



September 22nd, 2021

Notice Of Meeting

You are requested to attend the Audit Committee Meeting to be held on **Thursday, 23rd September 2021** at **2:00 pm** in **Mourne Room Downshire Offices Downpatrick** and via **Microsoft Teams**.

Committee Membership:

Ms Brona Slevin Independent Chairperson

Councillor P Byrne

Councillor C Casey

Councillor C Enright

Councillor L Devlin

Councillor M Gibbons

Councillor O Hanlon

Councillor A Lewis

Councillor D Murphy

Councillor D McAteer

Councillor K Owen

Agenda

1.0 Apologies and Chairpersons remarks.

Councillor K Owen

2.0 Declarations of Interest.

3.0 Action Sheet: Audit Committee Meeting - Monday 05 July 2021. (Attached)

 *Action Sheet - Audit Cmte July 2021.pdf*

Page 1

Corporate Services - (OPEN SESSION)


4.0 Corporate Risk Register. (Attached)

 *4 - Corporate Risk Register September 2021.pdf*

Page 9

 *4 - Appendix 1 CRR Overview.xlsx*

Page 12

 *4 - Appendix 2 - CRR - Sept 2021.pdf*

Page 15

 *4 - Appendix 3 - Corporate Services Directorate Risk Register.pdf*

Page 38

5.0 Prompt Payment Statistics. (Attached)

 *5 - Prompt Payments Report Q1.pdf*

Page 49

6.0 Newry Mourne and Down District Council - Statement of Accounts and Annual Governance Statement. (Attached)

 *6 - Statement of Accounts.pdf*

Page 52

 *6 - Appendix 1 - NMD - Post Audit Accounts - 2020-21.pdf*

Page 55

NIAO (CLOSED SESSION)

7.0 Draft 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 of 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 7. NMDDC RTTCWG cover letter for issue.pdf*

Not included

 *EXEMPT 7. NMDDC Draft RttCWG 2020-21 - for issue (002).pdf*

Not included

8.0 Performance. (Verbal update)

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

Corporate Services (CLOSED SESSION)

9.0 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

 **9 - EXEMPT - Report Update on Audit Recommendations.pdf** ***Not included***

 **9 - EXEMPT - Appendix 2-8 - Audit Follow Up Tracker - Sept 2021.pdf** ***Not included***

10.0 Update re: Fraud and Whistleblowing. (Attached)

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

 **10 - EXEMPT Fraud and Raising Concerns update.pdf** ***Not included***

11.0 Quarterly Update re: Single Tender Actions. (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

 **11 - EXEMPT Rpt re Single Tender Actions STAs.pdf** ***Not included***

 **11 - EXEMPT Appendix 1 - STAs Q2.pdf** ***Not included***

12.0 Procurement Action Plan. (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



 **12 - EXEMPT Rpt re Procurement Action Plans - Sept 2021.pdf** ***Not included***

 **12 - EXEMPT Appendix 1 - CE Office.xlsx** ***Not included***

 12 - EXEMPT Appendix 2 - CS.xlsx	Not included
 12 - EXEMPT Appendix 3 - AHC.xlsx	Not included
 12 - EXEMPT Appendix 4 - ERT.xlsx	Not included
 12 - EXEMPT Appendix 5 - NS.xlsx	Not included

13.0 Update re: Fuel 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

 13 - EXEMPT Rpt re Fuel Management Update 23 09 21.pdf	Not included
 13 - EXEMPT Fuel Management - Appendix I 23 09 21.pdf	Not included

Internal Audit (CLOSED SESSION)


14.0 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

 14 - EXEMPT NMDDC Summary report September 2021 to Audit Committee.pdf	Not included
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15.0 ASM Internal Audit - Final Report re: Community Planning. (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

 15 - EXEMPT 2021-22 NMDDC Community Planning - final.pdf	Not included
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16.0 ASM Internal Audit - Final Report re: PCSP. (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

 16 - EXEMPT PCSP Expenditure Audit - 31 March 2020.pdf	Not included
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Performance (OPEN SESSION)

17.0 Annual Assessment of Performance 2020/21. (Attached)

 **17 - Rpt re Assessment of Performance 2020-21.pdf** **Page 168**

 **17 - Appendix 1 Assessment of Performance 2020-21 for Audit Committee.pdf** **Page 171**

 **17 - Appendix 2 Our Performance Looking Back Going Forward.pdf** **Page 230**

Circulars

18.0 DAO 05/21 - Contracts Register. (Attached)

 **18 - DAO 05-21 - Contracts Register.pdf** **Page 242**

19.0 DAO 06/21 - Revised Policy and Guidance on Best Practice in project delivery and engagement with Gateway/Assurance review process. (Attached)

 **19 - DAO 06-21 - Project Delivery - Gateway-Assurance Review process.pdf** **Page 245**

Invitees

Cllr Terry Andrews

Mr Patrick Barr

Ms Karen Beattie

Ms Kate Bingham

Cllr Patrick Brown

Cllr Robert Burgess

Cllr Pete Byrne

Mr Gerard Byrne

Mrs Dorinnia Carville

Cllr Charlie Casey

Cllr William Clarke

Cllr Dermot Curran

Cllr Laura Devlin

Ms Louise Dillon

Cllr Sean Doran

Cllr Cadogan Enright

Cllr Aoife Finnegan

Cllr Hugh Gallagher

Cllr Mark Gibbons

Ms Leanne Gordon

Christine Hagan

Cllr Oonagh Hanlon

Cllr Glyn Hanna

Cllr Valerie Harte

Cllr Roisin Howell

Mrs Sheila Kieran

Cllr Mickey Larkin

Cllr Alan Lewis

Mr Michael Lipsett

Cllr Oonagh Magennis

Mr Conor Mallon

Cllr Gavin Malone

Cllr Cathy Mason

Mr Johnny Mc Bride

Colette McAteer

Cllr Declan McAteer

Cllr Leeanne McEvoy

Cllr Harold McKee

Patricia McKeever

Cllr Karen McKevitt

Cllr Andrew McMurray

Cllr Roisin Mulgrew

Cllr Declan Murphy
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Cllr Barra Ó Muirí
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Linda O'Hare
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Cllr Gerry O'Hare
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Cllr Kathryn Owen
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Cllr Henry Reilly
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Cllr Michael Ruane
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Cllr Michael Savage
.....
Cllr Gareth Sharvin
.....
Ms Brona Slevin
.....
Donna Starkey
.....
Cllr Gary Stokes
.....
Sarah Taggart
.....
Cllr David Taylor
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Cllr Jarlath Tinnelly
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Cllr John Trainor
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Central Support Unit
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Cllr William Walker
.....
Mrs Marie Ward
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ACTION SHEET
AUDIT COMMITTEE MEETING
MONDAY 05 JULY 2021

(Action marked N to remain on: arising from Audit Committee Meeting – September 2020)

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

Actions: arising from Audit Committee Meeting – July 2021)

Minute Ref	Subject	Decision	Lead Officer	Actions taken/ Progress to date	Remove from Action Sheet Y/N
AC/053/2021	Audit Committee Annual Report 2020/2021	To note the Audit Committee Annual Report 2020/21.	B Slevin	Noted	Y
AC/054/2021	Members' Register of Interests	To note the 6 month review report regarding Members' Register of Interests.	D Carville	Noted	Y
AC/055/2021	Corporate Risk Register	<p>(a) To note the Corporate Risk Register overview as per Appendix 1.</p> <p>(b) To approve the updated Corporate Risk Register as per Appendix 2, including the changes to:</p> <ul style="list-style-type: none"> CR 1 - updated to reflect material shortages and potential rise in material costs within the construction industry. 	D Carville	<p>Noted</p> <p>Residual Risk for CR5 discussed in Detail and SMT Risk Workshop on the 6 September 2021.</p>	Y

		<ul style="list-style-type: none"> CR 12 - incorporated into CR 8 due to uncertainties regarding the Northern Ireland Protocol. <p>(c) Further information to be presented to the Audit Committee Meeting in September 2021 with regard to the residual risk score for CR 5.</p>			
AC/056/2021	<p>(A) Assurance Statement & Code of Governance</p> <p>(B) Annual Governance Statement</p>	<p>To note the NMDDC Assurance Framework, and the Code of Governance.</p> <p>To review and approve the draft Annual Governance Statement for 2020/21.</p> <p>Following review, the statement will be incorporated into the Council's unaudited financial statements for 2020/21.</p>	G Byrne	<p>Assurance Framework Noted</p> <p>Draft AGS Approved</p>	Y
AC/057/2021	Presentation re: Unaudited Financial Statements 2020/21	To approve the presentation of the Unaudited Statement of Accounts for NMDDC for the period Year Ended 31 March 2021.	G Byrne	Approved	Y

AC/058/2021	(CLOSED) Update re Audit Recommendations	<p>a) To note the update contained in Report dated 05 July 2021 from Mr G Byrne Audit Services Manager in relation to legacy audit recommendations and the risk profile of internal audit reports.</p> <p>b) To note that minor changes were made to the figures for April 2021, as contained under Section 2.8.</p> <p>c) To note an update on Fuel Management will be tabled at the Audit Committee Meeting September 2021.</p> <p>d) To note a Senior Management Team Risk Workshop will be held late August 2021 to review incorporating the new Risk Policy, and a review of all Audit Recommendations</p>	G Byrne	<p>Fuel Management update to be brought to the September AC by NS Director – Agenda Item 13</p> <p>SMT Risk Management Workshop discussed in detail prior Audit Recommendations at meeting on 6 September. Update provided at agenda item 9.</p>	Y
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		from a risk perspective, and update will be tabled at the Audit Committee Meeting September 2021.			
AC/059/2021	(CLOSED) Update re Fraud and Whistleblowing	To note the update contained in Report dated 05 July 2021 from Mr G Byrne Audit Services Manager, in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1.	G Byrne	Noted	Y
AC/060/2021	(CLOSED) Quarterly update re Single Tender Actions	To note the 2021-22 quarter one update contained in Report dated 05 July 2021 from Mr G Byrne Assistant Director of Finance, in relation to Single Tender Actions.	G Byrne	Noted	Y
AC/061/2021	(CLOSED) (A) Procurement Action Plan (B) ASM Investigation – Single Tender Actions	To note the update in relation to Procurement Action Plans for each Directorate as per Report dated 05 July 2021 from Mr G Byrne Audit Services Manager and a comprehensive report to be submitted to the Audit Committee September 2021, at which Members will decide if an	G Byrne	Noted	N

		update will be tabled on a quarterly or six monthly basis.			
AC/062/2021	(CLOSED) NMDDC Risk Strategy Policy	To approve the Risk Policy and Risk Strategy for NMDDC as outlined in Appendix 1 and 2 respectively as per Report dated 05 July 2021 from Mr G Byrne Audit Services Manager	G Byrne	Approved	Y
AC/063/2021	(CLOSED) Fleet Operators Licence	To note the Fleet Management Action Plan and the proposal that a quarterly update will be provided to the Neighbourhood Services Committee on the implementation status of the Plan, as per Report dated 05 July 2021 from Mr J McBride Director Neighbourhood Services (Acting)	J McBride	Noted	Y
AC/064/2021	(CLOSED) ASM Internal Audit - Summary Report	To note ASM Internal Audit Summary Report dated 05 July 2021.	C Hagan	Noted	Y
AC/065/2021	(CLOSED) Governance Review – Newry City Centre Regeneration Programme	A) To approve the amended Terms of Reference for the Governance review of Newry City Centre Regeneration Programme, to reflect that for purposes of transparency,	C Hagan	Approved	Y

		<p>interviews will be held in person.</p> <p>B) To approve the costs and proposed timetable outlined at section 13 of the Terms of Reference as additional to the existing internal audit programme of work.</p>			
AC/066/2021	Performance Improvement Plan 2021/22	To note the Performance Improvement Plan 2021-22 (including the five performance improvement objectives, Consultation and Engagement Report 2021-22 and Objective Delivery Plans 2021-22).	G Byrne	Noted	Y
AC/067/2021	Circular: Dpt for Communities District Council (NI) Rate Statistics 2021-22	To note correspondence dated 29 March 2021 (LG 13/2021) from Department for Communities regarding District Council (Northern Ireland) Rate Statistics 2021/2022.	G Byrne	Noted	Y
AC/068/2021	Circular: Dpt for Communities Record of Cllrs and	To note correspondence dated 28 April 2021 (LG 15/2021) from	G Byrne	Noted	Y

	Committee Members' Allowances funded by Council 2020/21	Department for Communities regarding Record of Councillors' and Committee Members' Allowances Funded by Council 2020/2021.			
AC/069/2021	Dpt for Communities Accounts Direction 2020/21 – NI District Councils	To note correspondence dated 24 June 2021 from Department for Communities regarding Accounts Direction Circular 2020/21 – Northern Ireland District Councils.	G Byrne	Noted	Y

Report to:	Audit Committee
Date of Meeting:	23 September 2021
Subject:	Corporate Risk Register
Reporting Officer (Including Job Title):	Dorinnia Carville – Director of Corporate Services
Contact Officer (Including Job Title):	Gerard Byrne – Assistant Director of Finance (Acting)

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

For decision	X	For noting only	
1.0			Purpose and Background
1.1			The Corporate Risk Register was reviewed and updated by the SMT at a Risk Workshop on 6 September 2021. The Workshop was to ensure the Corporate Risk Register complied with the new Risk Strategy which was approved by Audit Committee in July 2021. Quarter 1 Assurance Statements for 2021-22 have been used to inform and update the content of the Corporate Risk Register. Where relevant, Officers have also provided updates in relation to specific controls and action plans.
2.0			Key issues
2.1			<p>Corporate Risk Register</p> <p>The Council has now identified 10 corporate risks, 9 of which are Amber risks and 1 which is yellow. 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 July 2021.</p> <p>SMT has revised the residual scores for a number of corporate risks to take into account the progress made by the Council in reacting to major incidents.</p> <p>Several amendments have been made to the risk register to ensure Councils Risk Register follows best practice which was laid out in the revised Risk Strategy approved, at the July meeting. The key revisions include;</p> <ol style="list-style-type: none"> 1. Risk Categories have been updated to reflect best practice – not yet on the CRR template due to a formatting issue, supplier is currently providing a solution. 2. Risk Appetite now included for each risk. 3. Controls have been now been segregated to reflect the 'three lines of defence' model reflected within the strategy. 4. Strategic objectives have now been updated to reflect the new Corporate Plan – each Corporate Risk is linked to at least one strategic objective. <p>Other significant amendments include:</p> <ul style="list-style-type: none"> • Corporate Risk 1 (Failure to deliver the capital investment programme for the District) has been updated to reflect a paper brought to the SP&R Committee in June 2021 highlighting material shortages and the rise in Construction costs. A new action has been included.

	<ul style="list-style-type: none"> The previous Corporate risk 2 (Breach of legislation/legislative challenge in relation to the procurement of goods, services and works) has been merged into Corporate Risk 3 (Non-compliance with legislative requirements). Procurement also sits on the Corporate Services Directorate Risk Register. The previous Corporate risk 9 (Lack of standardised T&C's of employment leading to the failure to transform services and could impact on current service delivery) has been merged into Corporate Risk 6 (Failure to adequately plan for the future and deliver efficiencies and improvement). Resourcing and T&Cs sit on the relevant Directorate Risk Registers. <p>The updated Corporate Risk Register is attached at Appendix 2.</p>
2.2	<p>Directorate Risk Registers</p> <p>All Directorate Risk Registers were reviewed and updated during Q3/Q4 2020-21. Directorate Risk Registers are reviewed to strengthen the alignment with the Corporate Risk Register and ensure they take account of key, emerging issues, including COVID-19 and Brexit. The alignment between Directorate Risk Registers and Directorate Business Plans has also been strengthened during 2021-22.</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. It was agreed in July that the Corporate Service Directorate Risk Register would be brought to this Committee. The Corporate Services risks were reviewed at a Departmental Management Team meeting on the 15 September 2021. See Appendix 3 for updated Corporate Services Directorate Register.</p>
3.0	Recommendations
3.1	<p>To approve changes 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 Corporate Services Directorate Risk Register at Appendix 3.</p>
4.0	Resource implications
4.1	There are no resource implications.
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

	<p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p>Proposal initiating consultation</p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	Due regard to Rural Needs (please tick all that apply)
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	Appendices
	<p>Appendix 1: Summary Sheet – Corporate Risk Register</p> <p>Appendix 2: Corporate Risk Register – September 2021</p> <p>Appendix 3: Corporate Services Directorate Risk Register – September 2021</p>
8.0	Background Documents
	None

NMDDC Corporate Risk Register Cover Sheet - September 2021

Risk	Description	Risk Owner(s)	Gross Risk Score	Jul-21	Sep-21	Comments
				Residual Risk Score	Revised Residual Risk Score	
CR01	Failure to develop and deliver the capital investment programme for the District	Dorinnia Carville Michael Lipsett Conor Mallon	18	12	12	Title amended to include 'develop'. Controls now reflect 3 lines of defence model. Risk Appetite set to open. Now linked to revised Strategic Objectives. New action in relation to NCCR review.
CR02	CLOSED - Breach of legislation/legislative challenge in relation to the procurement of goods and services and works	Dorinnia Carville	20	20	20	Now merged with CR03 - Legislative Requirements. Directorate procurement risk also included within the Corporate Services Directorate Risk register.
CR02	Non-compliance with legislative requirements	Dorinnia Carville Michael Lipsett Johnny McBride	25	15	20	Previous Corporate Risk 'CR02' (Procurement) now merged with this risk. Residual scored increased to take into Account procurement. Controls now reflect 3 lines of defence model. Risk Appetite set to averse. Now linked to revised Strategic Objectives. New actions in relation to Insurance and Social procurement policy.
CR03	Failure to effectively manage waste	Johnny McBride	16	16	16	Controls now reflect 3 lines of defence model. Risk Appetite set to Cautious. Now linked to revised Strategic Objectives. Actions updated.
CR04	Failure to provide timely planning decisions	Conor Mallon	16	16	16	Controls now reflect 3 lines of defence model. Risk Appetite set to Cautious. Now linked to revised Strategic Objectives. Actions updated.
CR05	Failure to adequately plan for the future and deliver efficiencies and improvement	Marie Ward Dorinnia Carville	20	12	9	Residual Score Reduced as Severance Rate now agreed. Controls now reflect 3 lines of defence model. Risk Appetite set to eager. Now linked to revised Strategic Objectives. New actions in relation to Severance Call, Service Reviews and T&C's.
CR06	Failure to adequately react to a major incident which would minimise any negative consequences/impact	Dorinnia Carville	15	12	12	Controls now reflect 3 lines of defence model. Risk Appetite set to averse. Now linked to revised Strategic Objectives. Actions updated and new action in relation to BCPs.
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	16	16	Controls now reflect 3 lines of defence model. Risk Appetite set to eager. Now linked to revised Strategic Objectives. Actions updated.
CR09	CLOSED - Lack of standardised T&Cs of employment leading to the failure to transform services and could impact on current service	Marie Ward Dorinnia Carville	20	12	12	Now Merged with CR05 - planning for the future - Resourcing risks and T&Cs are also held on Directorate Level Risk Registers.
CR08	Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.	Senior Management Team	15	15	15	Controls now reflect 3 lines of defence model. Risk Appetite set to minimal. Now linked to revised Strategic Objectives. Actions updated and new action in relation to training.
CR09	Risk that Council does not assist the post COVID 19 recovery of the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term	Senior Management Team	15	12	12	Controls now reflect 3 lines of defence model. Risk Appetite set to open. Now linked to revised Strategic Objectives. Actions updated.
CR10	Failure to effectively plan for and manage a cyber security attack.	Dorinnia Carville	15	16	16	Controls now reflect 3 lines of defence model. Risk Appetite set to averse. Now linked to revised Strategic Objectives. Actions updated.

Risk Matrix

NMDDC operate a 5 x 5 risk matrix. The risk matrix will help with making decisions about the significance to the Council of each identified risk and whether each one should be accepted or treated.

IMPACT	Catastrophic Potential immediate or future harmful impact to the Council. SMT required to make major adjustments to plans and/or resource allocations.	5	10	15	30	25
	Major Substantial departure from best practices and standards. Consequences can be managed with moderate additional resources and/or managerial effort.	4	8	12	18	20
	Moderate Limited impact. Consequences can be managed with limited additional resources and/or managerial effort.	3	6	9	12	15
	Minor Very limited impact. Consequences can be managed under normal operating conditions.	2	4	6	8	10
	Not Significant No impact on normal operating procedures.	1	2	3	4	5
		Rare Has happened rarely or never before.	Unlikely Has happened rarely or never before.	Possible Likely to happen at some point within the next 2-3 years. Circumstances occasionally encountered (annual).	Likely Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (few times a year).	Very Likely Regular occurrence. Circumstances frequently encountered - Daily / weekly / monthly.
		LIKELIHOOD				

Risks are assessed on a scale of 1-5 in terms of both likelihood and impact, which results on the following risk ratings outlined below;

LOW	MODERATE	HIGH	EXTREME
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NMDDC Risk Appetite Statement

NMDDC aims to be risk aware, but not overly risk averse. This is to ensure that the Council takes a balanced approach to risk taking to delivers its corporate priorities and agreed outcomes for the District. The Risk Categories table on the page 7 defines each Risk Category with a risk appetite. This is a guide for management when considering risk actions plans. The Statement has been agreed by SMT, however there can be exceptions to risk appetite in certain circumstances.

- Averse:** Avoidance of risk and uncertainty is a key organization objective.
- Minimal:** Preference for ultra-safe options that are low risk and only have a potential for limited reward.
- Cautious:** Preference for safe options that have a low degree of risk and may only have limited potential for reward.
- Open:** Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
- Hungry:** Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.





1. Corporate Risk Register NMDDC

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

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

Probability

Risk Categories

Buildings / Engineering / Environment
Business operational/reputational

Risk Description

Failure to adequately resource the capital programme
Failure to effectively manage capital contracts
Capital programme does not sufficiently deliver on the Corporate Objectives

Potential Root Cause

Lack of availability of construction materials and increases in the cost of materials due to - COVID19 / global demand / administration at UK ports and container shortages
Contractors on key projects fail to deliver on time and on budget
Consultant and/or contractor collusion
Procurement delays, failures or legal challenges
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

Consequence

Impact on service delivery
Financial impact - Loss of funding (i.e. DAERA projects)
Legal challenge / Negative PR
Impact on quality/cost of projects
Future reduction on the capital budget
Reputational damage

Risk Owners

Dorinnia Carville; Michael Lipsett; Conor Mallon

Gross/Inherent Risk

Red 25

Last Review

06/09/2021

Residual Risk

Amber 12

Next Review

14/09/2021

Target Risk Level

Yellow 9

Risk Appetite

Risk Open

Objectives

- Invest in and support new and growing businesses, job creation and employment skills
- Promote the revitalisation of our city, towns, villages and rural communities.
- 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
Construction Industry - Material Shortages and Price Increases - Potential Impact to our capital Plan	Council Officers and our consultants have requested extensions for some projects for completion. As some of these projects are funded by central government departments (e.g. DAERA, DfC), officers are having to seek associated approval and amendments to letter of offer for these requests. 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	Dorinnia Carville	01/10/2021	As our Capital Programme has numerous construction projects with identified costs, it will be essential that the programmes and costs are rigorously reviewed, particularly those going to tender over the next 12 months. It is highly possible that some projects will require additional capital to be approved before the projects advance. These updated costs will be brought through the SFWG and the relevant committee for associated approval before proceeding. Sensitivity Analysis will be provided to the next SFWG to model the above impacts on our 4 year capital plan.
Newry City Centre Revitalisation Governance Review	To assess the impact of the NCCR Governance Review on Councils Capital plan	In Progress	Marie Ward	01/10/2021	Report to be presented to a special Audit Committee on the 13 September 2021.

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

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Risk Categories

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

Risk Description

Failure to have the necessary policies and procedures in place with staff adequately trained to ensure legislative compliance. This includes complying with Procurement legislation, health and safety and fire risk assessments. best practice.
Council not having adequate insurance cover.

Potential Root Cause

Failure to understand and meet legal requirements in relation to Health and Safety, Information Management, Rural Needs, Disability, Section 75, Performance and Improvement and Safeguarding.
Lack of resources and inadequate training provision.
Staff not complying with Council's procurement policy.
Property and vehicle schedules not being up to date.
Absence of effective operational procedures and policies.
Fire Risk Assessments at Council buildings not being undertaken and actions not being implemented and managed.
Unforeseen events and public negligence/lack of responsibility.
COVID19 - increased risks in relation to H&S at properties: statutory inspections required under legislation (i.e. - vehicle and plant lifts, lifting equipment, pressurised water systems, local exhaust ventilation) are not taking place due to lack of access.
FRA / Legionella / Asbestos etc (are not being reviewed due to front line services being provided).
COVID19 - The Finance Act act as amended by the draft COVID regulations could be misinterpreted by staff.

Consequence

Non-compliance leading to prosecution
Personal liability / Corporate Manslaughter
Risk of a fatality at a Council site
Reputational damage
Reduced trust and public confidence
Increased number of complaints and queries
Increased insurance premiums
Loss of income

Risk Owners

Dorinnia Carville; Michael Lipsett; Johnny McBride

Gross/Inherent Risk

Red 25

Last Review

06/09/2021

Residual Risk

Red 20

Next Review

14/09/2021

Target Risk Level

Yellow 8

Risk Appetite

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	31/12/2021	The Fire Risk Management Policy has been approved and effective since 12th March 2020. The Management Plan for Fire Safety Management is at an advanced stage and will assign specific roles and responsibilities. 'Fire Safety for Premises Managers' training commenced March 2021 for officers 'in control' of parts/ elements of Council premises. Update - no further progress has been made in relation to the development and agreement of Fire Safety Management Plan - Councils Building Maintenance team continue to address work as required.
Advisory Internal Audit Review - Health and Safety	Implement the 30 recommendations arising from the internal audit review of Health and Safety	In Progress	Colin Quinn	31/10/2021	Progress in implementing the 30 recommendations was considered by the SMT in November 2020. In March 2021, ASM carried out of review of progress in implementing the recommendations. The outcome of this review was presented to Audit Committee in April - 6 rec's were fully implemented and 14 partially implemented. Follow up discussions to take place at Facilities Management Working Group - this will reconvene in October 2021.

Asbestos Policy and Management Plans	Implementation of Asbestos Policies and Management Plans	In Progress	Kevin Scullion	31/12/2021	Contractor appointed on 8th October 2020 for three-year period to undertake inspections, air sampling, training and other related asbestos consultancy work. There was a defined year 1, 2 and 3 work programmes. Year 1 programme would ensure any gaps in our data base concerning existence of asbestos in buildings was, so far as reasonably practicable, addressed. All but 12 of our buildings have now been inspected. Not all reports have been issued to Council at this time, but these are to follow. The inspections have not highlighted any significant issues of concern with the overall approach being recommended is that the asbestos we have in our buildings is not in a condition which requires action from Council other than to manage it in situ. Year 2 and 3 works will be to reinspect the condition of the asbestos to monitor that it remains intact and can be managed in-situ. Council's eLearning module has a module on managing asbestos in our buildings and all relevant staff are encouraged to complete this training.
Conflict of Interest Declarations	All high risk staff to have declaration completed by May 2021. Voluntary declarations to be rolled out to all staff by May 2021. All Elected Members have completed and submitted declarations, which will be reviewed every six months and reported to the Audit Committee.	In Progress	Alison Robb	31/12/2021	Since the inception of the Conflict of Interest policy and the start of this process, approx. 266 employees have been identified as being required to make a mandatory declaration of interest. Responses have been received in approx. 85% of cases. Returns remain o/s from approx. 40 no. employees and efforts are continuing by email contact to finalise the full set of returns. All relevant employees have received a reminder this week and this is due to be followed up within 7 days. It is proposed that a review take place of the mandatory register in Q1 of 2022/23 with renewed returns to be made by each employee. In relation to voluntary declarations of interest, correspondence by email will be issued during w/c 13/09/2021 to all employees requesting voluntary DOI returns in accordance with the policy.
Insurance	CMT to ensure that Council Properties and Vehicles are adequately covered and schedules are up to date	In Progress		30/11/2021	Work currently under to validate Councils Operators Licence against Councils fleet insurance schedule. CMT are also leading an exercise to ensure are Property/Contents schedules are up to date.

Legionella Policy and Management Plan	Implementation of Legionella Policies and Management Plans	In Progress	Kevin Scullion	31/12/2021	Contractor appointed on 3rd 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. These works are progressing as normal except for risk reviews for each of our buildings which were to be completed in Year 1 of the contract. There were 127 inspections to be completed with at this stage 10% of these having been achieved. They have identified 367 actions (average 36 per building), many of which require action by a competent plumber. Whilst Council has four plumber posts in its salaries and wages budget, there has only been two posts filled for several months.
New Procurement to Pay System	Our current supplier is no longer supporting the current system, therefore Council had to tender for a new supplier	In Progress	Gerard Byrne	30/11/2021	Business Case and competitive process completed. Contracts signed, currently working with supplier in relation to implementation the system with a 'go live' date by the end of November 2021.
Procurement Action Plans	Each Directorate have their own Procurement Action Plan which highlights where current spend needs to be regularised	In Progress	Senior Management Team	31/12/2021	Procurement Action Plans to be presented to the September 2021 Audit Committee.
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	31/12/2021	Legislation to be reviewed to determine if this is possible while adhering to Public Contract Regulations.

Risk CR. 03 - Failure to effectively manage waste

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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
COVID19 - Staff being unavailable or members of their household self isolating
Risk of industrial action
Unable to procure new contracts to process & dispose of our waste

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

Risk Owners Johnny McBride

Gross/Inherent Risk Red 25

Residual Risk Amber 16

Target Risk Level Yellow 9

Last Review 06/09/2021

Next Review 14/09/2021

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. COVID19 - New ways of working identified, i.e. staggered start times
1. COVID19 - Screen partitions in all vehicles where there is more than one passenger
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

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Operators Licence	Internal Audit carried out a review of the progress in implementing TRU and FTA recommendations in October 2018. A further review took place during November/December 2020 which has provisionally highlighted that limited progress has been made in implementing a number of recommendations from the 2018 audit.	In Progress	Johnny McBride	31/12/2021	The New Fleet Policy and Critical Procedures have been effective since April 2020. An internal Audit of Fleet Management was carried out in November/December 2020 and had a limited assurance rating. Action plan developed to address outstanding issues and tabled at NS Committee in June 2021. Quarterly update being provided to NS Committee
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	Johnny McBride	31/12/2021	The three NI Waste Management Plans are scheduled to be reviewed by WRAP during 2021-22 and will consider a range of themes including legislation, policy, commercial waste and packaging waste. The project has been scoped out, all activities are on schedule, as planned, and the review of the ARC 21 Waste Management Plan is prioritised for completion by December 2021. Once finalised, NMDDC will consider the review of the Arc21 Waste Management Plan, which will include recommendations to update the plan.

Risk

CR. 04 - Failure to provide timely planning decisions

Consequence	5						Risk Categories Business operational/reputational Financial Quality of Service Risk Description Failure to provide timely planning decisions Potential Root Cause Ineffective and/or inadequate resources Ineffective technology - EPIC system changes Consequence Litigation Reputational issues Lower levels of customer satisfaction Impact on service delivery and lost productivity Financial implications resulting in budget constraints Failure to achieve the statutory standards around local / major planning applications and enforcement cases Risk Owners Conor Mallon Gross/Inherent Risk Red 25 Residual Risk Amber 16 Target Risk Level Yellow 9	
	4							Last Review 06/09/2021
	3							Next Review 14/09/2021
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Probability								

Objectives

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

Key Controls Identified

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

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Backlog cases	Implement action plan to reduce backlog in line with timeframe set	In Progress	Anthony Mckay	31/10/2021	Live applications at 18/6/21 is 1,221. The filling of new and vacant posts is ongoing. A report will be brought to SMT in October 2021 setting out proposals for addressing backlog issues and other measures to increase capacity for dealing with new applications. Numbers of applications received have increased by 30% since the onset of the Covid19.
Complaints	Respond to complaints in relation to the Planning service within the corporate reporting timeframe and implement the relevant recommendations arising from the internal audit of complaints handling and management.	In Progress	Conor Mallon Anthony Mckay	31/10/2021	An internal audit of complaints handling and management was carried out during Q2 2020-21. The audit focused on complaints across a range of departments, including Planning. It was recommended that the Planning Department reviews why the corporate processing time for handling complaints is not being achieved, and that the outcome of this review is reported to SMT. The recommended review within the Planning Department is ongoing; initial findings indicate recent improved performance in terms of responses issuing within target timeframes. The Internal Audit recommendations do not reflect the technical nature of some planning complaints. The Corporate Complaints Policy is currently being revised and this is something which should be considered.
IT infrastructure	Upgrade of technical IT infrastructure (EPIC Replacement)	In Progress	Anthony Mckay	31/07/2022	Council has agreed to the procurement of a replacement planning computer system, in a joint arrangement with the other 10 Councils and DfI. The contract has been awarded and is to be operational by July 2022.
Specialist Planning Consultant	Business case to appoint a specialist planning consultant was approved at the December 2019 SP&R Committee.	In Progress	Conor Mallon	31/10/2021	The specialist planning consultant commenced January 2020 and has been reviewing processes and procedures to help improve the performance of the planning service and facilitate transformational change. The Consultant provided progress updates to the Planning Committee in July and October 2020, as well as February 2021. Planning Consultant is bringing a detailed report to SP&R in October 2021.

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

Consequence	5					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 Differences in respect of terms and conditions of employment arising from, or as a consequence of, the formation of the new Newry Mourne and Down District Council on 1 April 2015 and as a result of the re-organisation of public administration. Potential Root Cause The requirement to transform the Council is a direct consequence of the merger of the two predecessor Councils arising from LGR and will support the realisation of organisational improvement and efficiencies. The Council has not defined the business changes it wants from transformation to support investment in new IT and the resolution of fundamental business differences arising from legacy arrangements (i.e. T&Cs) Corporate efficiency projects and other improvement activities are not currently joined-up with wider transformational activity The Council is currently unable to track the realisation of benefits (financial or non-financial) arising from investment in new IT systems (i.e. Legend) A lack of corporate capacity currently exists to support transformational activity The impact of COVID19 on the overall affordability of the Councils long term plans Consequence We are not fundamentally addressing the merger (aka LGR) leading to reputational damage The budget situation will continue to get worse (salaries and wages) therefore not providing VFM Our ability to provide citizens / customers with the services they require will be significantly constrained We will potentially lag behind other Councils & other public sector organisations Risk Owners Dorinnia Carville; Marie Ward Gross/Inherent Risk Red 20 Residual Risk Yellow 9 Target Risk Level Yellow 9
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Probability						

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

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
CMT Working Groups	Three CMT Working Groups have been established to progress key transformational projects around 'Ways of Working', 'Customer Engagement', 'Information Strategy' and 'Overtime'	In Progress	Eoin Devlin Colum Jackson Andy Patterson Kevin Scullion	31/10/2021	Work is ongoing across the four Working Groups: a detailed update was provided to SMT on the 8 September 2021 from each Working group lead. Presentation on the work of the Overtime Working Group to be presented to the SFWG in October 2021.
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	31/03/2022	In progress
Terms and Conditions	A work plan is now in place between management side and trade unions - timetable has been agreed	In Progress	Senior Management Team	31/12/2021	In progress
Voluntary Severance Call	Roll out of a voluntary severance call to communicated to staff	In Progress	Senior Management Team	31/03/2022	Communications to commence in October 2021

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

Consequence	5						Risk Categories Buildings / Engineering / Environment Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)
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Probability							
							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 Dorinnia Carville; Marie Ward
							Gross/Inherent Risk Red 25
							Residual Risk Amber 12
							Target Risk Level Yellow 8
							Last Review 06/09/2021
							Next Review 14/09/2021
							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

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Documenting Business Continuity Plans	BCPs to be documented for each Service Area	Proposed	Dorinnia Carville	31/12/2021	Planning underway
Northern Ireland Emergency Planning Structures	Officers will continue to attend and contribute to the NI Emergency Planning Structures.	In Progress	Senior Management Team	31/12/2021	Ongoing -The Delta variant is currently an area of concern across all Council areas.

