

September 19th, 2024

## **Notice Of Meeting**

You are requested to attend the Audit Committee Meeting to be held on **Thursday, 19th September 2024** at **2:00 pm** in **Council Chamber, Downshire Civic Centre**.

### **Committee Membership 2024-2025**

Ms Brona Slevin Independent **Chairperson**

Councillor C Bowsie

Councillor L Devlin

Councillor O Hanlon

Councillor T Howie

Councillor C King

Councillor A Mathers

Councillor K Murphy

Councillor S O'Hare

Councillor G Sharvin

Councillor J Tinnelly

# Agenda

## 1.0 Apologies and Chairperson's Remarks

## 2.0 Declarations of Interest

## 3.0 Action Sheet arising from Audit Committee Meeting held 31/07/2024

*For Approval*

 *Audit Committee Action Sheet 2024\_07\_31.pdf*

*Page 1*

---

### *Performance*

---

## 4.0 Assessment of performance 2023/24

 *Audit Committee Cover Report Assessment of Performance 2023-24.pdf*

*Page 4*

 *Appendix 1 - Assessment of Performance 2023-24.pdf*

*Page 7*

 *Appendix 2 - NMD Performance Looking Back Going Forward 2023-24.pdf*

*Page 90*

---

### *Corporate Services (OPEN SESSION)*

---

## 5.0 Update of Members Interests

*For Approval*

 *Update of Members Interests.pdf*

*Page 102*

## 6.0 Corporate Risk Register - AHC Directorate Risk Register also to be tabled

*For Approval*

 *Corporate Risk Register September 2024.pdf*

*Page 104*

 *Appendix 1 - CRR Overview - September 2024.pdf*

*Page 107*

 *Appendix 2 - CRR - Sept 2024.pdf*

*Page 109*

 *Appendix 3 - AHC Risk Register Overview - September 2024.pdf*

*Page 136*

 *Appendix 4 - AHC RR - Sept 2024.pdf*

*Page 138*

## 7.0 NMDDC Statement of Accounts 2023/2024

*For Approval*

 *Statement of Accounts 2023-24 - revised.pdf*

*Page 150*

 *Appendix 1 - Statement of Accounts - post audit - 17 sept.pdf*

*Page 153*

---

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

---

## **8.0 Report to Those Charged with Governance 2023/2024 - Draft**

*For Information*

This item is deemed to be exempt under 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.

 *Draft RTTCWG 180924.pdf*

*Not included*

 *Marie Ward 180924.pdf*

*Not included*

---

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

---

## **9.0 Update on Audit Recommendations**

*For Information*

This item is deemed to be exempt under 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.

 *Update on Audit Recommendations.pdf*

*Not included*

 *Appendix 3 - Update on Audit Recommendations.pdf*

*Not included*

 *Appendix 4 - Update on Audit Recommendations.pdf*

*Not included*

 *Appendix 6 - Update on Audit Recommendations.pdf*

*Not included*


 *Appendix 7 - Update on Audit Recommendations.pdf*

*Not included*

## **10.0 Direct Award Contracts**

*For Information*

This item is deemed to be exempt under 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.

 <b>Cover Report - Direct Award Contracts-2.pdf</b>	<b>Not included</b>
 <b>Appendix 1 - Q1 Direct Award Activity.pdf</b>	<b>Not included</b>
 <b>Appendix 2 - Direct Award Activity - Q2 to date.pdf</b>	<b>Not included</b>

## 11.0 Procurement Action Plans

*For Information*

This item is deemed to be exempt under 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.

 <b>Procurement Action Plan Report - Audit Committee Sept 2024.pdf</b>	<b>Not included</b>
 <b>Procurement Action Plan - Sustainability.pdf</b>	<b>Not included</b>
 <b>Procurement Action Plan - Environment.pdf</b>	<b>Not included</b>
 <b>Procurement Action Plan - Corporate Services.pdf</b>	<b>Not included</b>
 <b>Procurement Action Plan - ERT.pdf</b>	<b>Not included</b>
 <b>Procurement Action Plan - Healthy Living.pdf</b>	<b>Not included</b>

## 12.0 Update on Fraud and Whistleblowing including Raising Concerns Policy & NFI 2024 update.

*For Approval*

This item is deemed to be exempt under 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.

 <b>Fraud and Raising Concerns update revised.pdf</b>	<b>Not included</b>
 <b>Appendix 1 - Fraud and Raising Concerns Register.pdf</b>	<b>Not included</b>

## **13.0 Planning Update**

*For Information*

This item is deemed to be exempt under 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.

 **Planning Department Update.pdf**

**Not included**

---

### ***Internal Audit (CLOSED SESSION)***

---

## **14.0 Sumer NI Summary Report**

*For Information*

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

 **NMDDC Summary report - September 2024 to Audit Committee.pdf**

**Not included**

## **15.0 Internal Audit Plan 2024/25**

*For Approval*

This item is deemed to be exempt under 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.

 **202425 NMDDC IA Plan - proposed changes September 2024.pdf**

**Not included**

## **16.0 Fleet and Asset Management - Final Report**

*For Information*

This item is deemed to be exempt under 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.

## 17.0 PCSP Audit 2023/24 - Sumer NI

*For Information*

This item is deemed to be exempt under 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.

2024 NMDDC - PCSP - Final Report.pdf

Not included

## 18.0 PCSP Audit 2020/21, 2021/22, 2022/23 (EY)

*For Information*

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

NMDDC PCSP Funding Audit - Final 2020 - 2023.pdf

Not included

---

### *For Noting*

---

## 19.0 NFI Instructions 2024/25

*For Information*

NFI Instructions 2024-25 .pdf

Page 268

## 20.0 NI Audit Office Report - Developing the Skills for NI's Future

*For Information*

NI Audit Office Report - Developing the Skills for NI's Future.pdf

Page 311

## 21.0 NI Audit Office Report - Public bodies' response to misrepresented soil analysis

NI Audit Office Report - Public bodies' response to misrepresented soil analysis opt.pdf

Page 361

## 22.0 NI Audit Office Report - Review of Waste Management in Northern Ireland

*For Information*

NI Audit Office Report - Review of Waste Management in Northern Ireland opt.pdf

Page 412

# Invitees

Cllr Terry Andrews  
.....  
Cllr Callum Bowsie  
.....  
Mr Caolain Boyd  
.....  
Fionnuala Branagh  
.....  
Mr Stephen Brannigan (NIAO)  
.....  
Cllr Jim Brennan  
.....  
Cllr Pete Byrne  
.....  
Mr Gerard Byrne  
.....  
Cllr Philip Campbell  
.....  
Cllr William Clarke  
.....  
Cllr Laura Devlin  
.....  
Ms Louise Dillon  
.....  
Ms Kathy Doey (NIAO)  
.....  
Cllr Cadogan Enright  
.....  
Cllr Killian Feehan  
.....  
Cllr Doire Finn  
.....  
Cllr Aoife Finnegan  
.....  
Ms Joanne Fleming  
.....  
Cllr Conor Galbraith  
.....  
Cllr Mark Gibbons  
.....  
Christine Hagan (ASM)  
.....  
Cllr Oonagh Hanlon  
.....  
Cllr Glyn Hanna  
.....  
Cllr Valerie Harte  
.....  
Cllr Roisin Howell  
.....  
Cllr Tierna Howie  
.....  
Ms Catherine Hughes  
.....  
Cllr Jonathan Jackson  
.....  
Cllr Geraldine Kearns  
.....  
Miss Veronica Keegan  
.....  
Mrs Josephine Kelly  
.....  
Mrs Sheila Kieran  
.....  
Cllr Cathal King  
.....  
Cllr Mickey Larkin  
.....  
Cllr David Lee-Surginor  
.....  
Cllr Alan Lewis  
.....  
Cllr Oonagh Magennis  
.....  
Mr Conor Mallon  
.....  
Cllr Aidan Mathers  
.....  
Cllr Declan McAteer  
.....  
Cllr Leeanne McEvoy  
.....  
Cllr Andrew McMurray  
.....

