- Belfast Region City Deal tourism projects
- Council Tourism Facilities
- Effective partnership working between TourismNI and NMDDC
- Flagship events programme
- Tourism Strategy 2023-28



## 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>
Mournes Gateway Project	Progress the Mournes Gateway Project as part of the Belfast Region City Deal investment programme.	In Progress	Andy Patterson	3/31/2023	Outline Business Case approved. The full Business Case will be developed over the next 2 years.
Tourism Strategy	Launch and commence delivery of the Tourism Strategy for 2023-28	In Progress	Andy Patterson	3/31/2023	Work is ongoing with the tourism industry partners and key stakeholders to finalise the new Tourism Strategy 2023-28. Industry support programmes are in place to support tourism businesses and to develop new visitor experiences.
UNESCO Global Geopark	Continue to work towards UNESCO Global Geopark status for Mourne, Gullion, Strangford.	In Progress	Andy Patterson	3/31/2023	Global Geopark Council has approved the final submission for the area, with final ratification due in May 2023. Work ongoing with key partners to implement the Geopark Development Plan.
Visitor Experiences	Develop the tourism proposition for the district and new visitor experiences in line with the Tourism NI Experience Brand, including Coastal Flavours Cluster proposition.	In Progress	Andy Patterson	3/31/2023	Work ongoing to develop new visitor experiences to showcase NMD food and activity tourism sectors. 16 new experiences brought to market and 25 businesses engaged to date.

**Risk 02. Failure to invest in towns and villages through urban and rural regeneration initiatives**



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

**Risk Description** Failure to invest in towns and villages through urban and rural regeneration initiatives

**Potential Root Cause** Lack of timely and appropriate planning  
Lack of planning policy and adherence to existing policies  
Poor identification /needs analysis  
Failure to utilise existing assets  
Insufficient funding and resources

**Consequence** Poor and inadequate service delivery by the Council  
Reputational damage for the Council and District  
Impact on the quality of life and environment for urban and rural communities  
Low levels of investment in urban and rural areas

**Risk Owners** Jonathan McGilly

**Gross/Inherent Risk** Amber 16

**Residual Risk** Amber 12

**Target Risk Level** Green 6

**Last Review** 1/9/2023

**Next Review** 4/10/2023

**Risk Appetite** Risk Open

**Objectives**

- Deliver a programme of urban and rural regeneration initiatives/projects
- Work with partners to support the economic recovery of the District

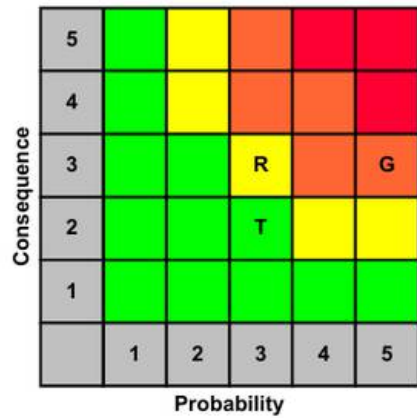
**Key Controls Identified**

- Baseline information on regeneration issues updated on a continuous basis
- Collaboration with the Planning Department
- Masterplans
- Partnership working with public and private sector partners
- Regeneration and Economic Development Strategy 2020-25
- Village Plans

## 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>
Forward Plan of regeneration initiatives	Progress the development and delivery of the following capital projects: Downpatrick Regeneration, Warrenpoint Baths, Warrenpoint Marina, Forkhill, Castlewellan Park (in partnership with NHLF and DAERA) and Carlingford Lough Greenway.	In Progress	Jonathan McGilly	3/31/2023	All 2022-23 regeneration initiatives are progressing as planned.
Masterplans and Village Plans	Review and update Masterplans, taking into account new and emerging priorities. Continue to implement Village Plans and develop new initiatives in rural areas.	In Progress	Jonathan McGilly	3/31/2023	The review of Masterplans is underway and we are continuing to implement village plans and develop new initiatives through the small settlement scheme.
Rural Development Programme	Complete the delivery of the Rural Development Programme and progress the Small Settlement Scheme.	In Progress	Jonathan McGilly	3/31/2023	The Rural Development Programme is now completed and we will be exploring other options for additional Rural Development programmes.
SEAFLAG	Ongoing delivery of SEAFLAG in the coastal areas of Annalong, Ardglass and Kilkeel.	In Progress	Jonathan McGilly	3/31/2023	SEAFLAG is due to complete in March 2023. All funds have now been committed and we are moving to closing down of remaining projects and overall programme. There is now exploration of potential replacement programmes.

**Risk 03. Failure to support the recovery of the arts and heritage sector across the District**



**Risk Categories**  
**Risk Description** Failure to support the recovery of the arts and heritage sector across the District.  
**Potential Root Cause** Failure to manage the Council's heritage assets, including buildings and collections  
 Lack of training and resources  
 Poor engagement and partnership working with key stakeholders  
 Impact of the COVID-19 pandemic and social restrictions  
 Impact of recession and lack of investment in the arts, culture and heritage sector  
**Consequence** Reputational damage to the Council and District.  
 Financial impact on the District and potential loss of jobs.  
 Low levels of customer satisfaction and potential impact on community wellbeing.  
**Risk Owners** Andy Patterson  
**Gross/Inherent Risk** Amber 15 **Last Review** 1/9/2023  
**Residual Risk** Yellow 9 **Next Review** 4/10/2023  
**Target Risk Level** Green 6 **Risk Appetite** Risk Open

**Objectives**

Lead the development and implementation of the Arts, Culture and Heritage Strategy

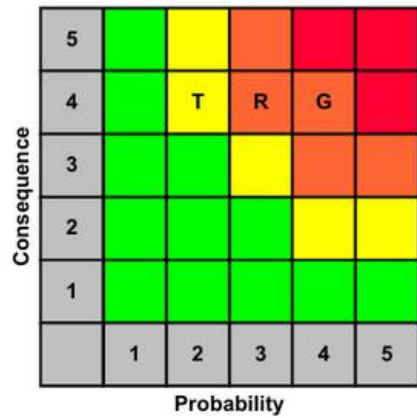
**Key Controls Identified**

Arts, Culture and Heritage Strategy  
 New Theatre - Conference Facility  
 Strategic Review of Museums Service

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Arts, Culture and Heritage Strategy	Continue implementation of the Council's Arts, Culture and Heritage Strategy 2022-27	In Progress	Andy Patterson	3/31/2023	Strategy launched in March 2022 and delivery against key priorities monitored via ERT Departmental Business Plans
Develop our Arts Centre and arts offering	Continue work to deliver the new Arts - Conference facility in Newry and to continue to develop the arts offering of Down Arts Centre	In Progress	Andy Patterson	3/31/2023	Work continuing on the new Theatre - Conference Centre for Newry within the NCCR Programme. Audience development for DAC to be commissioned Q1 2023-24.
Strategic Review of Museums Service	Implement the recommendations of the Strategic Review of Council's Museum Service published in January 2023.	In Progress	Andy Patterson	3/31/2023	Work continuing to implement strategic review recommendations, including development of updated Forward Plans for each museum.

**Risk 04. Failure to effectively support the recovery and growth of the local economy**



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

**Risk Description**  
 Failure to effectively support the recovery and growth of the local economy

**Potential Root Cause**  
 Inadequate identification of the needs of local businesses and other key stakeholders  
 Ineffective partnership arrangements with the private sector and local employers  
 Failure to effectively engage with the education sector  
 Poor collaboration with Government departments, specifically the Departments for Economy and Education  
 Lack of resources and poor leadership  
 Economic factors and government policy, particularly in relation to COVID-19 and Brexit

**Consequence**  
 Financial impact on the Council and District  
 Reputational impact on the Council and District  
 Lack of investment in the District  
 Local communities do not reach their full potential  
 Socio-economic inequalities emerge and deepen across the District  
 Inflation - cost of living

**Risk Owners**  
 Jonathan McGilly

**Gross/Inherent Risk**  
 Amber 16

**Residual Risk**  
 Amber 12

**Target Risk Level**  
 Yellow 8

**Last Review**  
 1/9/2023

**Next Review**  
 4/10/2023

**Risk Appetite**  
 Risk Open

**Objectives**

- Deliver a programme of urban and rural regeneration initiatives/projects
- Work with partners to support the economic recovery of the District

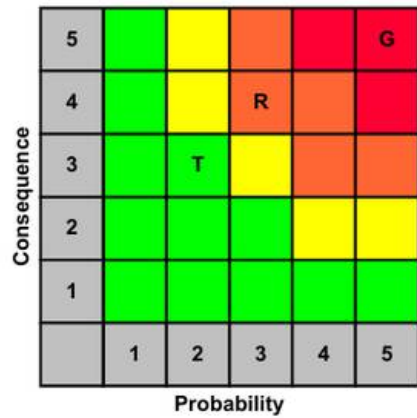
**Key Controls Identified**

- Baseline data collation to identify skills gaps
- City Deal Skills and Employability Programme
- Community Plan and Corporate Plan 2021-23
- Council led 'Employability and Skills Forum'
- Labour Market Partnerships
- Partnership working with Chambers of Commerce and other key stakeholders
- Regeneration and Economic Development Strategy 2020-25
- Shared Prosperity Fund

**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>
Belfast Region City Deal	Progress the Belfast Region City Deal and develop programmes of activity around 'Skills and Employability' and 'Digital and Innovation'.	In Progress	Jonathan McGilly	3/31/2023	The Outline Business Case has been submitted and the delivery arrangements are currently being developed.
Business mentoring and support	Deliver a range of business mentoring and support programmes across the District	In Progress	Jonathan McGilly	3/31/2023	The delivery of the following range of programmes will be ending in March 2023, including the NI Business Start programme, NMD Growth, Digital Growth, Sales and Trade and Tender for Growth. Work is ongoing around design and procurement of replacement programmes via the shared prosperity fund.
COVID-19 Recovery and Brexit	COVID-19 recovery has been delivered and Brexit has now taken place	In Progress	Jonathan McGilly	3/31/2023	COVID-19 recovery has been delivered and the Council continue to support businesses with issues that have arisen due to Brexit through the mentoring programmes
Full Fibre NI (FFNI)	Local Full Fibre Network to improve connectivity across Northern Ireland.	In Progress	Jonathan McGilly	3/31/2023	FFNI is now complete and a next stage development digital transformation fund programme has been secured for implementation March 2023 - December 2026
Industry Engagement Events	Delivery of industry engagement events: Enterprise Week – Q3 / NI Apprenticeship Week – Q4 / Small Business Conference – Q2 / Agenda NI Conference - Q3	In Progress	Jonathan McGilly	3/31/2023	Delivery of events is ongoing directly and through 3rd parties
Regeneration and Economic Development Strategy	Continue to deliver the Regeneration and Economic Development Strategy 2020-25.	In Progress	Jonathan McGilly	3/31/2023	The implementation of the Regeneration and Economic Development Strategy is well underway. The 3 Working Groups have been established and are meeting at least quarterly. We continue to work with our economic forum to review progress and implementation of the strategy.