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						Risk Categories	Impact on individuals (staff or public) Quality of Service
	4				R	3	Risk Description	Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties caused by the current economic and political climate, including the NI Protocol.
	3			T			Potential Root Cause	Failure to engage stakeholders (public and private sector) 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
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Consequence	Lack of investment in the District and lower levels of economic activity Lack of confidence from the private sector Some services, which were funded externally, not being delivered Lack of leadership and direction from the NI Executive and UK Government Inadequate levels of service provision COVID19 - Increase in the District rate		
Risk Owners	Conor Mallon; Marie Ward		
Gross/Inherent Risk	Red 20	Last Review	06/09/2021
Residual Risk	Amber 16	Next Review	14/09/2021
Target Risk Level	Yellow 9	Risk Appetite	Risk Hungry

Objectives

- Invest in and support new and growing businesses, job creation and employment skills
- Support sustainable forms of tourism which value our environment and cultural heritage.
- Promote the revitalisation of our city, towns, villages and rural communities.
- 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	31/12/2021	The Head of Terms have been signed (March 2019). Phase II Governance Arrangements and Working groups in place, and structures are being reviewed to manage Phase III of BRCD. Executive Board are working with NI Office, Government Department and BRCD Partners to agree a Deal Document. Governance and Financial Agreements will also be established to support Phase III. OBCs for NMD projects have been approved by BRCD Board and have been submitted to NI Executive lead Departments. £24m of funding from DCMS for LFFN and RGC funding to connect over 940 public sector buildings. All partners contracted with Fibrus individually. Several major Openreach Commercial Rollout (DP) issues regarding completion of approx 57 sites now resolved. These sites must be completed by longstop date of March 2022 or else they will be descope. Approx 20 wayleaves across all partners are still not signed which may impact the overall financial model.
Full Fibre Network NI (FFNI)	Local Full Fibre Network to improve connectivity across all of Northern Ireland.	In Progress	Conor Mallon	31/03/2022	1st funding claim of £13.1m (and £4.3 WIP - £17.3m total) drawn down and paid out by all partners in May 2021. Billing forecast being prepared for Claims Sept 21, Dec 21, Mar 22 and Jun 22.
Support local businesses in operating under the new NI protocol	The Council continues to closely monitor the impact of Brexit on funding streams and service provision at a local level. The Council is also providing support, advice and guidance to local businesses as they anticipate and manage the changes associated with Brexit.	In Progress	Conor Mallon	31/12/2021	The Council is engaging stakeholders through the Brexit Forum and internal Brexit Working Group, which meet regularly and continue to provide support, advice, guidance and signposting to Government agencies through the website, social media channels and ezines. The Council is also holding Brexit preparation workshops through existing mentoring programmes and will seek to develop additional support and interventions, as identified through ongoing engagement with the business sector. Trade deal negotiations need to be monitored. Issue are arising around skills shortages in a range of sectors and Council is working with key partners to help address these problems. The Council is also working with key stakeholders in relation to future EU funded programmes.
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 Lipssett	31/12/2021	Required checks are being completed at Warrenpoint Port on an on-going basis by trained and authorised staff, working flexible shifts aligned with changeable sailing arrival times. Regular meetings with relevant partners, DAERA, FSA, Border force, Seatruck, Warrenpoint Port, to continue to share learning and work through operational issues as they arise. Officers continue to contribute to the Project Steering group, led by DAERA. No guarantee of funding for the next financial year for EHOs. GRACE periods ending in December 2021.

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

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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				
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				
Residual Risk	Amber 15				
Target Risk Level	Yellow 10				
Last Review	06/09/2021				
Next Review	14/09/2021				
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
3. Internal Audits completed;
HR Policy Review 2020/21
Leisure Services - review of Flexi/Toil -2019/20

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Mainstream absence management across the organisation	Mainstream effective absence management by ensuring the consistent application and implementation of the Managing Absence Procedure across the organisation.	In Progress	Senior Management Team	31/10/2021	HR Papers prepared in Q1 with actions and recommendations for/to SMT & CMT @ July 2021 meetings. Additional information and guidance to be provided by HR to managers and employees
Training	All Managers must complete Managing Attendance training on the Councils e-learning platform	In Progress	Catrina Miskelly	31/12/2021	In progress

Key Controls Identified

1. Monthly Management Accounts completed by Finance
1. Public Health guidance being followed in relation to the closure of facilities and buildings
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
Central Government	Finance officers and Chief Executive lobbying central government for additional financial support package for Councils	Completed	Senior Management Team	31/10/2021	Bids to DfC and DEARA have been successful - Claims still being verified.
COVID-19 Recovery Revitalisation Programme and virtual support for local businesses	Continued support for local businesses to re-open, survive and thrive in the current and post COVID-19 environments, through a range of programmes and initiatives.	In Progress	Conor Mallon	31/12/2021	Numerous events, direct business engagement and mentoring initiatives have been delivered and advertised through online social media platforms, including the NMD Business Twitter and facebook Pages. The delivery of the COVID-19 Recovery Revitalisation Programme is underway, providing grant aid to urban and rural businesses and addressing issues around dereliction. The Council has issued approximately 800 letters of offer, with a combined value of £1M, to assist local businesses as they navigate the impact of COVID-19. A significant portion of these grants have been drawn down and other initiatives have been developed to enhance open spaces and encourage active travel across the district.
COVID-19 Recovery Working Group	Councillor / Officer Working Group to provide over-arching strategic direction by planning ahead to support the Council's response to and recovery from COVID-19, resuming normal business and service provision across all departments and continuing to provide support and guidance to local businesses and the community/voluntary sector.	In Progress	Conor Mallon	30/11/2021	The Working Group was established in January 2021. Meetings were held with key stakeholders to facilitate the development of integrated action plans to assist the organisation in planning ahead and recovering from the impact of the pandemic. Support to local businesses is ongoing. A number of council led initiatives have been funded to assist recovery focusing on events and enhancement to capital assets.
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	Dorinnia Carville	30/09/2021	Director sent letter to Minister in August 2021 - SP&R Committee will be informed of the response received.

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

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Risk Categories	Business operational/reputational Impact on individuals (staff or public) Quality of Service				
Risk Description	Risk of a cyber security event causing significant operational, financial and reputational damage to the Council				
Potential Root Cause	Cyber attack Accidental breach of security Breach of people, process, physical or technical controls Failure to respond to and recover from a cyber incident within, or impacting upon, Council Lack of skills and competencies System vulnerabilities				
Consequence	Threat to availability, integrity and confidentiality of Council information and systems Failure to deliver Council services (including statutory and regulatory services) Financial loss Reputational damage Extended period to recover services to Business as Usual (BaU) Destruction of systems and data Theft of data for criminal use Political impact Environmental impact				
Risk Owners	Dorinnia Carville				
Gross/Inherent Risk	Red 25				
Residual Risk	Amber 16				
Target Risk Level	Yellow 9				
Last Review	06/09/2021				
Next Review	14/09/2021				
Risk Appetite	Risk Averse				

Objectives

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

Key Controls Identified

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
3. Internal Audits Scheduled;
IT Systems and Security - 2021/22
IT Strategy 2021/22

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Business Continuity Plans:	BCP plans to be updated to reflect the cyber risk	Proposed	Gavin Ringland	31/01/2022	Critical and Priority Services currently being prioritised.
Cyber Incident Response/Disaster Recovery IT Strategy	Establish and test cyber incident response and disaster recovery capabilities	Proposed	Gavin Ringland	31/12/2021	Incident Response Plan under development.
	Implement additional security tools including multifactor authentication, conditional access and modern authentication where possible and appropriate	In Progress	Gavin Ringland	31/12/2021	Currently implementing multifactor authentication and conditional access to Office 365. Privileged access accounts being prioritised.
Training/Development Plans:	Increase User resilience Continue to engage with and follow guidance from the National Cyber Security Centre (NCSC) Continue to use Active Cyber Defence tools from NCSC and supplement with vulnerability scans, actioning recommendations resulting therefrom where possible and appropriate	Proposed	Gavin Ringland	31/12/2021	In discussion with Cyber Insurance Provider around services that they might provide to improve user resilience. Council is now subscribed to the NSCS Early Warning Network Vulnerability scanning solution currently being deployed

Corporate Services Directorate

21/09/2021 15:00:45

38

Risk 01. Risk of breaching Information Governance Rules and Regulations (e.g. DPA and FOI)

Consequence	5					Risk Categories Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service Statutory Duty (Legal/Regulatory)
	4		T		R	
	3					
	2					
	1					
		1	2	3	4	5
						Probability
						Risk Description Potential to breach DPA and other associated standards and legislation by failing to: -Effectively manage staff and corporate records -Secure records and ICT equipment -Manage information sharing appropriately -Implement a data protection impact assessment process
						Potential Root Cause Staff unawareness of statutory obligations Accidental non-compliance by staff Loss or theft Cyber crime
						Consequence Loss of public confidence and negative PR for the Council Non-compliance with legislative requirements which can lead to ICO penalties including monetary fines Potential for complaints and claims
						Risk Owners Gavin Ringland; Alison Robb
						Gross/Inherent Risk Red 20
						Residual Risk Amber 16
						Target Risk Level Yellow 8
						Last Review 16/09/2021
						Next Review 31/03/2022
						Risk Appetite Risk Cautious

Objectives

- Provide a Corporate Compliance Service
- Provide a secure IT network for Council services
- Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

- Access to Information and Record Management policies and procedures implemented
- Access to Information and Records Management e-learning modules created
- Breach review process created
- Data Cleanse project implemented
- Data Protection Impact Assessment and Data Sharing Agreement established, where appropriate
- Full Compliance Team complement supporting staff with obligations
- Monitoring and evaluation systems created and reported to SP&R

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
CCTV provision	Council site CCTV provision to be determined	In Progress	Alison Robb	31/03/2022	Once the new CCTV provision for Council sites is determined and agreed, the Compliance Team will assess the overall adequacy in accordance with GDPR and other relevant legislation.
Information Strategy	Provide support to the Information Governance Working Group to ensure synergy between its work programme and the business objectives of the Administration Department.	In Progress	Alison Robb	31/03/2022	The Information Governance Working Group continues to meet on a regular basis. The group provided a comprehensive overview of progress to date at the SMT/CMT meeting on 8 September 2021.
Records Management	Complete the Corporate Data Cleanse	In Progress	Alison Robb	31/03/2022	The data cleanse continues to be implemented across the organisation, with the number of disposals reported at the year end.

Risk 02. The Council may not prevent or detect fraud, bribery &/or corruption leading to financial loss & reputational damage

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

Probability

Risk Categories	Business operational/reputational Financial Statutory Duty (Legal/Regulatory)				
Risk Description	The Council may not prevent or detect fraud, bribery and/or corruption leading to financial loss and reputational damage				
Potential Root Cause	Transfer of planning powers gives more opportunity for fraud and bribery Major changes in organisational environment increasing fraud risk Changes in people and procedures resulting in inadequate systems and procedures Inadequate policies and procedures and failure to adhere to policies Lack of control of assets Unauthorised access to software systems and databases				
Consequence	Financial loss Reputational damage Opportunity cost Low Staff morale				
Risk Owners	Dorinnia Carville				
Gross/Inherent Risk	Amber 16				
Residual Risk	Amber 12				
Target Risk Level	Green 6				
Last Review	16/09/2021				
Next Review	31/03/2022				
Risk Appetite	Risk Averse				

Objectives

- Ensure appropriate risk management arrangements are in place
- Provide a Corporate Legal Support Service
- Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

- Independent Internal Auditors in place
- Members register of interests published online
- Policies in place
 - Staff and Councillors have to sign up and abide by the code of conduct on taking up employment
 - Dedicated staff member with responsibility for fraud and whistleblowing
- Fraud and Whistleblowing Update considered by the Audit Committee on a quarterly basis
- Governance arrangements in place including:-
 - Audit Committee
 - Code of Conduct
 - Declarations of Interest
- NFI

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Declarations of Interest	All high risk staff to have declaration completed by May 2021. Voluntary declarations to be rolled out to all staff by May 2021. All Elected Members have completed and submitted declarations, which will be reviewed every six months and reported to the Audit Committee.	In Progress	Alison Robb	31/12/2021	Since the inception of the Conflict of Interest policy and the start of this process, approx. 266 employees have been identified as being required to make a mandatory declaration of interest. Responses have been received in approx. 85% of cases. Returns remain o/s from approx. 40 no. employees and efforts are continuing by email contact to finalise the full set of returns. All relevant employees have received a reminder this week and this is due to be followed -up within 7 days. It is proposed that a review take place of the mandatory register in Q1 of 2022/23 with renewed returns to be made by each employee. In relation to voluntary declarations of interest, correspondence by email will be issued during w/c 13/09/2021 to all employees requesting voluntary DOI returns in accordance with the policy.
National Fraud Initiative	Complete the NFI Exercise 2020	Completed	Gérard Byrne Dorinnia Carville	23/09/2021	The NFI 2020 exercise is now complete and will be reported to the Audit Committee on 23 September 2021.
Whistleblowing Policy	Whistleblowing Policy to be updated	In Progress	Gerard Byrne	31/12/2021	Whistleblowing Policy to be updated to take into account the guidance issued by the NI Audit Office in the following document: Rising Concerns: A Good Practice Guide for the Northern Ireland Public Sector.

Risk 03. Inappropriate communications on corporate media channels has a negative impact on service delivery and the reputation of the Council

Consequence	5					Risk Categories	Impact on individuals (staff or public) Quality of Service		
	4		R	G		Risk Description	Inappropriate communications on corporate media channels has a negative impact on service delivery and the reputation of the Council.		
	3					Potential Root Cause	Failure to effectively engage the media Size of the organisation and District, as well as the geographical split (four main sites and mobile workers) Cultural change means not operating on corporate arrangements Not keeping abreast of growth and developments in communication and technologies		
	2		T			Consequence	Negative PR Not providing a VFM service Ineffective channels of communication Residents and stakeholders are not kept informed about the work of the Council and delivery of essential and key services		
	1					Risk Owners	Regina Mackin		
		1	2	3	4	5	Gross/Inherent Risk	Amber 12	Last Review 16/09/2021
							Residual Risk	Yellow 8	Next Review 31/03/2022
							Target Risk Level	Green 4	Risk Appetite Risk Open

Objectives

- Provide a Corporate Communications and Marketing Service
- Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

- Communications/media policies in place
- IT strategy in place to improve IT systems
- Regular meetings with press
- Twitter/Facebook presence of NMD
- Dedicated communications team and professional staff
- Regular Chief Executive briefings

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Media Policy and Social Media Policy and Procedures	Communicate and roll out Media Policy and Social Media Policy and Procedures to employees.	In Progress	Regina Mackin	31/03/2022	The Media Policy and Social Media Policy and Procedures have been approved by the Council and will be rolled out to employees through a communication and training programme.

Risk 04. Failure to safeguard children/adults from the risk of harm including failing to comply with our statutory responsibilities

Consequence	5						Risk Categories	Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)
	4		T	R			Risk Description	The Council has statutory and moral responsibilities to fulfil its obligations regarding safeguarding children, adults at risk and staff from harm.
	3						Potential Root Cause	Failure to comply with Safeguarding Policy Lack of staff expertise Policy not communicated properly Nature and Scope of Council Services / facilities giving abusers opportunity Failure to administer statutory/legal safeguarding obligations
	2						Consequence	Failure to protect children and adults at risk (including personal injuries / death) Reputational damage Litigation Disciplinary Physical damage to property
	1						Risk Owners	Catrina Miskelly
		1	2	3	4	5	Gross/Inherent Risk	Red 25
							Residual Risk	Amber 12
							Target Risk Level	Yellow 8
							Last Review	16/09/2021
							Next Review	31/03/2022
							Risk Appetite	Risk Averse

Objectives

Provide a professional HR service on all employment matters, including employee relations, resourcing and development and
Provide accessible, high-quality and integrated services through continuous improvement

Key Controls Identified

1. Access NI checks for staff (regulated positions) and contractors as appropriate
1. CCTV installed in relevant community and Leisure facilities
1. Leisure Watch system in Leisure Facilities
1. Registration booklet established for registering children/young people on all council activities/schemes.
1. Safeguarding compliance embedded into procurement processes for contracted services
1. Safeguarding Policy and associated procedures approved and available online.
1. Safeguarding Training
2. Council Designated Safeguarding Officers in place together with Council Safeguarding Coordinator.
2. Internal and External working groups and direct information sharing referral mechanisms with PSNI and Social Services
2. Safeguarding Coordinator completes spots checks on Council schemes

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Domestic Abuse and Sexual Violence Policy	Implementation of a Domestic Abuse and Sexual Violence Policy for Staff to support, protect and signpost staff who are subject to domestic abuse and to support	In Progress	Catrina Miskelly	31/03/2022	Implementation of Council commitment to Safe Place through development of Safe Place locations in order to support, protect and signpost people within communities and staff who are subject to domestic abuse. Ongoing.
Safeguarding Policy	Ongoing review Safeguarding policy, process and documentation for associated risks in context of the existing/emergency business plans and implications for Safeguarding related to COVID 19 pandemic.	In Progress	Catrina Miskelly	31/03/2022	
Staff training	Ongoing training of staff on the Safeguarding Policy and operational procedures	In Progress	Catrina Miskelly	31/03/2022	Ongoing

Risk 05. Breach of legislation / legislative challenge in relation to the procurement of goods and services and works

Consequence	5					
	4					
	3					
	2					
	1					
		1	2	3	4	5
Probability						

Risk Categories

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

Risk Description

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

Potential Root Cause

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

Consequence

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

Risk Owners

Gerard Byrne

Gross/Inherent Risk

Red 20

Residual Risk

Red 20

Target Risk Level

Yellow 8

Last Review

Next Review

20/12/2021

Risk Appetite

Risk Minimal

Objectives

Provide an effective Procurement Service

Provide appropriate IT to support transformational change

Key Controls Identified

- COVID19 - Regulation 32 purchases being utilised. Procurement holding list of expenditures bypassing normal rules
- Financial regulations and Procurement Policy in place
- Procurement Team
- Procurement training rolled out to all relevant staff based on expenditure level
- Specialist legal advice available
- Use of regional and national frameworks
- Procurement a standing agenda item at Audit Committee
- Single Tender Actions list reported to Audit Committee and SMT

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Contracts Management	The Limited Assurance Contract Management Internal Audit recommendations to be implemented with immediate effect. The two overarching recommendations were that Council develops a Contracts Management procedure and provides training for relevant staff on best practice.	Audit Recommendation	David Barter	28/02/2022	Between the 2018-19 and 2019-20 there was an increase in compliant spend across the Council, as highlighted through the two contract mapping exercises. However, non compliant spend remains high. Budget holders have been informed about the procurement priorities of their respective sections, as identified through the contracts mapping exercise, and have been asked to provide a timeline outlining when new compliant contracts will be put in place. An analysis of annual spend with individual and multiple suppliers between £15-£30k, where procurement should have been undertaken, is now complete.
New Procurement to Pay System	Our current supplier is no longer supporting the current system, therefore Council had to tender for a new supplier	In Progress		21/10/2021	Business Case and competitive process completed. Contracts signed, currently working with supplier in relation to implementation the system with a 'go live' date by the end of November 2021.
Procurement Action Plans	Each Directorate have their own Procurement Action Plan which highlights where current spend needs to be regularised	In Progress		21/10/2021	Procurement Action Plans to presented to the September 2021 Audit Committee.
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		21/10/2021	Legislation to be reviewed to determine if this is possible while adhering to Public Contract Regulations.

Risk 06. Failure to have necessary staffing structures and resourcing to deliver efficient and effective services

Consequence	5					
	4					
	3					
	2					
	1					
		1	2	3	4	5

Probability

Risk Categories	Business operational/reputational Impact on individuals (staff or public) Quality of Service				
Risk Description	Failure to have necessary staffing structures and resourcing to deliver efficient and effective services IT Team, Capital and HR Teams all have resource pressures presently				
Potential Root Cause	Due to TUPE protection of the T&C's of transferred employees, a range of T&C's exist which reflect different contractual arrangements -Length of hour contracts, Annual Leave, Public holidays and job roles and descriptions need consistency Failure to have an effective working relationship with Trade Unions Failure to attract and retain employees Cultural differences between the two legacy Councils and a resistance to change Restructuring the number of Directorates from five to four - SPP no longer exists				
Consequence	Low staff morale and increase in absenteeism Industrial Action Increase in use of overtime and also increase in the use of agency staff Negative impact on service delivery and lost productivity Negative PR for the Council				
Risk Owners	Dorinnia Carville; Catrina Miskelly				
Gross/Inherent Risk	Red 25				
Residual Risk	Amber 12				
Target Risk Level	Green 4				
Last Review					
Next Review	20/12/2021				
Risk Appetite	Risk Cautious				

Objectives

Contribute to the further development of future workforce skills

Provide a professional HR service on all employment matters, including employee relations, resourcing and development an

Key Controls Identified

1. Dedicated Learning and Development Policy in place
1. Detailed budgeting process in operation
1. Policies and procedures in place
1. Processes in place for specifying and filling posts (Matching, trawling, public advert)
1. Qualified HR, IT & Finance professionals in place
2. Absence stats reported to SP&R
2. Member led efficiency working group
2. Monitoring of absenteeism by SMT

Action Plans




	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Service Reviews	Service reviews are currently underway.	In Progress	Dorinnia Carville	31/03/2022	in progress
Staff on Temporary Contracts	SMT are currently going through a process to ensure staff who are on temporary contracts for a significant period of time have job security if there role is required long term.	In Progress	Dorinnia Carville	31/03/2022	In progress

Report to:	Audit Committee
Date of Meeting:	23 September 2021
Subject:	Prompt Payment Statistics
Reporting Officer (Including Job Title):	Gerard Byrne: Assistant Director of Finance (Acting)
Contact Officer (Including Job Title):	Gerard Byrne: Assistant Director of Finance (Acting)

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

☐ **For decision**
☐ **For noting only**
☒ **X**

1.0	Purpose and Background
1.1	<p>'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"> • Total amount paid by each Northern Ireland council to suppliers • Total number of invoices • Number of invoices paid within 10 working days • Number of invoices paid within 30 calendar days • Number of invoices paid outside 30 calendar days <p>Adherence to the policy is not mandatory for councils, but in a letter issued to council Chief Executives in October 2013, the Department of Environment's Local Government Policy Division said that: 'District councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by Northern Ireland Executive in response to the current economic position'.</p>
2.0	Key issues
2.1	<p>The COVID-19 pandemic has had a clear impact on the payment of invoices at Newry, Mourne and Down District Council. In 2019/20 the Council paid 90% of invoices within the payment period of 30 calendar days, compared to 86% for 2020/21.</p> <p>Q4 2020-21: The Council paid 3,713 invoices in total, 88% were paid within the 30 day period, with 12% of which were paid outside the payment period of 30 calendar days, compared to 14% in Q3 2020-21. The average number of days to pay suppliers increased to 24 days.</p>

2.2	1 April 2021 to 30 June 2021 (Q1 2021/22) <table border="1"> <thead> <tr> <th></th><th>Paid within 10 days</th><th>Paid within 30 days</th><th>Paid outside payment period</th><th>Total invoices</th></tr> </thead> <tbody> <tr> <td>Number of Invoices</td><td>1,116</td><td>4,670</td><td>415</td><td>5,085</td></tr> <tr> <td>Percentage</td><td>22%</td><td>92%</td><td>8%</td><td>100%</td></tr> <tr> <td>Value</td><td>£5,210,753</td><td>£15,830,385</td><td>£13,332,461</td><td>£29,162,846</td></tr> <tr> <td colspan="3">Average number of days to pay suppliers: 20</td><td colspan="2">Performance trend: </td></tr> </tbody> </table>		Paid within 10 days	Paid within 30 days	Paid outside payment period	Total invoices	Number of Invoices	1,116	4,670	415	5,085	Percentage	22%	92%	8%	100%	Value	£5,210,753	£15,830,385	£13,332,461	£29,162,846	Average number of days to pay suppliers: 20			Performance trend: 	
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Percentage	22%	92%	8%	100%																						
Value	£5,210,753	£15,830,385	£13,332,461	£29,162,846																						
Average number of days to pay suppliers: 20			Performance trend: 																							
3.0	Recommendations																									
31	To note: <ul style="list-style-type: none"> The Q1 2021-22 Prompt Payment statistics 																									
4.0	Resource implications																									
4.1	The Accounts Payable Team provide statistics to the Department for Communities on a quarterly basis.																									
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)																									
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>																									
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>																									

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

Report to:	Audit Committee
Date of Meeting:	23 September 2021
Subject:	Statement of Accounts for Year ending 31 March 2021
Reporting Officer (Including Job Title):	Gerard Byrne: Assistant Director of Finance (Acting)
Contact Officer (Including Job Title):	Gerard Byrne: Assistant Director of Finance (Acting)

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

For decision	X	For noting only	
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1.0	Purpose and Background
1.1	At the Audit Committee meeting of 5 July 2021, Members were advised that the draft Statement of Accounts of Newry, Mourne and Down District Council were submitted to the NIAO to be audited. The NIAO audit is almost complete and the audited Statement of Accounts for year ending 31 March 2021 is presented for approval of Members.
2.0	Key issues
2.1	<p>As per the Northern Ireland Audit Office's (NIAO) draft Report to Those Charged with Governance (RTTCWG), there have been no material year-end adjustments.</p> <p>Therefore, the figures within the Prime Statements presented on the 5 July 2021 remain unchanged.</p> <p>NIAO have recommended several disclosure amendments which have been revised within the final set of Accounts.</p> <p>Other revisions to note;</p> <ol style="list-style-type: none"> 1. On the 9th September, DfC requested that Councils should detail the amounts specifically received from funders (e.g. DfC, DAERA and furlough) in respect of COVID19 during 2020/21. Also, that an additional note is added to the financial statements to detail the amounts of funding as a consequence of COVID19 and where this has been assigned. Within the narrative report, page 19 details the funding received. Separate disclosures have been made within the financial statements at pages 76 and 107. 2. The Newry City Centre Revitalisation internal audit review has been referenced within the Annual Governance Statement at page 34.

3.0	Recommendations
31	It is recommended that Members note the NIAO RTTCWG and approve the Statement of Accounts for year ending 31 March 2021 for signing by the Chief Executive and Chairperson.
4.0	Resource implications
4.1	None
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><i>Proposal initiating consultation</i></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i></p> <p>Consultation not required.</p>
6.0	Due regard to Rural Needs (please tick all that apply)
6.1	Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service

	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	Appendices
	Appendix 1 – Statement of Accounts 31/3/2021
8.0	Background Documents
	None

Statement of Accounts

Newry, Mourne and Down District Council

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



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

**Newry, Mourne
and Down
District Council**

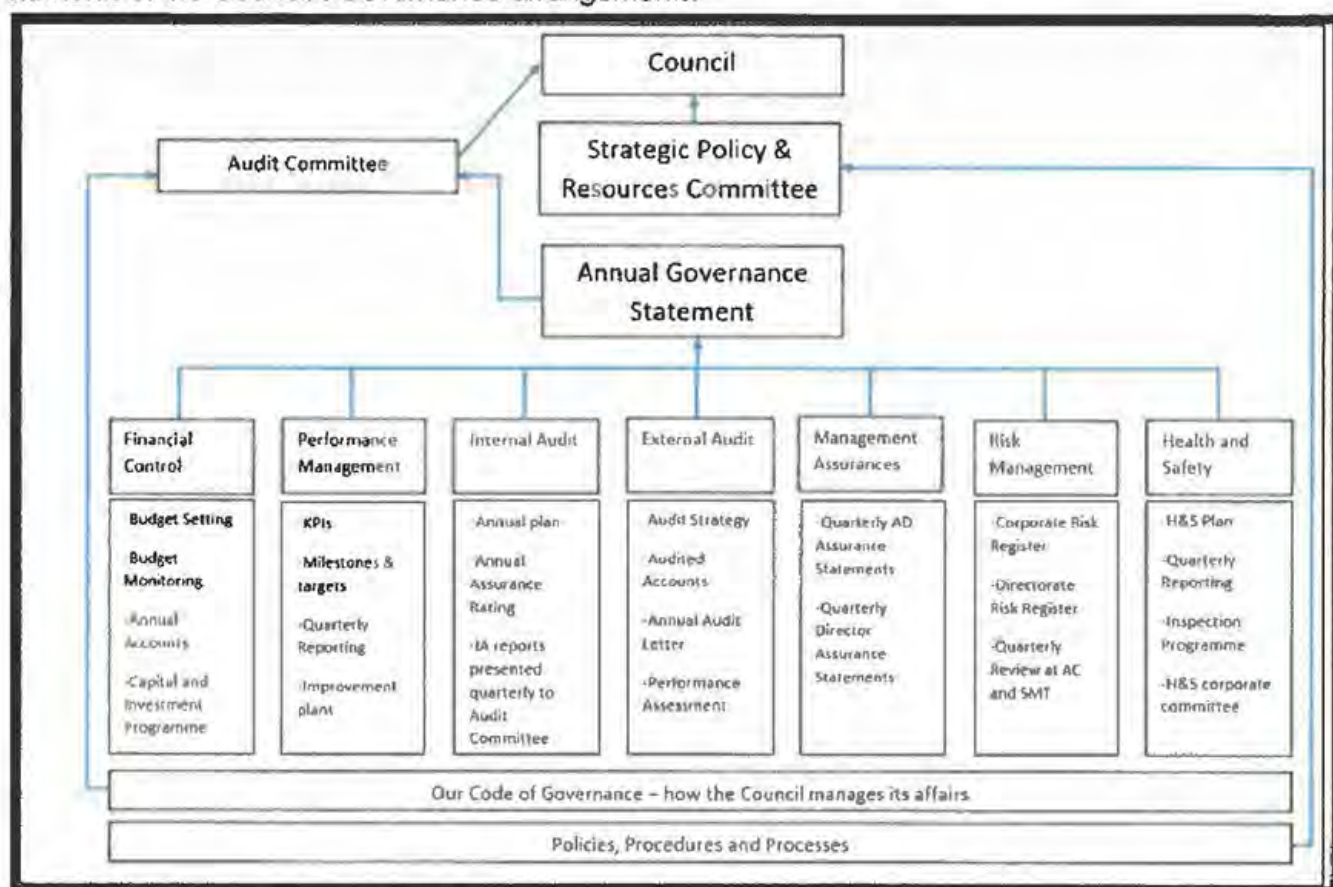
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While we acknowledge the COVID19 pandemic may be a continuing feature and have an impact upon Council services, our new [Corporate Plan \(2021-2023\)](#) will continue to guide Council's activities and how we allocate our resources over the next two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

Governance

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



Council's Assurance Mapping and Code of Governance was revised and approved by the Audit Committee on 5 July 2021. This was a best practice recommendation coming from the Audit Committee self-assessment carried out by the independent chair of the Audit Committee in January 2019. The Annual Governance Statement on page 21 details the Council's Code of Governance and significant Governance issues facing the Council. The Annual Governance Statement also details the special governance arrangements which were in place due to COVID19.

Operational model

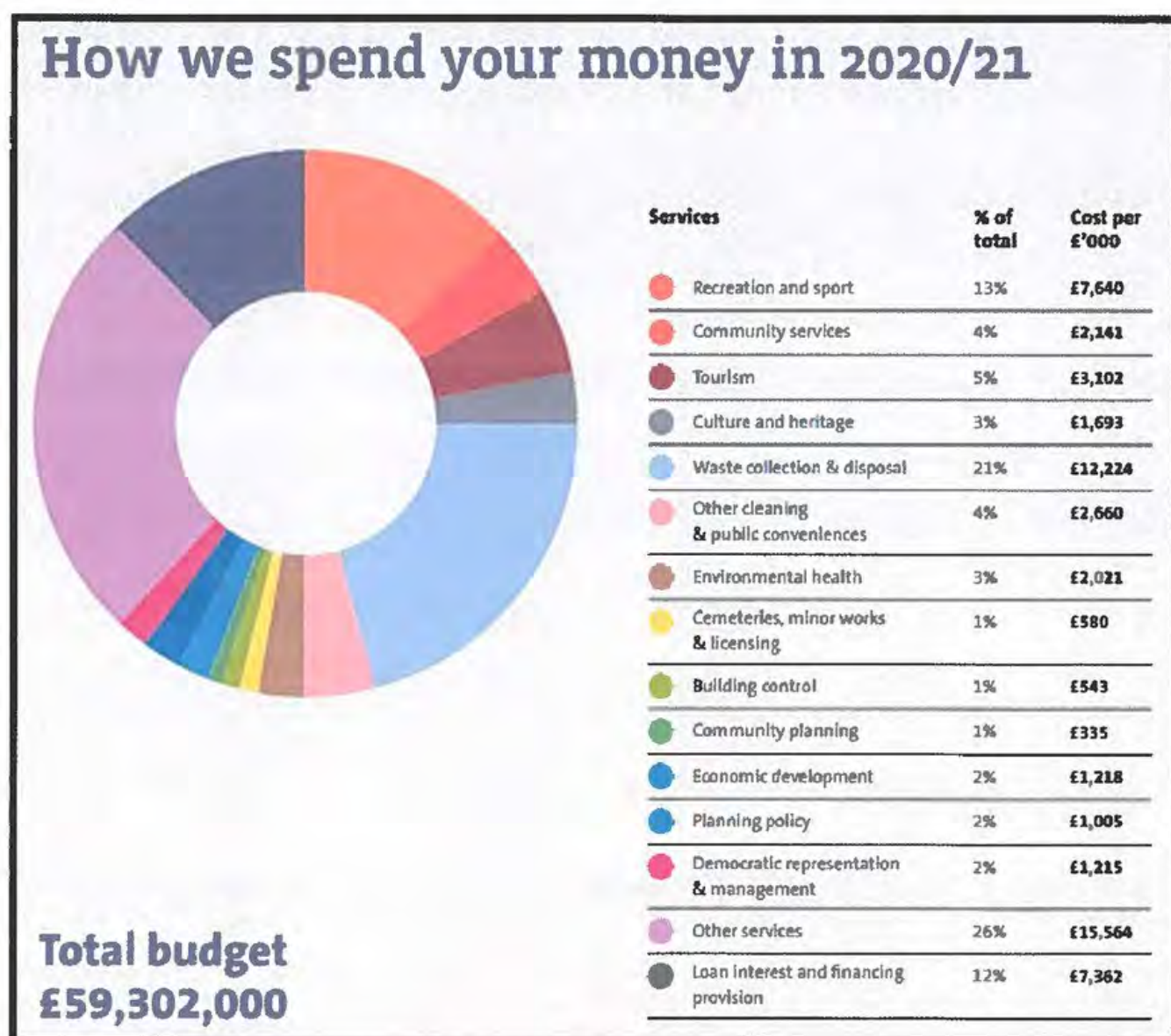
Each year, the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to the relevant committees for approval regarding what the Council hopes to do and how much it will cost. This helps

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

The Council's sources of budgeted income for the year ended 31 March 2021 were as follows:

District Rate from Households and Businesses	£56,346,735
Grants from Central Government	£2,855,987
Other	£99,278
Total	£59,302,000

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

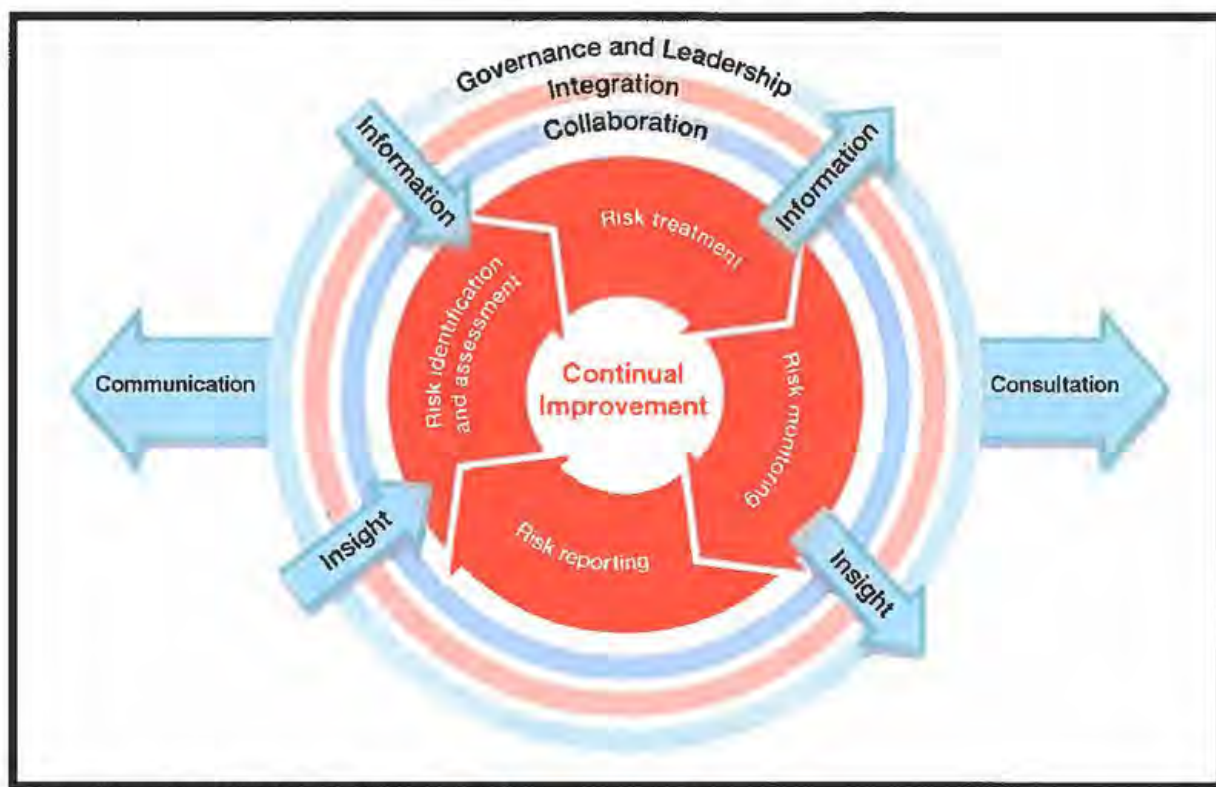


Risks and opportunities

The Council has an embedded process to manage risks and assist the achievement of its objectives and performance targets. The Corporate Risk Register plays an integral role in

supporting production of the Corporate Plan and is subject to a quarterly review by the Audit Committee and the Senior Management Team (SMT).