Maureen/Joanne Morgan/Johnston  
.....  
Cllr Declan Murphy  
.....  
Sinead Murphy  
.....  
Cllr Kate Murphy  
.....  
Cllr Selina Murphy  
.....  
Cllr Siobhan O'Hare  
.....  
Mr Andy Patterson  
.....  
Cllr Áine Quinn  
.....  
Cllr Henry Reilly  
.....  
Cllr Michael Rice  
.....  
Cllr Michael Ruane  
.....  
Cllr Gareth Sharvin  
.....  
Ms Brona Slevin (Audit)  
.....  
Donna Starkey  
.....  
Nicola Stranney  
.....  
Sarah Taggart  
.....  
Cllr David Taylor  
.....  
Cllr Jarlath Tinnelly  
.....  
Cllr Jill Truesdale  
.....  
Mr Seamus Wade (NIAO)  
.....  
Mrs Marie Ward  
.....  
Cllr Helena Young  
.....



**AUDIT COMMITTEE MEETING****THURSDAY 23 MAY 2024****Actions arising from Audit Committee Meeting – 23 May 2024**

Minute Ref	Subject	Decision	Lead officer	Action taken / progress to date	Remove from action sheet Y/N
AC/033/2024	Audit Committee Self-Assessment	It was agreed that Management consider and outline the ways the committee added value to the organisation.	J Kelly	Annual Assessment ongoing	Y
END					

**AUDIT COMMITTEE MEETING****WEDNESDAY 31 JULY 2024****Actions arising from Audit Committee Meeting – 31 July 2024**

Minute Ref	Subject	Decision	Lead officer	Action taken / progress to date	Remove from action sheet Y/N
AC/057/2024	Declarations of Interest	Declarations of interest was noted as a point of guidance/training for Councillors.	J Kelly	Letter sent by Democratic Services sent to Councillors on 11/09/2024.	Y
AC/058/2024	Action Sheet of Audit Committee Meeting held 23.05.2024	It was agreed to note the action sheet.	J Kelly	Noted	Y

AC/059/2024	Audit Committee Annual Report	It was agreed to approve the Annual Report of the Audit Committee, and that report be reported to Council	J Kelly	Agreed	Y
AC/060/2024	Corporate Risk Register – S&E Directorate Risk Register also to be tabled	The following was agreed: <ul style="list-style-type: none"> <li>To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. Full Corporate Risk Register can be evidenced at Appendix 2.</li> <li>To note the revised S&amp;E Directorate Risk Register summary at Appendix 3 and detailed S&amp;E Risk Register at Appendix 4.</li> </ul>	J Kelly	Agreed	Y
		It was agreed to explore the inclusion for the next planning update of comparative statistics regarding planning application times for the previous year.	C Mallon	On Agenda for September Audit Committee	Y
		It was agreed that a report be brought to SPR Committee regarding the impact of the rate support grant reduction.	J Kelly	Report went to August 2024 SPR Committee Meeting	Y
AC/061/2024	Prompt Payment Statistics – Q1 2024/2025	It was agreed to note the Q1 2024/2025 prompt payment statistics	G Byrne	Agreed	Y
AC/062/2024	NMDDC Assurance Framework and Code of Governance.	It was agreed to note the Council's Assurance Framework and the Code of Governance, illustrated and described at Appendix 1.	G Byrne	Agreed	Y
AC/063/2024	Performance Improvement Plan	It was agreed to note Performance Improvement Plan 2024-25 (including the five performance improvement objectives), Consultation and Engagement Report 2024-25 and Objective Delivery Plans 2024-25.	G Byrne	Agreed	Y

AC/064/2024	2023/24 Unaudited Accounts and Annual Governance Statement	<p>The following was agreed:</p> <ul style="list-style-type: none"> <li>Approve the Annual Governance Statement 2023/24 at Appendix 1</li> <li>Note the draft Statement of Accounts and Financial Statements at Appendix 1.</li> </ul>	G Byrne	Agreed	Y
AC/065/2024	Procurement Action Plans	It was agreed to note the update in relation to the Directorate Procurement Action Plans	J Kelly	Agreed	Y
		It was agreed that a standard template would be considered moving forward.	J Kelly	Agreed	Y
AC/066/2024	Update on Fraud and Whistleblowing (including NFI)	<p>The following was agreed:</p> <ul style="list-style-type: none"> <li>To note the update in relation to Fraud and Raising Concerns cases as at Appendix 1</li> <li>Note the progress on actions arising from the NIAO Internal Fraud risk assessment.</li> </ul>	G Byrne	Agreed	Y
AC/067/2024	ASM Summary Report	It was agreed to accept the ASM Summary Report	L Kerr	Agreed	Y
AC/068/2024	Internal Audit Plan 2024/25	It was agreed to approve the Internal Audit Plan	L Kerr	Agreed	Y

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	19 September 2024
<b>Subject:</b>	Assessment of Performance 2023-24
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne – Assistant Director: Finance & Performance
<b>Contact Officer (Including Job Title):</b>	Catherine Hughes – Acting Head of Performance and Improvement

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

	For decision	For noting only	X
<b>1.0</b>	<b>Purpose and Background</b>		
1.1	<p>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"> <li>• Performance improvement objectives</li> <li>• Statutory performance indicators and standards for economic development, planning and waste management</li> <li>• Self imposed performance indicators</li> </ul> <p>The Assessment of Performance 2023-24 was considered and approved by the Strategy, Policy and Resources Committee on 12 September 2024.</p>		
<b>2.0</b>	<b>Key issues</b>		
2.1	<p>The Assessment of Performance 2023-24 is attached at <b>Appendix 1</b> and therefore provides an overview of the:</p> <ul style="list-style-type: none"> <li>• Council's progress in meeting the General Duty of Improvement</li> <li>• Achieving the 'measures of success' within the Corporate Plan 2021-23</li> <li>• Achieving the 'measures of success' within the Performance Improvement Plan 2023-24</li> <li>• Meeting the statutory performance indicators and standards for economic development, planning and waste management</li> </ul> <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	<p>Each year, the Council produces the user friendly, accessible document 'Our Performance Looking Back Going Forward', which summarises the retrospective Assessment of</p>		

	Performance and forward-looking Performance Improvement Plan. This document is attached at <b>Appendix 2</b> .
2.3	<p>There is a statutory requirement to publish the Assessment of Performance 2023-24 on the Council's website by 30 September 2024. 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"> <li>• General duty to improve</li> <li>• Improvement objectives</li> <li>• Consultation on improvement duties</li> <li>• The Improvement Plan</li> <li>• Collection of information relating to performance</li> <li>• Use and publication of performance information</li> </ul> <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>
<b>3.0</b>	<b>Recommendations</b>
3.1	<p>To note:</p> <ul style="list-style-type: none"> <li>• The Assessment of Performance 2023-24, including the summary document 'Our Performance Looking Back Going Forward'</li> </ul>
<b>4.0</b>	<b>Resource implications</b>
4.1	The cost of the design of the summary document 'Our Performance Looking Back Going Forward' is £455.00 and is funded through the existing Performance and Improvement budget.
<b>5.0</b>	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>
5.1	<p><b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p>

	<p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><b><i>Proposal initiating consultation</i></b></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i> Consultation not required.</p>
6.0	<b>Due regard to Rural Needs (please tick all that apply)</b>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input 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	<b>Appendices</b>
	<p>Appendix 1: Assessment of Performance 2023-24</p> <p>Appendix 2: Our Performance Looking Back Going Forward</p>
8.0	<b>Background Documents</b>
	<ul style="list-style-type: none"> <li>• Local Government Act (NI) 2014 (Part 12)</li> <li>• Performance Improvement Plan 2024-25</li> <li>• Corporate Plan 2021-23</li> </ul>

# Newry, Mourne and Down District Council

## Assessment of Performance 2023-24



## Contents

	<b>Page</b>
Overall Assessment of Performance	3
Introduction	4
Our District Our Organisation Our Performance	7
A Snapshot of 2023-24	8
General Duty of Improvement	10
All people in Newry, Mourne and Down enjoy good health and wellbeing	14
All people from Newry, Mourne and Down benefit from prosperous communities	22
All people in Newry, Mourne and Down benefit from a clean, quality and sustainable environment	44
All people in Newry, Mourne and Down live in respectful, safe and vibrant communities	56
Corporate Plan 2021-23: Self Imposed Performance Indicators	60
Appendix 1: Progress against the Proposals for Improvement	73
Appendix 2: The Golden Thread	83



## Overall Assessment of Performance 2023-24

The Council has worked determinedly to deliver services for all residents across the district. Our residents and visitors continued to re-connect with the natural beauty of the District as we recorded over 525,000 visits to Kilbroney and Slieve Gullion Forest parks in the last 8-9 months of 2023-24 and over 263,000 recorded visits to the Council's 10 community trails. We retained blue and green flag accreditation for our beaches and parks, supported nineteen community clean ups and issued fixed penalty notices to address environmental crime.