**Risk 05. Failure to secure, retain and maximise external funding opportunities to invest in the District**



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

**Risk Description**  
 Failure to secure, retain and maximise external funding opportunities to invest in the District

**Potential Root Cause**  
 Failure to identify and promote investment opportunities  
 Failure to develop professional networking opportunities  
 Ineffective partnership working with Government Departments and private sector  
 Lack of infrastructure and match funding  
 Non-compliance with Letters of Offer  
 Possible reduction in staff due to the loss of EU funding

**Consequence**  
 Reduced funding in future years, specifically EU funding  
 Reduced levels of service provision  
 Loss of employment within the Council and broader District  
 Negative impact on the overall investment in the local area and local communities  
 Socio-economic inequalities emerge and deepen

**Risk Owners**  
 Jonathan McGilly

**Gross/Inherent Risk**  
 Red 25

**Residual Risk**  
 Amber 12

**Target Risk Level**  
 Green 6

**Last Review**  
 1/9/2023

**Next Review**  
 4/10/2023

**Risk Appetite**  
 Risk Open

**Objectives**

- Deliver a programme of urban and rural regeneration initiatives/projects
- Work with partners to support the economic recovery of the District

**Key Controls Identified**

- Cross border partnerships and European partnerships through EBR
- Funding information bodies / bulletins
- International Relations activity is ongoing
- Partnership working with Invest NI and Government Departments
- Regeneration and Economic Development Strategy in place
- University of Ulster School of Economics Service Level Agreement

---

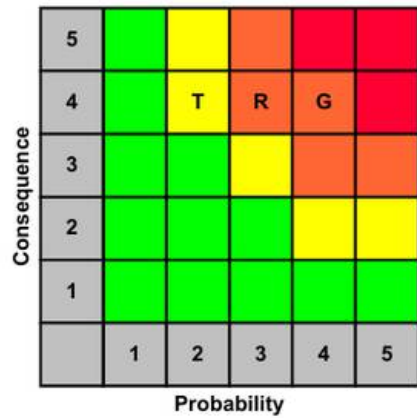
**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Emerging programmes	Research and develop proposals for future funded programmes, including the Shard Prosperity Fund, Peace Plus, Levelling Up Fund, Community Renewal Fund, Fisheries and Rural Development Funding, Shared Island Fund and Labour Market Partnerships	In Progress	Jonathan McGilly	3/31/2023	The development of potential funding applications is underway.
Existing programmes	Winding up delivery of the ERDF, ESF, Rural Development and SEAFLAG programmes..	In Progress	Jonathan McGilly	3/31/2023	The delivery of the existing programmes are being wound up and implementation of new initiatives are taking place from the emerging programmes.

---



**Risk 06. Failure to effectively implement the new Planning system (EPIC replacement).**



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

**Risk Description** Failure to effectively implement the new Planning system (EPIC replacement).

**Potential Root Cause** The new system is not fit for purpose for all Councils across NI.  
Lack of capacity and employees not effectively participating in training on how to use the new system.  
IT infrastructure within the Council does not support the new system.

**Consequence** Financial cost in procuring a new system.  
Teething problems with the new system could have a negative impact on the Council's ability to achieve the statutory standards for processing planning applications and enforcement cases.  
Low levels of customer satisfaction and reputational damage.

**Risk Owners** Anthony Mckay

**Gross/Inherent Risk** Amber 16

**Residual Risk** Amber 12

**Target Risk Level** Yellow 8

**Last Review** 1/9/2023

**Next Review** 4/10/2023

**Risk Appetite** Risk Minimal

**Objectives**

Provide a robust, efficient and responsive development management service within the Council Planning Department

**Key Controls Identified**

Departmental Working Group  
NMD representation on Working Groups  
Partnership working Councils and the Department for Infrastructure

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Replacement System	Upgrade the existing IT planning infrastructure across NI.	In Progress	Anthony Mckay	3/31/2023	The new Planning IT system went live on 5 December 2022, later than anticipated. The launch has been accompanied by the expected teething problems. Nevertheless the system is operational and the normal work of the planning department has resumed.

**Risk 07. Failure to meet the statutory and corporate performance standards for processing planning applications, enforcement cases and complaints.**

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

<b>Risk Categories</b>	Business operational/reputational Quality of Service Statutory Duty (Legal/Regulatory)	
<b>Risk Description</b>	Failure to meet the statutory and corporate performance standards for processing planning applications, enforcement cases and complaints.	
<b>Potential Root Cause</b>	Complaints not being logged, monitored and responded to within the corporate timescales. Lack of resources within the Planning Department. Impact of COVID-19 and social distancing on the time taken to make planning decisions and deal with complaints. Backlog of planning applications linked to the high volume of applications received by the Council.	
<b>Consequence</b>	Complaints not being dealt with within the agreed corporate timescales. Failure to achieve the statutory standards for processing planning applications and enforcement cases. Low levels of customer satisfaction and reputational damage. Poor staff morale and low levels of productivity.	
<b>Risk Owners</b>	Anthony Mckay	
<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b> 1/9/2023
<b>Residual Risk</b>	Amber 16	<b>Next Review</b> 4/10/2023
<b>Target Risk Level</b>	Yellow 8	<b>Risk Appetite</b> Risk Minimal

**Objectives**

Provide a robust, efficient and responsive development management service within the Council Planning Department

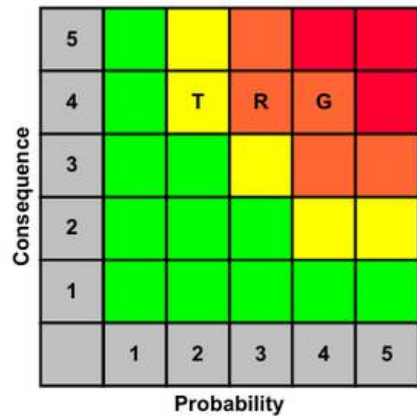
**Key Controls Identified**

- Benchmarking performance across NI
- Corporate Complaints Handling Policy and Procedures
- Internal correspondence tracking system
- Planning Consultant in place to deliver improvements in processing times
- Regular performance reports considered by the Planning and ERT Committees
- Statutory standards set for Councils in NI

## 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>
Internal Audit of Complaints Handling	Review why the Planning Department is not meeting the corporate processing timescales for handling complaints, to be reported to and monitored by SMT.	In Progress	Anthony Mckay	3/31/2023	Complaint handling is meeting the corporate processing timescales for such matters.
Processing times of planning applications and enforcement cases	Achieve the statutory targets for major and local planning applications and enforcement cases.	In Progress	Anthony Mckay	3/31/2023	Performance against statutory targets has fluctuated slightly above the key targets. Improvements continue to be identified and rolled out.
Review complaints and correspondence	A senior planner will review complaints and correspondence on a weekly basis to ensure they are being responded to in accordance with the timescales within the corporate Complaints Policy.	In Progress	Anthony Mckay	3/31/2023	Preparation and training for the new IT system has impacted on performance.
Specialist Planning Consultant	The specialist Planning Consultant has been in place since January 2020 and is reviewing the processes and procedures within the Planning Department to deliver improvements.	In Progress	Anthony Mckay	3/31/2023	Reports by the NIAO and PAC in 2022 are now translating into a joint government/DFI Planning Improvement Programme which is in its early phases.

**Risk 08. Failure to develop and deliver the Local Development Plan within agreed timescales**



**Risk Categories** Business operational/reputational  
Quality of Service  
Statutory Duty (Legal/Regulatory)

**Risk Description** Failure to develop and deliver the Local Development Plan within agreed timescales.

**Potential Root Cause** Ineffective or inadequate resources.  
Slippage in the timetable for developing the plan.  
Inadequate software system to manage representations.

**Consequence** Local Development Plan not produced in a timely way, leading to reputational damage.  
Impact on the future development of and investment in the District.  
Political reaction.

**Risk Owners** Anthony Mckay

**Gross/Inherent Risk** Amber 16

**Residual Risk** Amber 12

**Target Risk Level** Yellow 8

**Last Review** 1/9/2023

**Next Review** 4/10/2023

**Risk Appetite** Risk Averse

**Objectives**

Progress the preparation and delivery of the Local Development Plan (LDP) in accordance with the agreed timeframe to dir

**Key Controls Identified**

- Holding regular progress review meetings
- LDP progress against the revised timetable reported to Committee on a quarterly basis
- Local Development Plan Steering Group
- Local Development Plan Team
- Ongoing collaboration with specialist experts and DfI
- Progress reported to the Planning Committee on a monthly basis
- Stage 1 Preferred Options Paper

**Action Plans**



	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Local Development Plan	Develop and deliver the Local Development Plan within the timescales agreed with the Department for Infrastructure.	In Progress	Anthony Mckay	3/31/2023	The Council continues to progress the preparation of the draft Plan Strategy for Council approval and publication, in line with the published timeframe.

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 January 2023
<b>Subject:</b>	Prompt Payment Statistics – Quarter 2 & Quarter 3
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne: Assistant Director of Finance & Performance
<b>Contact Officer (Including Job Title):</b>	Gerard Byrne: Assistant Director of Finance & Performance

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	<p>'Prompt payment' is the payment of valid supplier invoices by public bodies, as set in government targets.</p> <p>This dataset contains the:</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>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>																									
<b>2.0</b>	<b>Key issues</b>																									
2.1	In 2019/20 the Council paid 90% of invoices within the payment period of 30 calendar days, compared to 86% for 2020/21. In the 2021/22 year Council paid 88.5% of invoices within the 30 day period.																									
2.2	<p><b>Quarter 1 - 1 April 2022 to 30 June 2022</b></p> <table border="1"> <thead> <tr> <th></th> <th><b>Paid within 10 days</b></th> <th><b>Paid within 30 days</b></th> <th><b>Paid outside payment period</b></th> <th><b>Total invoices</b></th> </tr> </thead> <tbody> <tr> <td>Number of Invoices</td> <td>1140</td> <td>2984</td> <td>1179</td> <td>4,163</td> </tr> <tr> <td><b>Percentage</b></td> <td><b>27%</b></td> <td><b>72%</b></td> <td><b>28%</b></td> <td><b>100%</b></td> </tr> <tr> <td>Value</td> <td>£2,907,312</td> <td>£10,044,705</td> <td>£11,179,379</td> <td>£21,224,083</td> </tr> <tr> <td colspan="3"><b>Average number of days to pay suppliers: 32</b></td> <td colspan="2"><b>Performance trend: ↓</b></td> </tr> </tbody> </table>		<b>Paid within 10 days</b>	<b>Paid within 30 days</b>	<b>Paid outside payment period</b>	<b>Total invoices</b>	Number of Invoices	1140	2984	1179	4,163	<b>Percentage</b>	<b>27%</b>	<b>72%</b>	<b>28%</b>	<b>100%</b>	Value	£2,907,312	£10,044,705	£11,179,379	£21,224,083	<b>Average number of days to pay suppliers: 32</b>			<b>Performance trend: ↓</b>	
	<b>Paid within 10 days</b>	<b>Paid within 30 days</b>	<b>Paid outside payment period</b>	<b>Total invoices</b>																						
Number of Invoices	1140	2984	1179	4,163																						
<b>Percentage</b>	<b>27%</b>	<b>72%</b>	<b>28%</b>	<b>100%</b>																						
Value	£2,907,312	£10,044,705	£11,179,379	£21,224,083																						
<b>Average number of days to pay suppliers: 32</b>			<b>Performance trend: ↓</b>																							