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



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

The Council had 12 Corporate Risks at 5 July 2021, which included:

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

11. Risk that Council does not assist the post COVID19 recovery of the district, therefore failing in its objectives to regenerate and build a prosperous district due to the inability of Council to be financially sustainable in the long term;
12. Failure to adequately manage the Cyber Security attack.

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

Council currently has one risk with a red residual score rating. These risks are highlighted above (***bold italics***).

Internal Audit completed a review of Risk Management in March 2021. The review received a satisfactory assurance rating. However, Council's Risk Strategy was revised to comply with HM Treasury's best Practice (Orange Book, Management of Risk; Principles & Concept). The revised Risk Strategy was approved by the Audit Committee in July 2021.

The key changes to the best practice and our policy include:

- The introduction of five main principles of risk management and a number of supporting principles;
- The introduction of the "three lines of defence" model which provides a simple and effective way to delegate risk management roles and responsibilities;
- The provision of clear roles and responsibilities for those involved in; and
- A risk appetite statement for Council.

Financial Statements

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

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

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

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

Group Accounts

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

The Movement in Reserves Statement

This Statement, as set out on page 52, shows the movement in the year on the different reserves held by Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES).

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 51, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rates income. Council's raise rates income to cover expenditure in accordance with regulations; this may be different from the accounting cost. The rates income position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on page 53, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and

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

The Cash Flow Statement

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

Basis of Preparation

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

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

Revaluation of Assets

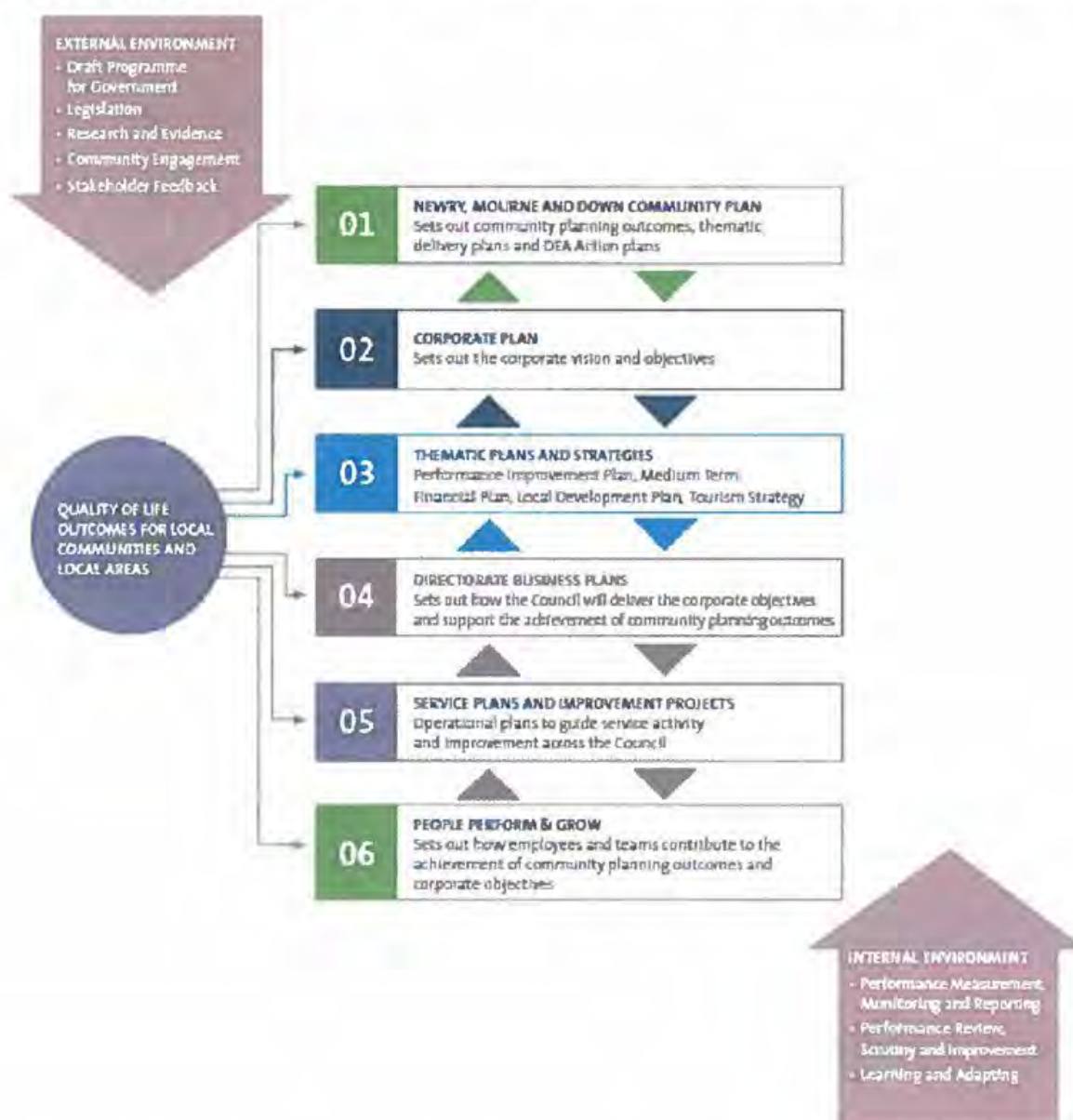
A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2021 on the Council's land and buildings. As a result, the value of land and buildings have decreased from £177.7 million at 31 March 2020 to £174.3 million at 31 March 2021. In light of COVID19, LPS has included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

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

Performance Report

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

The Council's Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate objectives and performance improvement objectives are being delivered, with the primary goal of making life better for our citizens.



Through the Business Planning and Performance Management Framework, the Council manages performance at all levels across the organisation, in order to ensure the necessary steps are taken to secure continuous improvement in the exercise of functions. Each level of the Business Planning and Performance Management Framework is, and will be, accompanied by a relevant set of performance measures to monitor and assess the Council's progress in improving the quality of life for local communities,

The table below provides a description of the various plans and strategies that form part of the Council's Business Planning and Performance Management Framework.

Community Plan	The Community Plan for Newry, Mourne and Down sets out the long-term vision for improving the economic, social and environmental wellbeing of the District. Developed in collaboration with partners across the statutory, business and voluntary sectors, the Community Plan is underpinned by Priority Actions Areas and seven DEA Action Plans, which seek to deliver the five community planning outcomes at a local level. Progress in implementing the Community Plan is reviewed on a biennial basis.
Corporate Plan	The Corporate Plan 2021-23 sets out the vision, values and strategic objectives for the Council. Each strategic objective is underpinned by 'supporting actions' and 'measures of success'. Progress in delivering the Corporate Plan is reported annually through the NMD Connect Newsletter and Assessment of Performance.
Thematic Plans and Strategies	The Council has put in place a number of Thematic Plans and Strategies to support the implementation of the Community Plan and Corporate Plan, including the Performance Improvement Plan, Medium Term Financial Plan and Regeneration and Economic Development Strategy. These plans provide the strategic context for multiple programmes of work across the organisation.
Directorate Business Plans	Business Plans are developed annually to demonstrate how Directorates contribute to the achievement of community planning outcomes, corporate objectives and performance improvement objectives. Directorate Business Plans include suites of key performance measures to measure progress and drive continuous improvement, with performance being monitored and reviewed bi-annually by the relevant Committee.
Service Plans and Improvement Projects	Service Plans and Improvement Projects are operational and set out the direction for service areas across the Council. They outline how each service contributes to the delivery of community planning outcomes, corporate objectives and performance improvement objectives, include key performance measures and provide a mechanism to manage performance consistently across the organisation.
People Perform Grow	The Council recognises the significant role employees play in contributing to the achievement of the Community Plan, Corporate Plan, Thematic Plans and Strategies, Directorate Business Plans and Service Plans. People Perform Grow will demonstrate the link between the work of employees and how they contribute to the achievement of key plans and strategies, as well as the outcomes experienced by local communities.

Community Plan

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

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

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

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

Some of Council's main achievements are:

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

Corporate Plan

Newry, Mourne and Down District Council's Corporate Plan 2021-23 was approved by the Strategy, Policy and Resources Committee on 17 December 2020 and sets out the following mission statement: 'To support and advocate for a welcoming District which is progressive, healthy and sustainable, providing better economic, environmental and social outcomes for all'. Progress in delivering the eight strategic objectives within the Corporate Plan will be monitored, reviewed and reported on an annual basis through NMD Connect and the Assessment of Performance.

Performance Improvement Plan

Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.



In response to the impact of the COVID19 pandemic, the Department for Communities (DfC) confirmed that Councils were not required to publish a Performance Improvement Plan for the 2020-21 financial year. The performance improvement objectives have been reviewed and updated within the context of the Corporate Plan 2021-23 and the 'proposals for




improvement' which were put forward by the NI Audit Office in 2019, taking into account the impact of COVID19 on our District, communities and services.

The [2021/22 Performance Improvement Plan](#) was approved by the Strategy, Policy and Resources Committee on 17 June 2021 and published on the Council's website ahead of the statutory deadline of 30 June 2021. The performance improvement objectives do not describe every improvement the Council plans to make during 2021-22. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Objectives for 2021-22 are:

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

In the absence of published performance improvement objectives 2020-21, the Council has continued to monitor performance by establishing a baseline to report progress against the 'measures of success' which underpin the performance improvement objectives 2021-22, including the statutory performance indicators and standards. The table below provides an overview of performance during 2020-21.

Performance Improvement Objective	Progress	Status Trend
 <p>We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces</p>	95.9% reduction in recorded attendances at Council leisure centres	▽
	79% reduction in the number of participants on Everybody Active 2020	▽
	91% of users said they are likely to return to the Council's leisure centres	☺
	3 'blue flag' beaches and 4 'green flag' parks	☺
	84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life	☺
	72.6% increase in recorded visits at four community trails	△
 <p>We will grow the economy by supporting local businesses and creating new jobs</p>	Between 2018-2019, 14.7% increase in overnight stays and 20.7% increase in visitor spend	△
	164 new jobs promoted through business start activity	☺
	40 social enterprise businesses supported and 13 new social enterprise jobs created	☺
	327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'	☺
	Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week	☺
	Increase in the number of VAT and/or PAYE registered businesses, birth rate of new businesses and employee jobs	△

	103% increase in the number of job seekers and out of work universal credit claimants	▽
 <p>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</p>	Decrease in the number of fixed penalty notices issued and paid	▽
	Decrease in the number of community clean ups supported	▽
	Slight decrease in the rate of recycling, to 52.6%	△
	One of the lowest levels of waste sent to landfill across all NI Councils	😊
	LEAMS (street cleanliness) score of 64 retained and falls just below the regional average of 65	△
	60 schools participated in the calendar poster competition	😊
	15 schools attended the virtual teachers Eco-Schools Information event	😊
 <p>We will build the capacity of local communities through the Financial Assistance Scheme</p>	£731k awarded to 377 projects across 18 thematic areas	😊
	Electronic Grant Management System launched and online training module developed	😊
	Newry, Down and Kilkeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020	😊
	18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers	😊
	72% of residents agree that the local area is a place where people from different backgrounds get on well together	😊
 <p>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</p>	The Council received, decided on and approved the highest number of planning applications across the 11 Councils	😊
	The processing time for local planning applications improved from 20.6 weeks in 2019-20 to 19 weeks in 2020-21	△
	The processing time for major planning applications improved from 94 weeks in 2019-20 to 64.6 weeks in 2020-21	△
	The percentage of enforcement cases processed within 39 weeks increased from 36.2% in 2019-20 to 40.9% in 2020-21	△

*The 2020 tourism estimates have not yet been published by the NI Statistics and Research Agency (NISRA) and the 2019 Local Government District (LGD) tourism data is reported.

**The 2020-21 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year data is currently being validated by DAERA and will be published in Q3 2021-22.

Directorate Business Plans

All Directorates continued to monitor and report progress in delivering the Emergency Business Plans during 2020-21. Below is a snapshot of some of the successes from each Department for the 2020/21 year:

Enterprise, Regeneration and Tourism Directorate

- 84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life;
- Issued 807 letters of offer, with a combined value of approximately £1.1m to assist local businesses as they navigate the impact of COVID19;
- Regeneration and Economic Development Strategy 2020-25 launched;
- A total of 12 artisan markets took place in Downpatrick, Newcastle and Warrenpoint;
- Online Christmas and St Patrick's concerts reached 194,00 online viewers;
- Webinar series delivered to around 160 tourism and hospitality businesses and mentoring support provided to 13 tourism and hospitality businesses; and
- 25 tourism and hospitality businesses engaged in the development of new and existing tourism businesses.

Active and Healthy Communities Directorate

- 97,281 recorded visits at four community trails;
- 507 clients directly benefitted from the services provided through the Ethnic Minority Support Centre;
- Worked in partnership with DAERA to establish import controls at Warrenpoint Harbour ahead of the transition period for EU Exit;
- 2,279 attendances recorded on the Everybody Active programme; and
- Broad range of physical activity and wellbeing programmes delivered virtually.

Neighbourhood Service Directorate

- Refuse collection services continued, as normal, throughout the pandemic;
- 60 schools participated in the calendar poster competition and 6,000 copies of the calendar were printed;
- Phase 2 extension compete for Monkshill cemetery and Phase 2 extension of Warrenpoint Cemetery 50% complete.

Corporate Services and Chief Executives Department

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

Residents Survey

In September 2018, the Council commissioned a Residents Survey to establish a robust and reliable evidence base in relation to resident perceptions about their local area, the performance of the Council and key priorities for improvement in the future. A representative sample of 764 residents revealed that:

- 87% are satisfied with the Council overall and 73% trust the Council
- 75% agree that the Council makes Newry, Mourne and Down a good place to live
- 61% believe the Council provides good value for money, which is above the GB average of 51

The next Residents Survey will be carried out during 2022-23 to track and monitor resident perceptions, satisfaction with Council services and the local area as a place to live. Feedback from the Residents Survey will be used to inform the development of future plans and strategies, including the Corporate Plan and Performance Improvement Plan.

The Council also carried out Customer Satisfaction Surveys for Building Control in 2020 and Leisure Facilities in 2019. Plans are currently in place to conduct further Customer Satisfaction Surveys for Planning and Parks and Open Spaces during 2021-22.

Expenditure and Funding Analysis

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

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

Financial Performance

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

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

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

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

Borrowings

For the 2020/21 year the Council has an authorised borrowing limit of £128m. This is based on the Council's forecast capital expenditure plans over the medium to long term. In conjunction with the Council's capital financing requirement of £119.5m, this ensure the Council only borrows for capital purposes.

The Council currently holds £74.1m of loans, a decrease of £700k on the previous financial year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast shows that the Council expects to borrow up to £96.1m by the end of 2021/22. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £128m.

During the year the Council repaid external loans of £4.7m. The Council borrowed £4m to fund ongoing capital projects. At 31 March 2021, the total amount outstanding on external loans was £74.1m.

Capital Expenditure

The Council has an ambitious four-year capital programme of £58.8 million (February 2020). The four-year capital programme is updated and approved annually by Council in February each year. The investment will help Council meet the strategic objectives which are set out in the Corporate Plan. The capital plan is continually reviewed by the Strategic Finance Working Group.

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

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

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

Strategy and resource allocation

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

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

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

Ireland) 2011, Section 27 states that "the Department shall for each financial year make a grant under this section to Councils" Councils were yet to be advised of the total amount of Rates Support Grant being made available by the DfC for 2020-21.

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

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

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

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

The Consortium has been awarded £24m from the Department for Digital, Culture, Media and Sport (DCMS) to implement a new collaborative programme to drive

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

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

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

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

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

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

For the year ended 31st March 2021, Council received the following funding from Central Government in relation to COVID19;

1. £5,606k from DfC in relation to COVID19 funding support;
2. £2,803k from DfC in relation to the COVID19 Recovery Revitalisation programme and Community Support funding;
3. £1,347k from DEARA; and
4. £1,891k from HMRC in relation to the furlough scheme.

Any funding which has not been spent in year has been included in the reserves at year end. This funding is detailed at note 26c in the financial statements. Further detail on how the COVID19 funding was spent in year is detailed in note 2c.

In line with all other Councils in Northern Ireland and the wider public sector, NMDDC is facing several challenges. Public finances are under increasing as a result of the pandemic, ongoing tightening of Government spending agendas, amongst other challenges. Key risks and planned mitigations are included in our Annual Governance Statement on Pages 21 to 37.

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

The Council's Responsibilities

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

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

These accounts were approved by the Chief Executive on 23rd September 2021.

The Chief Financial Officer's Responsibilities

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

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

The Chief Financial Officer is also required to:

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

NORTHERN IRELAND LOCAL GOVERNMENT BODIES'

ANNUAL GOVERNANCE STATEMENT

The Council's Annual Governance Statement follows the Code of Practice on Local Authority Accounting in the UK 2020/21 and DfC accounts directions. The Annual Governance Statement comprises the following sections:

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

Scope of Responsibility

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

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

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

The Council has prepared an Annual Governance Statement, which is consistent with the principles of the new CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016 edition). This statement explains how the Council has complied with the code and meets the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an Annual Governance Statement.

The Purpose of the Governance Framework

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

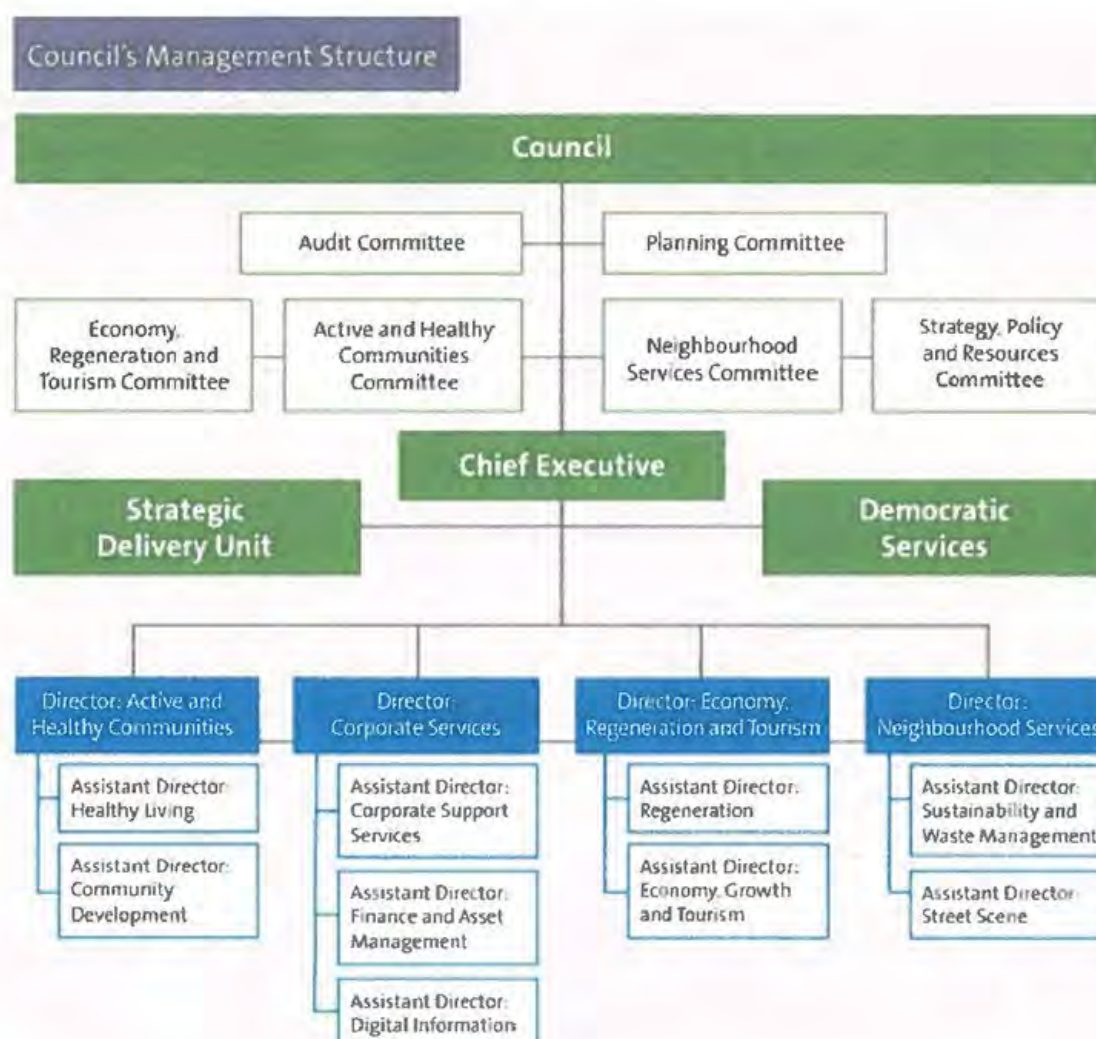
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system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

body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

The governance framework

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



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

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

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

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

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

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

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

The process for committee decision making under delegated authority was reintroduced on 4th May 2021 following the expiry of the legislation permitting the hosting of remote meetings from 6th May 2021. This process involves continuing to hold remote committee meeting, with the committee making recommendations to the Chief Executive or appropriate Chief Officer to exercise delegated authority to implement the recommendations.

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

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

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

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

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

The Audit Committee provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is relied upon by Council, to the extent that it exposes it to risk and weakens the control environment.

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

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

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

The Council's Code of Governance is based on the seven core principles set out in the CIPFA/SOLACE Framework (2016 edition). How we meet these seven core principles is reviewed and updated annually, and in particular for this year, ensuring that our update reflects COVID19 related changes to our governance arrangements. A summary of the key elements of our governance framework are set out in the following table:

A. Behaving with integrity

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

B. Ensuring Openness

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

C. Defining Outcomes

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

D. Optimising the achievement of outcomes

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

E. Developing Capacity and Capability

- Organisational Development
- People, Perform, Grow introduced
- Learning and Development Policy in place
- Harmonisation of policies
- Development of a joint Employee Relations consultation and negotiating policy
- Elected Members Development Charter/ Member Leadership Programme

F. Finance, Performance and Risk Management

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

G. Transparency, Reporting and Effective Accountability

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

The Chief Executive is the Council's designated Chief Financial Officer under the Local Government Finance Act (Northern Ireland) 2011, responsible for the proper administration of the Council's financial affairs. Local Regulations in Northern Ireland do not require the Chief Financial Officer to be a professionally qualified accountant nor the role to be separated from that of the Chief Executive as per the CIPFA principles. The Council is satisfied that the Chief Executive is supported by a number of fully qualified and experience staff who are members of various bodies within the Consultative Committee of Accountancy Bodies (CCAB).

Having considered all the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014), the Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The Council is committed to the highest possible standards of openness, probity and accountability. The Council has a Whistleblowing Policy where concerns can be raised. The policy is due to be updated in the 2021/22 financial year. Fraud and Raising Concerns is a standing agenda item at Audit Committee.

Codes of Conduct are in place for both staff and Elected Members and define the high ethical values and standards of behaviour expected, to make sure that public business is conducted with fairness and integrity. A Conflict of Interest Policy has also been introduced for both staff and Members.

Directors, Assistant Directors and Heads of Service are responsible for ensuring compliance with relevant laws, regulations, internal policies and procedures. The Quarterly Assurance Statement Process provided to the Chief Executive provide an opportunity to reflect on this point. Council has a Head of Legal Services, who is a practicing Solicitor, there is also plans to expand the internal legal function during 2021/22.

Council utilises various media streams to deliver internal and external communications, such as the Council websites, publications, brochures, leaflets, social media and media advertisements and broadcasts. The Council continues to explore ways to digitise services and use online technology and social media to enhance communication with residents, customers, businesses and potential visitors to the District. This has been particularly important due to COVID19 and many services are now online due restrictions in place during the pandemic (i.e. payments for building control / licences).

The Council continuously strives to have the highest standards of governance arrangements in place and endeavours to ensure that its partners also have high standards of governance arrangement in place. Council would control this in numerous ways such as Service Level Agreements, Letters of Offers and signed contracts.

As a result of the new GDPR law in 2018, Council established new structures and processes so that at any point in time the Council could provide assurance on the various Compliance related tasks the new law prescribed whilst implementing best practice guidance from the ICO & PRONI.

Mindful Article 5(1)(d) of the UK GDPR prescribes for personal data to be accurate, a corporate wide Compliance programme of work commenced to ensure 'data quality' was preserved for all Council information. That included:

- Creating a new Compliance Team with specific roles & responsibilities;
- Implementing new Corporate policies and procedures (Access to Information & Record Management);
- Developing and delivering in house training including a suite of training materials to build staff capacity;
- Creating and providing annual performance measurement statistics (p48);
- Creating an Information Strategy vision "To provide accurate, accessible information efficiently" and associated action plan;
- Conducting an audit of information including a Corporate wide data cleanse and review of the current Retention & Disposal Schedule; and
- Identification of Information Asset Owners

There were no breaches of personal data reported to the Information Commissioner's Office (ICO) during 2020/21.

Review of Effectiveness

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

Recommendations arising out of internal and external reviews are agreed with management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Registers are maintained of all outstanding

recommendations and these are circulated at Audit Committee. Assistant Directors must update quarterly progress on implementing recommendations as part of the Assurance Statement process. Follow up reviews are also reported to the Audit Committee.

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

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

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

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

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

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

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

Quarterly Assurance Statements are completed by Assistant Directors and Directors to give the Chief Executive assurance over the controls that are in place. The Assurance

Statements also make the Chief Executive aware of any of the risks arising which may have a negative impact on the Council.

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

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

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

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

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

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

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

- **Other explicit review / assurance mechanisms:**
 - Health and Safety: By reviews of Health and Safety by professionally qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.
 - Risk Management: Risk Management is embedded across all activities of the Council and is a continuously evolving process, which is monitored closely by the Audit Services Manager. The Corporate Risk Register is presented quarterly to both SMT and the Audit Committee.
 - External Funding: External funding throughout the year is subject to independent audits from the relevant funders i.e. European Court of Auditors, Government Departments, SEUPB.
 - Local Government Audit: Work carried out by the Local Government Auditor during 2019/20 is also used by the Council as an additional assurance

mechanism. The Council's Performance Improvement Plan has also been externally audited by the NIAO and received a satisfactory Assurance rating in 2018/19.

- o National Fraud Initiative (NFI) – Data Matching Exercise: The Council continues to conform to the requirements of the NIAO NFI exercise. This matches electronic data within and between public and private sector bodies to prevent and detect fraud. Data matching compares sets of data, such as payroll, pensions and trade creditors' records of a body against other records held by the same or another body. The latest batches of data matches were released by the NIAO February 2021 and work relating to the review and investigation of high risk matches is due to commence and continue over the Summer months.

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

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

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

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

1. Newry Rainbow Community Grant Funding

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

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

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

2. Internal Audit – Contract Management

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

- o focus management's priorities on the completeness and accuracy of the contract register;

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

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

Significant Governance Issues in 2020/21

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

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

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

1. Fleet Management – Internal Audit concluded that there remain several key controls absent from the Council's internal control system for fleet management. Specifically, that procedures relating to driver defect reports, safety inspections, routine maintenance checks and the Council's grey fleet are not being followed and there is a need to provide clarity on a number of the current practices. Internal audit also noted that there has been limited progress on the implementation of recommendations in a previously agreed internal audit report and limited evidence that the implementation status of these recommendations is being monitored by Council. An update on progress was brought to the Audit Committee in July 2021.
2. Fuel Management – Internal audit concluded that there are a number of key controls absent from the Council's systems for fuel management. Specifically, that there is a need to: clarify roles and responsibilities in respect of fuel management and agree the draft Fuel Management Policy and Procedure; establish a clear process for fuel stock counting and reconciliations of fuel receipts and issues; document the physical security arrangements in place for fuel held at the Greenbank and Strangford Road Depots; and consider whether there should be additional fuel cards issued to replace the use of the forecourt sign off sheets. An update is due to be brought to Audit Committee in September 2021.

Internal Audit also concluded that the Council need to review the costs and benefits of the system-based controls and reporting functionality of the Jigsaw software being used as

intended (without manual workarounds) to provide a more accurate management tool. They also noted insufficient progress on the implementation of key recommendations made in the Audit Services Manager's fuel audit report, dated November 2018.

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

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

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

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

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

1. Procurement and Contract Management

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

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

- Significant work has been undertaken to review all significant contract spend by Council and to ensure appropriate contracts are in place and formulate a fully operational contract register for future use by Council.

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

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

In July 2020, the Chief Executive informed Elected Members that given the high values of cost involved in the use of STA arrangements in Council that she had commissioned the Council's Internal Auditors to undertake an investigation into the Council's approach to, and explanations for, the use of single tender actions. The scope of the review also extended to considering the contract mapping exercise being completed by the Council's Procurement Team. The final report was issued on 1st December 2020 and 21 recommendations were agreed by management.

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

A new Procurement to Pay System is currently being implemented within Council. It is expected the 'go live date' will be November 2021. The new system will facilitate three-way matching and will offer greater functionality with monitoring contract spend.

2. IT Transformation Project

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

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

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

- Development of Service Area Business Continuity Plans with a focus on cyber security/disaster recovery;

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

3. Economic and Political Climate including the NI Protocol

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

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

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

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

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

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

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

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

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

4. Belfast Region City Deal (BRCD)

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

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

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

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

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

A Governance Review of the NCCR Programme was carried out by Council's internal auditors during August 2021, following a number of concerns raised by Members. The review concluded that the internal auditors do not believe the concerns raised by Members should impact on the Council progressing the Regeneration Programme.

5. Planning Backlog

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

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

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

The number of planning applications received by the Council did not subside during the pandemic and the total number is greater than 2019/20. During 2020-21, the Council received 1,645 planning applications which is the highest across Northern Ireland. Given the high number of planning applications submitted, combined with the challenges posed by the pandemic, it was not possible to reduce the overall number planning applications within the system during 2020-21. Through the Performance Improvement Plan, the Council has agreed and published targets for improvement in 2021-22. It should however be noted that, despite the challenges the Planning Department faced during 2020-21, the average processing times for local and major planning applications improved when compared to 2019-20.

The number of applications in the system for 12 months or more increased from 183 in 2019-20 to 195 in 2020-21 and the Council has set a target of 150 in 2021-22. The number of enforcement cases in the system for 12 months or more reduced from 620 in 2019-20 to 546 in 2020-21 and the Council has set a target of 450 in 2021-22. Annual figures provided by the Department for Infrastructure in relation to the statutory performance indicators and standards indicate a reduction in the average processing times of local applications, from 20.6 weeks in 2019-20 to 19 weeks in 2020-21 (regional average is 17.8 weeks), and major planning applications, from 94 weeks in 2019-20 to 64.6 weeks in 2020-21 (regional average is 61.4 weeks). Whilst the percentage of enforcement cases processed within 39 weeks also improved from 36.2% in 2019-20 to 40.9% in 2020-21, it remains well below the current regional average of 69.9%.

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

6. Absenteeism

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

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

For the twelve-month period ending 31 March 2021, days lost due to sickness decreased by 2,476 to 12,107.5; compared to 14,583.5 for the year ended 31 March 2020; representing an overall decrease of 16.98%. Absence Management statistics are now provided to the SP&R Committee on a quarterly basis.

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

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

7. COVID19

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

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

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

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

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

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

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

Signed

CHAIR

Signed

CHIEF EXECUTIVE

on behalf of Newry, Mourne and Down District Council

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2021

INTRODUCTION

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

ALLOWANCE AND REMUNERATION ARRANGEMENTS

COUNCILLORS

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

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

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

SENIOR EMPLOYEES

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

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

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

INDEPENDENT MEMBER - AUDIT COMMITTEE

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

ALLOWANCES PAID TO COUNCILLORS

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

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

Allowance	2020/2021		2019/2020	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	634,926	42	614,592	55
Special Responsibility Allowance	76,334	29	73,169	29
Chairperson Allowance	20,165	2	20,165	2
Vice Chairperson Allowance	6,293	2	6,293	2
Mileage Allowance	7,096	18	60,303	45
Public Transport and Other Travel Incidentals	508	2	6,072	10
Subsistence	150	4	4,414	10
Courses/ Conferences Visits (registration & joining fees)	8,175	6	4,533	8
Dependents' Carers Allowance	2,283	1	449	1
TOTAL ALLOWANCES	755,930	-	789,990	-

Details of the allowances paid to individual councillors in 2020/2021 are published on the council website at www.newrymouredown.org/councillors-allowances-and-expenses

REMUNERATION OF SENIOR EMPLOYEES

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

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

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

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

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2020/2021 was £115 - £120. This was 5.2 times the median remuneration of the workforce, which was £23,080.

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

	2020/2021	2019/2020
Salary Band of Highest Paid member of the	115 - 120	110 - 115
Median Total Remuneration	£23,080	£22,292
Ratio	5.20	5.00

In 2020/2021, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

Salary

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

Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they became payable to the individual. There were no bonuses due in 2020/2021.

Benefits in Kind

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

Exit Packages for staff

There were no exit packages 2020/2021

Table 4: Exit Packages In 2020/2021 (audited information)

Severance Package Cost Band	2020/2021				2019/2020			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000								
£20,001 - £40,000						2	2	71,419
£40,001 - £60,000								
£60,001 - £80,000						1	1	71,168
£80,001 - £100,000								
£100,001 - £150,000						1	1	146,340
£150,001 - £200,000								
Total	0	0	0	0	0	4	4	288,927

Pension Benefits

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

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

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

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

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

Table 5: Employee Contribution Rates

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

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

Table 6: Employer Contribution Rates

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2020/2021 was £137,217.25.

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

Table 7: Pension Benefits of senior staff in 2020/2021 (audited information)

Officers	Accrued Pension at pension age as at 31/3/21 £'000	Real Increase in pension and related lump sum at pension age £'000	CETV at 31/03/2021 £'000	CETV at 31/03/2020 £'000	Real Increase in CETV £'000
Marie Ward Clerk & Chief Executive	20 - 25 no lump sum	4.5 - 5.0 no lump sum	263	207	43
Michael Lipsett Director of Active & Healthy Communities	40 - 45 plus lump sum of 75 - 80	2.5 - 3.0 plus lump sum of 1.5 - 2.0	831	769	51
Dorinnla Carville Director of Corporate Services	20 - 25 no lump sum	2.0 - 2.5 no lump sum	235	207	20
Roland Moore Director of Neighbourhood Services (Until 02/11/2020)	20 - 25 plus lump sum of 10 - 15	1.0 - 1.5 plus lump sum of 0.0 - 0.5	269	253	10
Conor Mallon Director of Enterprise, Regeneration & Tourism	5 - 10 no lump sum	1.5 - 2.0 no lump sum	60	39	14
Jonathon McBride Director of Neighbourhood Services (From 02/11/2020)	20 - 25 plus lump sum of 15 - 20	2.0 - 2.5 plus lump sum of 2.0 - 2.5	271	238	30

The Cash Equivalent Transfer Value (CETV)

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

The real increase in the value of the CETV

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

Chief Executive

23 September 2021

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2021 on pages 51 to 54 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 55 to 72.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2021.

Chief Financial Officer

Date September 2021

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council on 23 September 2021.

Chairman

Date September 2021

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

Newry, Mourne and Down District Council

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

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

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

Newry, Mourne and Down District Council

Movement in Reserves Statement for the year ended 31 March 2021

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

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

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

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

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

Newry, Mourne and Down District Council

Cash Flow Statement at 31 March 2021

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

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

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

1 Accounting Policies

a General Principles

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

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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

ii) Acquisitions and Discontinued Operations

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

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

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

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

iv) **Cash and Cash Equivalents**

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

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

v) **Contingent Assets**

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

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

vi) **Contingent Liabilities**

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

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

vii) **Employee Benefits**

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

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

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

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

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

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

Service cost comprising:

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

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

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

The Northern Ireland Civil Service(NICS) Pension Scheme

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

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

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

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

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

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

ix) Exceptional Items

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

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

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

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

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

xi) Financial Instruments

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

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

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

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

Financial Assets

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

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

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

Financial Assets Measured at Amortised Cost

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

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

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

xii) Foreign Currency Translation

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

xiii) Government Grants and Contributions

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

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

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

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

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

xiv) Intangible Assets

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

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

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

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

xv) Inventories & Long Term Contracts

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

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

xvi) Investment Property

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

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

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

xvii) Landfill Allowance Scheme

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

xviii) **Leases**

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

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

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

The Council as Lessee - Finance Lease

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

Lease payments are apportioned between:

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

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

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

Operating Leases:

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

The Council as Lessor - Finance Lease

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

Lease rentals receivable are apportioned between:

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

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

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

The Council as Lessor - Operating Lease

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

xix) Disposals and Non-Current Assets Held for Sale

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

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

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

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

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

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

xx) Overheads and Support Services

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

xxi) Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

Impairment

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

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

Componentisation

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

Revaluations

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

xxii)

Heritage Assets

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

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

The Heritage Assets held by the Council include artefacts, historical furniture, civic items, Ross' Monument, paintings and drawings.

xxiii) **Provisions**

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

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

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

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

xxiv) **Reserves**

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

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

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

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

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

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

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

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

xxvii) **Value Added Tax**

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

xxix) **Fair Value Measurement**

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

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

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

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

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

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- * Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- * Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- * Level 3 – unobservable inputs for the asset or liability.