We continued to progress and achieve a number of key priorities, in particular the Belfast Region City Deal, encompassing the Mourne Mountain Gateway project, Newry City Regeneration project and the development of the Southern Relief Road. Our Digital Programme of Investment will play a critical role in contributing to economic inclusion and sustainable growth, creating skills and employment for a digital future.

However, whilst much has been achieved, there is still more to do. We recognise where we need to improve and are committed to delivering further improvements e.g., There has been a decrease in young people engaged in targeted health programmes, and a slight increase in recycling, however longer processing times for local and major planning applications persist. We will continue to focus on what matters most to you - improving the quality of our leisure facilities and services, contributing to growing the local economy, improving the cleanliness of our District and continuing to support recycling, improving our sustainability and reducing our impacts in relation to climate change, and improving the performance of our Planning Service.

As we look forward to 2024-25, we will continue to bring more opportunities as our ambition remains for Newry, Mourne and Down to be one of the best places to live, work, invest in and visit.

## 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 2023-24 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

Three of the five performance improvement objectives 2022-23, were carried forward to 2023-24. One of the objectives was amended to reflect improvements achieved and where improvements were now required while another seen significant progress and was deemed to have been delivered and was therefore replaced, enabling the Council to use this Assessment of Performance to further establish a baseline and trends to monitor and report progress against the majority of the 'measures of success' which underpin the performance improvement objectives 2023-24.

1. We will support the health and wellbeing of local people by improving our leisure facilities and services
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 improve our sustainability and reduce our impacts in relation to climate change
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.

<b>Corporate Objective</b>	<b>Measure of Success</b>
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 overnight 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 2023-24 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 2023-24 is highlighted further in Appendix 2.

<b>All people in Newry, Mourne and Down enjoy good health and wellbeing</b>	
<b>All people in Newry, Mourne and Down benefit from prosperous communities</b>	
<b>All people in Newry, Mourne and Down benefit from a clean, quality and sustainable environment</b>	

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.

# Our District, Our Organisation, Our Performance



## District

Population: 182,074  
 Households: 68,398  
 7 District Electoral Areas  
 41 Elected Members  
 1,000+ employees  
 88% of residents are satisfied with the Council



## Community

**Life expectancy:**  
 Male: 78.9 years / Female: 82.7 years

**Age Profile:** 0-15 years: 22% / 65+ years: 17%

87% of residents agree that their local area is a place where people from different backgrounds get on well together

100% of residents feel safe during the day, 78% of residents feel safe after dark

115 Neighbourhood Watch Schemes

18,407 food parcels delivered to vulnerable households

£10.8m awarded through the Financial Assistance Scheme since 2015



## Tourism

**Between 2018 and 2019:**

15% increase in visitor numbers, to 516,203

29% increase in visitor spend, to £83.7m

Three Areas of Outstanding Natural Beauty

6 'green flag' parks and 3 'blue flag' beaches



## Health and Wellbeing

82% of residents feel they are in very good or good health

83% 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

263k recorded visits at community trails

Over 500k recorded visits to Kilbroney and Slieve Gullion Forest Parks for the last 9 months of 2023-24



## Economy

Employment rate (age 16 to 64): 61.6

9,375 VAT Registered Businesses

14.3% of the population aged 16 years and over have no qualifications

90 new jobs promoted through business start activity

351 businesses supported delivered through economic development programmes



## Environment

Recycling is important to 99% of residents

Top perceived problem for residents: Dog mess and fouling




Recycling rate: 50.0%













166 community clean ups supported since 2020

Second lowest level of waste to landfill across all NI Councils



A snapshot of 2023-24:

Performance Improvement Objective	Progress	Status Trend
 <p><b>We will support the health and wellbeing of local people by improving our leisure facilities and services</b></p>	10% increase in paid attendances at Council leisure centres	△
	16.1% increase in the number of people participating in targeted health programmes	😊 △
	11% decrease in the number of young people participating in targeted youth health and wellbeing initiatives	😞 ▽
	4.1% increase in the number of Council leisure centre memberships	😊 △
	3 capital leisure projects progressed	😊
	16.6% increase in recorded visits of community trails	😊 △
 <p><b>We will grow the economy by supporting local businesses and creating new jobs</b></p>	90 new jobs promoted through business start activity	😐 ▽
	12 new social enterprise businesses supported and 16 new social enterprise jobs created	😊 △
	90 new enterprises created as a result of support	😐 ▽
	351 existing businesses supported to progress growth and scaling ambitions	😊 △
	'Make it Local' campaign rolled out	😊
 <p><b>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</b></p>	25 fixed penalty notices issued and 19 paid	😞 ▽
	19 community clean ups supported	😞 ▽
	Increase in the rate of recycling, to 50.0%*	😊 △
	Second lowest levels of waste sent to landfill across all NI Councils	😊 △
	9 'Live Here, Love Here' environmental projects supported	▽
	Responsible dog ownership promoted across Council's social media channels	😊

 <p><b>We will improve our sustainability and reduce our impacts in relation to climate change</b></p>	1 vehicle within the Council fleet that has an alternative fuel source	
	20 Council supported EV charging points installed	
	75% of Council fleet younger than 8 years.	
	Installed 5 drinking water fountains across the District	
	2,800 trees planted on Council managed estate	
 <p><b>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</b></p>	The Council received the second highest number of planning applications across the 11 Councils.	
	The processing time for local planning applications increased from 21.6 weeks in 2022-23 to 33.7 weeks in 2023-24	
	The processing time for major planning applications increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24	
	The number of planning applications in the system for 12 months or more increased from 228 by year end 2022-23 to 352 by year end 2023-24	
	The number of enforcement cases in the system for 12 months or more increased from 500 by year end 2022-23 to 599 by year end 2023-24	

\*The 2023-24 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year validated data will not be published by DAERA until Q3 2024-25.

## 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 2023-24, 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 2023-24, the Local Government Auditor concluded that:

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

The Council has discharged its duties in relation to improvement planning, published the required improvement information and the extent to which the Council has acted in accordance with the Department's guidance in relation to those duties;

### **Improvement assessment**

The Council is likely to comply with the requirements of Part 12 of the Act.