<b>Quarter 2 - 1 July 2022 to 30 September 2022</b>				
	<b>Paid within 10 days</b>	<b>Paid within 30 days</b>	<b>Paid outside payment period</b>	<b>Total invoices</b>
Number of Invoices	1,673	3,506	487	3,993
<b>Percentage</b>	<b>42%</b>	<b>88%</b>	<b>12%</b>	<b>100%</b>
Value	£3,506,407	£6,113,869	£3,185,822	£9,299,691
<b>Average number of days to pay suppliers: 26</b>			<b>Performance trend: </b>	
<b>Quarter 3 - 1 October 2022 to 31 December 2022</b>				
	<b>Paid within 10 days</b>	<b>Paid within 30 days</b>	<b>Paid outside payment period</b>	<b>Total invoices</b>
Number of Invoices	1,835	3,286	321	3,607
<b>Percentage</b>	<b>51%</b>	<b>91%</b>	<b>9%</b>	<b>100%</b>
Value	£4,662,166	£14,236,507	£1,298,148	£15,534,655
<b>Average number of days to pay suppliers: 26</b>			<b>Performance trend: </b>	
<b>3.0</b>	<b>Recommendations</b>			
31	To note: <ul style="list-style-type: none"> <li>The Q2 and Q3 2022-23 Prompt Payment statistics.</li> </ul>			
<b>4.0</b>	<b>Resource implications</b>			
4.1	The Accounts Payable Team provide statistics to the Department for Communities on a quarterly basis.			
<b>5.0</b>	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>			
5.1	<b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b>			
	It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations			<input checked="" type="checkbox"/>
5.2	<b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b>			
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
	If yes, please complete the following:			

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

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 January 2023
<b>Subject:</b>	Register of Interests
<b>Reporting Officer (Including Job Title):</b>	Josephine Kelly, Director of Corporate Services
<b>Contact Officer (Including Job Title):</b>	Sarah Taggart, Democratic Services Manager (Acting)

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	For Elected Members it is likely that from time to time private matters will impinge on public duties. In such circumstances Members should be aware that it is not appropriate to use public position or resources to deal with private matters or to pursue private interests. The Council has established a Register of Interests and by recording interests openly, any actual or potential conflicts of interest can be identified more easily.
<b>2.0</b>	<b>Key issues</b>
2.1	Councillors have a responsibility to regularly review their circumstances and determine if any change has occurred which should rightly result in a change to their declaration or facilitate the need for a new declaration. If this is the case, they should contact Democratic Services to have their form updated.
2.2	At the Audit Committee meeting in January 2021, it was agreed that Members should regularly review their Register of Interest Forms and that a six-monthly report be brought forward to the Audit Committee to ensure compliance.
2.3	An email was sent to Members on 10 January 2023 asking them to review and, if required, update their Register of Interest forms via Democratic Services.
2.4	4 new Members were co-opted in December 2022 and have completed their registers.
<b>3.0</b>	<b>Recommendations</b>
3.1	That Members: a. Note the six-month review report.
<b>4.0</b>	<b>Resource implications</b>
4.1	None identified
<b>5.0</b>	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>
5.1	<i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i>



	It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/>
5.2	<p><b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><b><i>Proposal initiating consultation</i></b></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i></p>
6.0	<b>Due regard to Rural Needs (please tick all that apply)</b>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p> <p>If no, please complete the following:</p> <p>The policy / strategy / plan / public service is not influenced by rural needs <input checked="" type="checkbox"/></p>
7.0	<b>Appendices</b>
	None
8.0	<b>Background Documents</b>



# Annual Audit Letter

**Newry Mourne and Down District Council**  
2021-22

**Date**

09/12/22

## Contents

- 1. KEY MESSAGES .....2
- 2. INTRODUCTION .....3
- 3. AUDIT OF FINANCIAL STATEMENTS .....5
- 4. KEY STATISTICS .....7
- 5. WORK ON ECONOMY, EFFICIENCY AND EFFECTIVENESS .....8
- 6. GOVERNANCE .....9
- 7. OTHER AREAS OF AUDIT INTEREST .....10
- 8. OUTLOOK .....12

*We have prepared this report for Newry Mourne and Down District Council’s sole use. 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

## Audit of Financial Statements

The 2021-22 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 and standards.

---

## Other Areas of interest

- Absenteeism figures for 2021-22.
  - The latest National Fraud Initiative.
  - The Local Government Auditor's Report for the year to 31 March 2021 was published on 21 December 2021.
- 

## Outlook

- COVID-19 considerations.
- Any specific matters for Council

## 2. 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 2021-22 Statement of Accounts 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 on 1 April 2021, 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.

### 3. 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 on 29 June 2022. Following the audit, the Statement of Accounts were approved by the Council and certified by me within the statutory deadline of 30 September 2022. 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 2022, 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 2021-22, of the financial position of the Council as at 31 March 2022, 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 Committee.
6. Council's usable reserves have increased from £28.1 million at 31 March 2021 to £35.6 million at 31 March 2022, an increase of £7.5 million. It is important that there are clear plans to utilise these reserves in the future.
7. We note ongoing discussions with employees regarding pay settlements are taking place. We also note the impact of increased energy and other costs will affect Council activities. It is therefore

essential that detailed financial projections and the careful monitoring of spend is given priority.



## 4. Key Statistics

<b>Income / Expenditure</b>	<b>2021-22 £</b>	<b>2020-21 £</b>	<b>Variance £</b>
Total Income	88,363,736	91,708,966	-3,345,230
Total Expenditure	90,017,251	85,813,045	4,204,206
Net Expenditure chargeable to the General Fund (reflects adjustments between Accounting Basis and Funding Basis)	7,730,142	15,674,151	-7,944,009

	<b>2021-22 £</b>	<b>2020-21 £</b>	<b>Variance £</b>
<b>Capital Expenditure in Year</b>	9,365,867	12,389,019	-3,023,152

<b>Capital / Reserves</b>	<b>2021-22 £</b>	<b>2020-21 £</b>	<b>Variance £</b>
Useable Reserves	35,644,199	28,130,629	7,513,570
Long Term Assets	194,599,914	186,758,321	7,841,593
Loans Outstanding	69,707,557	74,123,875	-4,416,318

<b>Staff</b>			
Staff numbers (FTE)	835	871	-36

	<b>2021-22 £</b>	<b>2020-21 £</b>	<b>Variance £</b>
Staff Costs (including Agency costs)	35,348,952	34,027,666	1,321,286
Staff Absence Total	20.66 days	13.6 days	7.06 days
• short term	5.04 days	2.4 days	2.64 days
• long term	15.62 days	11.2 days	4.42 days

## 5. 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. The Council is 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.

## 6. Governance

### Annual Governance Statement

1. 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.
2. 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 2021-22;
  - 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.
3. My review did not highlight any inconsistencies.

---

### Internal Audit

4. 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 2021-22. The findings of this work were presented to the Council's Audit Committee for review and considered by me as part of the audit process.

---

### Audit Committee

5. 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 Committee.
6. The Audit Committee is also invited to review my audit reports and my staff attend meetings to present audit findings.

## 7. Other areas of audit interest

### Absenteeism

1. For the twelve months to the end of March 2022, the average number of day's sick absence in the Council was 20.66 days per full time employee as compared to 13.6 days in 2020-21. The Council has told me that the increase of 7.06 days was mainly due to COVID-19 infections and reactions to injections.
2. Sickness Absence forms part of the Corporate Risk Register and performance is monitored on the Corporate Dashboard. Council continues to invest in employee wellbeing through the provision of a funded Health Cash Plan for Employees and through health promotion initiatives by the employee led Health & Wellbeing Working Group.
3. The Local Government Auditor produced a good practice guide on Managing Attendance in Central and Local Government on 23 November 2020. The report provides an overview of sickness absence across central and local government in Northern Ireland and sets out key principles for managing attendance that are consistent across the public sector.

---

### Local Government Auditor's Report – 2020

4. The annual [Local Government Auditor's Report](#) was published on 21 December 2021 and is available on the NIAO website. The report summarises my perspective on financial audits and performance improvement work in the year to 31 March 2021.
5. The Report highlights areas of strength and areas for improvement within local councils. It also considers important issues that may affect councils 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.

---

### Performance improvement audit and assessment

6. 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.
7. Each year councils are required to produce an Annual Improvement Plan for the year ahead and a self-assessment report for the year just past. The Local Government Auditor is required to audit the prior year self-assessment report and the incoming Annual Improvement plan and assess whether the Council is likely to have complied with the legislation.

8. Due to the pandemic, the requirement to publish an improvement plan for 2020-21 was set aside. As a result the audit of the 2020-21 self-assessment report did not include a review of performance of improvement objectives for that year.
  9. My Annual Improvement Report for 2021-22 was published on 31 March 2022 and concludes that Council met its statutory duties in relation to publication of the 2020-21 self-assessment report and 2021-22 Annual Improvement Plan. Given the impact of the pandemic on council services, however, I was unable to conclude on an assessment of whether the council was likely to meet their performance improvement responsibilities under legislation for the 2021-22 year.
- 

### **WGA**

10. 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 2020-21 where additional audit procedures were not required.
  11. The Whole of Government Accounts annual return for 2020-21 has been submitted for HM Treasury's consolidation process.
- 

### **NFI**

12. 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.
  13. The report summarising the results of the data matching for the period 1 April 2020 to 31 March 2022 was published on 19 July 2022 and is available on the NIAO website.
- 

### **Audit Fee**

14. The audit fees for the financial audit and performance improvement audit are in line with the estimate.

## 8. Outlook

### Ongoing impact of COVID-19 pandemic

1. The COVID-19 pandemic has had a significant impact on society and on the economy since 2020. Councils had to adapt quickly to ensure continued provision of their key critical services such as waste collection and disposal, community support, and registrations of deaths and burial services. Additionally, Councils suffered losses in income from the closure of their income-generating facilities and services such as leisure centres.
2. In May 2021 the Finance Minister announced further COVID-19 funding to address a range of ongoing pressures. This included £10 million to Councils to ensure the continued delivery of local public services, as well as £3 million to support council-managed community development and advice services via the Community Support Programme.
3. There continues to be wide reaching impacts from the pandemic and challenges for councils to deliver a balanced budget, even with central government support. It is extremely important that the Council has detailed medium term financial plans which are regularly monitored and updated.
4. A second report by the Comptroller and Auditor General on the NI Executive's response to the COVID-19 pandemic was published on 8 June 2021.

---

### 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.

Mrs Colette Kane LGA  
106 University St,  
Belfast BT7 1EU

29 November 2022

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

Dear Marie,

**NEWRY, MOURNE AND DOWN DISTRICT COUNCIL: IMPROVEMENT AUDIT AND ASSESSMENT – FINAL AUDIT AND ASSESSMENT REPORT 2022-23**

I have now certified the improvement audit for the Council with a standard, unqualified opinion. In terms of the audit assessment, I have concluded that I am unable to assess whether Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2022-23. This is due to the changing landscape and refocusing of priorities as a result of the Covid-19 pandemic and the ongoing cost of living crisis, that has impacted on the ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. No statutory recommendations will be made to the Department this year in respect of the Council nor is there a requirement for a special inspection.

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 copy of the original certificate I have signed. Our audit and assessment procedures may not have brought to light all areas in which improvements could be made and our findings should not be seen as comprehensive in this respect. Responsibility for determining whether they should be implemented, and the effects of such implementation, necessarily rests with management.

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 cooperation we received throughout the audit.

*Yours sincerely,*



**Colette Kane**  
**Local Government Auditor**



## **Audit and Assessment Report 2022-23**

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

**Newry, Mourne and Down District Council**  
29 November 2022



## Contents

1. KEY MESSAGES.....	1
2. AUDIT SCOPE.....	4
3. AUDIT FINDINGS.....	6
4. ANNEXES.....	9

*We have prepared this report for Newry, Mourne and Down District Council and the Department for Communities sole use. 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

<b>Audit outcome</b>	<b>Status</b>
Audit opinion	Unqualified opinion
Audit assessment	The LGA has concluded that she is unable to assess whether Council is likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) during 2022-23.
Statutory recommendations	The LGA made no statutory recommendations
Proposals for improvement	The LGA made three new proposals for improvement

This report summarises the work of the Local Government Auditor (LGA) on the 2022-23 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 Head of Performance Improvement, 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 the Newry, Mourne and Down District Council (the Council) has discharged its performance improvement and reporting duties, including its assessment of performance for 2021-22 and its 2022-23 improvement plan, and has acted in accordance with the Guidance.