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

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

The implementation of IFRS 16 Leases has been deferred until 1 April 2022.

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

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

The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

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

d Critical Judgements in Applying Accounting Policies

In applying accounting policies set out from 1a above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

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

2

Expenditure and Funding Analysis

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

	2020/21			2019/20		
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Chief Executive	718,922	(2,433)	721,355	2,742,011	688	2,741,323
Corporate Services	13,347,335	774,271	12,573,064	14,838,292	328,012	14,510,280
Enterprise, Regeneration & Tourism	4,112,555	(5,170,585)	9,283,140	7,254,273	(3,405,916)	10,660,189
Neighbourhood Services	23,969,472	(4,612,999)	28,582,471	24,685,182	(2,945,862)	27,631,044
Active & Healthy Communities	8,191,269	(4,798,073)	12,989,342	8,919,398	(5,106,447)	14,025,845
Net Cost of Services	50,339,553	(13,809,819)	64,149,372	58,439,156	(11,129,525)	69,568,681
Other Income and Expenditure	(65,013,704)	4,031,589	(70,045,293)	(57,411,019)	1,195,870	(58,606,889)
Surplus or Deficit	(15,674,151)	(9,778,230)	(5,895,921)	1,028,137	(9,933,655)	10,961,792
Opening General Fund			11,708,865			11,867,501
Surplus/ (Deficit) on General Fund Balance in Year			7,519,402			(160,636)
Closing General Fund			19,228,267			11,708,865

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

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b Note to the Expenditure and Funding Analysis

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

Adjustments between Funding and Accounting Basis
2020/21

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

Adjustments between Funding and Accounting Basis
2019/20

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

Adjustments for Capital Purposes

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

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

Net change for the Pensions Adjustments

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

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

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

Other statutory differences

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

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

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

Other non-statutory adjustments

The reportable segments are based on the organisational structure of the Council comprising the Chief Executive's department and four directorates.

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

2
c Segmental Income and Expenditure (Current Year)

Income and expenditure on a segmental basis are analysed below:

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

Covid Funding

The following amounts of Covid Funding received have been included in 'Material Items of Income and Expense' above:

	2020/21	
	£	
Chief Executive	(1,890,790)	HMRC Furlough Income
Corporate Services	-	
Enterprise, Regeneration & Tourism	(1,906,000)	DfC Covid-19 Recovery Revitalisation programme
Neighbourhood Services	(1,347,184)	DAERA Covid Funding
Active & Healthy Communities	(896,970)	DfC Covid-19 Community Support Funding *

In addition, Department for Communities (DfC) Covid Funding Support of £5,606,427 (2019/20 £220,101) has been included in Taxation and Non-Specific Grant Income detailed at Note 10a.

The amount of Covid funding received but not expended during 2020/21 has been transferred to Usable Reserves as outlined at Note 26c (ii) and (iii).

* DfC Community Support Fund (Tranche 1 - 3), Access to Food Partnership Fund, Financial Inclusion Partnership Fund, Food & Essential Supplies Fund, Warm, Well and Connected Fund, Volunteering Support Fund,

Segmental Income and Expenditure (Comparative Year)

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

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

3 a Expenditure and Income Analysed by Nature

Expenditure		2020/21	2019/20
	Notes	£	£
Employee Benefits Expenses	7	(34,027,666)	(35,900,300)
Other Services Expenditure		(39,970,990)	(37,486,886)
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	(6,848,412)	(9,341,209)
Interest Payments	9	(3,424,888)	(3,173,616)
Loss on the Disposal of Assets	8	(1,522,911)	-
Other Expenditure		(18,178)	(25,175)
Total Expenditure		(85,813,045)	(85,927,186)

Income		2020/21	2019/20
	Notes	£	£
Fees, Charges and other service income		16,697,696	13,159,714
Interest and Investment Income	9	5,276	20,760
District rate income	10	57,609,682	54,781,864
Government grants and Contributions	10	17,306,051	6,865,177
Support Service Income		-	-
Gain on the Disposal of Assets	8	-	18,960
Other Income		90,261	118,919
Total Income		91,708,966	74,965,394
(Surplus) or Deficit on the Provision of Services		5,895,921	(10,961,792)

b Revenue from contracts with service recipients

The Council does not receive material revenue from contracts with service recipients.

4 Adjustments between an Accounting Basis and Funding Basis under Regulations

a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

a1	Notes	2020/21		2019/20	
		£	£	£	£
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	11	-		(10,904)	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(301,583)		1,711,575	
Depreciation charged in the year on non-current assets	11	7,149,995	6,848,412	7,640,538	9,341,209
Net Revenue expenditure funded from capital under statute	12		7,964,479		2,834,425
Carrying amount of non current assets sold	8	2,790,271			
Proceeds from the sale of PP&E, investment property and intangible assets	8	(1,267,360)	1,522,911	(18,960)	(18,960)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements					
Net charges made for retirement benefits in accordance with IAS 19	21		10,721,000		11,569,000
Direct revenue financing of Capital Expenditure	12		-		-
Capital Grants and Donated Assets Receivable and Applied in year	10		(6,705,499)		(2,093,910)
Capital Grants Receivable and Unapplied in year	10C		-		-
Roles Claw-Back Reserve	27		-		-
Adjustments in relation to Short-term compensated absences	27d		126,020		(37,283)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	27		-		-
Provisions Discount Rate Reserve Adjustment	27		102,907		(76,825)
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	12		(5,826,000)		(6,049,000)
Employers contributions payable to the NIGOSC and retirement benefits payable direct to pensioners	21		(4,976,000)		(5,535,000)
			9,778,220		9,933,656

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

5 Cost of Services on Continuing Operations

a General power of competence

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

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

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

b External Audit Fees

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

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

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

6 Operating and Finance Leases

Council as Lessor

a Finance Leases (Council as lessor)

The Council has no finance leases as lessor.

b Operating Leases (Council as lessor)

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

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

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

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

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

Council as Lessee

c Finance Leases (Council as lessee)

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

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

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

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

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

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

d Operating Leases (Council as lessee)

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

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

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

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

7 Employee Costs and Member Allowances		
a Staff Costs		
	2020/21	2019/20
	£	£
Salaries and Wages	25,503,530	26,287,249
Employers NIC	2,211,755	2,318,874
Employers Superannuation	5,058,963	5,668,381
Total staff costs	32,774,248	34,274,504

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

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

At last actuarial valuation dated 31st March 2019 the funds assets meet 112% of liabilities at that date (31/3/16-96%).

Average Number of Employees - where FTE represents fulltime equivalent employees

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

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

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

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

e Northern Ireland Civil Service Pension Arrangements

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

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DOF Superannuation and Other Allowances Resource Accounts as at 31 March 2021.

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

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

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

8 Other Operating Income & Expenditure

a Surplus/Deficit on Non-Current Assets (excl Investment Properties)

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

b Other Operating Income/ Expenditure

	2020/21	2019/20
	£	£
Income	-	-
Expenditure	-	-
	-	-

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

9 Financing and Investment Income and Expenditure

a Interest Payable and Similar Charges

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

b Interest and Investment Income

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

c Pensions interest costs and expected return on pensions assets

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

d Surplus/ (Deficit) on trading operations

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

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

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

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

10 Taxation and Non Specific Grant Income

a Revenue Grants

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

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

b Revenue Grants - Unapplied

The Council has no Revenue Grants Unapplied.

c Capital Grants and Donated Assets - Applied

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

d Capital Grants - Unapplied

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

e District Rates

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

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

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

Long - Term Assets - Current Year														
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	2,240,002	5,066,074	7,821	206,370,847
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	2,240,002	5,066,074	7,821	206,370,847
Additions	100,000	1,422,525	20,799	-	669,271	-	1,983,434	-	4,196,029	2,840	-	225,671	-	4,424,540
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	356,116	(2,679,786)	(22,385)	-	-	-	(59,153)	897,244	(1,507,964)	-	-	-	-	(1,507,964)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	392,500	(1,481,684)	(12,114)	-	-	-	85,791	(104,744)	(1,120,251)	-	30,000	-	-	(1,090,251)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(480,961)	(2,301,489)	-	-	(264)	-	-	-	(2,782,714)	-	-	-	(7,821)	(2,790,535)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	77,700	-	-	-	-	-	(85,791)	(77,700)	(85,791)	-	1,020,000	-	666,460	1,600,669
Reclassified to(-) / from(+) Held for Sale	(853,655)	426,143	-	-	-	-	(426,143)	(832,805)	(1,686,460)	-	-	-	-	(1,686,460)
Balance as at 31 March 2021	30,855,912	135,891,614	956,360	100,001	19,827,787	26	3,606,487	3,284,696	194,522,883	1,549,756	3,290,002	5,291,745	666,460	205,320,846

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Sale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	1,566,190	-	16,937,829
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	1,566,190	-	16,937,829
Depreciation Charge	-	5,388,291	32,365	-	1,292,948	-	-	-	6,713,604	-	-	436,391	-	7,149,995
Depreciation written out on Revaluation Reserve	-	(4,003,178)	(14,158)	-	-	-	-	-	(4,017,336)	-	-	-	-	(4,017,336)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,389,981)	(1,853)	-	-	-	-	-	(1,391,834)	-	-	-	-	(1,391,834)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(264)	-	-	-	(264)	-	-	-	-	(264)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	3	758,764	(1)	15,917,042	1	-	-	16,675,809	-	-	2,002,581	-	18,678,390
Balance as at 31 March 2021	30,855,912	135,891,611	197,596	100,002	3,910,745	25	3,606,487	3,284,696	177,847,074	1,549,756	3,290,002	3,289,164	666,460	186,642,456

Long - Term Assets - Comparative Year													
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	31,246,212	132,789,626	988,907	100,001	18,482,678	72,017	6,215,806	3,335,401	193,230,648	1,537,436	2,210,002	3,749,689	-
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	31,246,212	132,789,626	988,907	100,001	18,482,678	72,017	6,215,806	3,335,401	193,230,648	1,537,436	2,210,002	3,749,689	-
Additions	7,000	3,509,093	-	-	1,384,364	-	1,560,222	-	6,460,679	4,480	-	1,316,385	-
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	556,721	945,116	(18,647)	-	-	-	-	67,300	1,550,490	5,000	-	-	-
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(537,900)	(2,610,000)	(200)	-	-	-	-	-	(3,148,100)	-	30,000	-	-
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(708,262)	-	-	-	(708,262)	-	-	-	-
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	5,872,070	-	-	-	(71,991)	(5,667,679)	-	132,400	-	-	-	-
Reclassified to (+) / from (-) Held for Sale	(7,821)	-	-	-	-	-	-	-	(7,821)	-	-	-	7,821
Balance as at 31 March 2020	31,244,212	140,505,905	970,640	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	2,240,002	5,066,074	7,821
													206,370,847

b

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	-	2,437	212,734	(1)	14,053,771	1	-	-	14,268,942	-	-	1,177,920	-	15,446,862
Cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	-	2,437	212,734	(1)	14,053,771	1	-	-	14,268,942	-	-	1,177,920	-	15,446,862
Depreciation Charge	-	5,430,357	543,062	-	1,278,849	-	-	-	7,252,268	-	-	388,270	-	7,640,538
Depreciation written out on Revaluation Reserve	-	(4,010,493)	(13,386)	-	-	-	-	-	(4,023,879)	-	-	-	-	(4,023,879)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,406,525)	-	-	-	-	-	-	(1,406,525)	-	-	-	-	(1,406,525)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	(10,904)	-	-	(708,262)	-	-	-	(10,904)	-	-	-	-	(10,904)
Derecognition - Disposals	-	-	-	-	-	-	-	-	(708,262)	-	-	-	-	(708,262)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	4,872	742,410	(1)	14,424,358	1	-	-	15,371,640	-	-	1,566,190	-	16,937,830
Net Book Values														
Balance as at 31 March 2020	31,264,212	140,501,033	227,650	100,002	4,534,422	25	2,108,349	3,402,701	182,138,394	1,546,916	2,240,002	3,499,884	7,821	189,433,017
Balance as at 31 March 2021	30,855,912	135,891,611	197,596	100,002	3,910,745	25	3,406,487	3,284,696	177,847,074	1,549,756	3,290,002	3,289,144	666,460	186,642,456

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

11 c Property, plant and equipment

Depreciation

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

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

Effects of Changes in Estimates

In 2019/20, the Council made two material changes to its accounting estimates for property, plant and equipment:

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipments required to be measured

The significant assumptions applied in estimating the current values of property, plant and equipment are:

Non-operational Property, Plant and Equipment (Surplus Assets)

The Council does not have material surplus assets.

d Intangible Assets

The Council owns intangible assets which relate to market rights, purchased licensed software and a licence for a mountain bike site as follows:

Intangible Assets	2020/21	2019/20
	£	£
Balance at start of year:		
Gross carrying amounts	5,066,074	3,749,689
Accumulated amortisation	1,566,190	1,177,920
Net carrying amount at start of year	3,499,884	2,571,769
Additions	225,671	1,316,385
Amortisation for the period	(436,391)	(388,270)
Other Changes	-	-
Net carrying amount at end of year	3,289,164	3,499,884
Comprising:		
Gross carrying amounts	5,291,745	5,066,074
Accumulated amortisation	2,002,581	1,566,190
Net carrying amount at end of year	3,289,164	3,499,884

e Investment Properties

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

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

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

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

Heritage Assets

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

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

Heritage Assets	2020/21	2019/20
	£	£
Artefacts	531,452	529,614
Historical Furniture	81,935	81,935
Civic Items	65,600	65,600
Ross' Monument	413,911	413,911
Paintings and Drawings	456,858	455,856
Balance at end of the year	1,549,756	1,546,916

g Assets Held for Sale

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

h Long-Term Assets - Leased Assets

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

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

i Revaluation

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

12 Capital Expenditure and Capital Financing

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

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

13 Future Capital Commitments

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

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

Inventories		2020/21	2019/20
		£	£
Central Stores		313,694	358,240
Other		194,196	190,549
Total		507,890	548,789

15	Debtors		
a	Long Term Debtors	2020/21	2019/20
		£	£
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Employee car loans	14,195	11,279
	Revenue Grants	-	-
	Capital Grants	-	-
	Interest Receivable	-	-
	Capital Debtors	-	-
	Loans and advances	43,541	47,141
	Finance lease debtors	-	-
	Trade debtors	-	-
	NIHE Loans	-	-
	Other	58,128	43,000
	Impairment of loans and receivables	-	-
	Contract Receivables	-	-
	Total Long-Term Debtors	115,864	101,420
b	Short Term Debtors	2020/21	2019/20
		£	£
	Government Departments	1,556,137	1,550,050
	Other Councils	130,199	356,980
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	NIHE loans	-	-
	Employee car loans	13,529	17,287
	Revenue Grants	1,885,744	2,247,680
	Capital Grants	3,721,119	1,320,872
	Interest Receivable	-	-
	Capital Debtors	-	-
	Value Added Tax	1,366,032	1,102,968
	Prepayments	252,162	301,956
	Finance lease debtors	-	-
	Other	324,580	255,538
	Trade receivables	898,299	607,347
	Impairment loss - Trade receivables	(322,201)	(402,531)
	Contract Receivables	-	-
	Total Short-Term Debtors	9,825,600	7,358,147
	Total Debtors	9,941,464	7,459,567
16	Investments		
	The Council has no investments.		
17	Borrowings		
a	Short Term Borrowing	2020/21	2019/20
		£	£
	Loans re-payable within one year	10,416,318	15,585,336
	Finance Lease Principal	-	4,172
	Total Short Term Borrowing	10,416,318	15,589,508
b	Long Term Borrowing	2020/21	2019/20
		£	£
	Between 1 and 2 years	4,342,321	4,149,071
	Between 2 and 5 years	11,811,049	11,519,559
	Between 5 and 10 years	18,597,126	17,367,197
	In more than 10 years	28,957,061	26,219,232
	Government Loans Fund	63,707,557	59,255,059
	Total Borrowing	74,123,875	74,844,567

18 Creditors			
a Short Term Creditors			
		2020/21	2019/20
		£	£
Government Departments		1,292,517	1,040,989
Other Councils		366,327	403,975
Public corporations and trading funds		222,380	17,555
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		1,951,493	1,733,278
Accumulated Absences		479,663	353,643
Loan Interest Payable		-	-
Capital Creditors		4,133,682	3,324,666
Receipts in advance		555,768	623,326
Trade creditors		4,180,494	3,434,200
Other		21,946	68,735
Total Short Term Creditors		13,204,270	11,000,367
Total Long Term Creditors			
Total Creditors		13,204,270	11,000,367

The creditor balance for 'Other Councils' relates mainly to legal and waste costs.

b Payment of Invoices

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

The number of disputed invoices were 118.

The Council paid:

13,083 (86%) invoices within 30 calendar days target;

1,707 (11%) invoices within 10 working days target; and

2,124 invoices outside of the 30 day target.

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

19 Provisions						
	Balance as at 1 April 2020	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2021
	£	£	£	£	£	£
Landfill Closure	2,935,488	314,116	(71,397)	-	-	3,178,207
Staff Costs	75,000	-	(57,312)	(17,688)	-	-
Restructuring Costs	500,000	-	-	-	-	500,000
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Current Provisions	575,000	-	(57,312)	(17,688)	-	500,000
Long Term Provisions	2,935,488	314,116	(71,397)	-	-	3,178,207
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Comparative Year						
	Balance as at 1 April 2019	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Restated Balance as at 31 March 2020
	£	£	£	£	£	£
Landfill Closure	3,140,993	-	(71,397)	-	(134,108)	2,935,488
Staff Costs	70,500	65,623	(61,123)	-	-	75,000
Restructuring Costs	-	500,000	-	-	-	500,000
Total	3,211,493	565,623	(132,520)	-	(134,108)	3,510,488
Current Provisions	70,500	565,623	(61,123)	-	-	575,000
Long Term Provisions	3,140,993	-	(71,397)	-	(134,108)	2,935,488
Total	3,211,493	565,623	(132,520)	-	(134,108)	3,510,488

Landfill Closure

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

Restructuring Costs

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

20 Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets as at 31 March 2021

	Non-Current		Current		Total £
	Investments & Cash and Cash Equivalents £	Debtors £	Cash and Cash Equivalents £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	115,864	10,222,828	1,187,173	11,525,865
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - Money Market Funds	-	-	6,001,558	-	6,001,558
Total Financial Assets	-	115,864	16,224,386	1,187,173	17,527,423
Non-Financial Assets	-	-	-	8,638,427	8,638,427
Total	-	115,864	16,224,386	9,825,600	26,165,850

Debtors at amortised cost as at 31 March 2021

	Non-Current £	Current £
Trade Receivables	-	898,299
Trade Receivables - Impairment Loss	-	(322,201)
Government Departments	-	276,383
Soft Loans	43,541	3,281
Employee Car Loans	14,195	13,529
Gas Income Debtor	58,128	294,497
Other	-	23,385
Total	115,864	1,187,173

Financial Assets as at 31 March 2020

	Non-Current		Current		Total £
	Investments & Cash and Cash Equivalents £	Debtors £	Cash and Cash Equivalents £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	101,420	867,196	825,237	1,793,853
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
Total Financial Assets	-	101,420	867,196	825,237	1,793,853
Non-Financial Assets	-	-	-	6,532,910	6,532,910
Total	-	101,420	867,196	7,358,147	8,326,763

Debtors at amortised cost as at 31 March 2020

	Non-Current £	Current £
Trade Receivables	-	607,347
Trade Receivables - Impairment Loss	-	(402,531)
Government Departments	-	347,596
Soft Loans	47,141	3,281
Employee Car Loans	11,279	17,287
Gas Income Debtor	43,000	233,775
Other	-	18,482
Total	101,420	825,237

Financial Liabilities as at 31 March 2021

	Non-Current		Current		Total
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	63,707,557	-	10,416,318	9,635,989	83,759,864
Total financial liabilities	63,707,557	-	10,416,318	9,635,989	83,759,864
Non-financial liabilities	-	-	-	3,568,264	3,568,264
Total	63,707,557	-	10,416,318	13,204,253	87,328,128

Financial Liabilities as at 31 March 2020

	Non-Current		Current		Total
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	59,255,059	-	15,589,508	8,021,286	82,865,853
Total financial liabilities	59,255,059	-	15,589,508	8,021,286	82,865,853
Non-financial liabilities	-	-	-	2,979,081	2,979,081
Total	59,255,059	-	15,589,508	11,000,367	85,844,934

Material soft loans made by the Council

The Council has one historic soft loan but does not consider this to be material.

Employee Car Loans

The Council made loans for car purchases at 31/3/2021 to 8 employees, including 2 members of the Senior Management Team, who are in posts that require them to drive regularly on the Council's business.

Interest is charged on the loans at Bank of England Base Rate plus 1.5%.

	2020/21	2019/20
	£	£
Balance at start of year:		
Opening balance	28,566	50,915
Nominal value of new loans granted in the year	16,812	-
Fair value adjustment on initial recognition	-	-
Fair value of new Loans repaid	45,378	50,915
Impairment losses	(17,655)	(22,349)
Increase in discounted amount	-	-
Other changes	-	-
Closing balance at end of year	27,723	28,566
Nominal value at end of year	27,723	28,566

Valuation assumptions

These loans have been valued at nominal value as they are not considered material to the Council.

Income, Expense, Gains and Losses

		2020/21	
		Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
		£	£
Interest revenue			
Financial assets measured at amortised cost			
		3,867	-
Total interest revenue		3,867	
Interest expense			
		2,243,888	-

		2019/20	
		Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
		£	£
Interest revenue			
Financial assets measured at amortised cost			
		18,875	-
Total interest revenue		18,875	
Interest expense			
		2,226,616	-

Fair Values of Financial Assets and Financial Liabilities

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required).

All the financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Liabilities	Carrying amount	31 Mar 21	Carrying amount	31 Mar 20
		Fair value		Fair value
	£	£	£	£
Financial liabilities held at amortised cost (Loans)				
	74,123,875	82,144,382	74,840,395	81,843,543
Long-term creditors	-	-	-	-
PFI and finance lease	-	-	4,172	4,172
Total	74,123,875	82,144,382	74,844,567	81,847,715

The majority of the Council's portfolio of loans are held with the Government Loans Fund and carry a premature redemption penalty if the loans are repaid early.

Other financial assets and liabilities including trade receivables, trade payables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

	31 Mar 21			
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements using:	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	82,144,382	-	82,144,382
Total	-	82,144,382	-	82,144,382
Financial assets				
Financial assets held at amortised cost				
Soft loans to third parties	-	74,545	-	74,545
Other financial assets	-	-	-	-
Total	-	74,545	-	74,545

	31 Mar 20			
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements using:	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	81,847,715	-	81,847,715
Total	-	81,847,715	-	81,847,715
Financial assets				
Financial assets held at amortised cost				
Soft loans to third parties	-	78,988	-	78,988
Other financial assets	-	-	-	-
Total	-	78,988	-	78,988

The fair value for financial liabilities and financial assets that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Other financial assets including trade receivables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

Credit Risk

Credit risks arises from deposits with banks and financial institutions as well as credit exposures to the Council's customers. Customers are assessed taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and as such, there is no further additional estimated exposure to default and inability to collect.

Trade Debtors, inclusive of VAT, are analysed by age	£
Less than three months	482,399
Three to six months	34,998
Six months to one year	127,115
More than one year	548,320
Total	1,192,832

The above figures include trade debts relating to car parking, government departments and other councils disclosed separately in Note 15.

Loss Allowance by Asset Class - Assets Held at Amortised Cost

Lifetime expected credit losses - not credit impaired	£
Opening Balance as at 1 April 2020	402,531
Decrease	(80,330)
Closing Balance as at 31 March 2021	322,201

The Expected Credit Losses default rate for Council trade debt has been increased by a factor of 1.31 (2019/20: 3.65) due to the changing economic conditions as a result of the Corona Virus. The factor takes account of predictions by three leading credit rating agencies.

There is no historical experience of default in relation to deposits with banks and other financial institutions. The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy.

Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy and Prudential indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

As the Council has ready access to borrowing from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included at Note 17 and other payables are due for payment within one year.

Market Risk: Interest Rates

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The Council is in receipt of loans from the Department of Finance however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro. This account is used solely to facilitate the CANN Project (Collaborative Action for the Natura Network). The Council does not consider this a material exposure to loss arising from movements in exchange rates.

21 Retirement Benefits

a Participation in the Northern Ireland Local Government Officers' Pension Fund

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

Note	2020/21 £	2019/20 £
Net cost of services:		
Current service cost	9,484,000	10,527,000
Past service cost/(gain)	56,000	95,000
Gains and losses on settlements or curtailments	-	-
Net operating expenditure:		
Net Interest on net defined benefit liability (asset)	1,181,000	947,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	10,721,000	11,569,000
Movement in Reserves Statement:		
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code	(10,721,000)	(11,569,000)
Actual amount charged against the general fund balance for pensions in the year:		
Employers' contributions payable to scheme	4,976,000	5,535,000
Net adjustment to General Fund	(5,745,000)	(6,034,000)

The service cost figures include an allowance for administration expenses of £124k.

Remeasurements recognised in Other Comprehensive Income and Expenditure		Note	2020/21 £	2019/20 £
Liability gains/(losses) due to change in assumptions			(48,043,000)	4,567,000
Liability gains/(losses) due to demographic changes			-	7,503,000
Liability experience gains/(losses) arising in the year			1,987,000	(2,289,000)
Actuarial gains/(losses) on plan assets			36,246,000	(15,376,000)
Other			-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure			(9,810,000)	(5,595,000)

Assets and liabilities in relation to retirement benefits		Note	2020/21 £	2019/20 £
Reconciliation of present value of the scheme liabilities:				
Balance as at 1 April			216,947,000	214,391,000
Current service cost			9,484,000	10,527,000
Interest cost			4,952,000	5,107,000
Contributions by members			1,601,000	1,633,000
Remeasurement (gains) and losses:				
Actuarial gains/losses arising from changes in financial assumption			48,043,000	(4,567,000)
Actuarial gains/losses arising from demographic changes			-	(7,503,000)
Actuarial gains/losses arising on liabilities from experience			(1,987,000)	2,289,000
Other (if applicable)			-	-
Past service costs/(gains)			56,000	95,000
Losses/(gains) on curtailments			-	-
Liabilities extinguished on settlements			-	-
Estimated unfunded benefits paid			(78,000)	(80,000)
Estimated benefits paid			(5,022,000)	(4,945,000)
Balance as at 31 March			273,996,000	216,947,000
Reconciliation of present value of the scheme assets:				
Balance as at 1 April			163,140,000	172,213,000
Interest income			3,771,000	4,160,000
Contributions by members			1,601,000	1,633,000
Contributions by employer			4,898,000	5,455,000
Contributions in respect of unfunded benefits			78,000	80,000
Remeasurement gain/(loss)			36,246,000	(15,376,000)
Assets distributed on settlements			-	-
Unfunded benefits paid			(78,000)	(80,000)
Benefits paid			(5,022,000)	(4,945,000)
Balance as at 31 March			204,634,000	163,140,000

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £40m (2019/20 loss of £11.2m).

Fair Value of Plan Assets	2020/21 £	2019/20 £
Equity investments	94,745,542	69,497,640
Bonds	73,054,338	63,135,180
Property	18,212,426	16,314,000
Cash	10,845,602	7,667,580
Other	7,776,092	6,525,600
	204,634,000	163,140,000

The above asset values are at bid value as required by IAS 19.

Details of estimates made by the Fund Manager when assessing the fair values of plan assets

The amounts included in the fair value of plan assets for property occupied by the Council was £nil

The Council's share of the Net Pension Liability (Included in the Balance Sheet):

	2020/21 £	2019/20 £
Fair Value of Employer Assets	204,634,000	163,140,000
Present value of funded defined benefit obligation	(272,911,000)	(215,793,000)
Pension asset/(liability) of Funded Scheme	(68,277,000)	(52,653,000)
Present Value of unfunded defined benefit obligation	(1,085,000)	(1,154,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(69,362,000)	(53,807,000)
Amount in the Balance sheet:		
Liabilities	(273,996,000)	(216,947,000)
Assets	204,634,000	163,140,000
Net Asset/(Liability)	(69,362,000)	(53,807,000)

d Scheme History

Analysis of scheme assets and liabilities	2020/21 £	2019/20 £
Fair Value of Assets in pension scheme	204,634,000	163,140,000
Present Value of Defined Benefit Obligation	(273,996,000)	(216,947,000)
Surplus/(deficit) in the Scheme	(69,362,000)	(53,807,000)

Amount recognised in Other Comprehensive Income and Expenditure:	2020/21 £	2018/19 Restated £
Actuarial gains/(losses)	(46,056,000)	9,781,000
Expected Return on Plan Assets	36,246,000	(15,376,000)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(9,810,000)	(5,595,000)
Cumulative actuarial gains and losses	(15,405,000)	(2,590,483)
History of experience gains and losses:		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	(1,987,000)	2,289,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £274m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet resulting in a net liability of £69.4m.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2022

	31/03/2022 £	31/03/2022 %
Projected current cost	13,456,000	90.6%
Net interest on the net defined benefit liability (asset)	1,403,000	9.4%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	14,859,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2022 is £5,376,000.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2020/21 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2021.

	2020/21 %	2019/20 %
Experience (gains and losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	0.73%	-1.06%

* Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2021.

Pension scheme assumptions:		2020/21	2019/20
	%	%	
Equity investments		46.3%	42.6%
Bonds		35.7%	38.7%
Property		8.9%	10.0%
Cash		5.3%	4.7%
Other		3.8%	4.0%
Mortality assumptions:			
Longevity at 65 current pensioners:		Years	Years
Men		21.9	21.8
Women		25.1	25.0
Longevity at 45 for future pensioners:			
Men		23.3	23.2
Women		26.5	26.4
Inflation/Pension Increase Rate		2.70%	2.00%
Salary Increase Rate		4.20%	3.50%
Discount Rate		2.10%	2.30%
Pension accounts revaluation rate		2.70%	2.00%

Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure above.

Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	267,726,000	278,096,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	13,012,000	13,914,000
Approximate % change in projected service cost	-3.30%	3.40%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	274,003,000	271,819,000
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	13,456,000	13,456,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	277,005,000	268,817,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	13,914,000	13,012,000
Approximate % change in projected service cost	3.40%	-3.30%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	-1 Year	+1 Year
Present value of the total obligation	282,736,000	263,086,000
% change in the present value of the total obligation	3.60%	-3.60%
Projected service cost	14,008,000	12,918,000
Approximate % change in projected service cost	4.10%	-4.00%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than that.

Major categories of plan assets as percentage of total plan assets

The Northern Ireland Local Government Officers' Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/2021	31/03/2020
	%	%
Equity investments	46.30%	42.60%
Government Bonds	23.60%	26.10%
Corporate Bonds	12.10%	12.60%
Property	8.90%	10.00%
Cash	5.30%	4.70%
Other	3.80%	4.00%
Total	100.00%	100.00%

Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/19. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2021.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

22 Donated Assets Account

Analysis of Donated Assets Account

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. During the year the Council had no Donated Assets.

23 Capital Grants Received in Advance

Analysis of Capital Grants Receipts in Advance Balance

The Council has no capital grants received in advance.

24 Contingencies

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

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

25 Other cash flow disclosures
a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2020/21	2019/20
		£	£
Depreciation	11	7,149,995	7,640,538
Impairment & downward revaluations (& non-sale derecognitions)	11	(271,583)	1,730,671
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	40,899	(136,976)
(Increase)/Decrease in Debtors	15	(1,554,945)	(1,552,192)
Increase/(decrease) in impairment provision for bad debts	15	(80,330)	183,128
Increase/(Decrease) in Creditors	18	2,488,914	246,530
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	21	5,745,000	6,034,000
Carrying amount of non-current assets sold	8	2,790,271	-
AUC/WIP written off to Net Cost of Services	11	59,153	(132,400)
Contributions to Other Reserves/Provisions	26/27	167,719	298,995
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		(30,000)	(30,000)
Amounts posted to CIES from Donated Assets Account	22	-	-
		16,505,093	14,282,294

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing	Notes	2020/21	2019/20
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	(1,267,360)	(18,960)
Capital grants included in "Taxation & non-specific grant income"	10	(6,705,499)	(2,093,910)
		(7,972,859)	(2,112,870)

b Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	2020/21	2019/20	2018/19
	£	£	£
Cash and Bank balances	2,918,093	87,305	1,091,386
Short Term Deposits (considered to be Cash Equivalents)	13,306,288	779,891	12,187
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	-	(766,961)	(917,976)
	16,224,381	100,235	185,597

c Cash Flow Statement: Operating Activities

	2020/21	2019/20
	£	£
The cash flows from operating activities include:		
Interest received	5,276	20,760
Interest paid	2,243,888	2,226,616

d Cash flows from Investing Activities

	2020/21	2019/20
	£	£
Purchase of PP&E, investment property and intangible assets	11 (4,709,551)	(9,590,516)
Purchase of Short Term Investments (not considered to be cash equivalents)	-	-
Purchase of Long Term Investments	-	-
Other Payments for Investing Activities	-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8 1,267,360	18,960
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	5,858,877	3,184,768
Other Receipts from Investing Activities	-	-
Net Cash flows from Investing Activities	2,416,686	(6,386,788)

e Cash flows from Financing Activities

	2020/21	2019/20
	£	£
Cash Receipts from Short and Long Term Borrowing	4,000,000	10,000,000
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(4,172)	-
Repayment of Short and Long Term Borrowing	(4,716,520)	(4,906,209)
Other payments for Financing Activities	-	-
Net Cash flows from Financing Activities	(720,692)	5,093,791

26 Usable Reserves

a Capital Receipts Reserve

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

Capital Receipts Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		-	-
Movement			
Disposal of Non Current Assets/Capital Sales		1,267,360	18,960
Capital Receipts used to finance capital expenditure	3, 11	(1,267,360)	(18,960)
At 31 March		-	-

b Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Capital Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		627,613	1,255,113
Transfers between statutory & other reserves & the General Fund		(627,613)	(627,500)
At 31 March		-	627,613

c Other Balances & Reserves

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

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

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

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

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

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

d General Fund

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

General Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		11,708,865	11,869,501
Applied Capital Grants	10, 12	(6,705,499)	(2,093,910)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	6,848,412	9,341,209
Statutory Provision for financing Capital Investment	4	(5,826,000)	(6,049,000)
Net Revenue expenditure funded from capital under statute	4, 12	7,964,479	2,834,425
Surplus/(Deficit) on the Provision of Services	CIES	5,895,921	(10,961,792)
Transfers between Statutory and Other Reserves and the General Fund	4	(8,154,749)	867,500
Net movements on Pension Reserve	4, 21	5,745,000	6,034,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11, 23	1,522,911	(18,960)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		126,020	(37,283)
Other Movements		102,907	(76,825)
At 31 March		19,228,267	11,708,865

27 Unuseable Reserves

a Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to an historic cost basis.

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		44,870,973	46,810,666
Applied Capital Grants	10, 12	6,705,499	2,093,910
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(6,848,412)	(9,341,209)
Statutory Provision for financing Capital Investment	4, 12	5,826,000	6,049,000
Net Revenue expenditure funded from Capital under statute	4, 12	(7,964,479)	(2,834,425)
Disposal of Fixed Assets/ Capital Sales	4, 11	(2,790,271)	-
Capital Receipts used to finance capital expenditure	4, 12	1,267,360	18,960
Other Movements		731,246	2,074,071
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	-
At 31 March		41,797,916	44,870,973

b Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

Revaluation Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		52,242,326	48,737,027
Revaluation & Impairment	11	2,509,372	5,579,369
Other Movements		(757,886)	(2,074,070)
At 31 March		53,993,812	52,242,326

c Pension Reserve

Pension Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(53,807,000)	(42,178,000)
Net Movements on Pension Reserve	4, 21	(5,745,000)	(6,034,000)
Revaluation & Impairment	21	(9,810,000)	(5,595,000)
At 31 March		(69,362,000)	(53,807,000)

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

d Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the General Fund is neutralised by transfers to or from this Accumulated Absences Account.

Accumulated Absences Account	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(353,643)	(390,926)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(126,020)	37,283
At 31 March		(479,663)	(353,643)

e Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2017/18 accounts direction (see DIC circular 17/18), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as landfill costs.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Provisions Discount Rate Reserve	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(1,029,947)	(1,106,772)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(102,907)	76,825
Other Movements		-	-
At 31 March		(1,132,854)	(1,029,947)

28 Significant Trading Operations

The Council considers its only significant trading operation to be the provision of car parking facilities. The results for this are disclosed in Note 2, namely Income of £222,570 and costs of £310,989. Income was adversely impacted this year due to Covid.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the magnitude of each individual trading operation's turnover.