## 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 seven years, the Council has continued to implement and embed the Business Planning and Performance Management Framework:

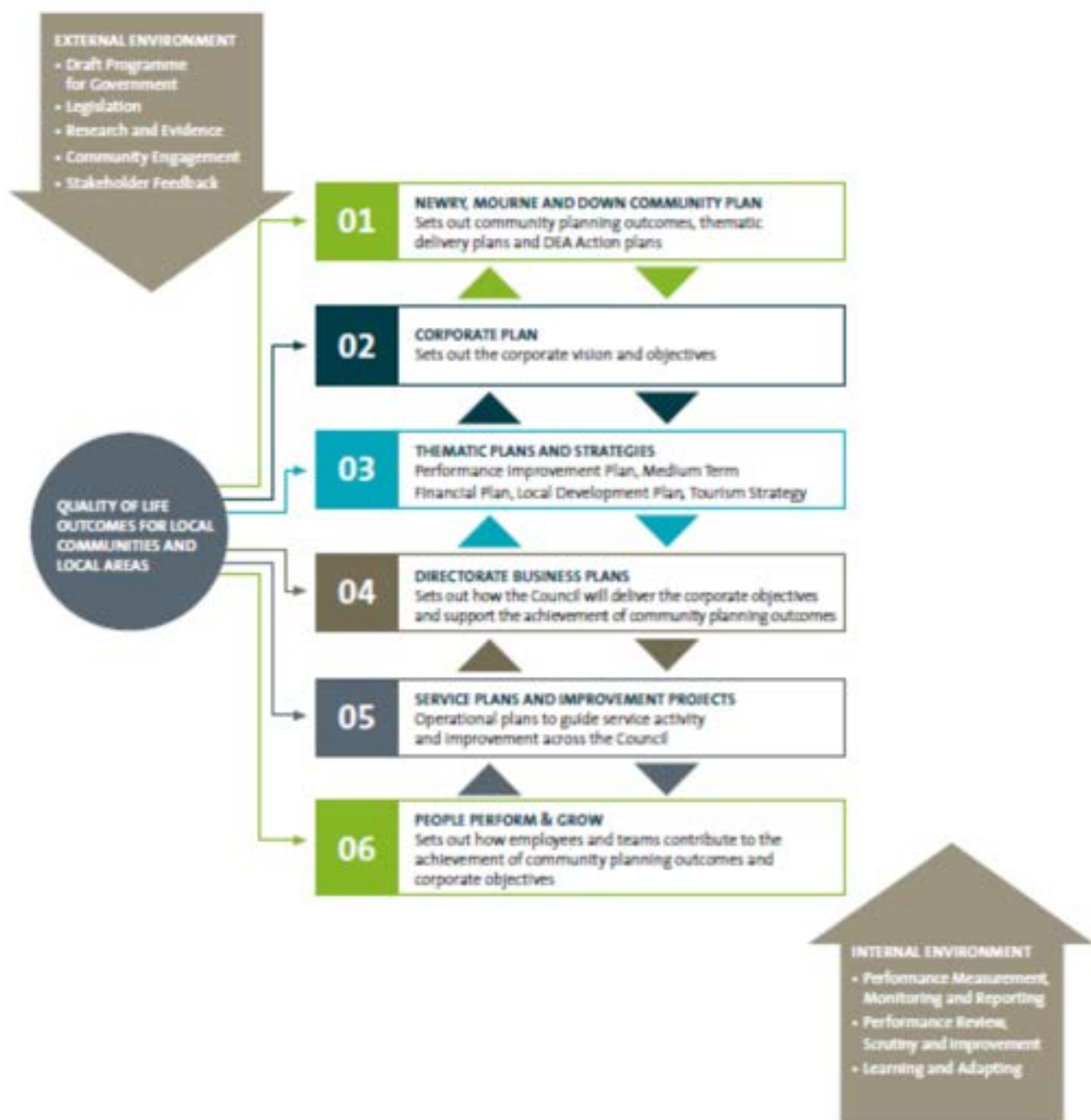
- The Council has developed and agreed integrated planning, monitoring and reporting cycles, which have been aligned to ensure everyone in the organisation is working towards shared objectives, with progress being monitored and reported on a regular basis. This integrated timeline of activity is outlined in the Business Planning and Performance Management Cycle.
- The governance arrangements at all levels of the Business Planning and Performance Management Framework continue to strengthen and embed, with the delivery of the Performance Improvement Plan and Directorate Business Plans being monitored and reported to the Committees of Council and the Senior Management Team on a bi-annual and annual basis.
- A number of Directorates and departments also organised business and service planning sessions to engage officers in reviewing performance during 2023-24, setting direction in 2024-25 and communicating the objectives within the Corporate Plan.

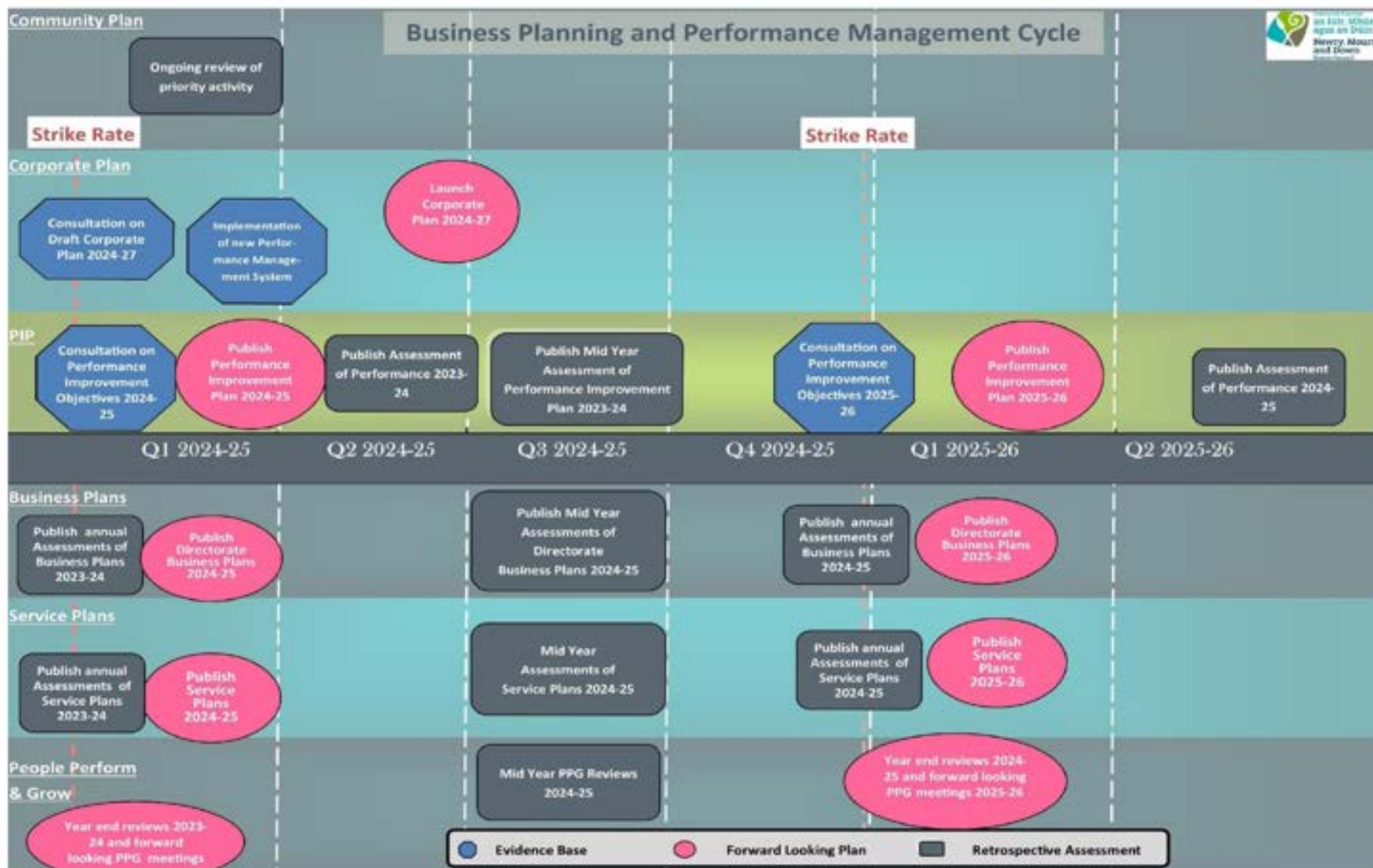


- All departments produced Service Plans in 2023-24, outlining core operational activity and improvement activity which will support the achievement of the objectives within the Corporate Plan and Directorate Business Plans.
- Individual Performance has been progressed through the 'People Perform Grow' initiative, which seeks to link and align the contribution of employees with strategic objectives. All employees have now had an opportunity to participate in People Perform Grow and performance management arrangements have been introduced to support and monitor the effective implementation and roll-out of People Perform Grow across the organisation. The effective implementation of People Perform Grow is monitored through the Corporate Performance Dashboard.
- Through the Corporate Performance Dashboard, progress continues to be monitored and reported against a suite of 18 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 Council continues to secure greater alignment across the business planning, performance and risk management arrangements, with the Corporate Risk Register now being directly aligned to the Corporate Plan 2024-27 and Directorate Risk Registers being aligned to Directorate Business Plans.
- 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.
- The Council has also completed the second Residents Survey to identify and understand perceptions of the Council and the local area as a place to live. The findings from the survey build a robust and reliable evidence base to inform future Corporate Plans, PIP's and Directorate Business Plans ensuring the strategic direction of the organisation is focused on the needs and aspirations of residents.