## Audit Assessment

The LGA is required to assess 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'.

Councils continue to operate in a particularly challenging environment with focus on recovery from the Covid-19 pandemic and the current cost of living crisis, impacting both on performance and the way in which services are delivered. This changing landscape and refocusing of priorities has impacted our ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. In light of this, the LGA has concluded that she is unable to reach an opinion on whether the Council is likely to have complied with its performance improvement responsibilities for 2022-23.

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 three 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 B.

## Status of the Audit

The LGA's audit and assessment work on the Council's performance improvement arrangements is now concluded. By 31 March 2023 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.

## **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.

## **Other matters**

### **Sustainability and Climate Change**

Councils have begun to address the issue of climate change and sustainability, with individual councils at varying stages of progress. If councils are to link climate change and sustainable action to their performance objectives or even as part of their wider continuous improvement arrangements in future years, it will be necessary to consider arrangements to improve, including ensuring adequate resourcing and gathering of accurate data.

## 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 31 March 2023, 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 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 B.

Thematic area	Issue	Proposal for improvement
General Duty to improve	The Council continues to maintain and manage the excel based performance management system.	An electronic performance management system would help to achieve long term continuous improvement as it would provide the basis for a more reliable system for identifying and monitoring improvements, as well as creating efficiencies in the process that could

Thematic area	Issue	Proposal for improvement
		free up time to spend on value adding activities.
Governance arrangements	Internal Audit has not specifically been used for the audit of performance improvement related activities since 2018-19, when it reviewed APSE performance indicators. Internal Audit could be used to provide the Council with assurance on the integrity and operation of the Council's performance management framework, and could identify any supplementary areas for improvement.	The Council should consider using Internal Audit to review the performance improvement arrangements.
Assessment	Council has identified 23 self-imposed indicators, and these are included within the 2021-22 self-assessment report. There is a comparison of 2021-22 figures to 2020-21 and to Local Authority averages, where applicable, however no specific targets are given. There are also some self-imposed indicators where data has not been collected for a number of years, for example, the 2018 citizens survey showed that 59% of residents feel that they can have a say on how services are delivered in their local area. This has been classed as achieved or on track to be achieved, however it is not clear from the report how this has been assessed given that data has not	Council should consider enhancing transparency of the self-assessment report by providing more detailed narrative to allow the reader to better understand how Council has determined the ratings of the trends in performance. Furthermore, where there are downward trends in performance or the Council has assessed targets are not likely to be achieved, appropriate explanations should be included as to how Council intends to address this.



Thematic area	Issue	Proposal for improvement
	<p>been collected on this since the last residents survey. No quantitative target has been set for this indicator. Furthermore, three self-imposed indicators have been identified as areas for improvement however no further details are given as to how this will achieved.</p>	

## 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 2021-22 and its improvement plan for 2022-23 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 2022-23 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**

Councils continue to operate in a particularly challenging environment with focus on recovery from the Covid-19 pandemic, the current cost of living crisis, impacting both on performance and the way in which services are delivered. This changing landscape and refocusing of priorities has impacted my ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. In light of this, I am unable to reach an opinion on whether the Council is likely to discharge its duties under Part 12 of the Act and act in accordance with the Department for Communities' guidance sufficiently during 2022-23.

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.



Colette Kane  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU

29 November 2022

## Annex B – Detailed observations

Thematic area	Observations
General duty to improve	<p>The Council continues to develop arrangements to secure continuous improvement and has outlined within its Performance Improvement Plan 2022-23, its plans to achieve objectives and to attain continuous improvement.</p> <p>The Council published its Performance Improvement Plan 2022-23 on 26 June 2022 after gaining approval by the Strategy, Policy and Resources Committee. Approval was subsequently given by the Audit Committee and full Council in July 2022. The Performance Improvement Plan outlines the Council's improvement framework and provides a description of the Council's arrangements to secure continuous improvement in the exercise of its functions evidenced by examples of self-imposed indicators and standards. Arrangements are constructed within the seven relevant criteria set out in legislation and the current functions prioritised and selected for improvement are aligned to its corporate plan and community plan. The objectives and associated projects are set across the whole functions of the Council.</p> <p>Throughout the year the Council has introduced a number of new arrangements, demonstrating commitment to secure continuous improvement. The Council has continued to embed the Business Planning and Performance Management Framework. The Framework features within the Corporate Plan, Performance Improvement Plan and Directorate Business Plans, as well as the guidance for Service Plans and People Perform Grow, demonstrating how employees contribute to the achievement of community planning outcomes and strategic objectives. The Business Planning and Performance Management Cycle has been updated to demonstrate the integrated timeline of activity required to strengthen the alignment across the Framework and facilitate the</p>

Thematic area	Observations
	<p>development, implementation and review of the Community Plan, Corporate Plan, Performance Improvement Plan, Directorate Business Plans, Service Plans and People Perform Grow. The monitoring, reporting and review arrangements at each level of the Framework continue to be mainstreamed and a standard, consistent approach has been developed for performance reporting, using the red/amber/green status.</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, however, is 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 and 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. This issue was raised in prior years as a proposal for improvement. The Council has developed and finalised the Outline Business Case for the electronic performance management system, which was approved by the IT Projects Group in July 2022. The Council is currently preparing the required procurement documentation and the anticipated timescale for implementing an electric system.</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 Performance Improvement Policy was adopted in November 2018 and is due to be reviewed 2022-23. The policy provides the context for mainstreaming and embedding of the Business Planning and Performance Management Framework across the organisation. It is important the policy is reviewed as planned to ensure that developments that have</p>

Thematic area	Observations
	<p>been made across the Business Planning and Performance Management Framework are fully reflected.</p> <p>The Strategy, Policy and Resources Committee meets monthly and has overall responsibility for Performance Management including monitoring and scrutiny however, whilst there was regular monitoring and discussion of Performance Improvement at committee, we note that it is not a standing item on the agenda. Council should therefore consider whether it would be beneficial to make this a permanent agenda item. The Audit Committee meets quarterly and is responsible for providing assurance that that the performance arrangements are robust and effective.</p> <p>The governance arrangements for the development, implementation and review of Directorate Business Plans have been strengthened over the past few years and included within the respective plan. All Business Plans are considered, scrutinised and approved by the respective Standing Committee.</p> <p>An Internal Audit review of performance improvement management has not been undertaken since 2018. A proposal for improvement was included in the previous years report recommending the use of Internal Audit to provide the Council with assurance on the integrity and operation of the Council's performance management framework, specifically in relation to data collation processes and data accuracy. The council are currently engaging with an external firm to agree the Terms of Reference for an audit of specific measures of success within the Corporate Plan 2021-23. This process will provide assurance that the necessary data collation processes are in place to ensure robust, reliable and accurate datasets are reported in the public domain, ahead of the development and publication of the new Corporate Plan 2023-27.</p>
Improvement objectives	The Council has demonstrated that the 2022-23 improvement objectives are legitimate, clear, robust, deliverable and demonstrable. The improvement objectives cover a wide

Thematic area	Observations
	<p>range of Council services and they relate to both improving Council functions and improving services for communities and citizens. The impact of COVID-19 has been considered and reflected in the published objectives.</p> <p>The 2022-23 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 a statutory duty to consult key stakeholders on the proposed performance improvement objectives. An eight week consultation was undertaken from 21 March – 16 May 2022 and was approved by the Strategy, Policies and Resources Committee. The consultation process included the following mechanisms:</p> <ul style="list-style-type: none"> <li>• Electronic survey, ideas board, quick poll and documentation on the Speak NMD platform, which was promoted through the Council’s website and social media channels</li> <li>• Public Notices in local newspapers</li> <li>• Engagement with the following stakeholders: <ul style="list-style-type: none"> <li>- Seven District Electoral Area Forums</li> <li>- Newry and Mourne Youth Council</li> <li>- Cedar Foundation</li> </ul> </li> </ul> <p>This process was supplemented by the feedback from the Residents Survey in 2018 and the consultation and engagement on the impact of COVID-19 in September 2020. The findings from the consultation and engagement feedback was used to inform, finalise and endorse the proposed performance improvement objectives.</p>



Thematic area	Observations
Improvement plan	<p data-bbox="562 237 1962 312">Overall, the Council had a majority agreement from consultees on proceeding with the draft improvement objectives.</p> <p data-bbox="562 317 1973 507">The Council's 2022-23 Improvement Plan was published on 26 June 2022 and complies with the Act and with DfC guidance. The document is available on the Council's website along with 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> <p data-bbox="562 552 2000 858">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, how the progress of the key actions will be measured and what the outcomes for local communities and stakeholders will be. For each objective detail is also provided on 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 data-bbox="562 903 2000 1013">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>
Arrangements to improve	<p data-bbox="562 1023 1951 1098">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 data-bbox="562 1142 1995 1289">The Council is required to establish arrangements to deliver on its improvement objectives each year. The Department for Communities' guidance states that the Council should be able to understand and demonstrate the impact of its arrangements for continuous improvement on the outcomes for citizens.</p>

Thematic area	Observations
	<p>Over the last number of years the council has made good progress with embedding performance improvement through the Council's Business Planning and Performance Management Framework. This framework forms the basis on which the arrangements to secure achievement of the objectives, statutory indicators and general duty are based. It is evident that arrangements are becoming increasingly embedded within the overall business planning and performance management cycle particularly with the introduction of Service Plans, the Corporate Performance Dashboard and continued development and roll-out of 'People Perform Grow.'</p> <p>The council has produced objective delivery plans for the 22-23 performance improvement success measures as a means to securing their achievement. These plans provide an overview of the rationale for selecting each Objective, alignment with the Corporate Plan, Community Plan and NICS Outcome Delivery Plan, 'supporting actions', 'measures of success', time-scales, links to existing plans, strategies and programmes of work, human and financial resource allocation, governance arrangements, risk management implications and arrangements to mitigate risks and alignment with the seven strategic aspects of improvement. These plans have been developed in close liaison with the Senior Management Team and Corporate Management Team, and are supplemented by a range of supporting plans and strategies which provide further information regarding the arrangements the Council has put in place to achieve each PI Objective in place for 2022-23.</p>
Collection, use and publication of performance information	<p>The Council's publication of its 2021-22 Performance Improvement Self-Assessment Report in September 2022 fulfils the Council's statutory requirement under Part 12, Section 92 of the Act.</p> <p>It presents the results of the Council's self-assessment in discharging its general duty under Part 12 of the Local Government Act (Northern Ireland) 2014 in relation to</p>

Thematic area	Observations
	<p>performance improvement arrangements. It sets out an assessment of the Council's performance against the following:</p> <ul style="list-style-type: none"> <li>• Statutory performance indicators and standards for the functions of Economic Development, Planning and Waste for 2021-22 including comparison with previous four years;</li> <li>• Performance information on self-imposed indicators and standards collected during 2021-22; and</li> <li>• Performance information on all five of the Improvement Objectives rolled over from 2020-21.</li> </ul> <p>Councils are also required to assess performance of any selected self-imposed indicators and standards, in relation to the general duty to improve. Legislation requires the Council to compare its performance for the 2021-22 year to that of previous years and as far as is practicable, report performance against other councils in the exercise of the same or similar functions. The 2021-22 self-assessment reports on a variety of self-imposed indicators. The Council has contributed to and used the APSE led National Performance Benchmarking Network. This assisted the Council in improving its ability to compare performance across a wide range of services and activities.</p> <p>The issue of benchmarking with other councils is also part of the work plan for the Performance Improvement Working Group (PIWG) and it is expected that progress on this issue will be made to allow a broader range of activities to be compared. However, we note that delays to this process were faced because of the COVID-19 pandemic and while there was an intention to take this issue forward through the PIWG, limited progress has been made on this matter.</p>