Non-financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

29 Agency Services

1. Newry BID Company Ltd - Business Improvement Districts (BIDs) were an initiative established through the Department for Communities which allow town centres to establish action plans to bring forward additional initiatives, services and projects under a BID plan. Rate paying businesses within the defined BID area then vote whether to accept the plan or not. If the BID is approved by a majority of the ballot received an additional BID levy is then invoiced to all businesses within the BID area to implement the agreed plan. The Council provides invoicing and debt collection services to Newry BID Company Ltd. During the year the Council raised invoices on behalf of the company amounting to £245,184. Payments were made to the company of £135,000. The company also reimburses the Councils reasonable charges and expenses which amounted to £6,067 for the financial year under review. The balance outstanding from the BID company's debtors amounted to £343,657 at 31st March 2021. This resulted in a net amount of debt held by the Council on behalf of the company at 31st March 2021 of £21,946, this balance is included in Short Term Creditors. No transactions other than the charges noted previously have been reflected in the Comprehensive Income and Expenditure Statement.

2. C.A.N.N. is the abbreviation for Collaborative Action for the Natura Network. The Group consists of eleven project partners. Agri-Food and Biosciences Institute, Argyll and the Isles Coast and Countryside Trust, Armagh City, Banbridge and Craigavon Borough Council, East Border Region Ltd, Golden Eagle Trust, Institute of Technology Sligo, Monaghan County Council, Newry, Mourne and Down District Council, Scottish Natural Heritage, Ulster University and the Ulster Wildlife Trust. The project is funded by the Special EU Programmes Body (SEUPB). Newry Mourne and Down District Council (NMDDC) are the lead partners where they pay the salaries of employees and invoices. Claims for the project partners are made by the individual organisations to SEUPB. The funding for all partners is paid into NMDDC's bank account. The Council subsequently pays this funding to the project partners. During this current year NMDDC received €867,096 of grants from SEUPB on behalf of the ten project partners and paid €867,096 to the project partners. These transactions are not reflected in the Council's Revenue accounts. There were no balances owing to the other project partners at 31st March 2021.

3. Full Fibre Northern Ireland (FFNI) is a consortium of all ten Councils in NI outside of Belfast and the Business Services Organisation. The Consortium has been awarded £24m from the Department for Digital, Culture, Media and Sports (DCMS) to implement a new collaborative programme to drive greater investment in fibre and digital infrastructure across Northern Ireland. The Consortium's phased delivery programme will initially manage two DCMS funded programmes - Local Full Fibre Network (LFFN) and Rural Gigabit Connectivity (RGC). It will also manage the delivery of further digital infrastructure initiatives and ensure a vital local link for future digital programmes at local authority level.

The funding of £24m aims to deliver full fibre to over 900 sites, which includes Council buildings, Community Centres, GP Surgeries, Ambulance Stations and Fire Stations by December 2021, using the 'Public Sector Anchor Tenancy' approach. This represents Phase 1 of a proposed longer-term programme of fibre related investment.

The FFNI Operations Team has been faced with a series of extremely complex and technical issues associated with the procurement process and risks in relation to the FFNI infrastructure. The impact of this has been that additional funding for the centralised operations team required is higher than the value originally anticipated. In December 2020 an additional request of £10,900 was made to fund operational team staff costs upfront for 8 Councils, six of these have paid the contribution by 31 March 2021 and two after that date. It was agreed from January 2021 that consultancy services would be charged on an ad hoc basis if required. Business Services Organisation, a new partner, will be invoiced £70,000 to match the Councils' contribution. Armagh City, Banbridge and Craigavon District Council left the project mid-2020. During the year ended 31st March 2021 Newry, Mourne and Down District Council received £210,403 from the other consortium members. Expenditure of £270,814 has been incurred and £210,403 has been received. In addition £27,577 receipts in advance has been recorded in Creditors at 31/3/2021.

30 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transaction exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows. Related party relationships where control exists should be disclosed irrespective of whether there have been transactions between the related parties.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 7. During 2020/21, works and services to the value of £3,256,087 were commissioned from companies in which individual members and senior officers had an interest. The main recipients within this total were ARC 21 (see separate note below) and Mourne Heritage Trust £307,172.

The Council paid grants of £78,299 to a number of organisations in which Councillors and senior officers had an interest. All payments were made with proper consideration of declaration of interests.

The Council incurred expenditure of £362,596 to other councils of which £54,771 was outstanding as at 31st March 2021.

The Council has recorded income of £495,575 from other councils of which £130,199 was outstanding as at 31st March 2021.

Arc 21, a joint committee organisation, is a waste management group in Northern Ireland representing Councils in the east of the province. The Council's contribution in the current year was £182,842. The Council paid an additional £2,523,436 to Arc 21 for various services provided during the year including the use of the Material Recycling Facility and received income of £47,119.

31 Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on 23 September 2021.

Report to:	Audit Committee
Date of Meeting:	23 September 2021
Subject:	Assessment of Performance 2020-21
Reporting Officer (Including Job Title):	Dorinnia Carville – Director: Corporate Services
Contact Officer (Including Job Title):	Kate Bingham – Head of Performance and Improvement

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

For decision	For noting only	X
1.0	Purpose and Background	
1.1	<p>Part 12 of the Local Government Act (NI) 2014 requires District Councils to put in place arrangements to secure continuous improvement in the exercise of their functions. Through the Act, the Council has a statutory requirement to produce and publish an Assessment of Performance before 30 September each year. The legislation states that the Assessment of Performance must outline the Council's progress in relation to the General Duty of Improvement, as well as planned improvements against the previous year's:</p> <ul style="list-style-type: none">• Performance improvement objectives• Statutory performance indicators and standards for economic development, planning and waste management• Self imposed performance indicators <p>The Assessment of Performance 2020-21 was considered and approved by the Strategy, Policy and Resources Committee on 16 September 2021.</p>	
2.0	Key issues	
2.1	<p>In June 2021, the Department for Communities confirmed that Councils were not required to publish performance improvement objectives 2020-21. The Assessment of Performance 2020-21 is attached at Appendix 1 and provides an overview of the:</p> <ul style="list-style-type: none">• Council's progress in meeting the General Duty of Improvement• Baseline information in relation to the 'measures of success' within the current Performance Improvement Plan and Corporate Plan (including the statutory performance indicators and standards for economic development, planning and waste management) <p>Where possible, performance has been tracked against set targets, trends over time and compared with other local authorities across Northern Ireland. It should however be noted that comparisons with previous years should be considered within the context of the COVID-19 pandemic and the subsequent impact on Council service provision. Progress has also been aligned to the outcomes within the Community Plan for Newry, Mourne and Down and reported accordingly throughout the Assessment of Performance.</p>	

2.2	Each year, the Council produces the user friendly, accessible document 'Our Performance Looking Back Going Forward', which summarises the retrospective Assessment of Performance and forward-looking Performance Improvement Plan. This document is attached at Appendix 2 .
2.3	<p>There is a statutory requirement to publish the Assessment of Performance 2020-21 on the Council's website by 30 September 2021. The Assessment of Performance will form a key part of the Performance Audit and Assessment which is carried out by the NIAO, and focuses on the following six themes, using a compliance based approach:</p> <ul style="list-style-type: none"> • General duty to improve • Improvement objectives • Consultation on improvement duties • The Improvement Plan • Collection of information relating to performance • Use and publication of performance information <p>Through the Performance Audit and Assessment, the NIAO will determine how effective and robust the Council's performance management arrangements are, as well as the Council's likelihood to comply with the duty to make arrangements to secure continuous improvement in future years.</p>
3.0	Recommendations
3.1	<p>To note:</p> <ul style="list-style-type: none"> • The Assessment of Performance 2020-21, including the summary document 'Our Performance Looking Back Going Forward'
4.0	Resource implications
4.1	The cost of the design of the summary document 'Our Performance Looking Back Going Forward' is £380.00 and is funded through the existing Performance and Improvement budget.
5.0	Due regard to equality of opportunity and regard to good relations (complete the relevant sections)
5.1	<p><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p>

	<p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><i>Proposal initiating consultation</i></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	Due regard to Rural Needs (please tick all that apply)
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
7.0	Appendices
	<p>Appendix 1: Assessment of Performance 2020-21</p> <p>Appendix 2: Our Performance Looking Back Going Forward</p>
8.0	Background Documents
	<ul style="list-style-type: none"> Local Government Act (NI) 2014 (Part 12) Performance Improvement Plan 2021-22 Corporate Plan 2021-23

Newry, Mourne and Down District Council

Assessment of Performance 2020-21



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Overall Assessment of Performance 2020-21

The past year has been a year like no other when our city, towns and villages came to a standstill as we collectively responded to the COVID-19 pandemic. The pandemic has challenged us to re-think the way we work, the services we provide and the way we provide them. As a Council, when we look back and reflect on the past year, we can be proud of our achievements.

The Council continued to provide essential services, including refuse collection, street cleansing, Environmental Health and Registration. We worked alongside our community planning partners to deliver 18,407 food parcels to our most vulnerable households. We supported 367 local businesses and social enterprises, helped create 60 new jobs and awarded approximately £1m to assist local businesses in responding to the pandemic. The Council also worked in partnership with the Department of Agriculture, Environment and Rural Affairs (DAERA) to establish and implement import controls ahead of the EU exit.

More people than ever re-connected with the natural beauty of our District by visiting our wonderful forest parks, beaches and mountains and we recorded a 72.6% increase in visits to our community trails. Through the Financial Assistance Scheme, the Council continued to support community groups by awarding £731k towards 377 local projects and whilst the statutory standards for processing planning applications and enforcement cases have not yet achieved, performance improved during 2020-21.

In response to the pandemic, a number of Council facilities were closed and some services were temporarily suspended throughout 2020-21. We recorded a 95.9% reduction in attendances at our leisure facilities and the number of community clean ups we assisted with reduced from 94 in 2019-20 to 33 in 2020-21. The current LEAMS (street cleanliness) score for the District has remained at 64 which falls slightly below the Northern Ireland average of 65, and whilst the amount of biodegradable municipal waste that is sent to landfill increased slightly, it remains one of the lowest across the eleven Councils.

As we look forward, 2021-22 is all about COVID-19 recovery. Through the Corporate Plan 2021-23 and Performance Improvement Plan 2021-22, the Council has put in place plans to focus on what matters most to you – improving the quality of life for all local communities and building a District we can all be proud of.

Introduction

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

- Produce and publish an annual Performance Improvement Plan, setting out the performance improvement objectives, which should be aligned to the Community Plan. It should however be noted that, in response to the COVID-19 pandemic, Councils were not required to publish a Performance Improvement Plan 2020-21.
- Produce and publish an annual Assessment of Performance, outlining the arrangements to secure continuous improvement, demonstrating whether planned improvements have been achieved, analysing year on year performance trends and comparisons with the performance of other Councils, where possible.

The Assessment of Performance 2020-21 provides an overview of Newry, Mourne and Down District Council's progress in delivering the following:

General Duty of Improvement

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

Performance Improvement Objectives

In the absence of published performance improvement objectives 2020-21, and on the basis that the majority of the draft performance improvement objectives 2020-21 have been carried forward to 2021-22, the Council has used this Assessment of Performance to establish a baseline to monitor and report progress against the 'measures of success' which underpin the performance improvement objectives 2021-22.

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

Statutory Performance Indicators and Standards

As set out in the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015:

- The number of jobs promoted through business start-up activity
- The average processing time of major planning applications

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

Self Imposed Performance Indicators

The Council has developed a baseline to monitor and report progress against the 'measures of success' which are set out in the Corporate Plan 2021-23.

Corporate Objective	Measure of Success
Invest in and support new and growing businesses, job creation and employment skills	Number of jobs created and businesses supported through Council programmes
	Number of jobs promoted through business start-up activity
	Amount of investment secured by Council
Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities	Number of people participating in targeted health programmes
	Attendance at free play sessions
	Number of attendances at Council indoor leisure facilities
Enhance, protect and promote our environment	Level of street cleanliness across the District (Keep Northern Ireland Beautiful Street Cleanliness Index)
	65% of municipal waste recycled by 2030
	Level of compliance with Sustainable Development Duty
Support sustainable forms of tourism which value our environment and cultural heritage	Increased visitor spend
	Increased overnights stays
	Increased visitor satisfaction
Enable and support people to engage in inclusive and diverse activities in their communities	Percentage of residents who agree that their local area is a place where people from different backgrounds get on well together
	Percentage of residents who agree that the Council consults with and listens to the views of local people
	Percentage of residents who feel they can have a say on how services are delivered in their local area
	Number and percentage of financial assistance projects funded and successfully delivered
Promote the revitalisation of our city, towns, villages and rural communities	Progress against key Belfast City Region Deal projects
	Number of public realm schemes delivered

	Increased business growth and employment
Provide accessible, high quality and integrated services through continuous improvement	Increased citizen satisfaction
	Compliance with the Duty of Improvement
Advocate with others for the benefit of all people of the District	Compliance with the duty of community planning / monitor delivery of outcomes with partners
	Percentage of residents who are satisfied with their local area as a place to live

Where possible, progress in delivering the 'measures of success' within the Performance Improvement Plan 2021-22 and Corporate Plan 2021-23 has been aligned to the Community Plan, in order to demonstrate how the Council is contributing to the achievement of community planning outcomes. The golden thread that exists between the Community Plan, Corporate Plan 2021-23 and Performance Improvement Plan 2021-22 is highlighted further in Appendix 2.

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

Progress has been tracked against targets, trends over time, and where possible, compared with the performance of local authorities across Northern Ireland, using the legend below. It should however be noted that comparisons with previous years should be considered within the context of the COVID-19 pandemic and the subsequent impact on Council service provision. The Assessment of Performance is instrumental in helping the Council to review progress and identify the key objectives and areas of improvement in the year ahead.

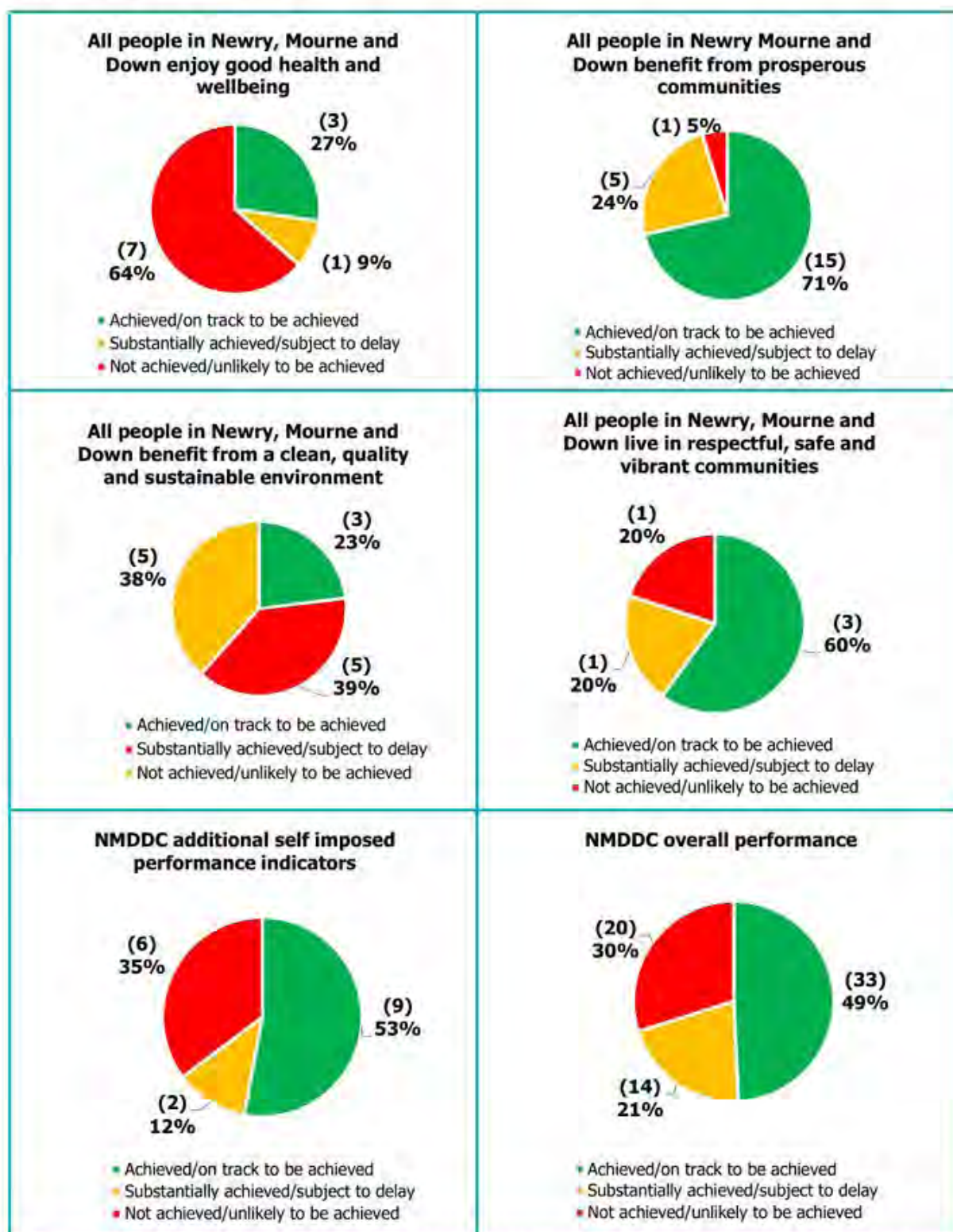
Legend

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

*Where appropriate, a 10% variance when compared to the previous year's performance has been applied.

Performance at a Glance




The legend has been applied to the 'measures of success' within the Performance Improvement Plan 2021-22, and Corporate Plan 2021-23, in order to provide an overview of progress against the four community planning outcomes and overall performance of the Council.

















*Where a 'measure of success' has been allocated a status and trend, both have been counted in the charts.



A snapshot of 2020-21

Performance Improvement Objective	Progress	Status Trend
 <p>We will encourage local people to lead healthy and active lives by improving the quality of our parks and open spaces</p>	95.9% reduction in recorded attendances at Council leisure centres	▽
	79% reduction in the number of participants on Everybody Active 2020	▽
	91% of users said they are likely to return to the Councils leisure centres	😊
	3 'blue flag' beaches and 4 'green flag' parks	😊
	84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life	😊
	72.6% increase in recorded visits at four community trails	△
 <p>We will grow the economy by supporting local businesses and creating new jobs</p>	Between 2018-2019, 14.7% increase in overnight stays and 20.7% increase in visitor spend	△
	164 new jobs promoted through business start activity	😊
	40 social enterprise businesses supported and 13 new social enterprise jobs created	😊
	327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'	😊
	Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week	😊
	Increase in the number of VAT and/or PAYE registered businesses, birth rate of new businesses and employee jobs	△
	103% increase in the number of job seekers and out of work universal credit claimants	▽
 <p>We will improve the cleanliness of our District by</p>	Decrease in the number of fixed penalty notices issued and paid	▽
	Decrease in the number of community clean ups supported	▽
	Slight decrease in the rate of recycling, to 52.6%	▶
	One of the lowest levels of waste sent to landfill across all NI Councils	😊

addressing littering, fly tipping and dog fouling incidents	LEAMS (street cleanliness) score of 64 retained and falls just below the regional average of 65	
	60 schools participated in the calendar poster competition	
	15 schools attended the virtual teachers Eco-Schools Information event	
 <p>We will build the capacity of local communities through the Financial Assistance Scheme</p>	£731k awarded to 377 projects across 18 thematic areas	
	Electronic Grant Management System launched and online training module developed	
	Newry, Down and Kilkeel Leisure Centres converted to food distribution hubs between March-August 2020	
	18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers	
	72% of residents agree that the local area is a place where people from different backgrounds get on well together	
 <p>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</p>	The Council received, decided on and approved the highest number of planning applications across the 11 Councils	
	The processing time for local planning applications improved from 20.6 weeks in 2019-20 to 19 weeks in 2020-21	
	The processing time for major planning applications improved from 94 weeks in 2019-20 to 64.6 weeks in 2020-21	
	The percentage of enforcement cases processed within 39 weeks increased from 36.2% in 2019-20 to 40.9% in 2020-21	

*The 2020 tourism estimates have not yet been published by the NI Statistics and Research Agency (NISRA) and the 2019 Local Government District (LGD) tourism data is reported.

**The 2020-21 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year data is currently being validated by DAERA and will be published in Q3 2021-22.

COVID-19 Response and Arrangements

In March 2020, a global pandemic was declared and the UK Government issued guidelines to reduce the spread of the COVID-19 virus. This included the closure of non essential businesses and schools, coupled with the introduction of public health and social distancing measures.

In response to the pandemic, Newry, Mourne and Down District Council activated its Emergency Plan, closed a number of facilities and suspended some services to protect the public and employees. This included leisure facilities, community centres, arts centres, museums and parks, as well as cancelling events and festivals.

However, the delivery of many services continued with limited disruption, ensuring they were 'COVID-19 secure'. This included refuse collection, Building Control, Planning, Environmental Health and Registration. Some services also experienced increased demand and new services were introduced to support local communities and businesses to navigate and respond to the impact of the global pandemic.

What we did	Status Trend
323,685 visitors to the corporate website, 1,957 social media notifications published and 6,615 more social media users	△
3,661 Environmental Health service requests responded to, 821 of which were related to COVID-19	△
1,171 health and safety visits undertaken, including 1,098 inspections which were related to COVID-19	△
2,178 births, 1,633 deaths and 238 marriages/civil partnerships registered 32 outside venues approved for marriages/civil partnerships	😊
15,223 invoices paid, 86% of which were paid within 30 calendar days	😊
798 letters of offer, totalling approximately £1m, awarded to local businesses to help them respond to the pandemic	😊
76 COVID-19 specific grants, totalling £227k, awarded to local community groups	😊

During 2020-21, the Council commissioned an internal audit of Emergency Planning, including the response to the COVID-19 pandemic. This internal audit assessed:

- The effectiveness of the Council's deployment of the Emergency Plan and prioritisation of service provision
- Appropriateness and integrity of the Council's IT systems
- Adequacy and effectiveness of internal and external communications and wellbeing programmes for employees

The findings of the internal audit identified many instances of positive behaviour and action by the Council in its emergency planning response and provided satisfactory assurance in relation to the systems in place to effectively respond to the COVID-19 pandemic.

General Duty of Improvement

The Council recognises improvement to mean activity that enhances the sustainable quality of life and environment for ratepayers and communities. During 2020-21, the Council continued to strengthen and embed the arrangements it has put in place to secure continuous improvement in the exercise of functions, in order to improve the quality of life for all local communities.

Following the Performance Audit and Assessment 2019-20, the Local Government Auditor concluded that:

Improvement planning and publication of improvement information

- 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

- The Council has as far as possible discharged its duties under Part 12 of the Local Government Act and has acted in accordance with the Department for Communities guidance sufficiently. The Council is likely to comply with Part 12 of the Act during 2019-20.

The Council is currently awaiting feedback from the Local Government Auditor regarding the outcome of the Performance Audit and Assessment 2020-21.

Arrangements to secure continuous improvement

The Council's Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate priorities and performance improvement objectives are being delivered. By demonstrating the alignment that exists between the Community Plan, Corporate Plan, Performance Improvement Plan, Directorate Business Plans, Service Plans and Individual Performance, the framework provides a mechanism to manage performance at all levels of the organisation, and ensure the necessary steps are taken to secure continuous improvement in the exercise of functions.

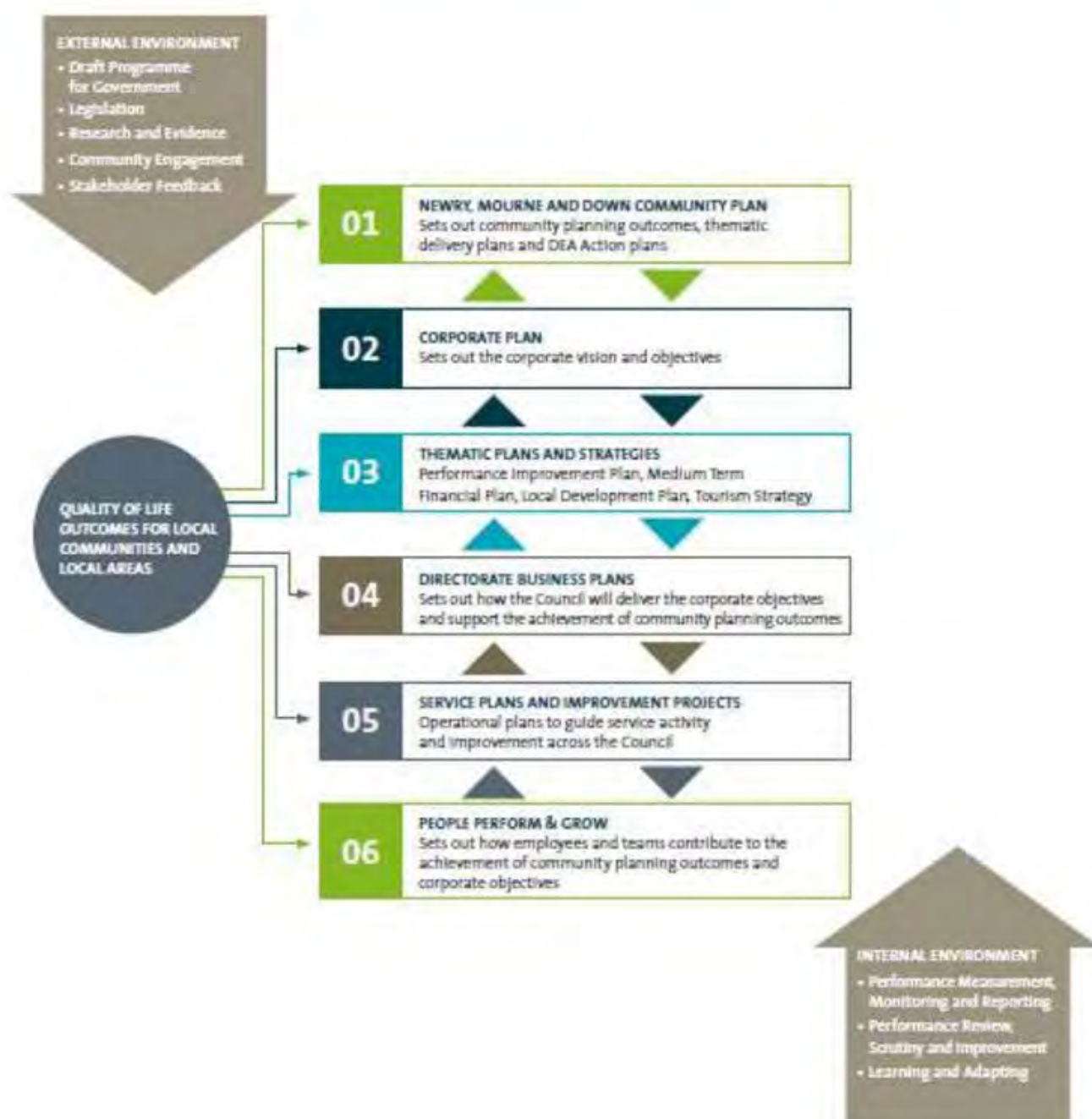
Over the past four years, the Council has continued to implement and embed the Business Planning and Performance Management Framework:

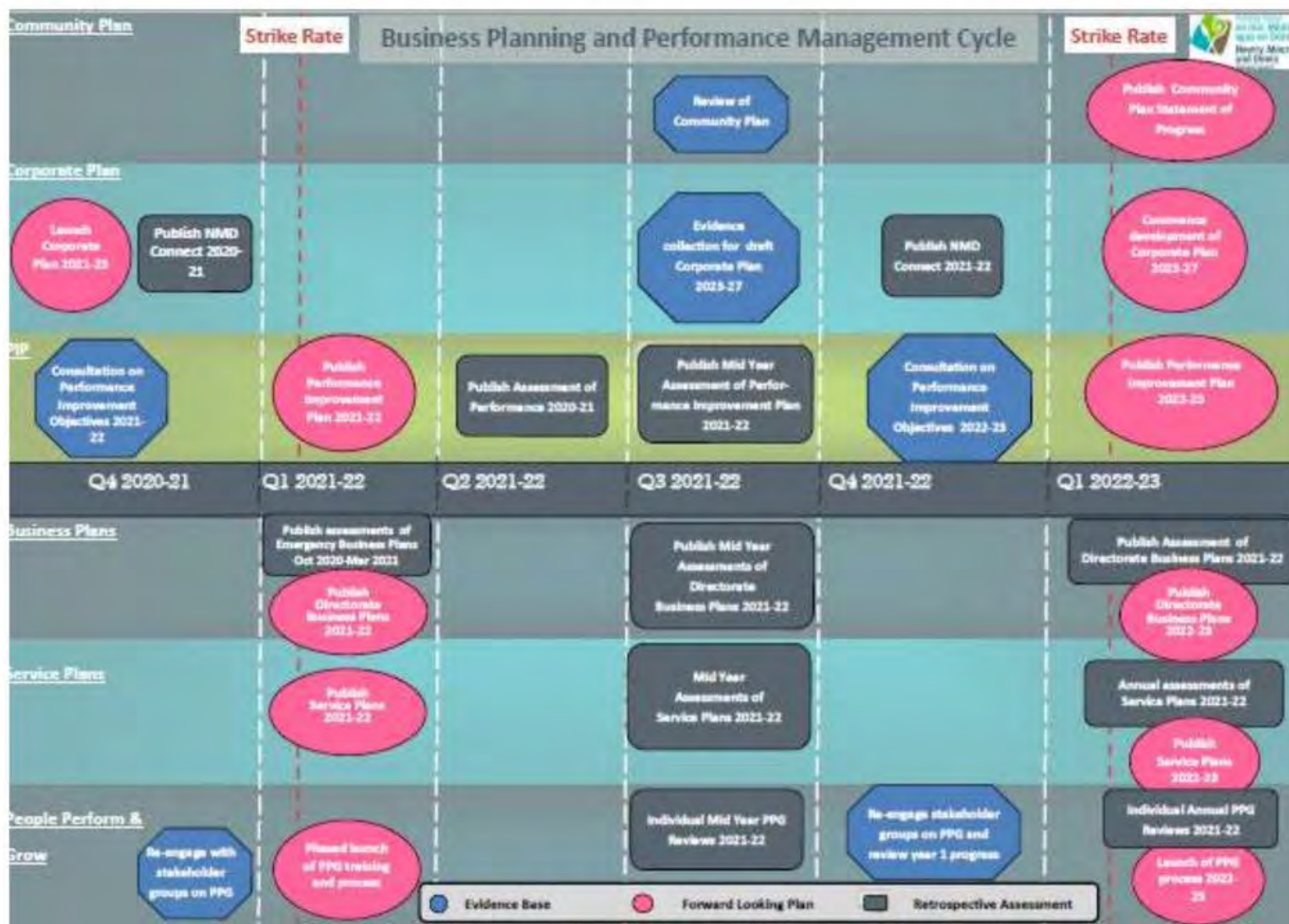
- The Council has developed and agreed integrated planning, monitoring and reporting cycles, which have been aligned to ensure everyone in the organisation is working towards shared objectives, with progress being monitored and reported on a regular basis. This integrated timeline of activity is outlined in the Business Planning and Performance Management Cycle.
- The governance arrangements at all levels of the Business Planning and Performance Management Framework have been strengthened, with the delivery of the Performance Improvement Plan and Directorate Business Plans being monitored and reported on a bi-annual and annual basis.

- All departments are required to produce Service Plans 2021-21, outlining core operational activity and improvement activity which will support the achievement of strategic objectives.
- Individual Performance is being progressed during 2021-22 through phase 1 of 'People Perform Grow', which seeks to link and align the contribution of employees with strategic objectives. Performance management arrangements are also being developed and introduced to support the effective implementation of Service Plans and People Perform Grow.
- A Corporate Performance Dashboard has been developed and agreed to monitor and report progress against a suite of 14 key performance indicators on a quarterly basis to the Senior and Corporate Management Teams. The performance indicators are aligned to both the Corporate Plan and Corporate Risk Register.
- The Performance Improvement Plan demonstrates the Council's commitment to secure continuous improvement in the delivery of services, and the objectives seek to bring about improvement across the seven areas outlined in the Local Government Act (NI) 2014.

Further information on the Council's arrangements to secure continuous improvement and progress in implementing the 'proposals for improvement', which have been put forward by the Northern Ireland Audit Office, is outlined in Appendix 2.

Business Planning and Performance Management Framework and Cycle







Community Planning Outcome

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

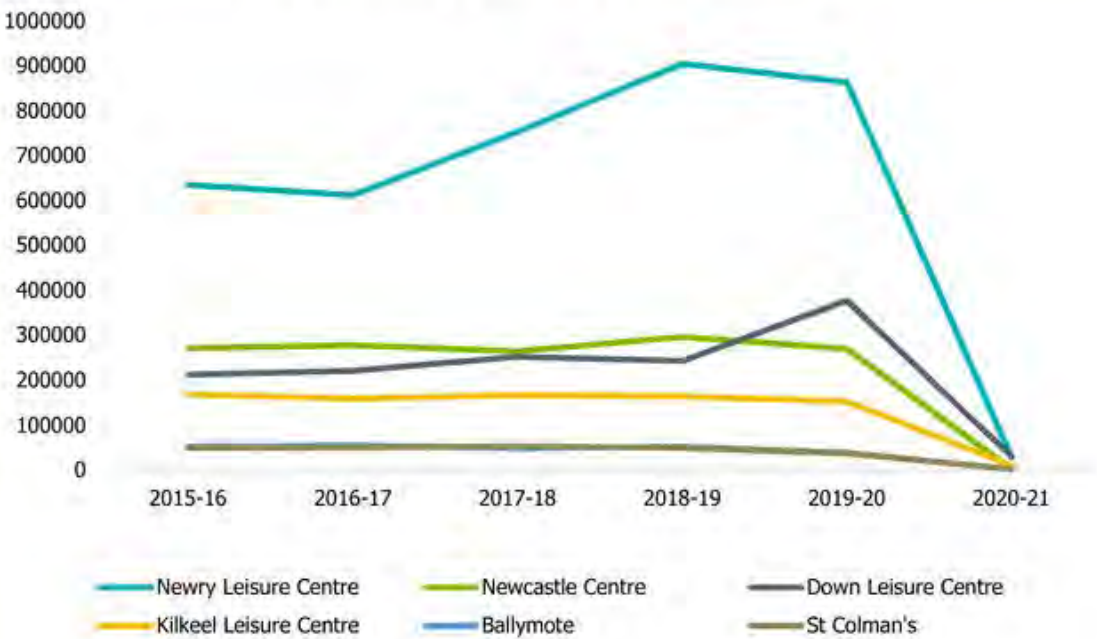
Corporate Objective

Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities

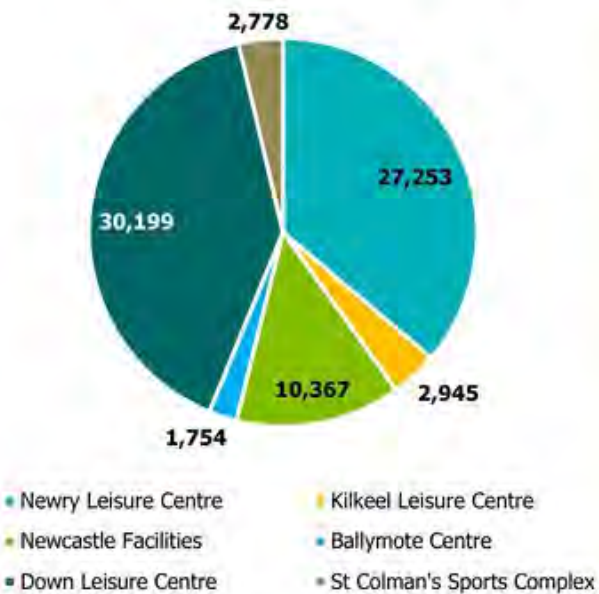
Measure of Success	2017-18		2018-19		2019-20		2020-21		Status Trend	Explanatory note
Number of people participating in targeted health programmes (Everybody Active 2020)	Target	Actual	Target	Actual	Target	Actual	Target	Actual		Between 2017-18 and 2019-20, total participation in the Everybody Active programme increased by 56.9%, from 6,879 to 10,793 participants. However, between 2019-20 and 2020-21, participation levels declined by 79% as a result of reduced programme activity during the COVID-19 pandemic.
	8,279	6,879	8,280	8,089	8,279	10,793	3,818	2,270		
Attendance at free play sessions	Target	Actual	Target	Actual	Target	Actual	Target	Actual		Over the past four years, 3,946 children and young people took part in community play initiatives across the District. Participation peaked in 2019-20 at 1,276 participants and subsequently declined by 66% in 2020-21, when only virtual programmes and small outdoor group activity could be delivered during the COVID-19 pandemic.
	-	1,175	-	1,065	-	1,276	-	430		
Increase in the number of people using Council leisure facilities	Target	Actual	Target	Actual	Target	Actual	Target	Actual		Between 2017-18 and 2019-20, the total number of attendances at Council leisure facilities increased by 12.7%, with targets being exceeded on an annual basis. However, between 2019-
	1,436,739	1,613,522	1,472,781	1,787,515	1,678,140	1,818,040	1,922,131	75,296		

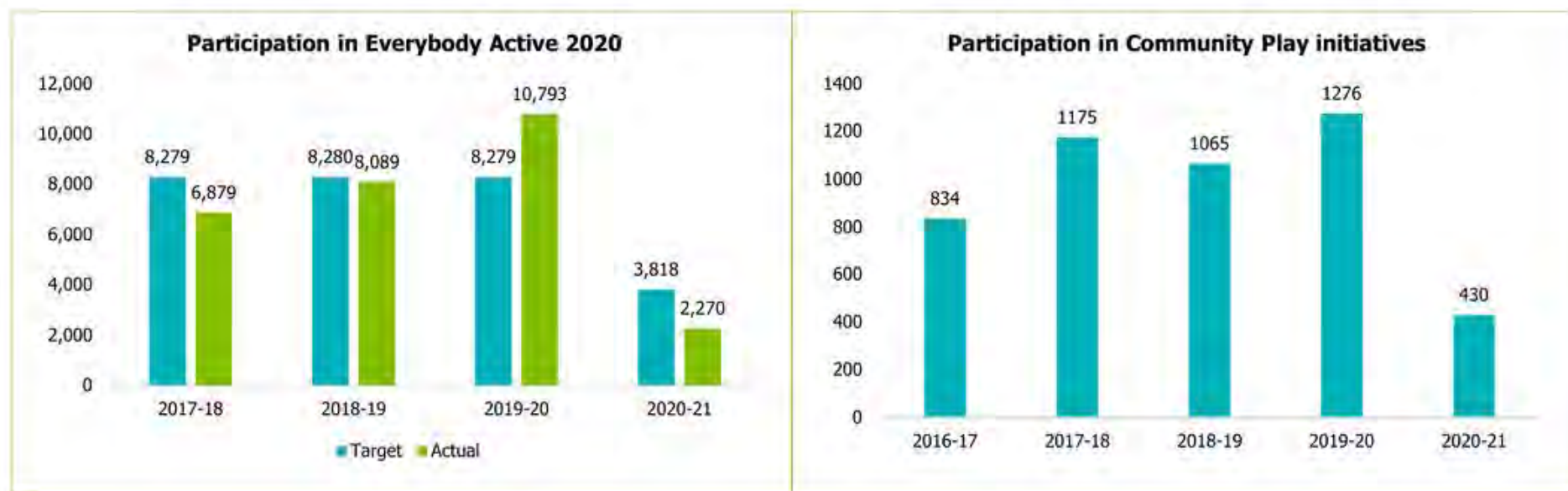
20 and 2020-21, the number of attendances recorded reduced by 95.9% and the Council only achieved 3.9% of the target set. The reduction in attendances can be attributed to the closure of facilities during the COVID-19 pandemic and subsequent public health guidelines and social distancing restrictions. In March 2021, the Council carried out a Post Covid-19 Leisure Survey and 91% of respondents stated that they were 'likely' or 'very likely' to return to the leisure centres.