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 1.

# 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

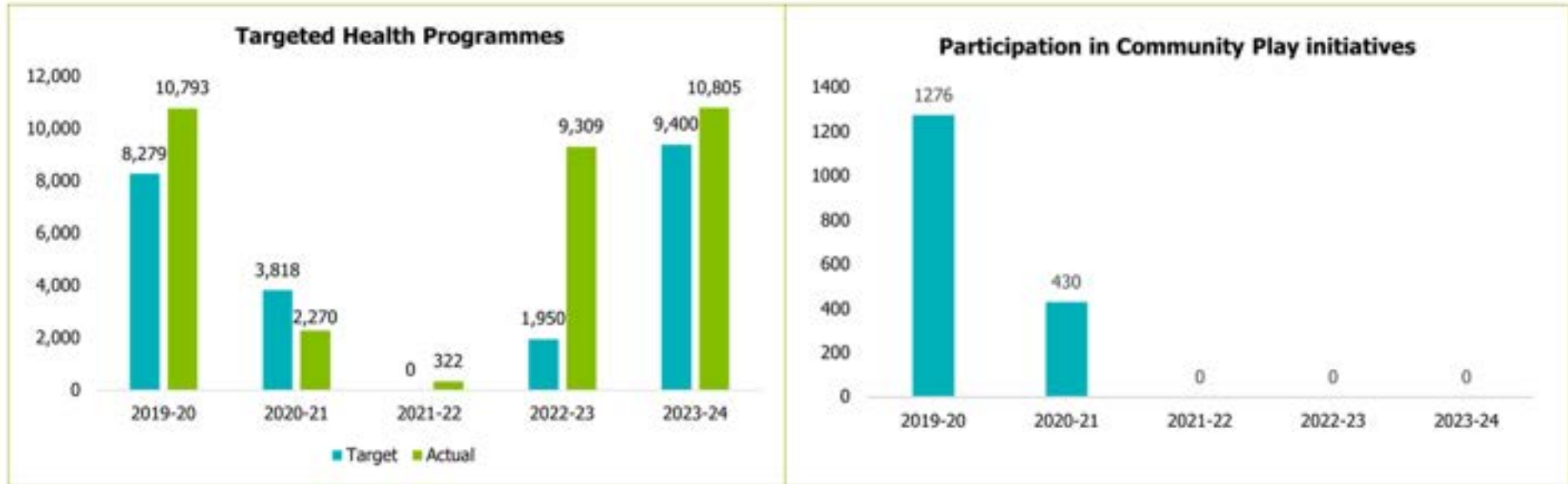
Continue to improve the health and wellbeing of everyone in the District and reduce health inequalities

Key Action	Status	Update
Promote healthier lifestyles, including increased physical activity levels, diet and emotional wellbeing.		The Council engaged 10,805 participants in several physical activity programmes, including the Physical Activity Referral Scheme (PARS) which helps clients manage chronic health conditions, Macmillan Move More, which encourages clients to take part in physical activity during and after cancer treatment and NMD Be Active for Life which provides bespoke physical activity opportunities for people who are inactive and at risk of chronic illness. 17,726 young people participated in the Council's targeted youth health & wellbeing initiatives.
Continue to implement the Leisure Facilities and Play Strategy for the District.		The Council has delivered a full refurbishment of Kilkeel Bowling Pavilion at an investment of £300,000. The Council also implemented the final phase of the Play Strategy 2017-22, opening two new playparks in Darragh Cross and Teconnaught with a final two upgrades at Kilmorey Park, Newry and Kitty's Road, Kilkeel. Across the life cycle of this strategy the Council has completed 6 new play parks, 22 upgrades, 11 consolidations and 10 transformations. The Council is progressing the development of multi-sport hubs as well as upgrading work at Dundrum Football Club and the refurbishment of Kilkeel Leisure Centre. Dunleath skate park is also progressing.
Develop and implement a Sports Development and		The Open Spaces Strategy is being aligned to the wider Planning Departments' Open Space Strategy which is a statutory requirement by all Councils to complete as part of the Local Development Plan.

<p>Open Spaces Strategy for the District.</p>		<p>A consultant has prepared the Sport &amp; Physical Activity Strategy, and this will be presented to the AHC Committee in due course. The Multi Sports Hub review was completed in 2022-23 which allowed Council to establish a capital budget to support the future development of multi sports hubs across the District in each of the 7 DEAs.</p>
---	--	--







Measure of Success	2020-21		2021-22		2022-23		2023-24		Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Number of people participating in targeted health programmes (Everybody Active 2020)	3,818	2,270	-	322	1,950	9,309	9,400	10,805	 	There has been an increase of 16.1% in the number of people participating in targeted health programmes increasing from 9,309 in 2022-23 to 10,805 in 2023-24.
Attendance at free play sessions	-	430		0	-	0	-	0		Council invested in the purchase of play equipment for each DEA and capacity building for coordinators to deliver free play sessions with 430 children attending in 2020-21. This was a funded, one-off programme to enable free play sessions to be delivered in local communities by local groups. Council continues to invest in local play parks across the district via the delivery of the Play Strategy.
Number of attendances at Council leisure facilities	1,922,131	75,296	-	447,095	-	803,517	-	954,912		There has been an increase of 18.8% in the number of attendances at Council Leisure facilities between 2022-23 and 2023-24. The figure rose from 803,517 in 2022-23 to 954,912 in 2023-24. Whilst this remains below pre-pandemic levels






## Performance Improvement Objective 1









We will support the health and wellbeing of local people by improving our leisure facilities and services