Thematic area	Observations
Demonstrating a track record of improvement	<p>The LGA has concluded that the changing landscape and refocusing of priorities has impacted on her ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. Services have been affected by the impact of COVID-19 and cost of living crisis. On the basis however that all of the performance improvement objectives for 2021-22 were carried forward to 2022-23, the Council used the self-assessment 2021-22 to establish a baseline to monitor and report progress against the majority of the 'measures of success' which underpin the performance improvement objectives 2022-23.</p> <p>The Council also disclosed its performance in relation to its statutory indicators including a comparison across three years, providing explanation and context to performance and made performance comparisons against national averages or other Council's. Whilst performance has been affected by COVID-19, the Council was able to demonstrate some improvement in relation to some statutory performance indicators and standards and performance, although Planning again fell short of the targets set. Likewise, against self-imposed indicators it has been able to show improvement with the majority of targets/objectives achieved or on track to be achieved. Three of the indicators have not been achieved, though performance has improved since the prior year, one indicator where performance was similar to prior year and one indicator where performance has declined since the prior year.</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 2021-22 and its improvement plan for 2022-23 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 2022-23 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

Councils continue to operate in a particularly challenging environment with focus on recovery from the Covid-19 pandemic, the current cost of living crisis, impacting both on performance and the way in which services are delivered. This changing landscape and refocusing of priorities has impacted my ability to rely on past trends in councils' performance to assess the likelihood of future compliance with Part 12 of the Act. In light of this, I am unable to reach an opinion on whether the Council is likely to discharge its duties under Part 12 of the Act and act in accordance with the Department for Communities' guidance sufficiently during 2022-23.

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.



Colette Kane  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU

29 November 2022

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 January 2023
<b>Subject:</b>	Mid Year Assessment - Performance Improvement Plan 2022-23
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne – Assistant Director: Finance and Performance
<b>Contact Officer (Including Job Title):</b>	Catherine Hughes – Acting 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	<p>Through the Performance Improvement Plan 2022-23 and Business Planning and Performance Management Framework, the Council makes a commitment to monitor, review and report 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 2022. Where possible, performance has been tracked against the targets set within the Performance Improvement Plan 2022-23. The report was considered and approved by the Strategy, Policy and Resources Committee in November 2022.</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 2022-23 are on track to be achieved. However, progress against the following has been limited:</p> <ul style="list-style-type: none"> <li>• There was a decrease in the number of fixed penalty notices issued and paid, but annual targets are likely to be achieved.</li> <li>• There was a slight reduction in the percentage of successful applications to the Financial Assistance Scheme and the 2022-23 target was narrowly missed. The statutory standards for processing local and major planning applications and enforcement cases were not achieved, and performance has decreased.</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, validated and reported through the annual Assessment of Performance which will be published by 30 September 2023.</p>		
<b>3.0</b>	<b>Recommendations</b>		
3.1	<p>To note the:</p> <ul style="list-style-type: none"> <li>• Mid Year Assessment of the Performance Improvement Plan 2022-23</li> </ul>		
<b>4.0</b>	<b>Resource implications</b>		
4.1	<p>There are no financial resource implications within this report.</p>		



5.0	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>
5.1	<p><b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><b><i>Proposal initiating consultation</i></b></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	<b>Due regard to Rural Needs (please tick all that apply)</b>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input checked="" type="checkbox"/></p>
7.0	<b>Appendices</b>
	<ul style="list-style-type: none"> <li><b>Appendix 1 – Mid Year Assessment - Performance Improvement Plan 2022-23</b></li> </ul>
8.0	<b>Background Documents</b>
	Performance Improvement Plan 2022-23



# Performance Improvement Plan 2022-23

## Mid Year Assessment



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

**Newry, Mourne  
and Down**  
District Council

## Contents

	Page
Introduction	3
Progress at a Glance	4
<b>Performance Improvement Objective 1</b> We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces	5
<b>Performance Improvement Objective 2</b> We will grow the economy by supporting local businesses and creating new jobs	7
<b>Performance Improvement Objective 3</b> We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents	9
<b>Performance Improvement Objective 4</b> We will build the capacity of local communities through the Financial Assistance Scheme	11
<b>Performance Improvement Objective 5</b> We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme	12







## Introduction

This report provides an overview of the Council's progress in implementing the performance improvement objectives between April-September 2022. Where possible, performance has been tracked against the targets set within the Performance Improvement Plan 2022-23.

### Performance Improvement Objectives 2022-23

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

### Legend

Status		Legend	
	Target or objective achieved / on track to be achieved		Performance has improved since Q1/Q2 2021-22
	Target or objective partially achieved / likely to be achieved / subject to delay		Performance is similar to Q1/Q2 2021-22
	Target or objective not achieved / unlikely to be achieved		Performance has declined since Q1/Q2 2021-22

It should be noted that:

- For the statutory performance indicators for economic development, planning and waste management, performance has been compared to the same period in 2021-22.
- The information contained within this report may be subject to change when the results are verified, validated and reported through the annual Assessment of Performance which will be published by 30 September 2023.

## Progress at a glance

Performance Improvement Objective	Progress	Status Trend
We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces	160,234 visits recorded at Warrenpoint Municipal Park	
	109,433 visits recorded at 10 community trails	
	Green flag accreditation for 5 parks, including Slieve Gullion Forest Park and Delamont Country Park	
	Blue flag accreditation for Cranfield, Murlough and Tyrella beaches	
	Four play park projects have been completed with a further three projects progressed.	
We will grow the economy by supporting local businesses and creating new jobs	92 new jobs promoted through business start activity	
	10 new social enterprises supported and 4 new social enterprise jobs created	
	247 businesses supported and 467.5 mentoring days delivered through 'NMD Growth', 'Digital Growth', 'Tender for Growth' and 'Sales Accelerator'	
	9.5 new jobs and 2 new businesses created through SEAFLAG 2	
We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents	62 fixed penalty notices issued and 48 paid	
	Assistance provided towards 31 community clean ups	
	£13k awarded towards 10 environmental projects through the NI 'Live Here Love Here' scheme	
	Increase in the rate of recycling	
	Decrease in the amount of waste sent to landfill	
We will build the capacity of local communities through the Financial Assistance Scheme	Over £1m awarded towards 304 successful applications through the Financial Assistance Scheme	
	£214k awarded towards Sport and Community Facilities Capital projects	
	£121k awarded towards 9 Tourism and Arts Events and a further £114K towards 13 Arts & Culture Projects across the District.	
	5 capacity building sessions delivered to community groups that have been awarded funding	
	4,993 participants have taken part in completed projects funded through the Financial Assistance Scheme	
We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme	The average processing time for local planning applications increased to 17.6 weeks	
	The average processing time for major planning applications increased to 303.8 weeks	
	50.0% of enforcement cases processed within 39 weeks	
	Increase in the number of planning applications in the system for 12 months or more	
	Slight decrease in the number of enforcement cases in the system for 12 months or more	

## Performance Improvement Objective 1







**We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces**

Senior Responsible Officer: Director of Enterprise, Regeneration and Tourism

### Progress:

- The Council continues to work towards UNESCO Global Geopark designation for Mourne, Gullion, Strangford with a Master plan and Business and Improvement plan being delivered.
- The Council is progressing the development of the concept, design, outline business case and completion of PAD for the Narnia Experience at Kilbroney Park, Rostrevor.
- Progress is underway to attain planning for new visitor facilities at Tyrella beach.
- The outdoor performance and interpretive space at Slieve Gullion Forest Park is now complete.
- The draft proposals for the viewpoint upgrade, walking trails and visitor information centre at Delamont Country Park have been finalised. A Planning application has been submitted for trail development and enhancement at Delamont Country Park and a procurement exercise to appoint a suitable company to carry out design, supply and installation of all signage, interpretation and furniture/seating is progressing.
- The Council, working with ORNI(Outdoor Recreation NI), erected signage on responsible use of outdoor space across the District’s parks and beaches.
- There are 2 community trails being developed this year with a further 4 trails progressed to shovel ready. ORNI are also carrying out feasibility studies for the development of a further three trails.
- A diverse range of activities have been delivered at Warrenpoint Park, including a celebration event of community, gardening and food to mark the completion of the parks heritage fund project. In late August an interactive trail was installed with an accompanying website which allows you to scan QR codes at each activity point to discover further details about Warrenpoint Municipal Park. Wake the Giant in the Park and the Loughside Festival were also hosted in Warrenpoint Park.

Measure of Success	2022-23		Status	Explanatory note
	Target	Q1/Q2 Actual		
Number of recorded visits at:				
Kilbroney Park*	No target	Data not available	-	The number of visits recorded at Kilbroney Park will be reported through the Assessment of Performance 2022-23.
Slieve Gullion Forest Park*	No target	Data not available		The number of visits recorded at Slieve Gullion Forest Park will be reported through the Assessment of Performance 2022-23.
Carlingford Lough Greenway	No target	Data not available	-	The number of visits recorded at the Carlingford Lough Greenway will be reported through the

				Assessment of Performance 2022-23.
Delamont Country Park	No target	Data not available		The number of visits recorded at Delamont Country Park will be reported through the Assessment of Performance 2022-23.
Warrenpoint Municipal Park	No target	160,234		160,234 visits were recorded at Warrenpoint Municipal Park between April and September 2022. This is an increase of 14.6% when compared to the 139,845 visits recorded for the same period last year.
Community trails	120,000	109,433 visits		109,433 visits were recorded at 10 community trails. Drumkeeragh Forest recorded the most visits (17,165) between Q1/2 2022-23
Number of parks with green flag accreditation	5	5		The Council was awarded green flag accreditation for five parks, including Kilbroney Park, Slieve Gullion Forest Park and Delamont Country Park and green flag heritage accreditation for Warrenpoint Municipal Park and Newry Canal.
Number of parks with green flag heritage accreditation	3	2		
Number of beaches with blue flag accreditation	3	3		The Council was awarded blue flag accreditation for Cranfield, Murlough and Tyrella beaches in Q1 2022-23.
Number of new/upgraded play parks	7	4		The Council has completed 4 play park projects in 2022-23 with three projects progressed. Equipment has been procured for the two new play parks at Darraghs Cross and Teconnaught. Kittys Road play park is currently being upgraded with work already started on site.

\*New counter systems have been installed across selected Council parks and work is underway to verify the quality of the data for accuracy. It should be noted that the baseline data records the number of vehicles entering the parks which is multiplied by 4 to calculate the number of individual visits.



## Performance Improvement Objective 2









### We will grow the economy by supporting local businesses and creating new jobs






Senior Responsible Officer: Director of Enterprise, Regeneration and Tourism

#### Progress:

During Q1 and Q2 2022-23, the Council:

- Awarded a new contract to deliver the multi-media 'Make it Local' marketing campaign to stimulate footfall and support local businesses across the District. It will be launched in Q3 2022-23 and will feature interested local businesses.
- Administered the DAERA Micro Business Development Grant in May 2022 which saw 58 Letters of Offer accepted to the value of £199,803.14.
- Supported 154 entrepreneurs with an approved Business Plan, creating 92 new businesses and promoting 92 new jobs.
- Supported 247 local businesses and delivered 467.5 mentoring days, 25 workshops, 2 thematic programmes, 1 Master Class, 1 Trade Visit and 1 'Meet the Buyer' event through the 'NMD Growth', 'Digital Growth', 'Tender for Growth' and 'Sales Accelerator' programmes.