Attendances at Council leisure facilities



Leisure Centre attendances 2020-21

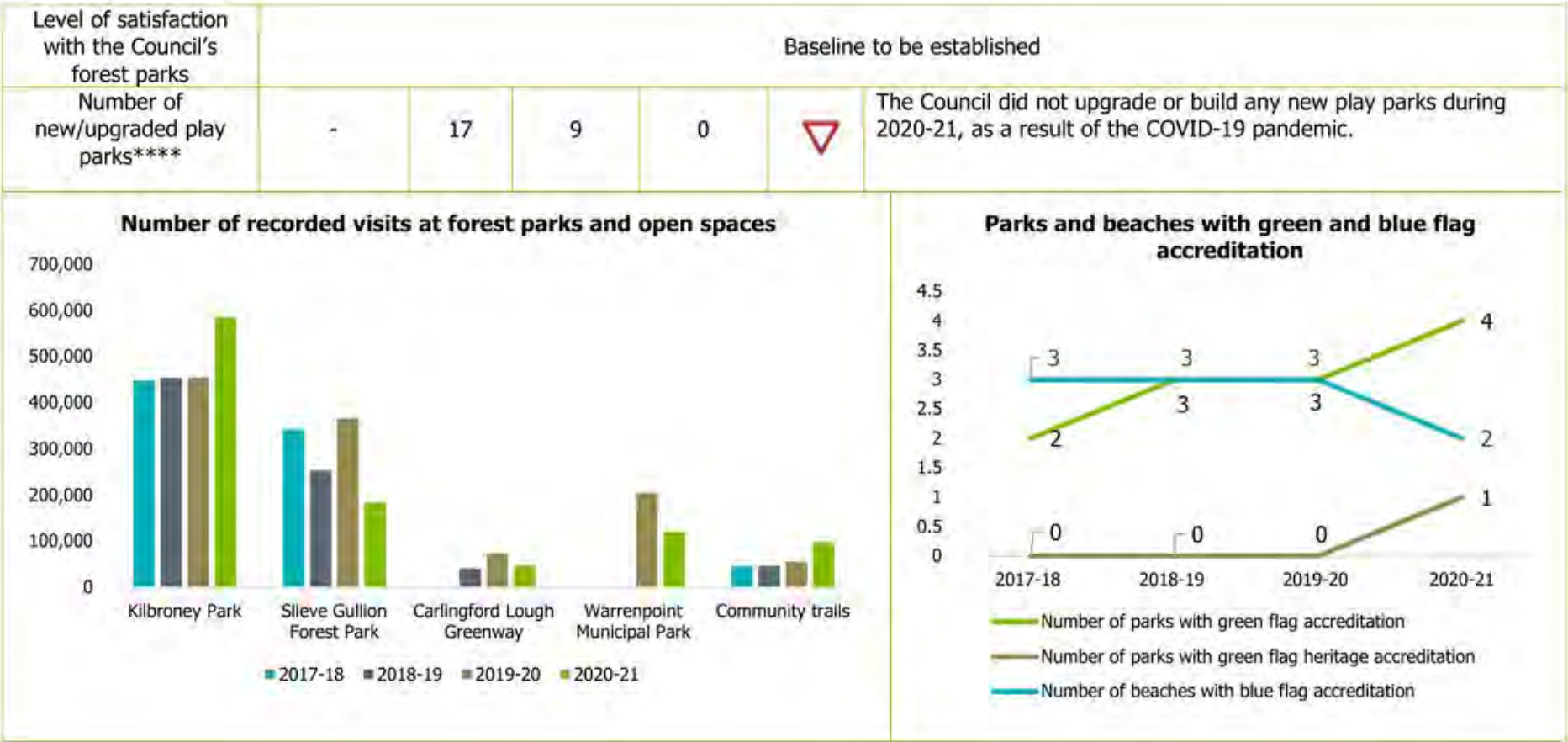




Performance Improvement Objective 1

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

Measure of success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	Explanatory note
Number of recorded visits at:						
Kilbroney Park	447,616	453,704	454,848	584,148	-	During 2020-21, the Council recorded 814,865 visits to three parks and open spaces, 71.7% of which were at Kilbroney Park. This represents a reduction of 8.9% when compared to the 894,430 visits recorded in 2019-20. This reduction can largely be attributed to new visitor counter systems being installed which has resulted in incomplete datasets.
Slieve Gullion Forest Park	341,888	253,376	366,444	183,712		
Carlingford Lough Greenway	-	40,219	73,138	47,005		
Warrenpoint Municipal Park	-	-	205,126	119,600	▽	The closure of Warrenpoint Municipal Park for 10-12 weeks during the first lockdown phase of the COVID-19 pandemic, coupled with the absence of organised activities during 2020-21, resulted in a 41.7% reduction in the number of recorded visits when compared to 2019-20.
Community trails	45,289	46,044	56,348	97,281	△	During 2020-21, the Council recorded 97,281 visits to four community trails, with 32.5% of visits recorded at Bunkers Hill and 24.9% at Tobar Mhuire. This represents a total increase of 72.6% visits when compared to 2019-20, which can be attributed to the opening of Ballynahinch RFC and Saul GAC, coupled with increased usage during the COVID-19 pandemic.
Number of parks with green flag accreditation	2	3	3	4	△	In 2020-21, the Council received four green flags for Kilbroney Park, Slieve Gullion Forest Park, Warrenpoint Municipal Park and the Newry Canal, as well as green flag heritage accreditation for Warrenpoint Municipal Park. Cranfield, Murlough and Tyrella beaches are generally awarded blue flag accreditation on an annual basis. However, lifeguard services were not offered at Murlough beach during 2020-21 due to the COVID-19 restrictions. All three beaches have since been awarded blue flag accreditation for 2021-22.
Number of parks with green flag heritage accreditation	-	-	-	1	△	
Number of beaches with blue flag accreditation	3	3	3	2	▷	





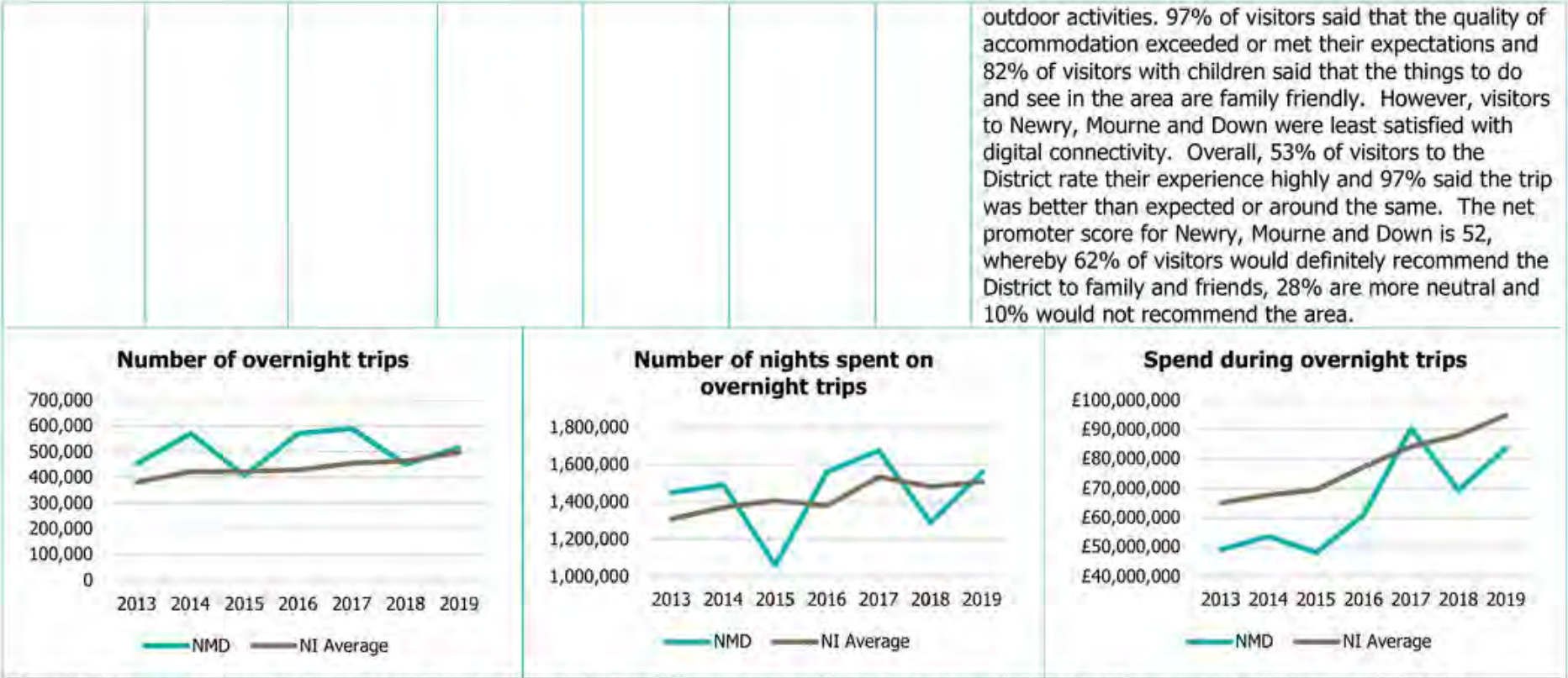
Community Planning Outcome

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

Corporate Objective

Support sustainable forms of tourism which value our environment and cultural heritage





Measure of Success	2015	2016	2017	2018	2019	Trend	Explanatory Note
Increased overnights stays	406,302	571,054	589,581	449,953	516,203	△	Between 2015 and 2019, the number of overnight trips in the District increased by 27%, including an increase of 14.7% between 2018 and 2019. Newry, Mourne and Down accounts for 9.4% of all overnight trips in Northern Ireland, and since 2015, the average number of nights spent in Newry, Mourne and Down also increased by 47.1% to 1,559,810 nights. The average overnight trip per visitor has therefore increased from 2.6 in 2015 to 3 in 2019.
Increased visitor spend	£48,071,493	£60,934,823	£90,432,246	£69,345,336	£83,671,689	△	Between 2015 and 2019, visitor spend in Newry, Mourne and Down increased by 74%, including a 20.7% increase between 2018 and 2019, which equates to an overall increase of £35.6m being generated by local tourism. Visitor spend in Newry, Mourne and Down currently accounts for 8% of all visitor spend in Northern Ireland and the average spend per trip also increased from £118.31 in 2015 to £162.09 in 2019.
Increased visitor satisfaction	-	-	-	Net promoter score: 52	-	-	Tourism Northern Ireland's Visitor Attitude Survey (2018) reveals that the main reason for visiting Newry, Mourne and Down is 'to see beautiful scenery and landscapes' and leisure visitors are more likely to participate in

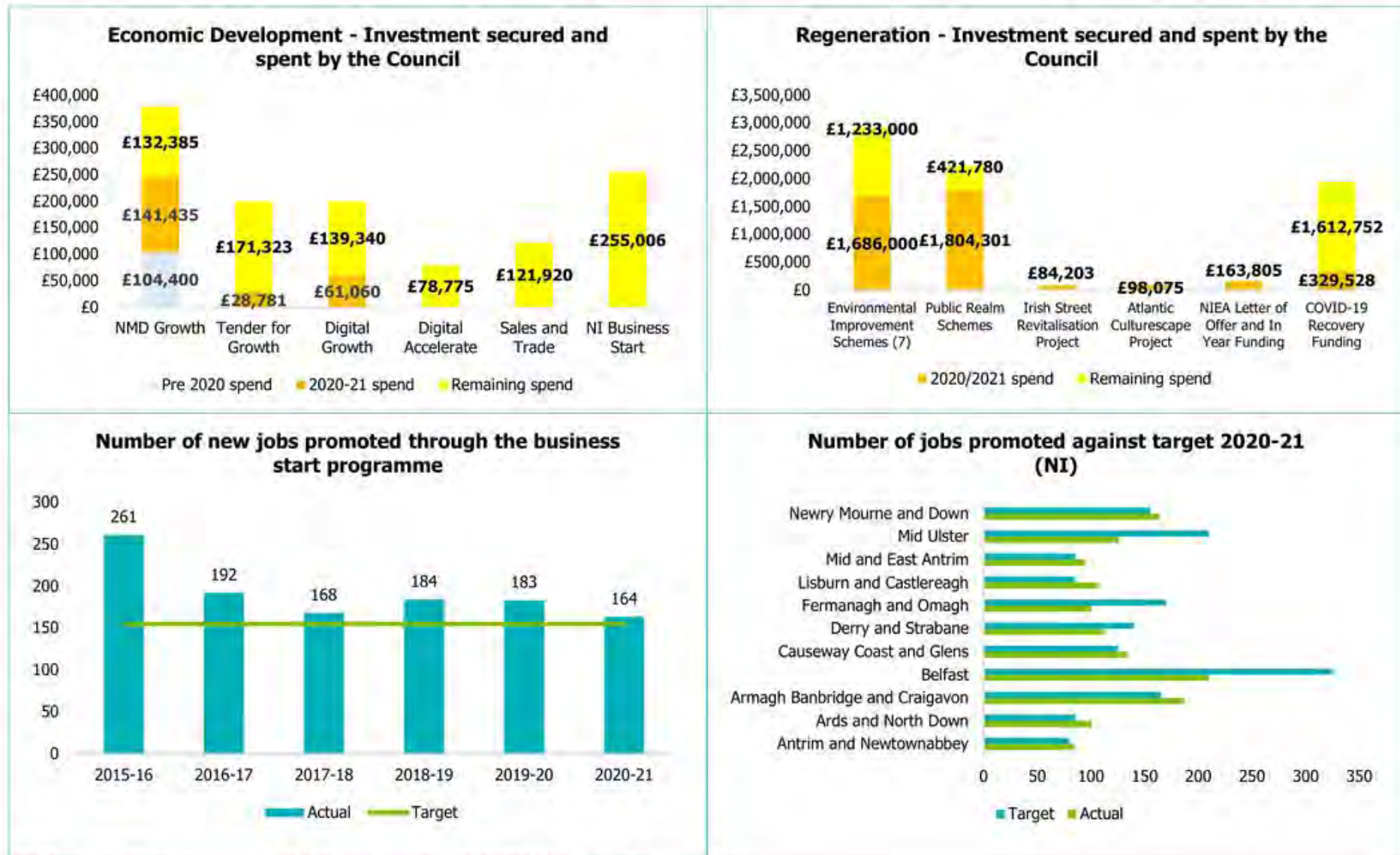


*The 2020 tourism estimates have not yet been published by the NI Statistics and Research Agency (NISRA) and this report reflects the 2019 Local Government District (LGD) tourism data. NISRA has confirmed that the tourism estimates should not be used on a year on year comparison basis, and should be used as a trend analysis, alongside other local tourism information.

Corporate Objective

Invest in and support new and growing businesses, job creation and employment skills






Measure of Success	2020-21		Status Trend	Explanatory Note
Number of jobs created and businesses supported through Council programmes	Jobs created	Businesses supported		Through the 'NMD Growth', 'Digital Growth', 'Tender for Growth' and the 'Social Economy' programmes, the Council supported 367 local businesses and created 60.5 jobs during 2020-21. The majority of businesses supported (54%) and jobs created (59.5%) were delivered through the 'NMD Growth' programme.
	60.5	367		
Number of jobs promoted through business start-up activity	Target	Actual	 	Through the NI Business Start programme, the Council promoted 164 new jobs during 2020-21, exceeding the statutory target of >155 jobs. However, the Council approved 266 Business Plans, which equates to 91% of the target of 293 Business Plans and 181 business starts which equates to 91% of the 199 target set.
	>155	164		
Amount of investment secured by the Council	Economic Development	Regeneration		Newry, Mourne and Down District Council has secured £8,667,870 in external funding to invest in economic development and regeneration schemes across the District. The Council is currently delivering six economic development programmes which are partially funded through the European Regional Development Fund and Department for Economy. The amount of external investment secured for these programmes over the past few years amounts to £1,234,425 and to date, 27.2% (£335,676) of the total funding has been spent and claimed back from the relevant funder. The Council is also delivering a number of regeneration schemes which are partially funded by the Department for Infrastructure and Northern Ireland Environment Agency. This includes seven environmental improvement schemes and various projects across the local Areas of Outstanding Natural Beauty. The amount of external investment secured for these programmes over the past few years amounts to £7,433,445 and to date, 56% (£4,165,912) of the total funding has been spent and claimed back from the relevant funder.
	£1,234,425	£7,433,445		



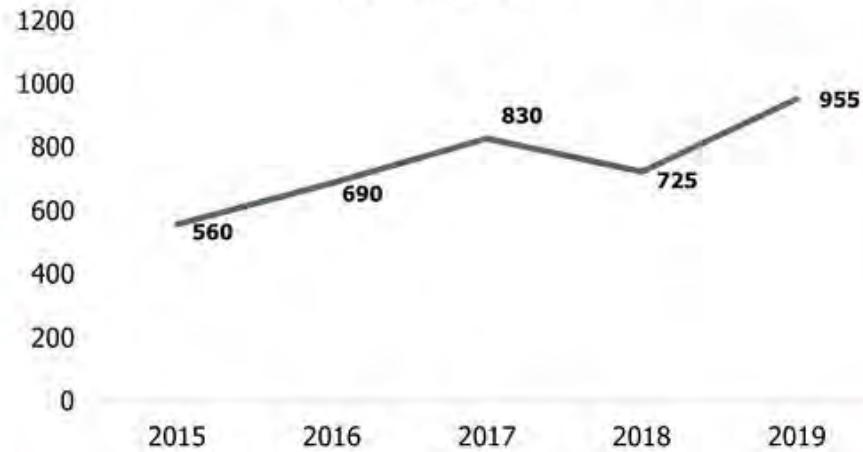
*NI Business Start programme funding secured on 1/04/2021 for a two year cycle.

Corporate Objective

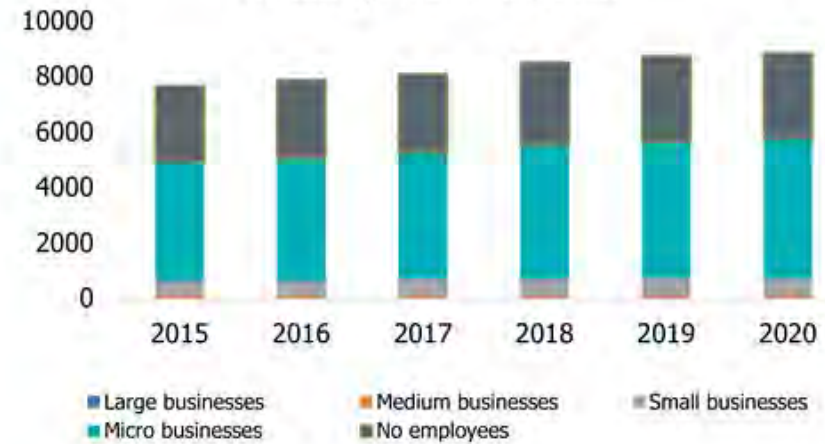
Promote the revitalisation of our city, towns, villages and rural communities

Measure of success	2020-21	Status Trend	Explanatory Note
Progress against BRCD projects	Progress underway		The Outline Business Case's (OBC's) for all projects under the key themes of regeneration, tourism, 'skills and employment' and 'digital and innovation' have been submitted to the Board. For Newry, Mourne and Down this includes the OBC's for the Newry City Centre Regeneration Scheme, Newcastle Gateway to the Mournes, Southern Relief Road, Innovation Space in Newry, skills and employment programme of investment, as well as other digital and connectivity investments.
Number of public realm schemes delivered	4		During 2020-21, eight environmental improvement schemes commenced, four of which are now complete at Ballyhornan, Annalong, Dundrum and Hilltown. The remaining schemes at Killleagh, Meigh and Hilltown are scheduled to complete during Q2 2021-22 and the design and consultation phase of the Warrenpoint Front Shore Public Realm Scheme is also well underway.
Increased business growth and employment	8,865 VAT and/or PAYE registered businesses		Since 2015, the number of VAT and/or PAYE registered businesses in Newry, Mourne and Down increased by 15.5%, from 7,675 in 2015 to 8,865 in 2020. This includes an increase of 1.4% between 2019 and 2020 which can largely be attributed to the creation of an additional 130 new micro businesses. The birth rate of new businesses in Newry, Mourne and Down also peaked at 955 in 2019, which is the highest on record since 2015 and accounts for 14.4% of all new business births in Northern Ireland.
	58,113 employee jobs		Between 2015 and 2019, the number of employee jobs across Newry, Mourne and Down also increased by 11%, from 52,341 to 58,113, which is currently the 7 th highest across Northern Ireland, accounting for 7.5% of all regional employee jobs. This trend correlates with the 33% reduction in the number of job seekers allowance and out of work universal credit claimants, from 3,770 in 2015 to 2,510 in 2019. However, between 2019 and 2020, the number of job seeker and out of work universal credit claimants increased significantly by 103%. This is similar to the regional trend and for the first time since 2015, the claimant count in Newry, Mourne and Down is higher than the regional average. This increase can largely be attributed to the impact of the pandemic on the local economy with more people becoming unemployed or having their hours reduced, resulting in very low earnings below the administrative earnings threshold. In addition, some people who may not have previously been eligible for universal credit due to partner earnings, are now eligible as a result of work allowance increases.
	5,105 job seekers and out of work universal credit claimants		

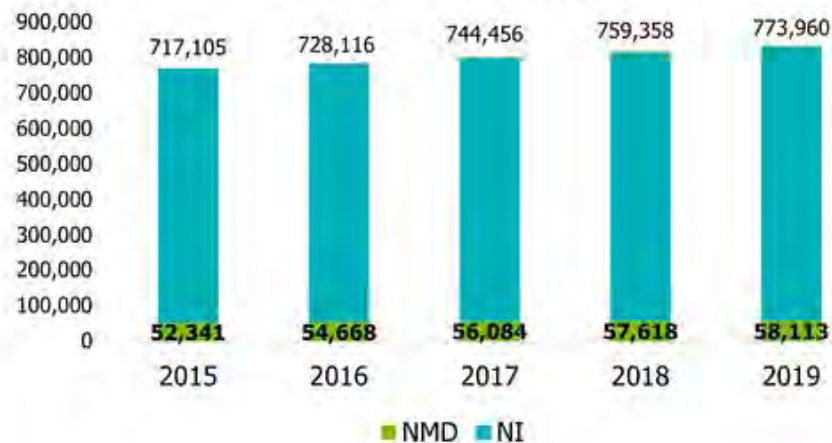
Birth rate of newly registered businesses in Newry, Mourne and Down



VAT and/or PAYE registered businesses operating in Newry, Mourne and Down



Number of employee jobs





Job Seekers Allowance and Out of Work Universal Credit Claimants



Performance Improvement Objective 2

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

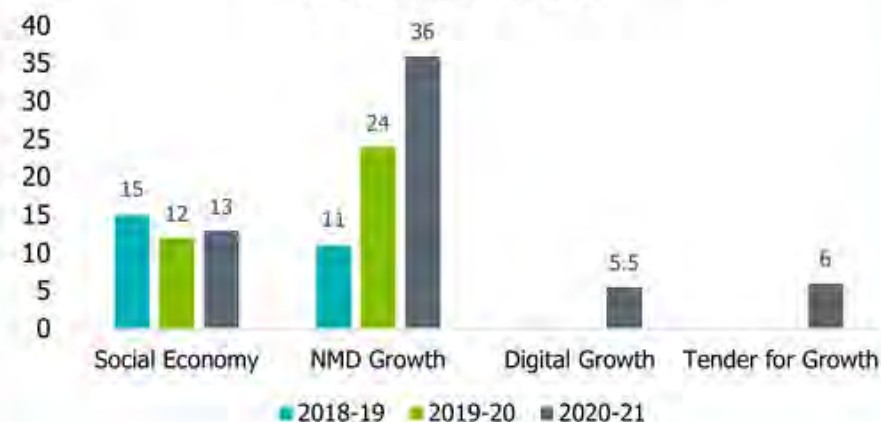
Measure of success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	Explanatory Note
Number of business plans approved through NI 'Go For It'*	245	300	298	266	▶	Since 2015-16, the Council has consistently exceeded the statutory target of promoting >155 jobs through business start-up activity. Compared to previous years, overall performance during 2020-21 declined when a total of 266 business plans were approved which resulted in 181 new business starts and 164 jobs being promoted. Whilst the Council is currently ranked 3/11 across Northern Ireland for promoting the third highest number of jobs, this decline in performance can largely be attributed to the onset of the COVID-19 pandemic, subsequent lockdown restrictions and low levels of uptake to the programme during Q1 2020-21.
Number of new business starts created through NI 'Go For It'	167	204	203	181	▶	
Number of new jobs promoted through NI 'Go For It'	168	184	183	164	😊 ▶	
Number of social enterprise start-ups supported	12	9	10	12	▶	Since 2017-18, the Council has consistently exceeded the targets set for the number of new social enterprise start-ups supported and jobs created. During 2020-21, the Council supported 12 new social enterprise start-ups and 40 existing social enterprises, assisted 54 people in increasing their skills for entering employment and created 13 new social enterprise jobs, as well as 32 new volunteering jobs.
Number of social enterprise jobs created	16	15	12	13	▶	
Number of businesses supported through 'NMD Growth'	New	79	198	198	▶	Since 2018, the Council has supported 475 local businesses through 'NMD Growth', including 198 businesses during 2020-21, achieving 63% of the overall 2022 target set. The Council has also delivered 25 workshops, 9 thematic programmes and 5,820 mentoring hours which have supported the creation of 71 new jobs, including 36 jobs during 2020-21.
Number of jobs created through 'NMD Growth'		11	24	36	▶	
Number of businesses supported through 'Digital Growth'	New programmes			90	-	Since January 2020, the Council has supported 90 local businesses through 'Digital Growth', achieving 35% of the overall 2022 target set. The Council has also delivered 9 workshops, 2 masterclasses and 1,407 mentoring hours which have supported the creation of 5.5 new jobs during 2020-21.
Number of jobs created through 'Digital Growth'				5.5	-	

Number of businesses supported through 'Tender for Growth'		39	-	Since June 2020, the Council has supported 39 local businesses through 'Tender for Growth', achieving 23% of the overall 2022 target set. The Council has also delivered 2 workshops and 738 mentoring hours which have supported the creation of 6 new jobs during 2020-21.
Number of jobs created through 'Tender for Growth'		6	-	
Number of new jobs created in coastal areas (SEAFLAG 2)	New programme	2023 target	2020-21 actual	 <p>To date, seven new jobs have been created through the SEAFLAG programme, exceeding the 2023 target of 5.5 new jobs. One new business in Ardglass has also been created which represents 50% the overall target of 2 new businesses being created. Current projections indicate that 1 new business will be created in Kilkeel during Q1 2021-22 and a further 14 FTE jobs will be created through the programme.</p>
		5.5	7	
Number of new businesses created in coastal areas (SEAFLAG 2)		2	1	 <p>It should be noted that there is a 'lag' between the initiation of the programme and the subsequent creation of new jobs and businesses, and the achievement of qualifications. Progress against the targets set will continue to be monitored by SEA FLAG during the programme period.</p>

Number of businesses supported through Council programmes 2020-21



Number of jobs created through Council programmes 2020-21






Community Planning Outcome

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

Corporate Objective



Enhance, protect and promote our environment

Measure of Success	2017-18		2018-19		2019-20		2020-21		Status Trend	Explanatory Note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Level of street cleanliness across the District (KNIB street cleanliness score)	-	72	-	72	-	64	-	64		The Keep Northern Ireland Beautiful (KNIB) Cleaner Neighbourhoods Survey indicates that the 2020-21 LEAMS score for the District has remained at 64 which falls slightly below the regional average of 65. During 2021-22, the Council will work with KNIB to commission a detailed analysis of the Cleaner Neighbourhoods survey results for Newry, Mourne and Down, in order to identify key areas for improvement.
65% of municipal waste recycled by 2030	50% by 2020	46.1%	50% by 2020	51.4%	50% by 2020	53.7%	50% by 2020	52.6%	 	Since 2017-18, the Council increased the overall rate of recycling by 6.5% to 52.6%, exceeding the 50% recycling target by 2020. However, similar to the regional trend, the level of recycling reduced during 2020-21 and DAERA has established a working group to identify the root causes behind the declining rate of recycling. Indicative findings suggest that this may be attributed to the impact of the COVID-19 pandemic, with more people working from

									home coupled with the displacement of commercial waste. This trend may potentially be contributing to the increased levels of domestic waste collected whilst having a negative impact on the overall rate of recycling and tonnage of waste sent to landfill.
Level of compliance with sustainable development duty		The Council has made significant progress in addressing the impact of climate change locally. Through the Sustainability and Climate Change Forum, the implementation of the Council's Local Climate Action Plan is underway and the impact of Council operations on the climate is currently being reviewed. Further initiatives include the Climate Change Symposium 'Our Climate Our Challenge' in March 2020 which attracted 100 delegates, participation in the FASTER project which aims to install 73 electric rapid charging points in Northern Ireland, Republic of Ireland and Scotland, installation of a pilot solar farm on a Council site and development of a 'Climate Change Park' at the Islands Park in Newcastle. The Council is also working in partnership with Sustrans to develop a draft Active Travel Masterplan, is the Lead Partner for the €9 million CANN (Collaborative Action for the Natura Network) Project which seeks to protect and restore protected habitats and has published a Policy and Action Plan to phase out Single Use Plastics within Council premises.							

Performance Improvement Objective 3

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

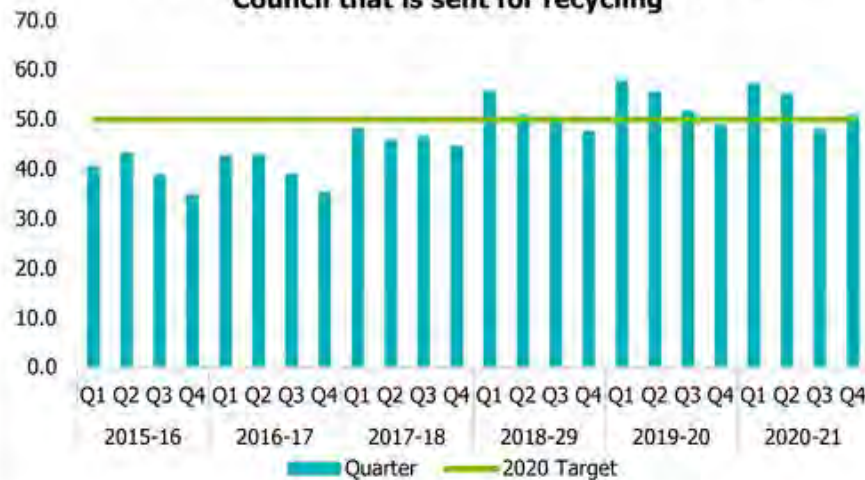
Measure of success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	Explanatory Note
LEAMS* score (Keep NI Beautiful Cleanliness Index)	72	72	64	64		KNIB carries out Cleaner Neighbourhoods Surveys on an annual basis. The 2020 LEAMS score for the Newry, Mourne and Down remained at 64, which is slightly below the current Northern Ireland average of 65. This is the lowest recorded regional score since the survey began in 2012 and KNIB suggests that the declining trend may be linked to higher levels of littering and dog fouling on the transects inspected, as well as a year on year decrease in cleansing spend across the 11 Councils.
Number of fixed penalty notices issued	72	54	83	52		Between 2019-20 and 2020-21, the number of illicit dumping incidents reported to the Council increased from 434 to 817 whilst the number of littering and dog fouling incidents

Number of fixed penalty notices paid	58	50	72	26 (to date)	▽	decreased from 353 to 322. The increased levels of fly tipping may be linked to the closure of the Household Recycling Centres during Q1 2020-21, when the Council recorded the highest number of illicit dumping incidents (242). The number of fixed penalty notices issued reduced from 83 in 2019-20 to 52 in 2020-21 which can largely be attributed to the impact of the COVID-19 pandemic and compliance with social distancing restrictions. 26 fixed penalty notices have been paid to date.
Number of community clean ups supported	100	100	94	33	▽	Through the Neighbourhood Services and Active and Healthy Communities Directorates, the Council actively supports clean ups which are carried out by local community groups and residents. Between 2017-18 and 2020-21, the Council supported 327 clean ups across the District, including 33 during 2020-21. The reduction in the number of community clean ups supported during 2020-21 can be attributed to the temporary suspension of the service in Q1 and Q4 and subsequent compliance with the COVID-19 public health guidelines and social distancing restrictions when the service was provided in Q2 and Q3. However, between April-August 2021, the number of community clean ups supported by the Council increased to 64.
Number of 'Live Here Love Here' environmental projects	16	27	34	24	▽	Since 2017-18, the Council has supported 101 'Live Here Love Here' environmental projects, including 24 during 2020-21. Successful projects generally focus on a range of environmental themes including pollution solutions, biodiversity recovery, climate action, littering, dog fouling and community food growing initiatives.

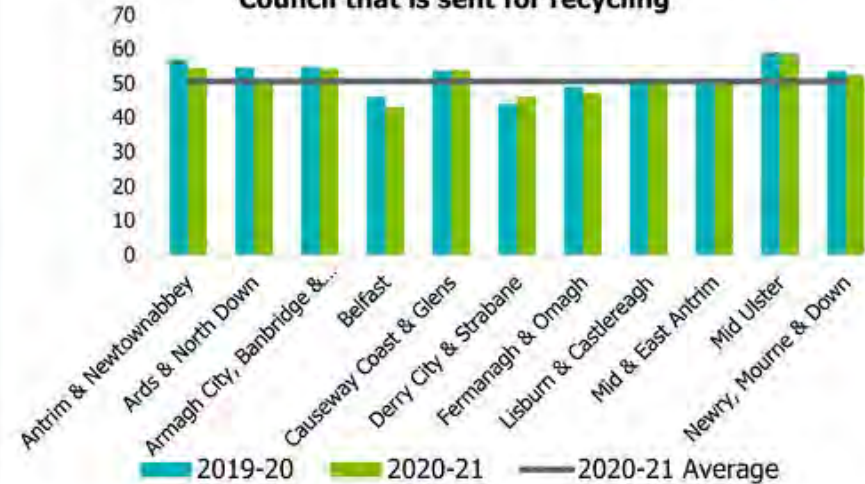


Measure of success	2017-18		2018-19		2019-20		2020-21		Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
The percentage of household waste collected by District Councils that is sent for recycling	50% by 2020	46.1%	50% by 2020	51.4%	50% by 2020	53.7%	50% by 2020	52.6%		Since 2017-18, the Council increased the overall rate of recycling by 6.5%, to 52.6%, exceeding the 50% recycling target by 2020. The rate of recycling is also above the 2020-21 regional average of 50.7% and the Council is ranked 5/11 across Northern Ireland. However, between 2019-20 and 2020-21, the overall rate of recycling reduced by 1.1%. This is similar to the regional downward trend which indicates a 1.2% reduction in the overall rate of recycling across Northern Ireland.