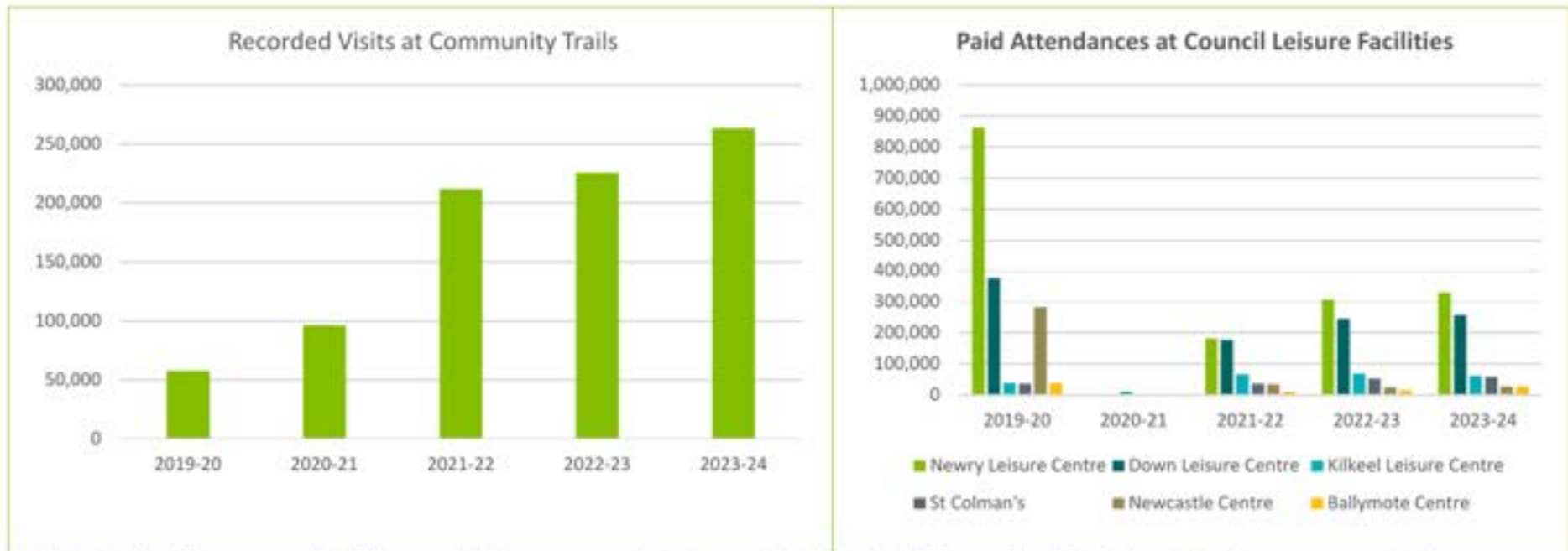
Supporting action	Status	Update
Increase the number of paid attendances at indoor leisure facilities through the Covid-19 recovery plan.		There were 768,842 paid attendances in 2023-24 which is 2.5% above the target set of 750,000. It also represents a 10% increase on the 2022-23 figure of 698,864.
Continue to progress and implement the review of Leisure Services.		The review of Leisure Services is ongoing in line with the introduction of a pay protection policy and HR work plans.
Deliver a range of targeted health programmes to encourage participation in physical activity.		In 2023-24 the Council ran a number of targeted health initiatives including the Physical Activity Referral Programme (PARS), Macmillan Move More and the Be Active for Life programme which collectively saw participation of 10,805.
Deliver a number of seasonal youth health and wellbeing initiatives to encourage participation in physical activity.		The Council delivered a number of seasonal youth health and wellbeing initiatives including Summer Activity Programmes and the £1 summer promotions to encourage participation in physical activity which led to 17,226 participating during 2023-24.
Progress the leisure projects agreed within the Capital Programme		The delivery of projects within Council's Capital Programme is ongoing. These include the development of multi-sports hubs at Donard Park and Jennings Park. Capital projects are progressing for Newry City Park, Kilkeel Leisure Centre and Dunleath Skate Park Downpatrick.
Maintain the number of recorded visits to Community Trails.		The number of recorded visits to community trails increased by 16.6% between 2022-23 and 2023-24 increasing from 225,795 in 2022-23 to 263,364 in 2023-24. This 2023-24 figure also exceeded the target set for 2023-24 by 17.1%



<p>Implement a 'Mystery Visitor' Programme for indoor leisure.</p>		<p>The 'Mystery Visitor' Programme was not implemented in 2023-24. This will be delivered in the 2024-25 financial year.</p>
--	---	--

Measure of success	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	Status Trend	Explanatory note
Number of paid attendances at:				698,864	768,842 (Target: 750,000)	 	<p>There was an increase in paid attendances experienced across five of the six leisure centres in the District between 2022-23 and 2023-24. The biggest increase was at Ballymote Sports and Wellbeing Centre that increased paid attendances by over 80%. This was followed by an increase of 14.2% at Down Leisure Centre, 8.8% increase at Newcastle Centre, 8.3% increase for paid attendance figures at St Colmans Sports Complex and 8.1% increase at Newry Leisure Centre. Between 2022-23 and 2023-24 Kilkeel Leisure Centre experienced a decrease of 8.6% in the number of paid attendances falling from 69,797 to 63,811. The capital redevelopment of Kilkeel Leisure Centre is currently progressing for delivery in 2025.</p> <p>Across all the leisure centres the total number of paid attendances totaled 768,842 which exceeds the target set of 750,000 by 2.5%.</p>
Newry Leisure Centre	864,190	27,253	183,224	306,802	331,546		
Down Leisure Centre	377,842	30,199	177,496	227,156	259,473		
Kilkeel Leisure Centre	40,219	10,367	66,987	69,797	63,811		
St. Colmans Sports Complex	37,349	2,945	36,717	54,024	58,491		
Newcastle Centre & Tropicana Outdoor Swimming Complex	284,230	2,778	33,801	25,517	27,765		
Ballymote Sports and Wellbeing Centre	38,993	1,754	10,309	15,365	27,756		

Number of people participating in targeted health programmes	10,793	2,270*	322*	9,309	10,805 (Target: 9,400)		There has been an increase of 16.1% in the number of people participating in targeted health programmes increasing from 9,309 in 2022-23 to 10,805 in 2023-24. This exceeded the target set in 2023-24 of 9,400 by 14.9%
Number of young people participating in targeted youth health and wellbeing initiatives	New Measure			19,365	17,226 (Target: 20,000)	 	This was a new measure introduced in 2022-23 with 19,365 young people participating in targeted programmes in that financial year. The first target in 2023-24 was set at 20,000 participants with an actual achievement of 17,226 young people taking part in programmes throughout the year. The target set for the 2024-25 financial year has been set to more accurately reflect the level of participants targeted in health & wellbeing initiatives.
Number of leisure centre memberships	New Measure			9,534	9,923 (Target: 9,750)	 	Between 2022-23 and 2023-24 the number of leisure centre memberships increased by 4.1% from 9,534 in 2022-23 to 9,923 in 2023-24 while also exceeding the target set. There are several leisure centre memberships available including platinum, gold and silver.
Number of capital leisure projects progressed	New Measure			5	5		The delivery of projects within Council's Capital Programme is ongoing. These include the development of multi-sports hubs at Donard Park and Jennings Park. Capital projects are progressing for Newry City Park, Kilkeel Leisure Centre and Dunleath Skate Park Downpatrick.
Number of recorded visits at community trails	57,849	96,563	211,718	225,795	263,364 (Target: 225,000)	 	In 2023-24, 263,364 visits to community trails across the District were recorded. This is an increase of 16.6% when compared to the 2022-23 figure of 225,795 recorded visits to community trails. This figure also exceeds the target set by 17.1%.



\*The 'Be Active for Life' programme, which forms part of this measure, was only getting established when Covid-19 occurred and therefore participation rates were restricted.