Measure of success	2022-23		Status	Explanatory note
	Target	Q1/Q2 Actual		
Number of business plans approved through NI 'Go For It'*	312	154		154 Business Plans approved, achieving 49.4% of the annual target.
Number of new business starts created through NI 'Go For It'	187	92		92 new businesses created, achieving 49.2% of the annual target.
Number of new jobs promoted through NI 'Go For It' (statutory performance indicator)	>155 173 (updated standard)	92	 	92 new jobs promoted, achieving 59.4% of the statutory annual target. When compared to Q1/Q2 2021-22, this is below the 114 jobs which were promoted through the NI 'Go For It' programme.
Number of social enterprise start-ups supported	12	10		10 new social enterprise start-ups engaged, achieving 83% of the annual target.
Number of social enterprise jobs created	12	4		4 new social enterprise jobs created, achieving a third of the annual target.
Number of businesses supported through 'NMD Growth'	105	104		104 businesses supported, achieving 99% of the annual target.
Number of jobs created through 'NMD Growth'	50		-	The number of jobs created will be monitored in Q4 and reported through the Assessment of Performance 2022-23.
Number of businesses	77	42		42 businesses supported, achieving 54.5% of the annual target.

supported through 'Digital Growth'				
Number of jobs created through 'Digital Growth'	135		-	The number of jobs created will be monitored in Q4 and reported through the Assessment of Performance 2022-23.
Number of businesses supported through 'Tender for Growth'	57	43		43 businesses supported, achieving 75.4% of annual target.
Number of jobs created through 'Tender for Growth'	99.5		-	The number of jobs created will be monitored in Q4 and reported through the Assessment of Performance 2022-23.
Number of businesses supported through 'Sales Accelerator'	34	58		58 businesses supported in wave 2 and 3 of the programme, achieving well over 100% of the annual target. This programme was launched during Q1 2021-22, with good levels of uptake which have continued into Q1 and Q2 2022-23.
Number of jobs created through 'Sales Accelerator'	120		-	The number of jobs created will be monitored in Q4 and reported through the Assessment of Performance 2022-23.
Number of businesses supported through 'Digital Surge'	15	15		The Council has supported 15 businesses through the Digital Surge Programme, which accounts for 100% of its annual target.
Number of new jobs created in coastal areas (SEAFLAG 2)	Mar 2023: 5.5	<b>To date</b>		To date, 9.5 new jobs have been created through the SEAFLAG programme, exceeding the 2023 target of 5.5 new jobs.
		9.5		It should be noted that project targets/objectives are individual to each project. The COVID 19 Pandemic delayed the commencement and completion of some projects which in turn had a knock on effect on the creation of new jobs and businesses. Progress against the targets set will continue to be monitored by SEA FLAG until 31 March 2023. Targets scheduled to be met after 31 March 2023 will be monitored by Department of Agriculture, Environment and Rural Affairs (DAERA).
Number of new businesses created in coastal areas (SEAFLAG 2)	Mar 2023: 2	2		A total of two new businesses have been created in Ardglass and Kilkeel and the 2023 target has been achieved.

## Performance Improvement Objective 3

**We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents**






Senior Responsible Officer: Director of Sustainable Environment

### Progress:

During Q1 and Q2 2022-23, the Council:

- Received 405 service requests for incidents of illicit dumping (264), littering (45) and dog fouling (96).
- Issued 58 littering and fly tipping fixed penalty notices (45 of which have been paid) and 4 dog fouling fixed penalty notices (3 of which have been paid). Overall, 77.4% of fixed penalty notices have been paid to date.
- Assisted 31 voluntary organisations, community groups, sports associations, schools and individuals with community clean ups across the District. This included eight beach cleans at a range of locations.
- Supported the NI 'Live Here Love Here' scheme, through which £13,000 was awarded towards 10 environmental projects covering themes such as community clean ups, community food growing initiatives and skill sharing in horticulture and community growing.
- Recorded an increase in the rate of recycling and a decrease in the amount of biodegradable waste sent to landfill and municipal waste arisings. All current statutory standards have been achieved.

Measure of success	2022-23		Status	Explanatory note
	Target	Q1/Q2 Actual		
LEAMS score (Keep NI Beautiful Cleanliness Index)	65	-	-	The annual Cleaner Neighbourhoods Survey results for the 2022-23 financial year will be published by Keep Northern Ireland Beautiful in July 2023 and the LEAMS score for Newry, Mourne and Down will be reported through the annual Assessment of Performance 2022-23.
Number of fixed penalty notices issued (littering, fly tipping and dog fouling)	150	62	☹️	The Council issued 62 fixed penalty notices, achieving 41.3% of the annual target. To date, 48 of the fixed penalty notices have been paid which represents 38.4% of the annual target. FPN's not paid will be referred for legal action with a higher penalty likely to apply.
Number of fixed penalty notices paid (littering, fly tipping and dog fouling)	125	48	☹️	
Number of community clean ups supported	100	31	☹️	The Council assisted with 31 community clean ups between April and September 2022.
Number of 'Live Here Love Here' environmental projects	No target	10	😊	A total of 10 environmental projects across Newry, Mourne and Down received funding through the NI

				'Live Here Love Here' small grants scheme.
The percentage of household waste collected by District Councils that is sent for recycling <i>(statutory performance indicator)</i>	50% by 2020 (65% by 2030)	<b>Q1 Actual</b>		In 2021-22 the Council did not achieve the 2020 recycling target of 50%, falling slightly below this at 49.1%. For Q1 2022-23 however, the 2020 target has been exceeded with the rate of recycling recorded as 51.8%. This falls below the regional average of 53.8% and the Council is currently ranked 8/11 across Northern Ireland. When compared to Q1 2021-22, this represents an increase of 1.4% in the rate of recycling, from 50.4% to 51.8%, which is just below the regional rate of increase of 1.7% when comparing the same quarters.
		51.8%	 	
The amount of biodegradable Local Authority Collected Municipal Waste that is landfilled <i>(statutory performance indicator)</i>	<20,954 tonnes (2019-20)	564 tonnes	 	During Q1 2022-23, the Council sent 564 tonnes of biodegradable municipal waste to landfill which was the second lowest across Northern Ireland and has only used 2.7% of the NILAS* allowance. When compared to Q1 2021-22, the amount of waste that was sent to landfill decreased by 14.3%, from 658 tonnes.
The amount of Local Authority Collected Municipal Waste arisings <i>(statutory performance indicator)</i>	No target	22,351 tonnes		When compared to Q1 2021-22, the amount of local authority collected municipal waste arisings decreased by 7.1%, from 24,059 tonnes to 22,351 tonnes. This decrease is similar to the regional trend and may be attributed to householders returning to the workplace post pandemic, thus generating less waste at home.

\*NILAS: Northern Ireland Landfill Allowance Scheme.

## Performance Improvement Objective 4





### We will build the capacity of local communities through the Financial Assistance Scheme

Senior Responsible Officer: Director of Active and Healthy Communities

#### Progress:

During Q1 and Q2 2022-23:

- The Council awarded £1,013,210 towards 304 applications across 18 themes, including Community Engagement, Summer Schemes, Irish Language and Local Biodiversity.
- The most popular themes were Community Engagement, Good Relations and PCSP Community Safety and Support, through which £181,598 was awarded towards 112 successful applications.
- The highest amount of funding was awarded to Sports Facility Capital projects (£214,143 awarded to 4 applications) followed by Tourism and Arts Events (£121,424 awarded to 9 projects) and Arts and Culture projects (£114,325 towards 13 projects)
- The Council awarded £12,760 towards 13 Suicide Prevention and Emotional Wellbeing projects.
- Through existing Service Level Agreements, the Council awarded a total of £604,761.62 to the Newry Gateway Club, Newry Mourne and Down Community Advice, County Down Rural Community Network and Confederation of Community Groups.

Measure of Success	2022-23		Status	Explanatory note
	Target	Q1/Q2 Actual		
% of successful financial assistance applications*	70%	67.8%		Between April and September 2022, the Council received 485 applications to the first two calls of the 2022-23 Financial Assistance Scheme. 329 (67.8%) applications were successful with 78 failing stage 1 and 78 failing stage 2 of the process. 92% of successful applications were awarded funding with the Council using the score and rank process across five of the themes.
% of financial assistance applications funded*	No target	62.7%	-	
Number of capacity building sessions delivered	7	5		The Council delivered five capacity building sessions focusing primarily on procurement training and making a claim.
Number of participants at training sessions	300	91		A total of 91 people attended the sessions which were targeted specifically at community groups who had been awarded funding..
Number of participants/beneficiaries of the Financial Assistance Scheme	C50,000	4,993		To date, the Council has recorded 4,993 participants on those projects which have already been delivered and completed. The total number of participants benefitting from the Financial Assistance Scheme is likely to increase substantially when the final claim and evaluations forms are submitted by successful applicants.

## Performance Improvement Objective 5





### We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme



Senior Responsible Officer: Director of Enterprise, Regeneration and Tourism

#### Progress:

During Q1 2022-23, the Council:

- Received 388 planning applications in total which is the highest across Northern Ireland.
- The Council decided on 424 applications in Q1 2022-23, which is the highest across Northern Ireland. 396 local planning applications were approved, resulting in an approval rate of 93.4%, which is below the Northern Ireland average of 95.1%.
- Processed 37.8% of local planning applications within the statutory standard of <15 weeks, which is below the regional average of 45.9%. This represents a decrease of 4.8% when compared to the 42.6% of applications processed within <15 weeks during Q1 2021-22.
- Received 2 major planning applications, decided on 1 application and approved 1 application. Similar to Q1 2021-22, no major planning applications were processed within the statutory standard of <30 weeks which is below the current regional average of 23.3%.
- Opened 98 enforcement cases which is the third highest across NI and concluded 116 cases in total during Q1 2022-23. As at 30 June 2022, the Council had 700 planning enforcement cases in the system, which is by far, the highest across Northern Ireland.

Measure of Success	2022-23		Status	Explanatory note
	Target	Q1 Actual		
Average processing time for local planning applications (weeks) <i>(statutory performance indicator)</i>	<15 weeks	17.6 weeks		During Q1 2022-23, the average processing time for local planning applications was 17.6 weeks which is above the regional average of 16.6 weeks. When compared to Q1 2021-22, this represents an increase of 0.8 weeks for Newry, Mourne and Down.
Average processing time of major planning applications (weeks) <i>(statutory performance indicator)</i>	<30 weeks	303.8 weeks		During Q1 2022-23, the average processing time for major planning applications was 303.8 weeks which is significantly above the regional average of 51.3 weeks. When compared to Q1 2021-22, this represents an increase of 261.2 weeks for Newry, Mourne and Down.
Percentage of planning enforcement cases progressed within 39 weeks <i>(statutory performance indicator)</i>	70%	50.0%		During Q1 2022-23, 50% of planning enforcement cases were concluded within 39 weeks, which is well below the regional average of 70.3%. When compared to Q1 2021-22, this represents a decrease of 4.4% for Newry, Mourne and Down.
Number of planning applications in the	150	221		As at 30 June 2022, Newry, Mourne and Down had 221 planning applications in the system for 12 months or more. This

system for 12 months or more				represents an increase of 34 applications when compared to 31 March 2022 and a further reduction of 71 applications is required to achieve the annual target.
Number of planning applications in the system for 12 months or less	700	775		As at 30 June 2022, Newry, Mourne and Down had 775 planning applications in the system for 12 months or less. This represents a decrease of 96 applications when compared to 31 March 2022 and a further reduction of 75 applications is required to achieve the annual target.
Number of enforcement cases in the system 12 months or more	450	469		As at 30 June 2022, Newry, Mourne and Down had 469 enforcement cases in the system for 12 months or more. This represents a decrease of 3 cases when compared to 31 March 2022 and a further reduction of 19 cases is required to achieve the annual target.