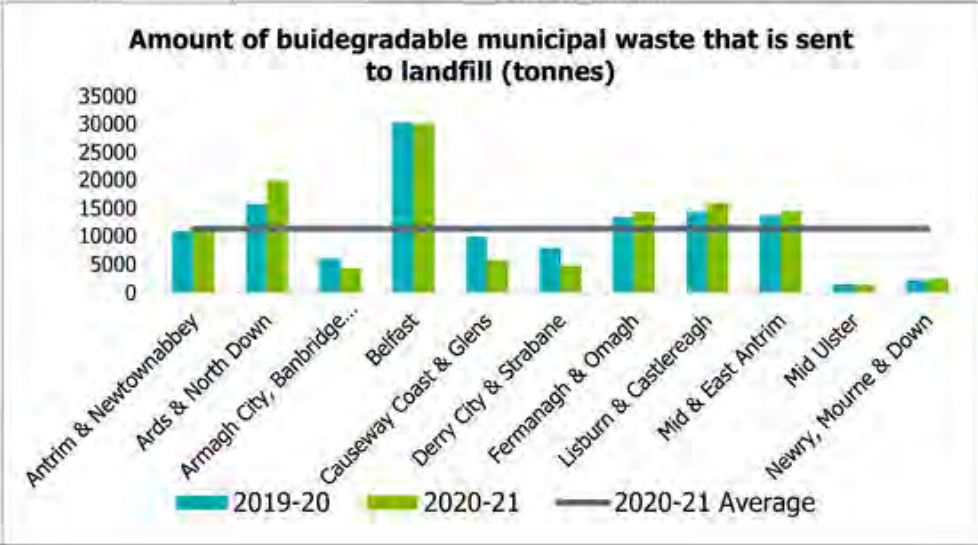
Percentage of household waste collected by the Council that is sent for recycling




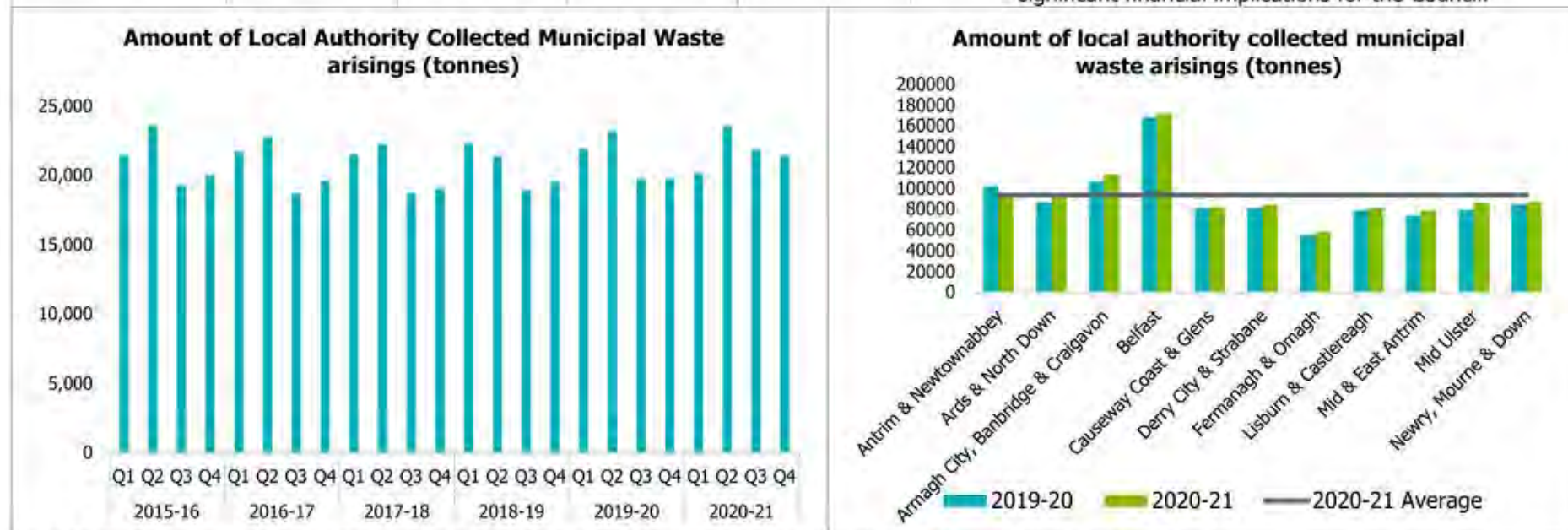
Percentage of household waste collected by the Council that is sent for recycling



Measure of success	2017-18		2018-19		2019-20		2020-21		Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
The amount of biodegradable Local Authority Collected Municipal Waste that is landfilled	<23,675	2,612t	<22,314	1,846t	<20,954	2,131t	<20,954	2,494t	 	Since 2015-16, the amount of biodegradable local authority collected municipal waste that is sent to landfill reduced by 84.7%, to 2,494 tonnes, and the Council only used 11.9% of the most recent Northern Ireland Landfill Allowance Scheme allowance. This falls well below the 2020-21 regional average of 11,409 tonnes and the Newry, Mourne and Down is ranked 2/11 across Northern Ireland. However, whilst Newry, Mourne and Down is one of the best performing Councils across Northern Ireland, between 2019-20 and 2020-21, the Council recorded a 17% increase (363 tonnes) in the amount of waste that is sent to landfill.



Measure of success	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Trend	Explanatory note
The amount of Local Authority Collected Municipal Waste arisings	81,483t	82,136t	84,610t	86,980t		Since 2017-18, the amount of local authority collected municipal waste arisings increased by 6.7% to 86,980 tonnes, which falls below the 2020-21 regional average of 93,746 tonnes. Newry, Mourne and Down is currently ranked 7/11 across Northern Ireland and the increase in municipal waste arisings is likely to have significant financial implications for the Council.



*Local Environmental Auditing Management System (LEAMS) which is carried out by Keep Northern Ireland Beautiful.

**The 2020-21 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year data is currently being validated by DAERA, and will be published in Q3 2021-22. There are slight variances between the quarterly figures and the rolling 12 month figures, as outlined in the DAERA reports.

***The 2019-20 NI Landfill Allowance Scheme (NILAS) target has been included as the Council awaits more up to date targets from DAERA.



Community Planning Outcome

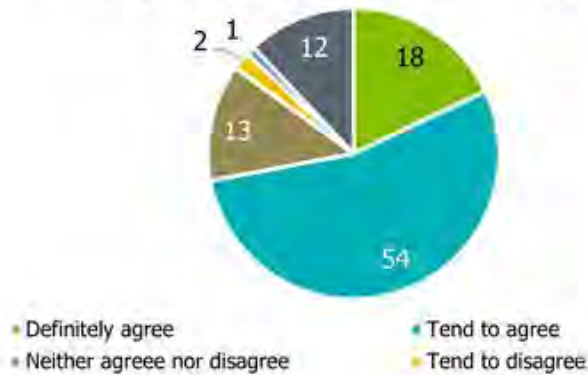
All people in Newry, Mourne and Down live in respectful, safe and vibrant communities

Corporate Objective

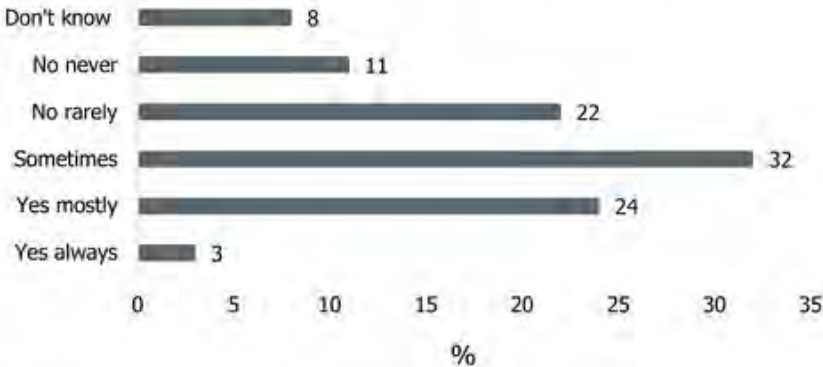
Enable and support people to engage in inclusive and diverse activities in their communities

Measure of Success	2018 Actual	Status	Explanatory Note
Percentage of residents who agree that the local area is a place where people from different backgrounds get on well together	72%		<p>In September 2018, the Council commissioned a Residents Survey to establish a robust and reliable evidence base in relation to resident perceptions about their local area, the performance of the Council and key priorities for improvement in the future. A representative sample of 764 residents revealed that:</p> <ul style="list-style-type: none"> 72% agree that the area is a place where people from different backgrounds get on well together 62% agree that the Council consults with and listens to the views of local people, and 22% neither agree or disagree 59% feel that they can have a say on how services are delivered in their local area
Percentage of residents who agree that the Council consults with and listens to the views of local people	62%		
Percentage of residents who feel that they can have a say on how services are delivered in their local area	59%		
Number and percentage of financial assistance projects funded and successfully delivered	64% of projects awarded funding	-	<p>The next Residents Survey will be carried out during 2022-23 to track and monitor resident perceptions of the Council, satisfaction with Council services and the local area as a place to live. Feedback from the Residents Survey will be used to inform the development of future plans and strategies, including the Corporate Plan and Performance Improvement Plan.</p> <p>Since 2015-16, the Council awarded £6.5m to 2,242 successful applications through the Financial Assistance Scheme. This includes £731,019 being awarded to 377 projects across 18 thematic areas during 2020-21, with the most popular themes being 'community engagement', 'community festivals' and 'summer schemes'. Overall, 72% of applications received were successful and 64% were awarded funding.</p>

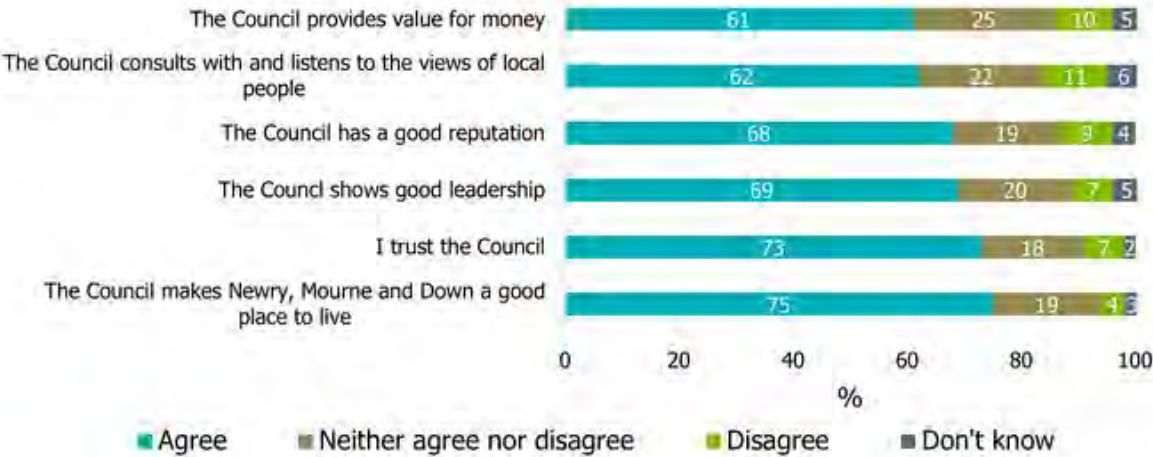
To what extent do you agree or disagree that your local area is a place where people from different backgrounds get on well together? (%)



Do you feel you are able to have a say on things happening or how services are run in your local area?



Thinking about Newry, Mourne and Down, to what extent do you agree or disagree with the following statements?

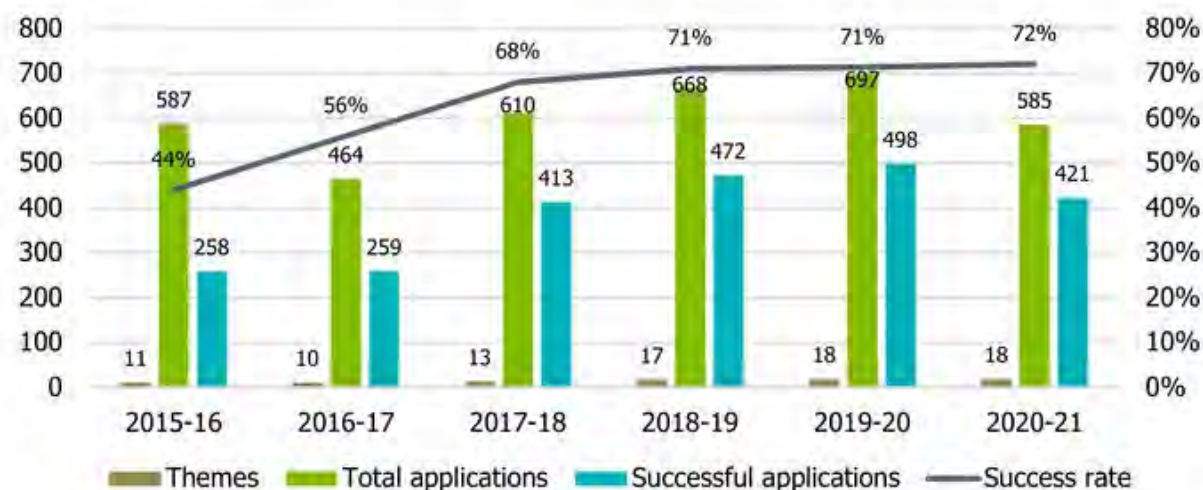


Performance Improvement Objective 4

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

Measure of success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Trend	Explanatory Note
% of successful financial assistance applications	68%	71%	71%	72%	▶	The overall success rate of applications to the Council's Financial Assistance Scheme increased from 44% in 2015-16 to 72% in 2020-21. However, in 2020-21, the Council scored and ranked applications in line with the Financial Assistance Policy, and 377 of the 421 successful applications were awarded £731,019 in total. Significant shortfalls between the amount of funding available and requested were recorded under the 'community engagement' and 'local biodiversity' themes.
% of financial assistance applications funded	68%	71%	71%	64%	▼	




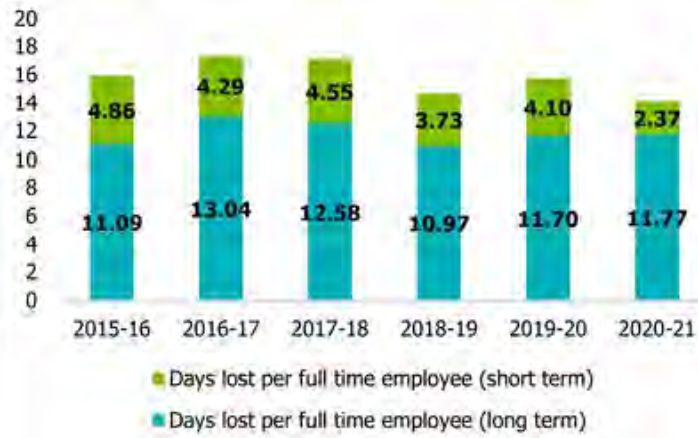
Financial Assistance applications received v success rate



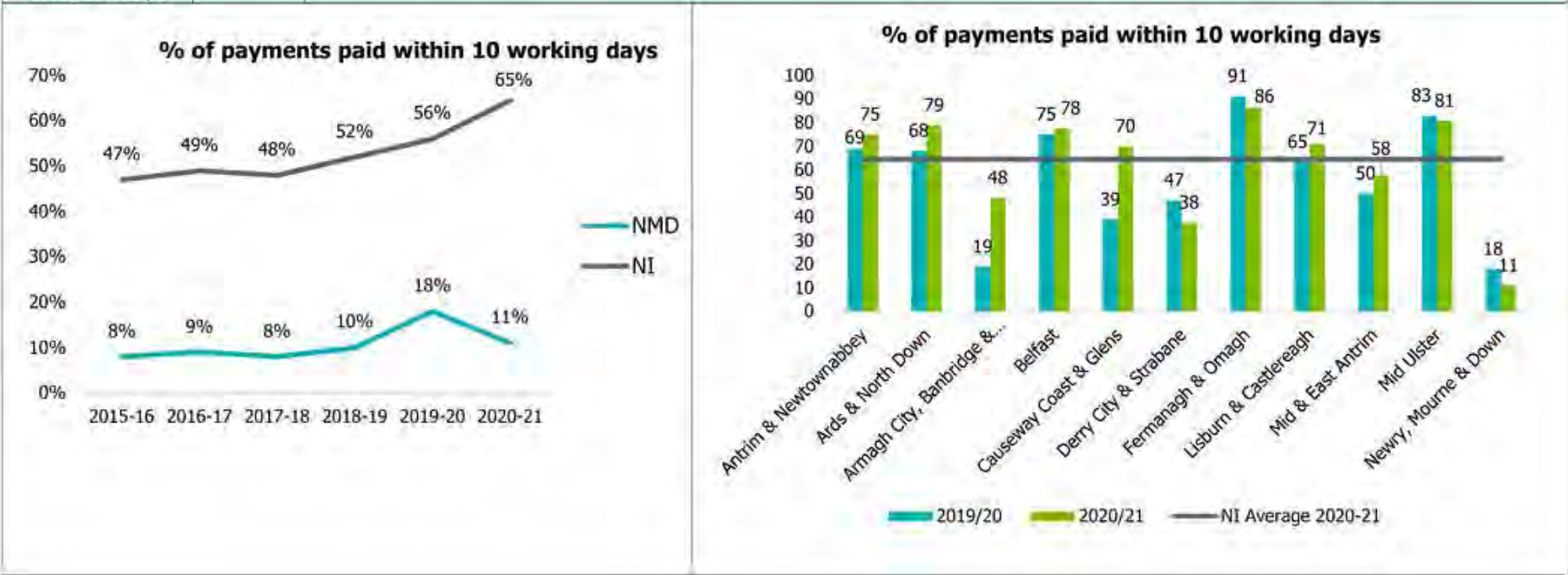
Corporate Plan 2021-23: Self imposed performance indicators

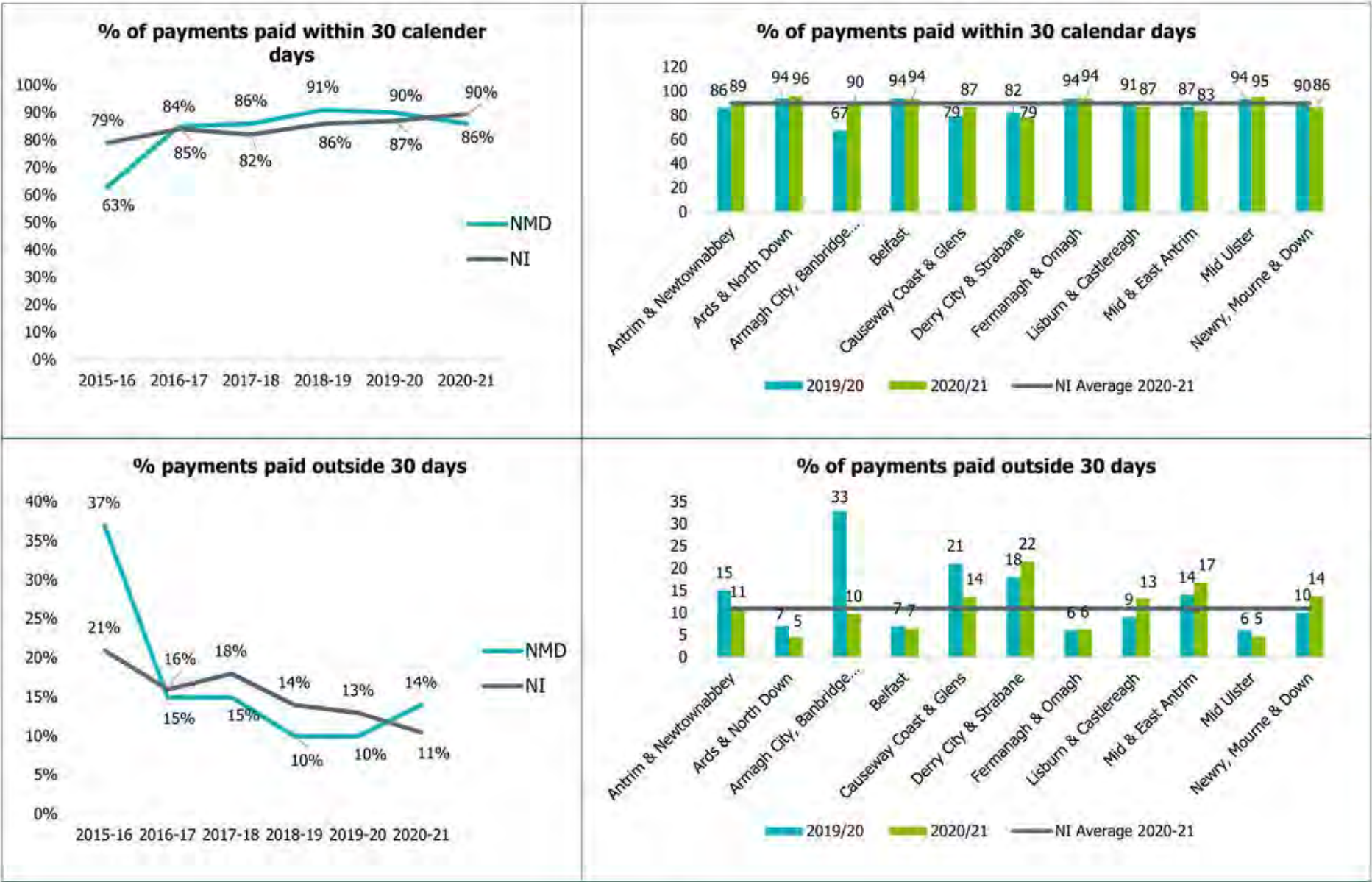
Corporate Objective

Provide accessible, high quality and integrated services through continuous improvement

Measure of Success	Status Trend	Explanatory Note																													
Increased citizen satisfaction		The 2018 Residents Survey revealed that: <ul style="list-style-type: none">• 87% are satisfied with the Council overall• 75% agree that the Council makes Newry, Mourne and Down a good place to live• 73% trust the Council• 61% believe the Council provides good value for money, which is above the GB average of 51%																													
Compliance with Duty of Improvement		The certificate of Compliance was received from the Local Government Auditor in relation to the Duty of Improvement 2019-20. The Council is currently progressing the implementation of the 'proposals for improvement' which were put forward by the NI Audit Office in 2019-20, to help improve the arrangements in place to secure continuous improvement and facilitate a performance improvement culture. However, the Council was not required to publish the 2020-21 Performance Improvement Plan and is currently awaiting the outcome of the 2020-21 Performance Audit and Assessment.																													
Level of absenteeism		<div><p>Days lost per full time employee (NMD)</p><table><thead><tr><th>Year</th><th>Long term (days)</th><th>Short term (days)</th><th>Total (days)</th></tr></thead><tbody><tr><td>2015-16</td><td>11.09</td><td>4.86</td><td>15.95</td></tr><tr><td>2016-17</td><td>13.04</td><td>4.29</td><td>17.33</td></tr><tr><td>2017-18</td><td>12.58</td><td>4.55</td><td>17.13</td></tr><tr><td>2018-19</td><td>10.97</td><td>3.73</td><td>14.70</td></tr><tr><td>2019-20</td><td>11.70</td><td>4.10</td><td>15.80</td></tr><tr><td>2020-21</td><td>11.77</td><td>2.37</td><td>14.14</td></tr></tbody></table><p>■ Days lost per full time employee (short term) ■ Days lost per full time employee (long term)</p></div>	Year	Long term (days)	Short term (days)	Total (days)	2015-16	11.09	4.86	15.95	2016-17	13.04	4.29	17.33	2017-18	12.58	4.55	17.13	2018-19	10.97	3.73	14.70	2019-20	11.70	4.10	15.80	2020-21	11.77	2.37	14.14	<p>During 2020-21, Newry, Mourne and Down District Council recorded 13.55 days lost per employee. This represents a decrease from 15.80 days in 2019-20, particularly in relation to short term absence, which reduced from 4.10 days to 2.37 days per employee and is the lowest level of short term absence recorded since 2015-16. Significantly, 63.5% of the workforce (654 employees) had no recorded absence during 2020-21, which represents a significant increase when compared to the 46.2% of employees with no recorded absence in 2019-20. This reduction in short term absenteeism may partly be attributed to the working arrangements which were introduced in response to the COVID-19 pandemic, when a number of employees were furloughed or working from home.</p> <p>In 2019-20, Newry, Mourne and Down recorded 15.80 days lost per employee which was the second highest level of</p>
Year	Long term (days)	Short term (days)	Total (days)																												
2015-16	11.09	4.86	15.95																												
2016-17	13.04	4.29	17.33																												
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2018-19	10.97	3.73	14.70																												
2019-20	11.70	4.10	15.80																												
2020-21	11.77	2.37	14.14																												



Percentage of payments paid:		Between 2018-19 and 2019-20, the Council made significant progress in the percentage of payments paid within 10 working days, which increased from 10% to 18%. However, in response to the COVID-19 pandemic, this reduced to 11%, falling well below the regional average of 64.5% and the Council is therefore ranked 11/11 across Northern Ireland. Progress with payments made within 30 calendar days has also declined slightly, from 90% in 2019-20 to 86% in 2020-21, falling below the current regional average of 89.5% and the Council is ranked 9/11 across Northern Ireland. The percentage of payments paid outside 30 days has also increased from 10% in 2019-20 to 14% in 2020-21, which is above the regional average of 10.5% and the Council is ranked 9/11 across Northern Ireland.
Within 10 working days	▽	
Within 30 calendar days	◀	
Outside 30 calendar days	▽	







Corporate Objective








Advocate with others for the benefit of all people of the District

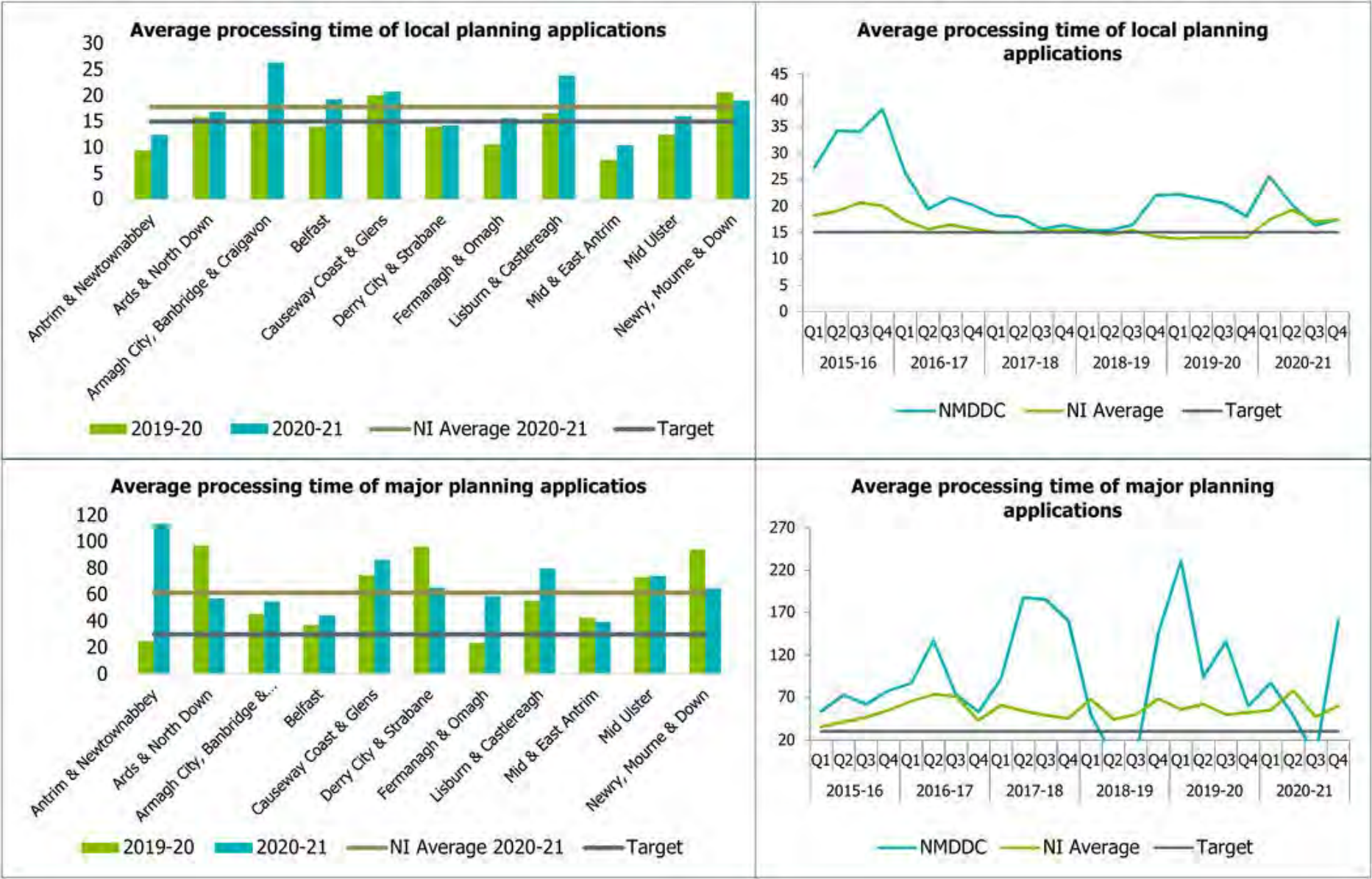
Measure of Success	Status	Explanatory note
Compliance with the duty of community planning / monitor delivery of outcomes with partners		During 2020-21, the Council continued to comply with the statutory duty of community planning. The Community Planning Partnership met on a regular basis, championing the establishment of the Community Co-ordination Hub and enlisting 144 community organisations to help deliver 18,407 food parcels to vulnerable households. Current priority work areas include active travel, housing and mental health and the Stakeholder Forum is also progressing the implementation of the 'Renewal and Recovery Plan' which is focused on improving community wealth, health provision and skills.
Percentage of residents who are satisfied with their local area as a place to live		The 2018 Residents Survey revealed that 90% of residents are satisfied with their local area as a place to live, which is well above the GB average of 80%. 99% of residents in the Rowallane DEA are satisfied with their local area as a place to live, compared to just 78% in the Downpatrick DEA. Residents in rural areas are also more likely to be satisfied with their local area as a place to live than residents in urban areas. The top perceived problems identified by residents are dog fouling and barking dogs, particularly for residents in urban areas.

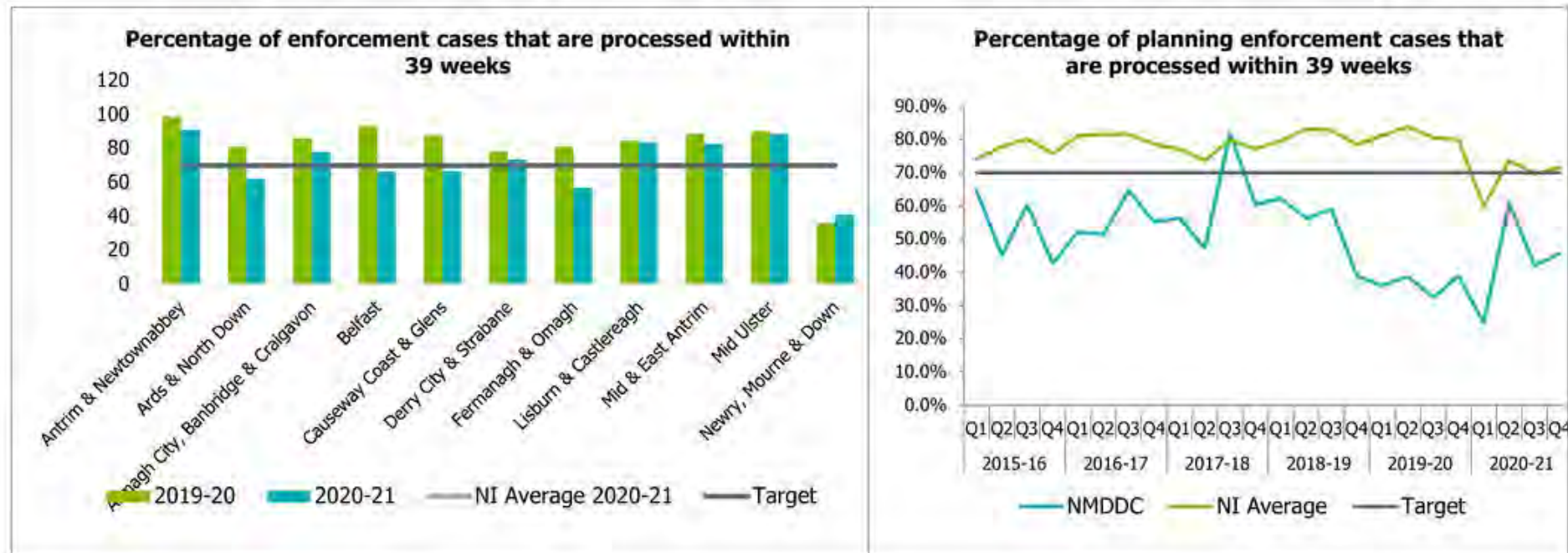
Performance Improvement Objective 5

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

Measure of success	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	Status Trend	Explanatory Note
Average processing time for local planning applications (weeks)	17	18	20.6	19	 	During 2020-21, Newry, Mourne and Down received 1,645 local planning applications which is the highest across Northern Ireland and represents a slight increase when compared to 2019-20. The processing time for local planning applications decreased from 20.6 weeks in 2019-20 to 19 weeks in 2020-21 which is above the regional average of 17.8 weeks and exceeds statutory standard of <15 weeks. However, whilst only 34.8% of local planning applications were processed within the statutory standard, Newry, Mourne and Down was the only Council to improve the average processing time of local planning applications between 2019-20 and 2020-21. The

						Council is currently ranked 7/11 across Northern Ireland for processing local planning applications.
Average processing time of major planning applications (weeks)	127.6	76.6	94	64.6	 	During 2020-21, Newry, Mourne and Down received 12 major planning applications which is the second highest across Northern Ireland and represents an increase of four applications when compared to 2019-20. The processing time for major planning applications decreased from 94 weeks in 2019-20 to 64.6 weeks in 2020-21 which is above the regional average of 61.4 weeks and exceeds statutory standard of <30 weeks. Only 14.3% of local planning applications were processed within the statutory standard and the Council is ranked 6/11 across Northern Ireland for processing major planning applications.
Percentage of planning enforcement cases progressed within 39 weeks	59.9%	52.9%	36.2%	40.9%	 	The percentage of enforcement cases processed within 39 weeks increased from 36.2% in 2019-20 to 40.9% on 2020-21 which falls well below the regional average of 69.9% and statutory standard of 70%. However, whilst the Council is currently ranked 11/11 across Northern Ireland for processing enforcement cases, Newry, Mourne and Down was the only Council to improve the percentage of enforcement cases processed within 39 weeks between 2019-20 and 2020-21.
Number of planning applications in the system for 12 months or more	197	224	183	195		Between 2019-20 and 2020-21, the number of planning applications in the system for 12 months or more increased by 6.6%. Newry, Mourne and Down currently has the 5 th highest number of planning applications in the system for 12 months or more across Northern Ireland.
Number of planning applications in the system for 12 months or less	675	800	685	857		Between 2019-20 and 2020-21, the number of planning applications in the system for 12 months or less increased by 25.1%. Newry, Mourne and Down currently has the 2 nd highest number of planning applications in the system for 12 months or less across Northern Ireland.
Number of enforcement cases in the system 12 months or more	571	734	620	546		Between 2019-20 and 2020-21, the number of enforcement cases in the system for 12 months or more decreased by 12%. Newry, Mourne and Down currently has the highest number of live enforcement cases in the system (819) across Northern Ireland, 49.5% of which have been in the system for two years or more.





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

- Agreed suites of performance measures within Directorate Business Plans.
- Agreed suites of performance indicators for Arts and Heritage, Building Control, Corporate Services, Community Development, Economic Development, Environmental Health, Environmental Services, Leisure and Planning, through the Association of Public Service Excellence (APSE).

As the Council's performance management arrangements continue to mature and embed, the self imposed performance indicators will be used to manage performance at all levels of the organisation, thereby facilitating a performance improvement culture and delivering sustainable improvements for local communities.