## Community Planning Outcome

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



### Corporate Objective

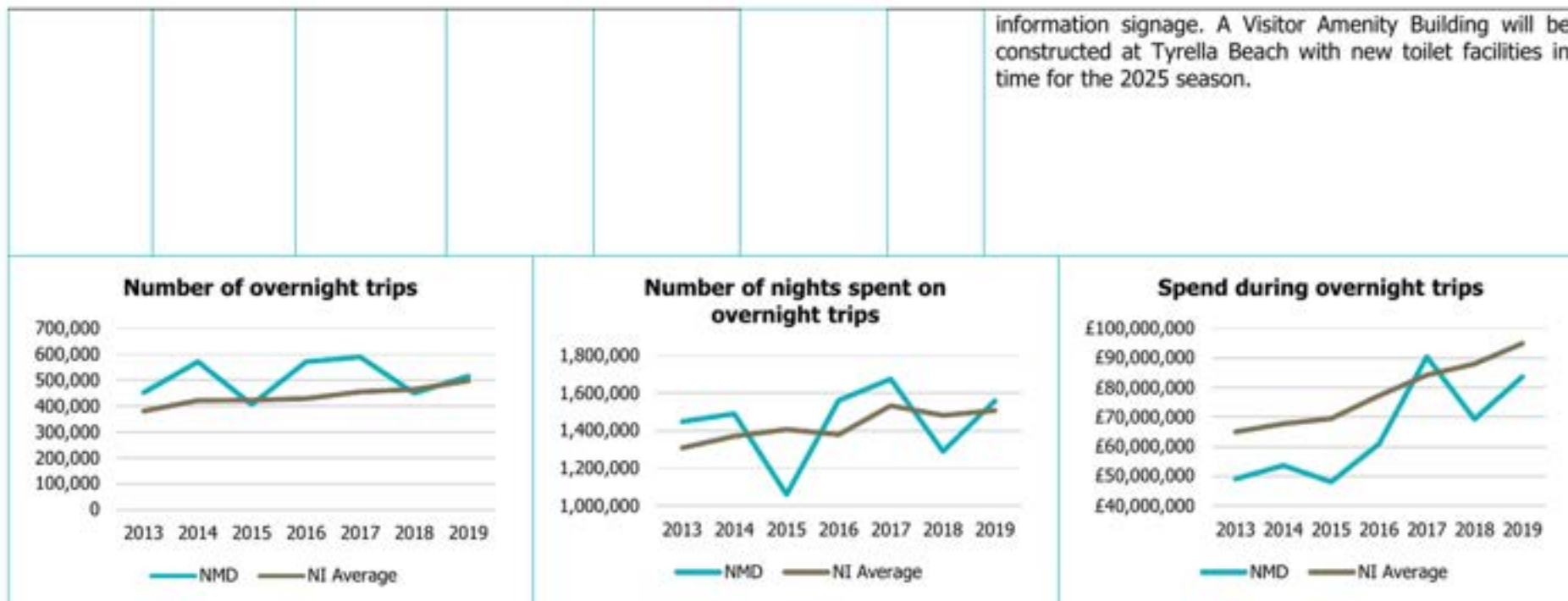
Support sustainable forms of tourism which value our environment and cultural heritage

Key action	Status	Update
Develop the tourism proposition for the district in line with Tourism NI's Experience Brand.	😊	<p>The Council completed a 12-week consultation on the draft Tourism Strategy which included a new tourism brand concept. Following the 12-week consultation minor amendments were made to the draft Strategy for presentation to Council in April 2024. Sustainability is an inherent hallmark of NMD Tourism Strategy, championing a balanced and holistic approach that prioritises:</p> <ul style="list-style-type: none"> <li>• safeguarding the environment</li> <li>• supporting the local community</li> <li>• supporting livelihoods and the economy</li> </ul> <p>The Council completed a new facilitated programme to work with the Outdoor Adventure sector engaging 15 businesses across the District who completed the Programme and developed new visitor experiences, 5 will be progressed to Embrace a Giant Spirit Brand Alignment.</p>
Work with Tourism NI, Tourism Ireland, government departments, and the private	😊	Engagement with tourism and hospitality businesses continued during 2023 -2024 through regular engagement with food and drink, culture & heritage and outdoor groups providing regular industry updates and stakeholder engagement with industry

sector to grow the economic impact of the tourism industry and to address barriers to growth.		associations. The Council continue to work in partnership with key stakeholders to address long-term sustainability issues in the Mourne Mountains through 'Forever Mournes'.
Invest in major tourism capital projects that will attract international visitors to NI and the district.		Progress continues on the delivery of capital projects at key tourism sites across the District, with construction work underway in Castlewellan Forest Park, completion of integrated design for visitor facilities and planning secured for trail development at Delamont Country Park, developed design consultation completed for Camlough Lake Recreational Hub, concepts developed for Narnia at Kilbroney Park and an Integrated Delivery Team (IDT) appointed to oversee new visitor facilities at Tyrella. The Mourne Mountain Gateway Project Integrated Consultancy Team (ICT) tender issued, and assessment completed. The next stage of project development will be a comprehensive programme of surveys and consultation and engagement activity through the Integrated Consultancy Team.
Implement a Sustainable Tourism Growth Plan to ensure responsible development of our tourism offering with respect to environmental, social and economic considerations.		Sustainable Tourism Growth is a central theme in the new Tourism Strategy 2024-29 with sustainable tourism development and social inclusion underpinning all ambitions and actions within the Tourism Strategy and Action Plan 2024-2029. A key focus of communications for the destination and with businesses has been ensuring that tourism businesses are equipped with the knowledge and support to act as confident communicators of NMD's sustainable and regenerative tourism ethos and approaches.
Continue to develop the district's bid to achieve the UNESCO Global Geopark designation by summer 2021.		The Council achieved UNESCO Global Geopark designation for Mourne, Gullion, Strangford in May 2023 and hosted the annual UK Geopark Committee. Implementation of the Geopark Action Plan is ongoing

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.
<b>Measure of Success</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2023</b>	<b>Trend</b>	
Increased visitor satisfaction	-	-	-	Satisfaction with Parks 83% (Baseline)	Satisfaction with Parks 76%		A follow up to the 2021 parks and beaches survey was carried out in Q2 2023-24. It shows that overall satisfaction has fallen in respect of both parks and beaches across the District. Satisfaction with parks decreased by 7% from 83% in 2021 to 76% in 2023 while beaches recorded a decrease of 15% in terms of satisfaction during this period. Some of the reasons for dissatisfaction included food and drink offerings, visitor information and signage and toilet facilities. In response to this feedback Council has put in place a mobile vendors service across sites which includes a new service at Kilbroney to provide tea/coffee in the carpark to address queues in the cafe. A new cafe provision will be in place at Castlewella Forest park next year with works already underway. Council also has design concepts in development at both Delamont and Kilbroney which includes interpretation and the Castlewella Forest Park restoration project due to be completed in May 2025 includes interpretation and signage. Across the tourism facilities Council have a rolling programme to update
				Satisfaction with Beaches 67% (Baseline)	Satisfaction with Beaches 52%		






\*Since 2019 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

Key action	Status	Through the CIO Update
<p>Provide a programme of support that will increase growth and investment for new and established businesses across the district.</p>		<p>European funded business growth programmes ended in June 2023. During April – June 2023 Council implemented a business support programme for 40 businesses.</p> <p>Go for It ceased on 30<sup>th</sup> September 2023. During April – June 2023 the programme created 77 jobs from April to September 2023.</p> <p>Council in partnership with all Council's in Northern Ireland developed Northern Ireland Enterprise Support Service branded "Go Succeed" funded via DHLUC. The Service was launched in November 2023. 207 established businesses were assisted through growth diagnostic, mentoring and masterclasses. 101 new start businesses were assisted with a diagnostic and mentoring, and 19 foundation/early start businesses were assisted with a diagnostic and mentoring.</p> <p>7 businesses were supported via Innovate Accelerate through NMEA.</p> <p>The Council delivered two 'Make it Local' promotional campaigns, to highlight the unique business offering in Newry and Downpatrick and encourage shoppers to shop locally, in store or online. The campaign was delivered through across multiply platforms, including social media, video, billboard and print</p> <p>The Council also delivered 37 artisan markets in Downpatrick, Newcastle, Warrenpoint and Newry with 37,208 visitors recorded across all 4 sites during 2023-24.</p> <p>Council organised NMD Enterprise Week in November 2023. 20 events were hosted which included a range of workshops, networking events and online activities to showcase the entrepreneurial networks and support available for residents and businesses across the District.</p>