**Stuart Stevenson**  
**Treasury Officer of Accounts**

Public Spending Directorate  
2<sup>nd</sup> Floor  
Clare House  
303 Airport Road  
BELFAST BT3 9ED  
Tel No: 028 90816795 (x 76795)  
email: [Stuart.Stevenson@finance-ni.gov.uk](mailto:Stuart.Stevenson@finance-ni.gov.uk)  
and [Joan.Braniff@finance-ni.gov.uk](mailto:Joan.Braniff@finance-ni.gov.uk)



---

**DAO (DoF) 06/22**  
**30 September 2022**

Dear Accounting Officer

## **DIRECT AWARD CONTRACTS**

### ***Purpose***

1. This DAO letter provides guidance on what constitutes a Direct Award Contract (DAC), what needs to be considered before one is awarded, and the potential consequences of doing so. It also sets out the process for approving DACs, including approval levels, and details the role of Centres of Procurement Expertise (CoPEs).

### ***Background***

2. Managing Public Money (Northern Ireland) sets out the main principles for dealing with resources used by public sector organisations in Northern Ireland and the responsibilities of Accounting Officers<sup>1</sup> in relation to procurement. It typically requires public sector organisations to acquire goods, services and works through fair and open competition unless there are convincing reasons to the contrary.

---

<sup>1</sup> Where the guidance refers to Accounting Officer approval this generally is taken to mean the Accounting Officer of the relevant organisation. If however the amount is outside the delegated limits set for an ALB, then the approval of the relevant departmental Accounting Officer is required



3. Competition promotes economy, efficiency and effectiveness in public expenditure and also contributes to the competitiveness of suppliers. In addition, procurement must be carried out in compliance with the relevant Public Procurement Regulations<sup>2</sup>.

### ***What is a DAC?***

4. A DAC is a public contract awarded without a competition (see paragraphs 10 - 19 for what is not considered to be a DAC).
5. A DAC can be valued above or below the relevant UK Procurement Threshold.
6. Contracts that are modified maybe classified as DACs. However, the Procurement Regulations allow contract modifications in certain circumstances, (these are explained in paragraphs 16 – 18).
7. The rules relating to DACs above the UK Procurement Threshold are set out in the Public Procurement Regulations. The Regulations and Northern Ireland Public Procurement Policy (NIPPP) permit DACs to be awarded in certain circumstances which are explained below.
8. NIPPP permits Departments to award DACs below the UK Procurement Threshold where there are convincing reasons. Generally these reasons will be similar to those set out in Regulation 32 of the Public Contracts Regulations 2015<sup>3</sup>, however, there may be other reasons connected with the overriding public interest to award a contract without a competition.
9. DACs involve risk for Departments, whether as regards compliance with legislation or in ensuring value for money. While ultimately only the intervention of a court can conclusively determine interpretation of the Regulations, Departments should seek advice from CoPEs and, where necessary, legal

---

<sup>2</sup> Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 (as amended or replaced)

<sup>3</sup> Regulation 50 of the Utilities Contracts Regulations 2016

advice, to assist them in balancing risks, considering any other legal duties and obligations that need to be taken into account, and taking properly informed decisions.

### ***What is not a DAC?***

10. The situations described in paragraphs 11 – 19 below are not classified as DACs and Accounting Officer approval is not required.

### ***Exclusions from the Regulations***

11. Regulations 7 to 12 of the Public Contracts Regulations 2015<sup>4</sup> list exclusions from the Regulations. These are not regarded as DACs under legislation or policy as the procurement rules do not apply. Since they are excluded from the Regulations, they do not require Accounting Officer approval. They include, for example:

- the acquisition or rental, by whatever financial means, of land or existing buildings;
- certain legal services (for example, legal representation or advice by a lawyer in judicial proceedings before the courts or in situations where there is a high probability that judicial proceedings will result);
- certain financial services (for example, those in connection with the issue, sale, purchase or transfer of securities);
- loans;
- employment contracts;
- civil defence and danger prevention services that are provided by non-profit organisations covered by certain Common Procurement Vocabulary codes, with the exception of patient transport ambulance services;

---

<sup>4</sup> Regulations 18-24 of the Utilities Contracts Regulations 2016.

- using public transport services by rail or metro; and
  - public contracts between public sector entities that satisfy a range of conditions.
12. The Regulations do not apply to defence and security contracts that:
- fall under the scope of the Defence and Security Regulations or to which those regulations do not apply (by virtue of Regulations 7 or 9 of those regulations);
  - are not otherwise exempted as above;
  - to the extent that the protection of the essential security of the UK cannot be guaranteed by less intrusive measures; or where application of the Regulations would oblige the UK to supply information, the disclosure of which it considers contrary to the essential interests of its security; and
  - are classified as secret or must be accompanied by special security measures in accordance with the laws, Regulations or administrative provisions in force in any part of the UK, and the UK has determined that the essential interests concerned cannot be guaranteed by less intrusive measures.
13. The contracts above are also excluded from compliance with NIPPP, however, Accounting Officers should be satisfied that governance arrangements are in place to ensure value for money is obtained and potential conflicts of interest are managed appropriately.

#### *General transactions*

14. There is a range of general transactions that, although a form of contractual arrangement may be entered into, do not require Accounting Officer approval or CoPE advice in order to be agreed without a competition. The transactions include:
- subscriptions to professional journals (for example, RICS, CIPFA, BRE, DQI);

- participation in trade events or similar activity;
- payment of professional membership fees;
- corporate memberships (for example, CBI, Business in the Community);
- attendance at training courses<sup>5</sup> and conferences;
- procurements below £5,000, (£10,000 for Health), exclusive of VAT, that cannot be obtained from existing frameworks or call-off arrangements, or where in the event of an emergency, price checks cannot be obtained with the exception of external consultancy contracts which require Accounting Officer (usually Permanent Secretary) approval irrespective of value; and
- situations where all operators fulfilling certain conditions are entitled to perform a given task, without any selectivity, such as customer choice and service voucher systems. These are not procurements but simple authorisation schemes.

*Charges in connection with statutory approvals and connections to utilities*

15. There are circumstances when it will not be possible to obtain quotes or advertise for tenders. These circumstances relate to charges in connection with applications for statutory approvals and/or connection to utilities infrastructure where exclusive rights are held. Such arrangements are not procurements and, therefore, are not subject to procurement rules. The circumstances include<sup>6</sup>:

- aviation landing fees;
- planning application fees;
- building control application fees;
- consent to discharge effluent fees; and
- charges for connection to electricity, gas, and water networks.

---

<sup>5</sup> This refers to attendance at training courses that are open for anyone to attend; for example, a Department wishing to send some staff on an advertised course on Risk Management. Commissioning a supplier to provide a series of tailored training courses for staff will, if not let competitively, be classified as a DAC.

<sup>6</sup> The list provided is not exhaustive.

*Modification of contracts during their term*

16. Departments can be faced with external circumstances that they could not foresee when they award contracts. Regulation 72 of the Public Contracts Regulations 2015<sup>7</sup> explains the circumstances where, and extent to which, a contract can be modified without the need for a new procurement procedure and provide flexibility for procurement professionals to follow best commercial practice and negotiate with an existing supplier. Negotiation provides the opportunity to challenge the supplier to provide improved value for money, to explore the potential for innovative solutions that will improve the delivery of public services and to review the efficiency of existing processes with a view to reducing costs to the Department.
17. Advice and assistance should be sought from a CoPE before modifying a contract or negotiating the price or terms with the supplier. A CoPE will ensure that the proposed modification is within the scope of the relevant regulations.
18. While contracts modified without a new competition using the provisions of Regulation 72 of the Public Contracts Regulations (or equivalent for Utilities Contracts Regulations 2016) are not considered to be DACs, modifications which extend contracts beyond the term set out in the procurement documents should be an exception and closely monitored by Departments. A contracts register (which Accounting Officers must maintain in accordance with DAO (DoF) 05/21 (7 September 2021) – Contracts Register), will help identify contracts which are reaching their expiry date.

*Where no suitable tenders have been received*

19. It is possible to negotiate with a single supplier where no suitable tenders are received as a result of a competitive tender exercise.
20. If no suitable tenders have been received it is worth investigating the reason why. This could highlight a problem with the scope of requirements or Conditions of Contract in the original tender documents. The Department may

---

<sup>7</sup> Regulation 88 of the Utilities Contracts Regulations 2016

then be in a position to re scope the requirement and seek tenders again. If this is not possible, the negotiated procedure without prior publication (Regulation 32 of the Public Contracts Regulations 2015 or its equivalent in the Utilities Contracts Regulations 2016)) can be used where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered.

### ***Accounting Officer approval***

21. All DACs require Accounting Officer approval or approval of the person delegated by the Accounting Officer.

#### *Delegation of Accounting Officer approval*

22. While all DACs should be scrutinised within a Department, Accounting Officers may wish to delegate authority to approve DACs which are deemed to be lower risk. For example, approval may be delegated for DACs below the UK Threshold where Public Procurement Regulations would not apply. Delegation of Accounting Officer approval should be carried out in accordance with Managing Public Money (Northern Ireland). For audit purposes a documented process should be in place outlining the delegated limits and individuals with authority to approve DACs.
23. In circumstances where the value of the DAC has been estimated but subsequently materially increases, appropriate additional approvals should be sought.

#### *External consultancy*

24. The prior approval of the Accounting Officer (usually the Permanent Secretary) is required in every case when it is intended to award a contract for external consultants without competition.

## ***Process for dealing with DACs***

### *Business Case*

25. Procurements, including those procured via a DAC, require a proportionate business case with appropriate approval. NIPPP requires social, environmental and economic considerations to be included in public contracts. This should be considered in the business case.

### *CoPE advice*

26. Departments that intend to award a DAC should seek advice from their CoPE on the risks, potential to achieve value for money, and appropriate Conditions of Contract. If necessary, they should also seek legal advice.
27. CoPE advice on DACs needs to be proportionate to the value of the transaction and, in the case of a new supplies and non-construction services contract where the estimated contract value is below £30,000 (£50,000 for Utilities), exclusive of VAT, the advice should be limited to benchmarking of costs and/or value for money where possible.
28. A CoPE can provide general advice on such matters as required by Departments.
29. In the case of DACs above the threshold, Departments should seek advice from the Head of Procurement in a CoPE (or advice from a person delegated by the Head of Procurement) and legal advice, where appropriate.

### *Negotiation*

30. Negotiation and benchmarking, where possible, should take place with the supplier to ensure value for money.

### *Publication*

31. If the value of the DAC is above the relevant UK Procurement Threshold a Contract Award Notice (CAN) must be published. Consideration should also be given to publishing a Voluntary ex ante Transparency (VEAT) Notice prior to award (see paragraph 37 for more details).

32. Departments should ensure that all DACs with an award value above £30,000 (£50,000 for Utilities), exclusive of VAT, are published monthly by the relevant CoPE on its website, unless there are exceptional reasons for not doing so.

#### *Recording*

33. For audit purposes, a written record should be kept by Departments setting out the reasons and justification for all DACs. This may also be needed in the event of a legal challenge. For DACs above the UK Threshold, this should include the circumstances in Regulation 32<sup>8</sup> that justify such an award.
34. Accounting Officers must ensure that DACs are reported to the Departmental Board and the Departmental Audit and Risk Assurance Committees. Arm's Length Bodies should ensure arrangements are put in place to forward details of all DACs to Departments.