Appendix 1: Progressing the 'proposals for improvement'

Newry, Mourne and Down District Council Performance Audit and Assessments: Proposals for Improvement - Progress Report

For the past four years, the Local Government Auditor has put forward 'proposals for improvement' as part of the annual Performance Audit and Assessments which are carried out by the Northern Ireland Audit Office. The purpose of the 'proposals for improvement' is to support the Council in putting in place arrangements to secure continuous improvement in the exercise of functions. The 'proposals for improvement' are categorised under the seven themes outlined below. This report provides an overview of progress to date in implementing the 'proposals for improvement', using the following legend. It should be noted that the implementation of a number of 'proposals for improvement' has been impacted by the COVID-19 pandemic.

Themes:

1. General duty to improve
2. Governance arrangements
3. Improvement objectives
4. Consultation
5. Improvement Plan
6. Arrangements to improve
7. Collection, use and publication of performance information


Legend	
Proposal implemented / on track to be implemented	😊
Proposal partially implemented / likely to be implemented	😐
Proposal not implemented	🔴

Proposals for Improvement - Progress to date



Proposals for Improvement - Progress to date



Theme, Proposal and Progress to Date	
THEME: General duty to improve	Status
<p>PROPOSAL: The Council should take steps to further develop, establish and embed all elements which underpin its Business Planning and Performance Management Framework more fully across the organisation and each of its Directorates. This should ensure that corporate priorities and performance improvement objectives are effectively cascaded to all employees.</p>	
<p>The Council has continued to embed the Business Planning and Performance Management Framework, in order to facilitate the effective cascade of strategic objectives across the organisation. 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 Performance Improvement Policy continues to provide the content for mainstreaming the Business Planning and Performance Management Framework.</p> <p>The Business Planning and Performance Management Cycle has also been updated to demonstrate the integrated timeline of activity required to strengthen the alignment across the Framework and facilitate the 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. Performance reports are available to a range of stakeholders through the Council's website and Committee reporting arrangements.</p>	
<p>Community Plan</p> <p>During 2019-20, the Community Planning Partnership reviewed progress in implementing the Community Plan for Newry, Mourne and Down. The statement of progress was submitted to the Department for Communities during Q3 2019-20 and is accessible to a range of stakeholders through the corporate website. The Community Planning Partnership is currently preparing the second Statement of Progress which will be submitted to the Department for Communities in November 2021 and a formal review of the Community Plan is scheduled to take place in April 2022.</p>	
<p>Corporate Plan</p> <p>The Corporate Plan for Newry, Mourne and Down District Council was approved by the Strategy, Policy and Resources Committee on 12 March 2020 and was scheduled to be ratified by full Council on 6 April 2020. However, in response to the restrictions associated</p>	

with the Coronavirus pandemic, this meeting was cancelled and in April 2020, the Party Representatives Forum agreed that the official publication of the Corporate Plan should be delayed, enabling the organisation to:

- Plan ahead, identify and anticipate the key challenges and opportunities within the current and future internal and external environments.
- Review the current suite of strategic objectives, supporting actions and measures of success, to ensure they remain meaningful, relevant and realistic.

In Autumn 2020, in response to the Covid-19 pandemic and the subsequent impact on Council service delivery, a further consultation and engagement exercise was undertaken. Virtual focus groups were held with a representative sample of 21 residents and an online survey was launched on Councils website and social media platforms which generated 560 responses. As part of the consultation and engagement process, participants were asked their views on a number of issues, including whether the corporate objectives originally identified were still deemed to be relevant in the current climate. Feedback confirmed widespread support for the corporate objectives and the Corporate Plan 2021-23 was approved and launched in Q4 2020-21.

Performance Improvement Plan

In line with the guidance issued by the Department for Communities, the Council did not publish the Performance Improvement Plan 2020-21. However, the draft performance improvement objectives 2020-21, supporting actions and measures of success were developed in close liaison with employees, approved by the Senior Management Team and Strategy, Policy and Resources Committee, and subject to a public consultation process between February-May 2020. Four of the five draft performance improvement objectives were carried forward to 2021-22.

Directorate Business Plans

In response to the growing uncertainty around Covid-19, Emergency Business Plans, which covered the periods April-September 2020 and October 2020-March 2021, were developed for each Directorate and approved by the Senior Management Team and relevant Council Committee. These plans provided a mechanism to manage and co-ordinate activity, plan ahead to support and anticipate business recovery, by outlining:

- Challenges and opportunities (internal and external environments)
- Customer needs and expectations
- New / essential / statutory / desirable / delayed / suspended services
- Key objectives, activities, timescales and anticipated outcomes

- Financial resources – projected expenditure, income, additional costs and external funding
- Human resources – staffing levels, re-deployment and remote working
- Governance arrangements (ongoing monitoring and review)

Progress in implementing the Emergency Business Plans was monitored and reported to the Senior Management Team and relevant Council Committee during 2020-21, providing robust baseline information to:

- Monitor and evaluate the Council's overall response to COVID-19, during the initial lockdown and subsequent phases
- Identify areas of good practice and shared learning - what is working well and what could work better
- Explore opportunities to identify business transformation at all levels of the organisation

The Emergency Business Plans also formed part of the internal audit of Emergency Planning (COVID-19 response) and no recommendations for improvement were received in this respect. The assessments of the Emergency Business Plans 2020-21 have been used to inform and support the development of Directorate Business Plans 2021-22.

Service Plans

During 2019-20, the Council agreed a corporate approach to developing and mainstreaming Service Plans, as a tool to enable departments to turn plans into action, monitor performance and strengthen the effective cascade of strategic objectives to departments, teams and employees. The purpose of Service Plans is to provide an overview of the operational activity and key improvements that are planned for the year ahead, helping to ensure that teams and employees are working towards shared objectives. However, in response to the COVID-19 pandemic, the introduction of Service Plans was suspended until 2021-22 and all departments are now required to have a Service Plan in place.

Individual Performance

During 2019-20, the Council progressed Individual Performance through the 'People Perform Grow' pilot, which seeks to align the contribution of employees to the corporate objectives and community planning outcomes, as demonstrated through the Business Planning and Performance Management Framework. However, in response to the COVID-19 pandemic, People Perform Grow was suspended until 2021-22. Phase 1 has now been launched for tier four employees and above, as well as any employees who would like to volunteer to take part in the process.

People Perform Grow templates link individual performance objectives with the relevant Service Plan, in order to strengthen the cascade of strategic objectives to all employees across the organisation. An e-learning module and brochure has also been developed

to support the effective implementation of People Perform Grow and performance management arrangements are currently being developed to track progress and evaluate the overall process ahead of the organisational roll-out in 2022-23.

The Corporate Performance Dashboard has been developed to provide an overview of the overall organisational health of Newry, Mourne and Down District Council, using a suite of statutory and self imposed performance measures across a range of key functions. The Corporate Performance Dashboard is aligned to the objectives within the Corporate Plan 2021-23 and risks within the Corporate Risk Register. It provides a platform to monitor performance on a quarterly basis, identify areas of good performance, address areas of under-performance and secure continuous improvement in the delivery of key functions. The Corporate Performance Dashboard 2020-21 is made up of 14 performance measures, including seven statutory performance indicators for economic development, waste management and planning. These performance measures may change on an annual basis and should be aligned to specific organisational priorities and areas for improvement.

Areas for improvement

- Continue to strengthen the alignment across all elements of the Business Planning and Performance Management Framework.
- Further embed and mainstream the Performance Improvement Policy and Business Planning and Performance Management Framework through the effective implementation of Service Plans and Individual Performance.
- Strengthen the suites of performance indicators at all levels of the Business Planning and Performance Management Framework.
- Mainstream the use of the Corporate Performance Dashboard amongst the Senior and Corporate Management Teams.
- Continue to use performance information to identify and drive performance improvement at all levels of the organisation.

THEME: Governance Arrangements

Status

PROPOSAL: Senior Management Team should facilitate members of the Audit Committee and SPR Committee with training and support to discharge their performance improvement responsibilities.



Performance management training was scheduled to take place for members of the Strategy, Policy and Resources Committee in March 2020. However, in response to the COVID-19 pandemic, this training session was delayed and it is anticipated that a further training session will be organised during 2021-22. Following the involvement of the Council in developing and delivering a regional masterclass on performance which was organised by the NI Local Government Association (NILGA) in January 2019, Newry Mourne and Down formed part of a Working Group tasked with organising a second masterclass entitled: 'Performance Improvement for Transforming Councils'. The draft programme was developed and the Masterclass was scheduled to take place in May 2020. However, in response to the COVID-19 pandemic, the masterclass has also been delayed until further notice.

Performance and improvement is a standing item on the agenda of the quarterly Audit Committee meetings and has featured as a regular agenda item at the monthly Strategy, Policy and Resources Committee meetings. In addition, all Standing Committees of Council consider performance information in relation to their specific functions on an ongoing basis, which is supplemented by the mid year and annual reviews of their respective Directorate Business Plan. Elected Members have also been actively engaged in identifying key local issues and informing the development of the Corporate Plan 2021-23 and Performance Improvement Objectives 2021-22.

Areas for improvement

- Develop and deliver training and capacity building sessions for Elected Members on performance management.
- Work with Internal Audit to develop and agree a programme to validate the accuracy of performance information and adequacy of data collation processes in relation to the Corporate Plan 2021-23 and future Performance Improvement Plans.

THEME: Improvement Objectives


Status

The Council should redefine objectives so that they are more specific rather than aspirational and open-ended. This would enhance both transparency and meaningfulness of the Council's commitment to continuously improve its functions as it should be easier to link projects to objectives and see how the completion of projects contributes to the achievement of the identified objective.



In 2021-22, the Council adopted five performance improvement objectives, four of which were carried forward from 2020-21. These performance improvement objectives are based on set criteria and are aligned to the outcomes within the Programme for Government and Community Plan for Newry, Mourne and Down, as well as the strategic objectives within the Corporate Plan 2021-23. The five performance improvement objectives 2021-22 were endorsed through the public consultation and engagement process which was carried out during Q1 2021-22. These objectives are considered to be more specific, focused and measurable, and were approved by the Senior Management Team and Strategy Policy and Resources Committee in June 2021. The NI Audit Office will determine whether this proposal for improvement has been achieved as part of the Performance Audit and Assessment 2021-22.

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

<p>The Council should review the measures of success attributed to the supporting actions underpinning the improvement objectives and ensure that the measures are meaningful and their achievement demonstrates improvement.</p>	
<p>As part of the process to redefine the performance improvement objectives 2021-22, the Council reviewed the 'supporting actions' and 'measures of success' which underpin each objective, in order to ensure they are meaningful and that their achievement can demonstrate improvement. Where possible and appropriate, baseline data for each 'measure of success' has been included and targets have been agreed.</p> <p>A new template to highlight key information in relation to each performance improvement objective has also been devised and provides an overview of:</p> <ul style="list-style-type: none"> • Why this objective matters • Looking Back: What we did • Looking forward: What we will do • How we will measure success, including baseline trends over time and targets where appropriate • Outcomes for stakeholders / What you will see • Alignment with the Corporate Plan, Community Plan and Programme for Government • Seven Aspects of Improvement • Responsible Officer <p>The NI Audit Office will determine whether this proposal for improvement has been achieved as part of the Performance Audit and Assessment 2021-22.</p>	
<p>Areas for improvement</p>	
<ul style="list-style-type: none"> • Work with the Department for Communities and other key stakeholders to review the legislation and agree a way forward for all. 	
<p>THEME: Consultation</p>	
<p>For the past two years, the Council has received no 'proposals for improvement' in relation to Consultation. However, in response to the COVID-19 pandemic, the agreed consultation process on the draft performance improvement objectives 2021-22 was reduced to an online survey, supplemented by virtual meetings with key stakeholder groups, including section 75 groups. Overall, the consultation and engagement process resulted in 41 completed surveys and engagement with 100 stakeholders through the seven District Electoral Area Forums which are made up of Elected Members and independent members representing the voluntary,</p>	

community and business sectors and Section 75 groups, including the Older Persons Forums in Newry and Downpatrick, Newry and Mourne Youth Council and Cedar Foundation. This consultation and engagement process has been supplemented by the 1,345 responses to the consultation on COVID-19 and the Corporate Plan in 2020, as well as the Residents Survey in 2018.

Areas for improvement

- Identify new and innovative, accessible and inclusive mechanisms to engage stakeholders in the development of future performance improvement objectives, ensuring continued compliance with Part 12 of the Local Government Act (NI) 2014, as well as COVID-19 restrictions.

THEME: Collection, Use and Publication of Performance Information

Status

PROPOSAL: The Council should continue to develop and embed its performance management framework and establish a performance management system as a priority.



The Business Planning and Performance Management Framework demonstrates the alignment that exists between the Community Plan, Corporate Plan, Directorate Business Plans, Service Plans and Individual Performance. It has been supplemented by an agreed cycle of activity required to embed the Framework across the organisation. All elements of the Business Planning and Performance Management Framework are being progressed during 2021-22, with particular progress being made in relation to Service Plans and People Perform Grow.

In addition to the statutory performance indicators and standards, the Council has developed and agreed suites of self imposed performance indicators which underpin the Corporate Plan, Performance Improvement Plan and Directorate Business Plans. These plans provide the strategic and operational context for the work of the organisation, and year on year progress against the indicators is monitored and reported through the annual Assessment of Performance, as well as the annual and bi-annual assessments of the Performance Improvement Plan and Directorate Business Plans. The Council has also developed Performance Profiles for each Directorate to present baseline performance information in a meaningful and consistent way, facilitate a performance led approach to business planning and embed a culture of improvement.

The Council continues to maintain and manage the excel based performance management system. This system provides an overview of around 200 performance indicators, highlighting trends over time and against target. The performance management system is available for all employees to access on the shared drive. A project mandate for an electronic performance management system was developed and considered by the IT Projects Group and Senior Management Team in 2019 and will be considered further during Q2 2021-22, in line with the continued implementation of the IT Strategy.

Through the Strategic Finance Working Group meetings, Elected Members and senior management have an opportunity to focus on a specific Directorate, through an in-depth analysis of the overall performance, financial challenges and efficiency opportunities. This has included a 'deep dive' into existing suites of performance measures, which highlight areas of good and underperformance, and set the context for the key challenges and opportunities for the Directorate to consider over the coming years. To date, the performance of the Enterprise Regeneration and Tourism, Neighbourhood Services and Active and Healthy Communities Directorates has been explored, evaluated and discussed by the Strategic Finance Working Group.

PROPOSAL: The Council should continue working with other Councils and the Department to agree a suite of self-imposed indicators and standards. This will enable meaningful comparisons to be made and published in line with its statutory responsibility.



Through the NI Local Government Performance Improvement Working Group and Multi-Stakeholder Group, the Council has been working with the Department for Communities and the NI Audit Office to consider benchmarking arrangements and review the guidance issued by the Department for Communities in relation to performance improvement.

The Council continues to form part of APSE Performance Networks and has collated benchmarking data across a range of services since 2016-17. This information has been analysed and reported to the Senior Management Team and Corporate Management Team through the Performance Profiles as well as specific APSE Reports, ensuring a performance led approach to business planning, specifically in relation to Directorate Business Plans and Service Plans. An internal audit of APSE performance indicators was carried out by ASM in November 2018, in order to assess the reliability of the existing benchmarking arrangements and validate the accuracy and integrity of selected APSE performance indicators. The internal audit confirmed that the existing systems in place to validate performance indicators can provide satisfactory assurance regarding the effective and efficient achievement of the Council's objectives and all recommendations have now been implemented.

In November 2019, Newry, Mourne and Down was the first Council in the UK to undertake a full validation of all APSE performance indicators. The purpose of the validation was to assess the adequacy of the data collation processes and accuracy of performance information submitted. The outcome of the audit was broadly 'satisfactory' and the recommendations will be progressed further during 2020-21, in order to provide additional assurances in relation to data accuracy and quality.




Through the Assessment of Performance, the Council continues to benchmark performance with other Councils, specifically in relation to economic development, planning, waste management, prompt payments and absenteeism. The Councils also compares year on year performance across a broad range of performance measures within the Corporate Plan and Performance Improvement Plan.






Areas for improvement


- Continue to strengthen the governance arrangements around key plans and strategies, and ensure, where appropriate, performance is reported in a consistent format across the organisation.
- Update the Directorate Performance Profiles on an annual basis to facilitate a performance led approach to business/service planning.
- Progress the effective implementation of Service Plans and People Perform Grow.
- Continue to form part of the Multi-Stakeholder Group, which is made up of local government, Department for Communities and the NI Audit Office, to consider benchmarking within the context of the legislative requirements of Part 12 of the Local Government Act (NI) 2014.





Performance Audit and Assessment 2019-20 – Progress to date against Action Plan

Thematic Area: Duty to Improve	Timescale	Status
Strengthen the alignment between the Performance Improvement Plan 2020-21, Corporate Plan 2020-23 and Community Plan.	2019-20	
Continue to use performance information to identify and drive improvements across the organisation.	Ongoing	
Identify and strengthen the suites of performance indicators at all levels of the Business Planning and Performance Management Framework, particularly within the emerging Corporate Plan, Business Plans and Service Plans.	Ongoing	
Further embed the Business Planning and Performance Management Framework and Performance Improvement Policy across the organisation by mainstreaming a corporate approach to developing Service Plans.	2019-20 2020-21	
Continue to populate and manage the excel based system and progress the identification of a suitable electronic performance management system.	Ongoing	
Facilitate staff briefings/roadshows in relation to the Corporate Plan 2020-23 and supporting plans.	2019-20	
Thematic Area: Governance Arrangements	Timescale	Status
Review and strengthen the Terms of Reference for all Committees in relation to performance and improvement responsibilities.	Ongoing	

Contribute to the development and delivery of a regional training and capacity building programme for Elected Members around performance and improvement. Supplement this programme with local training sessions for the Strategy, Policy and Resources Committee and Audit Committee.	2019-20	
Progress the recommendations arising from the internal audit of performance indicators around the accuracy of performance information and adequacy of data collation processes.	2019-20	
Work with Internal Audit to develop and agree a programme to validate the accuracy of performance data and the integrity of data collation processes in relation to the Corporate Plan and Performance Improvement Plan.	2019-20 2020-21	

Thematic Area: Improvement Objectives	Timescale	Status
Review and redefine the performance improvement objectives, so that they are more specific.	2019-20	
Review and strengthen the 'supporting actions' and 'measures of success' which underpin each objective.	2019-20	
Work with departments to communicate and enhance awareness of future performance improvement objectives.	2020-21	
Continue to embed the Business Planning and Performance Management Framework in order to ensure community planning outcomes, corporate priorities and performance improvement objectives are effectively cascaded to Directorate Business Plans and Service Plans.	2019-20	
Continue to identify and collate robust baseline data to facilitate a performance driven approach to strategic planning. Use performance data to identify year on year trends, carry out comparisons with other local authorities, set targets for the future and inform the development of new plans and strategies.	Ongoing	

Thematic Area: Consultation	Timescale	Status
Identify new and innovative, accessible and inclusive mechanisms to engage stakeholders in the development of future performance improvement objectives and areas of improvement, using existing processes where possible.	Ongoing	

Thematic Area: Improvement Plan	Timescale	Status
Strengthen the alignment between the emerging Corporate Plan 2019-23, Performance Improvement Plan 2020-21 and future Business Plans and Service Plans.	2020-21	
Thematic Area: Collection, use and publication of performance information	Timescale	Status
Continue to strengthen the governance arrangements around key plans and strategies, and ensure, where appropriate, performance is reported in a consistent format across the organisation.	Ongoing	
Update the baseline data included in the 'Performance Profiles' for each Directorate to support the development of Business/Service Plans and facilitate a performance driven approach to business/service planning.	2019-20	
Continue to form part of the Multi-Stakeholder Group, which is made up of local government, Department for Communities and the NI Audit Office, to consider the benchmarking within the context of the legislative requirements of Part 12 of the Local Government Act (NI) 2014.	Ongoing	

Appendix 2: The Golden Thread

NMD Community Planning Outcomes

All people in Newry, Mourne and Down get a good start in life and fulfil their potential

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

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

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

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

NMDDC Corporate Objectives

Provide accessible, high quality and integrated services through continuous improvement

Advocate with others for the benefit of all people of the District

Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities

Invest in and support new and growing businesses, job creation and employment skills

Promote the revitalisation of our city, towns, villages and rural communities

Support sustainable forms of tourism which value our environment and cultural heritage

Enhance, protect and promote our environment

Enable and support people to engage in inclusive and diverse activities in their communities

NMDDC Performance Improvement Objectives

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

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

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

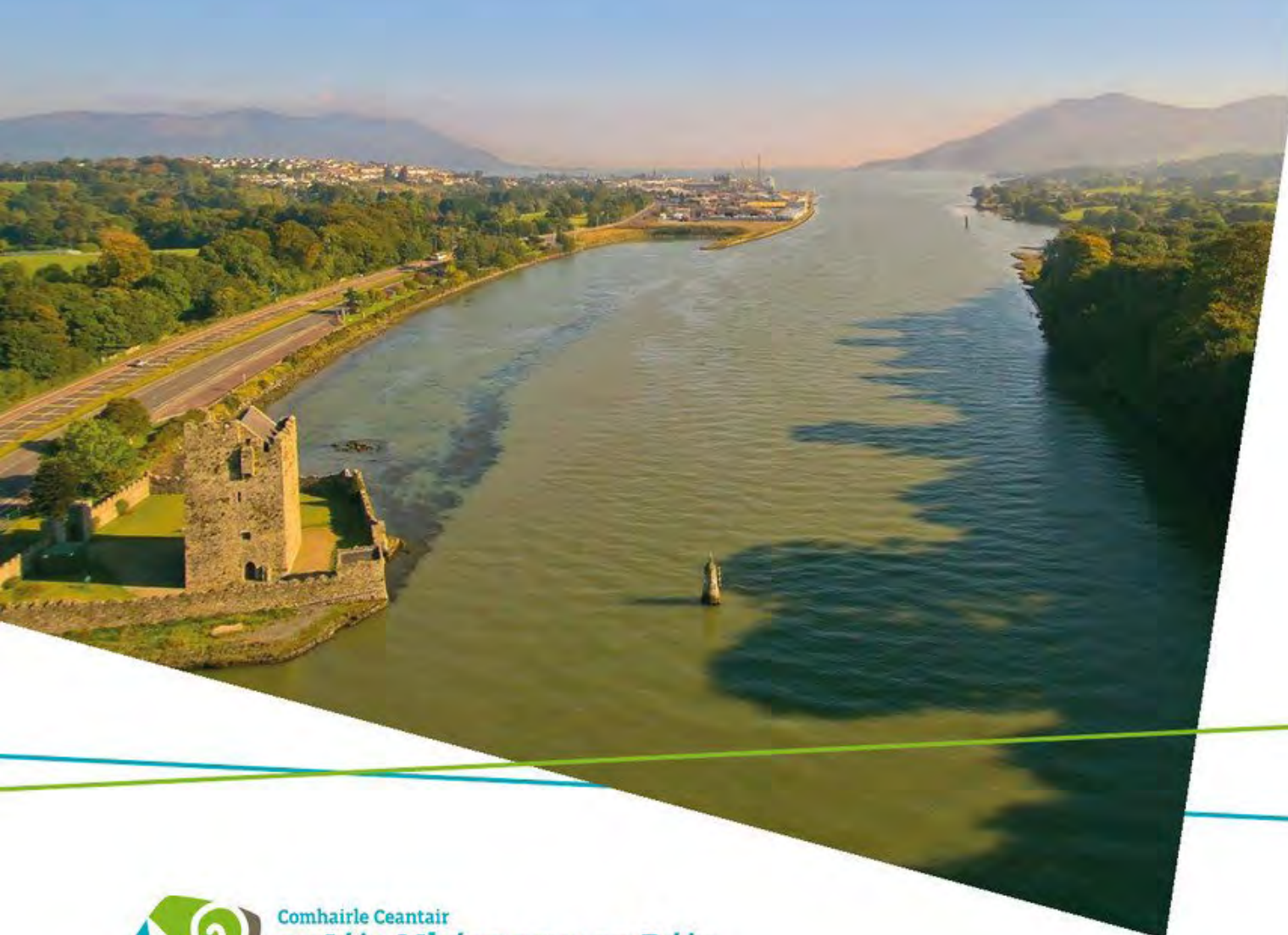
We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents

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

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

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Our Performance Looking Back, Going Forward



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

The Local Government (NI) Act 2014 sets out a general duty of improvement for local government, whereby all district councils must put in place arrangements to secure continuous improvement in the exercise of their functions.



Looking Back

Assessment of Performance 2020-21

Every year, we are required to publish an Assessment of Performance to demonstrate whether planned improvements have been achieved. As the Council did not publish performance improvement objectives in 2020-21, the Assessment of Performance sets out progress against the current 'measures of success' within the:

- **Corporate Plan 2021-23**
- **Performance Improvement Plan 2021-22**
(including the statutory performance indicators and standards)

Our performance has been tracked against set targets and trends over time, using the legend below.

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

Our District, Our Organisation, Our Performance



District

Population: 181,368
Households: 67,222
7 District Electoral Areas
41 Elected Members
1,000+ employees
87% of residents are satisfied with the Council



Tourism

Between 2018 and 2019:
15% increase in visitor numbers, to 516,203
21% increase in visitor spend, to £83.7m
Three Areas of Outstanding Natural Beauty



Community

Life expectancy:
Male: 79.2 years / Female: 83.3 years
Age Profile: 0-15 years: 23% / 65+ years: 16%
94% of residents feel safe during the day, 87% of residents feel safe after dark
18,407 food parcels delivered to vulnerable households





Health and Wellbeing

79% of residents feel they are in very good or good health

78% of residents are physically active at least once a week for 30mins

73.5% of customers are satisfied with the Council's six leisure facilities

1m+ recorded visits to Council parks and open spaces



Economy

Employment rate: 73.6%

8,865 VAT Registered Businesses

Average weekly earnings: £569 (full time)

13% of the population aged 16-64 years have no qualifications

181 new business starts supported and 164 new jobs promoted through business start activity



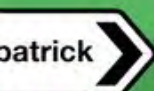
Environment

Recycling is important to 86% of residents

Top perceived problem for residents: Dog mess and fouling

Recycling rate: 52.6%

LEAMS (street cleanliness) score: 64



Down Leisure Centre

Down Arts Centre

St Patrick's Monument

Performance at a Glance

A snapshot of the past year

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	95.9% reduction in recorded attendances at Council leisure centres	▼
	79% reduction in the number of participants on Everybody Active 2020	▼
	91% of users said they are likely to return to the Councils leisure centres	😊
	3 'blue flag' beaches and 4 'green flag' parks	😊
	84% of visitors are satisfied with Warrenpoint Park and 89% agree the park enhances their local quality of life	😊
	72.6% increase in recorded visits at four community trails	⚠️
 We will grow the economy by supporting local businesses and creating new jobs	Between 2018-2019, 14.7% increase in overnights stays and 20.7% increase in visitor spend	⚠️
	164 new jobs promoted through business start activity	😊
	40 social enterprise businesses supported and 13 new social enterprise jobs created	😊
	327 businesses supported and 47.5 jobs created through 'NMD Growth', 'Digital Growth' and 'Tender for Growth'	😊
	Up to 1,000 businesses engaged in the #re:Launch Leadership Summit and 400 participants took part in NMD Enterprise Week	😊
	Increase in the number of VAT and/or PAYE registered businesses, birth rate of new businesses and employee jobs	⚠️
	103% increase in the number of job seekers and out of work universal credit claimants	▼
 We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents	Decrease in the number of fixed penalty notices issued and paid	▼
	Decrease in the number of community clean ups supported	▼
	Slight decrease in the rate of recycling, to 52.6%	⚠️
	One of the lowest levels of waste sent to landfill across all NI Councils	😊
	LEAMS (street cleanliness) score of 64 retained and falls just below the regional average of 65	⚠️
	60 schools participated in the calendar poster competition	😊
	15 schools attended the virtual teachers Eco-Schools Information event	😊

Performance Improvement Objective	Progress	Status Trend
 We will build the capacity of local communities through the Financial Assistance Scheme	£731k awarded to 377 projects across 18 thematic areas	😊
	Electronic Grant Management System launched and online training module developed	😊
	Newry, Down and Kilkeel Leisure Centres temporarily converted to food distribution hubs between March-August 2020	😊
	18,407 food parcels delivered to vulnerable households and 144 community organisations enlisted as volunteers	😊
	72% of residents agree that the local area is a place where people from different backgrounds get on well together	😊
 We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme	The Council received, decided on and approved the highest number of planning applications across Northern Ireland	😊
	The processing time for local planning applications improved from 20.6 weeks in 2019-20 to 19 weeks in 2020-21	⚠️
	The processing time for major planning applications improved from 94 weeks in 2019-20 to 64.6 weeks in 2020-21	⚠️
	The percentage of enforcement cases processed within 39 weeks increased from 36.2% in 2019-20 to 40.9% on 2020-21.	⚠️

* The 2020 tourism estimates have not yet been published by the NI Statistics and Research Agency (NISRA) and the 2019 Local Government District (LGD) tourism data is reported.

** Waste figures remain provisional and validated figures will be published by the Department of Agriculture, Environment and Rural Affairs (DAERA) in Q3 2021-22.

Going Forward

Performance Improvement Objectives 2021-22



Every year, we are required to set performance improvement objectives for the services we provide, and to have in place arrangements to achieve these objectives. These objectives seek to address the issues which matter most to local people, and are:

Linked to the Community Plan, Corporate Plan and Directorate Business Plans	✓
Based on existing performance information	✓
Aligned to the seven strategic aspects of improvement	✓
Based on stakeholder consultation and engagement	✓



Objective 1

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

What you will see:

- Improvements to the Council's parks, beaches and open spaces including effective visitor management arrangements
- UNESCO Global Geopark status achieved for the Mourne, Gullion, Strangford
- Five green flag awards and two green flag heritage awards for the Council's parks
- Three blue flag awards for the Council's beaches
- Five new/upgraded play parks and three new community trails



Objective 2

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

What you will see:

- 312 entrepreneurs supported with an approved Business Plan and >155 new jobs promoted through the NI 'Go For It' programme
- 12 social enterprise start-ups supported and 14 social enterprise jobs created
- 379 businesses supported and 194 jobs created through the 'NMD Growth', 'Digital Growth' and 'Tender for Growth' and 'Sales and Trade' programmes
- The social economy and fishing dependent communities benefit from inward investment and growth



Objective 3

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

What you will see:

- Increase in the number of fixed penalty notices issued and paid
- Responsible dog ownership and reduced levels of dog fouling, fly tipping and littering
- Improved opportunities to report littering, fly tipping and dog fouling
- Opportunities to engage in community clean ups and participate in the 'Live Here Love Here' campaign
- The Council achieves landfill and recycling targets
- A cleaner, greener District, with improved civic and community pride



Objective 4

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

What you will see:

- Circa £1.2m awarded to local voluntary and community groups through the Financial Assistance Scheme
- Improved and accessible training and support when applying for financial assistance
- Voluntary and community groups are supported in meeting their objectives and delivering projects across a range of themes
- Representatives from the community and voluntary sector are empowered to have a voice and shape the future of their area
- Improved community capacity and cohesion across Newry, Mourne and Down



Objective 5

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

What you will see:

- A more efficient and effective planning service
- Improved processing times for local and major planning applications
- Improved processing times for planning enforcement cases
- Reduction in the number of live planning applications and enforcement cases in the system
- An empowered and motivated workforce
- Increased confidence in the Planning system
- Sustainable development and regeneration of the District

Have your say

We welcome your feedback and suggestions on how Council services can be improved in the future. Full copies of the following documents are available to download from our website www.newrymournedown.org as follows:

- Performance Improvement Plan 2021-22
- Assessment of Performance 2020-21

This document is available in alternative formats upon request.

For more information, contact:

Performance and Improvement
Newry, Mourne and Down District Council
O'Hagan House, Monaghan Row, Newry
Co Down, BT35 8DJ

0300 013 2233
performance@nmandd.org

T: 0330 127 4000
council@nmandd.org
www.newrymournedown.org

**Oifig an Lúir
Newry Office**
O'Hagan House
Monaghan Row
Newry BT35 8DJ

**Oifig Dhún Pádraig
Downpatrick Office**
Downshire Civic Centre
Downshire Estate, Ardglass Road
Downpatrick BT30 6GQ



Stuart Stevenson
Treasury Officer of Accounts

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



DAO (DoF) 05/21

7 September 2021

Dear Accounting Officer

CONTRACTS REGISTER

Purpose

1. This DAO letter outlines the requirements for Departments and their Arm's Length Bodies to maintain an accurate Contracts Register to robustly plan for contract extensions and expiry dates and ensure contractual spend is closely monitored by Departmental Boards.

Background

2. The Public Accounts Committee met on 24 September 2020 and on 22 October 2020 to consider two reports by the Comptroller and Auditor General (C&AG): 'Management of the NI Direct Strategic Partner Project – helping to deliver Digital Transformation' and 'The LandWeb Project: An Update'¹.
3. The Committee was critical of the Department's approach to extending contracts without seeking competition as this limited the extent to which the taxpayer can be assured that value for money has been achieved. The

¹ The PAC Joint Report can be found on the [NI Assembly](#) website under PAC and reports.

Committee also determined that inadequate internal systems led to a failure to focus on and control contract spend.

4. The Committee recommended that all Departments take immediate steps to ensure contracts are managed more effectively by robustly maintaining an accurate Contracts Register.
5. The Committee also recommended that contracts extended beyond the contract term published in the procurement documentation should be closely monitored and regularly reported to Departmental Boards.

Guidance

6. Departments must maintain a Contracts Register to provide sufficient time to;
 - a. put alternative arrangements in place before a contract expires; or
 - b. carry out a value for money assessment or benchmarking exercise before a permissible² contract extension is agreed.
7. A Contracts Register should include information which allow decisions on extensions, contract renewal or exit arrangements to be made in sufficient time. This may include the following information:
 - Contract Title
 - Contract Description
 - Contract Reference No.
 - Total Contract Value (including extensions)
 - Total Contract Value utilised against Purchase Order
 - Contract Expiry Date
 - Expiry Date of Initial Contract Period (if any)
 - Start Dates for any permissible extensions (if any)
 - Review Dates (These should allow sufficient time for retendering, consideration of options to extend etc.)

² Permissible extensions refers to optional extensions included in the procurement documentation.

- Name of Contract Manager
 - Name of Senior Responsible Owner (SRO)
 - Relevant cost centre
8. The Contracts Register must be regularly updated and monitored by Departmental Boards.
9. Departments must report contracts which have been extended beyond the contract term published in the procurement documentation to the Audit and Risk Assurance Committee.

Action

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

Queries

11. Any queries regarding this letter/guidance should be addressed to:
procure.policy@finance-ni.gov.uk.

Yours sincerely



STUART STEVENSON

Copy Distribution List

Sharon Smyth
Brendan Smyth
Stewart Heaney
Bronagh McCullough
Michael Watson
Joanne McBurney
Finance Directors
PSD Grade 5's

Stuart Stevenson
Treasury Officer of Accounts

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



DAO (DoF) 06/21

16 September 2021

Dear Accounting Officer

**REVISED POLICY AND GUIDANCE ON BEST PRACTICE IN PROJECT DELIVERY
AND ENGAGEMENT WITH THE GATEWAY™/ASSURANCE REVIEW PROCESS –
UPDATE TO DAO (DOF) 02/20**

Purpose

1. This letter is to notify you of some changes to the guidance document attached to DAO (DoF) 02/20 – *Revised Policy and Guidance on Best Practice in Programme and Project Delivery and Engagement with the Gateway™/Assurance Review Process*. The main principles within the guidance remain unchanged. A copy of the revised guidance is attached separately.
2. The revised guidance is available on the Accountability and Financial Management section of the Department of Finance (DoF) website under the original DAO reference number – DAO (DoF) 02/20.

Background

3. In response to a number of recommendations made by the RHI Inquiry and several reports from the Public Accounts Committee, DoF undertook to reflect lessons learned and strengthen its guidance in the above area.

Main changes to the guidance

4. The changes which have been made address the leadership and delivery of contracts, programmes and projects. They include several key additions to the Senior Responsible Owner (SRO) appointment letter template included as part of the guidance document and the main areas addressed by the amendments are as follows:

- SROs being responsible for creating contract registers;
- SROs to ensure that business cases properly reflect benefits to citizens;
- SROs to ensure that adequate resources are deployed, including external expertise; and
- SROs to ensure early engagement with planning authorities and community groups.

Action

5. This DAO and the revised attachment should be brought to the attention of all relevant staff within your Department and its Arm's Length Bodies. It is particularly relevant to those with governance, leadership, practitioner and key stakeholder responsibilities in the area of programme and project management and delivery.

Queries

6. Further information on these amendments can be obtained from michael.watson@finance-ni.gov.uk or stephen.mcdowell@finance-ni.gov.uk

Yours sincerely



STUART STEVENSON

Copy Distribution List

Joanne McBurney

Sharon Smyth

Brendan Smyth

Stewart Heaney

Bronagh McCullough

Michael Watson

Stephen McDowell

Finance Directors

PSD Grade 5's