#### ***Consequences of Non-compliance with the Regulations***

35. A breach of the UK Regulations is actionable by suppliers/aggrieved parties through proceedings in the High Court. The Court has a range of review procedures and remedies available for breaches of the public procurement rules.
36. One of the remedies is a Declaration of Ineffectiveness. Ineffectiveness is a very stringent and punitive remedy, and one that is reserved by a court for serious breaches of the Regulations. It leads to contract cancellation, plus a financial penalty, and compensation may also be awarded by the Court. A breach of the requirement to publish a contract notice in the UK e-notification service Find a Tender (FTS), (that is to advertise), where prior publication was required under the procurement rules, is one of the grounds for a Declaration of Ineffectiveness.

---

<sup>8</sup> Utilities should include the circumstances under Regulation 50 of the UCR 2016.



37. Where it is intended to award a contract for which there has been no prior publication of a contract notice, a VEAT Notice may be placed in FTS. A VEAT Notice is a protective mechanism that can be used where a Department has awarded a contract without prior advertisement, where it is considered that the Regulations permitted this. Its purpose is to allow interested suppliers a short period within which to challenge the award decision. CoPE advice should be sought.

### **Action**

38. This DAO should be brought to the attention of all relevant staff within your Department and Arm's Length Bodies.

### **Queries**

39. Any queries regarding this letter/guidance should be addressed to:  
[procure.policy@finance-ni.gov.uk](mailto:procure.policy@finance-ni.gov.uk).

Yours sincerely



**STUART STEVENSON**

**Copy Distribution List**  
**CPD SMT**  
**Joanne McBurney**  
**Finance Directors**  
**PSD Grade 5s**  
**Julie Sewell**

**Stuart Stevenson**  
**Treasury Officer of Accounts**

Public Spending Directorate  
2<sup>nd</sup> Floor  
Clare House  
303 Airport Road  
BELFAST BT3 9ED  
Tel No: 028 90816795 (x76795)  
email: [Stuart.Stevenson@finance-ni.gov.uk](mailto:Stuart.Stevenson@finance-ni.gov.uk)  
and [Joan.Braniff@finance-ni.gov.uk](mailto:Joan.Braniff@finance-ni.gov.uk)



**DAO (DoF) 05/22**

**30 September 2022**

Dear Accounting Officer

## **GRANT OR PROCUREMENT**

### ***Purpose***

1. This DAO letter provides guidance to NI Departments on what is classified as the procurement of supplies, services and works and what constitutes grant funding.

### ***Background***

2. Departments often use grant and procurement to establish arrangements for the delivery of public services to achieve objectives that are in the public interest.
3. There can be confusion between what is classified as the procurement of supplies, services and works and what constitutes grant funding. When carrying out procurements, Departments must comply with the legal and policy regime of public procurement i.e. Northern Ireland Public Procurement Policy (NIPPP) and the Public Procurement Regulations<sup>1</sup> (if applicable). Grant funding, whereas, is an accounting issue.

<sup>1</sup> Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 (as amended or replaced)

## **Definitions**

### *Grant*

4. A grant is a sum of money given to an organisation, for a general or specific purpose which is in broad alignment with the funding department's objectives.
5. Construction and Procurement Delivery (CPD) undertook an analysis of Departments' high level grant expenditure and from this information the following five main categories of classification for grants were identified:
  - Grants from Government Departments to bodies that are governed by public law and financed wholly or mainly from public funds (which includes Arm's Length Bodies (ALBs));
  - Grants from Government Departments to other public bodies which are in the main for running costs (which have a procurement element) or specific capital improvement/investment;
  - Grants from Government Departments to public bodies which are passed on to groups/organisations to cover expenses or provide substantial facilities/buildings for use by the public;
  - Grants from Government Departments (or intermediary funding bodies) to private sector bodies which in the main are for works purposes or large scale procurement projects; and
  - Grants from Government Departments or intermediary funding bodies to bodies within the Voluntary and Community Sector which in the main are for the running costs of those bodies or to allow those bodies to provide facilities in the community.

### *Procurement*

6. Procurement is the acquisition of goods, services or works from third party suppliers under legally binding contractual terms. Such acquisitions are for the direct benefit of the Contracting Authority, necessary for the delivery of the services it provides or the running of its own business.

7. Contracting Authorities include Government Departments, Local Authorities and bodies governed by public law, that do not have an industrial or commercial character and are financed wholly or mainly (more than 50%) by another Contracting Authority – such as Non-Departmental Public Bodies. Contracting Authorities are subject to compliance with the Public Procurement Regulations where the procurement of any goods, works or service exceeds the Procurement Thresholds.

### ***Characteristics of Grant and Public Contract***

#### *Characteristics of grant*

8. If payments are treated as grants, procurement rules do not apply and Departments have more flexibility as to how they select grant recipients.
9. Typically, a grant situation arises where a Department believes that certain tasks done by others are valuable, and the Department will support this activity by making a contribution to the cost, but where the nature of the legal relationship created is to spend the money in accordance with the grant or return it, rather than to carry out specific tasks.
10. Grant funded bodies are responsible for ensuring they meet the eligibility criteria for the grant and that funds received from grant paying bodies have been used appropriately, in accordance with the terms and condition of the grant.
11. A financial arrangement is likely to be a grant where the terms describe broad outcomes or the types of activity the funding is intended to cover, while leaving choice for the recipient organisation to design the service delivery. The more prescriptive the terms of a grant are regarding the services, volumes and timescales to be delivered, the more likely a financial arrangement is to be classified as procurement.
12. Where a Department believes that certain tasks done by others are valuable and will support this activity by making a contribution to the cost, but where it

does not require the work to be done, the process of offering the grant does not attract the application of the public procurement rules.

13. Any grant giving, especially where there are obligations to be met, needs to be carefully considered by reference to its features to determine whether the offering attracts the application of the public procurement rules.
14. If a Department wishes to pay a grant in connection with the provision of services, then the critical question of deciding whether the procurement rules apply to that arrangement is whether the recipient undertakes a **contractual obligation** to provide the services in question. If it does, that is a public services contract and therefore subject to the Public Procurement Regulations and NIPPP, regardless of whether the label "grant" is attached to it or not.
15. In awarding grants it will be for Departments to determine which category a particular grant falls into and to ensure that documentation detailing the conditions of grant reflect NIPPP. Where there may be the possibility that funds may be used to procure goods, services or works over the Procurement Thresholds, Departments should seek advice from a Centre of Procurement Expertise (CoPE) and/or legal advice.

#### *Characteristics of public contract*

16. A public contract is defined as a contract for pecuniary interest concluded in writing between one or more suppliers and one or more Contracting Authorities and having as their object the execution of works, the supply of products or the provision of services.
17. The process of contracting for the goods, services or works will attract the application of the Public Procurement Regulations and/or NIPPP.
18. A typical contract is one where a Department has a specific objective to obtain particular goods, services or works and puts a written contract in place to require the delivery of the contract at a certain price or rate.

19. In most cases a breach of a contract means the supplier will be required to compensate for the loss caused. A breach of contract would not occur in a grant funding arrangement where the only remedy available would be for the recipient to return the grant funding.

*When a grant is used to procure goods, works or services*

20. On occasions grant funding may subsequently be used to procure supplies, services or works by the grant recipient. Depending on the level of funding or proportion of total investment/expenditure the terms of the grant should require the recipient to apply Public Procurement Regulations and/or the Executive's Procurement Policy to the subsequent procurement.
21. Sponsor Departments and other Contracting Authorities should seek assurance that the correct procurement procedures are followed by grant recipients as appropriate and in proportion to the amount of public funding involved.
22. Where a grant is provided by a Department to another organisation, the conditions attached to the grant should be written in the Letter of Offer. Where appropriate, and taking into account the level of funding, the awarding Contracting Authority should ensure that appropriate requirements relating to procurement are included as one of the conditions attached to the provision of the grant.
23. Departments and their ALBs should seek appropriate advice from the relevant CoPE before permitting a grant recipient to proceed with the procurement of a works contract and all key procurement decisions should be authorised by the public body in consultation with the relevant CoPE. They should also seek advice from the CoPE, on the cost and programme to be included in the business case in order to ensure that cost and time estimates are realistic.
24. Departments and their ALBs should set out in their letters of offer of grant the need for records of all key decisions pertaining to any associated procurement to be retained by the grant recipient and handed over to the funding body. The funding body should retain such records in line with their disposal schedule.

25. It is important that requirements relating to procurement do not place unnecessary burdens on grant recipients.

**Action**

26. This DAO should be brought to the attention of all relevant staff within your Department and Arm's Length Bodies.

**Queries**

27. Any queries regarding this letter/guidance should be addressed to: [procure.policy@finance-ni.gov.uk](mailto:procure.policy@finance-ni.gov.uk).

Yours sincerely



**STUART STEVENSON**

**Copy Distribution List**  
**CPD SMT**  
**Joanne McBurney**  
**Finance Directors**  
**PSD Grade 5s**  
**Julie Sewell**



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

Local Government and Housing  
Regulation Division  
Finance Branch  
Causeway Exchange  
1-7 Bedford Street  
BELFAST  
BT2 7EG  
Phone: 028 9082 3375  
email: jeff.glass@communities-ni.gov.uk

Our ref: CO1-21-2296

22 December 2022

Dear Chief Executive/Finance Officer

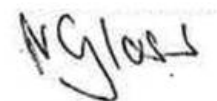
### **RATES SUPPORT GRANT ALLOCATION 2022/23**

1. I refer to my letter of 14 March 2022 in respect of the instalments for De-rating (DRG) and Transferred Functions (TFG) grants for the 2022/23 financial year. Three instalments of these grants have already been made while the final instalment will issue in January 2023. I advised that details of the Rates Support Grant (RSG) budget would follow as soon as the budget was agreed.
2. The Secretary of State released a Written Ministerial Statement on 24 November 2022, setting the Northern Ireland Budget for 2022/23. Following on from this Statement the Department's budget for 2022/23 has now been agreed and as a result the RSG for 2022/23 will be £8.924m. This allocation has been considered in the context of the wider budgetary position affecting the Department for the 2022/23 financial year. While this is a reduction in comparison to last year's opening position, significant additional RSG funding of £10m was provided in year during 2021/22 to provide ongoing support to councils.
3. The RSG allocation for each council is detailed in the attached Annex. The total allocation due to Councils will be paid in January 2023.



4. Should you need clarification about any of the figures, please contact myself on 9082 3375 ([jeff.glass@communities-ni.gov.uk](mailto:jeff.glass@communities-ni.gov.uk)) or Ian Lewis on 9082 3506 ([ian.lewis@communities-ni.gov.uk](mailto:ian.lewis@communities-ni.gov.uk))

Yours faithfully

A handwritten signature in black ink that reads "J Glass". The signature is written in a cursive style with a large initial 'J' and a horizontal line extending to the right.

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

**RATES SUPPORT GRANT 2022/2023****Allocation Table**

<b>District Council</b>	<b>ALLOCATION £</b>
<b>Antrim and Newtownabbey</b>	0
<b>Ards and North Down</b>	0
<b>Armagh, Banbridge and Craigavon</b>	1,368,259
<b>Belfast</b>	0
<b>Causeway Coast and Glens</b>	1,191,040
<b>Derry and Strabane</b>	1,697,760
<b>Fermanagh and Omagh</b>	601,394
<b>Lisburn and Castlereagh</b>	0
<b>Mid and East Antrim</b>	1,486,606
<b>Mid Ulster</b>	1,825,504
<b>Newry, Mourne and Down</b>	753,437
<b>TOTAL</b>	<b>8,924,000</b>