<p>Work with partners to enhance employability and skills, provide quality jobs for all our citizens and meet the needs of our businesses.</p>		<p>The Council continues to implement the Economic Development and Regeneration Strategy and is working with partners in the employability, skills and education sectors through the Labour Market Partnership (LMP). LMP focus is on creating employability pathways for those furthest from the labour market and creating upskilling opportunities to align with business &amp; labour market need. Opportunities are created for local residents to access support to assist with gaining employment or progressing within their current employment.</p>
<p>Maximise the district's location as a cross-border gateway to Great Britain, Ireland and international markets.</p>		<p>The Dublin Belfast Economic Corridor (DBEC) is a partnership of the 8 Councils and 2 Universities located along the Dublin to Belfast corridor. The partnership has developed an ambitious 7-year strategy and action plan that outlines the vision for the Partnership to become a leading economic corridor in Europe and seeks to position the Dublin Belfast Economic Corridor as a prime investment location, enabling access to regional, national and international markets. Newry, Mourne and Down District Council are the current lead Council on behalf of the DBEC partnership and will progress actions as agreed through the DBEC Government structure, which is now in place and operational as defined in the Partnerships Collaboration Agreement formally agreed in September 2023.</p> <p>Key activities are now actively being progressed across 3 core themes focusing on Sustainable and innovation-led growth, Skills Development and Engagement &amp; brand development. Project concepts currently under consideration as potential funding opportunities are Transformative Innovation Support networks, a Cross Border Skills strategy, investor-ready development lands availability, Circular Economy initiatives and collaborative tourism propositions that exist across the Corridor.</p>
<p>Secure investment in infrastructure that enables the future economic growth of the district.</p>		<p><b>FFNI - Delivery of Digital Transformation Flexible Fund</b></p> <p>Since June 2022 NMDDC c/o FFNI has been developing and leading on a £7.5M project for all Councils which will fund micro and small businesses with a Grant between £5k-£20k to fast-track Digital Transformation using emerging technologies.</p>

	<p>The DTFF Consortium is made up of the 11 local authorities, DAERA and Invest NI. The project outcomes are job creation/sustainability, new products/services and export potential.</p> <ul style="list-style-type: none"> <li>• DTFF is a demand led capital grant operating across Northern Ireland to stimulate Digital Transformation.</li> <li>• 1st of its kind Cross Growth Deal programme for Northern Ireland.</li> <li>• £7.5m Capital Funding Pot (£6m from Complementary Fund, £1.1m from DAERA, £451k from D&amp;S Growth Deal)</li> <li>• DTFF has been designed to contribute to the City/Growth Deal ambitions, particularly digital and innovation priorities.</li> </ul> <p>The funding programme officially launched in Nov 2023.</p> <p><b>Call 1 November 2023 (complete)</b></p> <ul style="list-style-type: none"> <li>• Attracted 135 Expressions of Interest across NI (NMD 16)</li> <li>• 108 businesses invited to submit a full application (NMD 12)</li> <li>• 63 Applications received (NMD 8)</li> <li>• 40 Letters of offer issued and signed by applicants (NMD 5)</li> <li>• 36 Claims totaling £533k (NMD £63,514)</li> </ul> <p><b>Call 2 March 2024 (Ongoing)</b></p> <ul style="list-style-type: none"> <li>• Attracted 207 Expressions of Interest across NI (NMD 27)</li> <li>• 153 businesses invited to submit a full application (NMD 20)</li> <li>• 78 Applications received (NMD 10)</li> <li>• 37 Letters of offer issued and signed by applicants (NMD 4)</li> <li>• Approximate Letter of Award Amount due Oct 24: £610,251.50 (NMD £70,303.96)</li> </ul>
--	--

		<p><b>Call 3 – June 2024 (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Attracted 246 Expressions of Interest across NI (NMD 26)</li> <li>• 179 businesses invited to submit a full application (NMD 18)</li> </ul> <p><b>FFNI - Mobile Action Plan.</b></p> <p>The MAP NI was developed by a cross-sectoral working group which included members from central and local government who consulted with stakeholders including industry, UK Government and Ofcom. Its aim is to identify issues which inhibit the rollout of mobile networks and seek to establish solutions to enable better, faster and more consistent mobile coverage throughout Northern Ireland. This plan has been in development since June 2022.</p> <p>Under MAP, FFNI Ops team are chairing the Council representation in the Northern Ireland Barrier Busting taskforce using existing FFNI Governance arrangements. FFNI has engaged with Solace to request that each council should consider the establishment of an internal working group to support the regional digital champions working group to improve mobile connectivity in district/NI.</p> <p><b>FFNI – DCMS Shared Rural Network</b></p> <p>£1 billion deal to improve poor and patchy rural 4G phone coverage was agreed in June 2022. The Shared Rural Network Consortium is made up of FFNI, EE, O2, Three and Vodafone, DfE, DAERA, DfE, DfI and Mobiles UK. The SRN is investing in a network of new and existing phone masts through a partnership between the mobile operators and local/central government.</p>
--	--	---

<p>Through the BRCD partnership, implement a series of (1) skills and employment and (2) digital and innovation programmes to meet the needs of the region.</p>		<p>The Belfast Region City Deal was signed in December 2021, confirming the commitment of partners to deliver all City Deal proposals. BRCD represents an investment of approximately £200 Million that will transform Newry, Mourne and Down.</p> <p>Mourne Mountains Gateway project: Contract for funding now in place and project design and development underway.</p> <p>Newry City Centre Regeneration including grade A office provision and public realm schemes. Contract for funding now in place and project design and development underway. Planning permission submitted for Theatre and Conference space and Civic Centre.</p> <p>Newry Southern Relief Road - public consultation held.</p> <p>Regional Innovation Hub - The aim is to drive IDEs, foster innovation, digital transformation, and economic growth. Extensive Consultation with Catalyst completed in June 2024 in preparation for full business case development for the Regional Hub due to commence October/November 2024.</p> <p>The Belfast region led by BCC secured £3.8 million for wireless technology from Dept Science, Innovation and Technology and has become one of 5g Innovation regions across UK.</p> <p>Digital Transformation Flexible Fund launched</p> <p>Skills Assessments underway to shape industry needs against forecast growth.</p>
---	---	---

Measure of Success	2022-23		2023-24		Status Trend	Explanatory Note
	Jobs created	Businesses supported	Jobs created	Businesses supported		
Number of jobs created and businesses supported through Council programmes	193	359	104	363	 	Through the new NI 'Go Succeed' programme and the Social Economy programme 104 jobs were created with 363 businesses supported. This represents a decrease of 46% in relation to the number of jobs created but an increase of 1% in the number of business supported. A key contributing factor to the decrease in the number of jobs created was the transitional gap between the ending of the NI 'Go For It' scheme and the commencement of the NI 'Go Succeed' programme.
Number of jobs promoted through business start-up activity	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	 	NIESS (Go Succeed) commenced in November 2023. The delivery was delayed due to a number of issues including procurement and the development of a Customer Relationship Management (CRM) system. This has resulted in a decline in overall performance compared to 2022-23, with the number of new jobs promoted decreasing by 52%. This figure is also only 58% of the target set for 2023-24 with the Council ranked 5/11 across Northern Ireland.
	>155	187	>155	90		
Amount of investment secured by the Council	<b>Investment</b>		<b>2022-23</b>	<b>2023-24</b>	 	<b><u>Economic Development</u></b>
	Economic Development - Total Value of Funding Contracts Held:		£2.2m	£1.7m		Council is a project partner on NIESS. The investment from DHLUC is £7,500,000 for 2023/2024 across Northern Ireland, which includes delivery for NMDDC. NMDDC has provided match funding (£83,632.00) in respect of Go Succeed programme and delivered £292,728 of funding in 2023/24
	Economic Development – Annual Spend:		£695,176	£966,171		Council is in receipt of a Letter of Offer for £524,373.87 from DfC for Labour Market Partnership (LMP) for 23/24.
	Regeneration – Total Value of Funding Contracts Held:		£14.3m	10.8m		NMDDC is the lead Council on DTFF. Council is managing a £7.5m Capital Funding Pot (£6m from Complementary Fund, £1.1m from DAERA, £451k from D&S Growth Deal).
	Regeneration – Annual Spend:		£3.0m	£5.495m		<b><u>Regeneration</u></b> Council is in receipt of Letter of Offer valued at £4,002,000 for Small Settlement Scheme. The LoO straddles 22/23, 23/24 24/25. Expenditure for 23/24 £2,597642.10

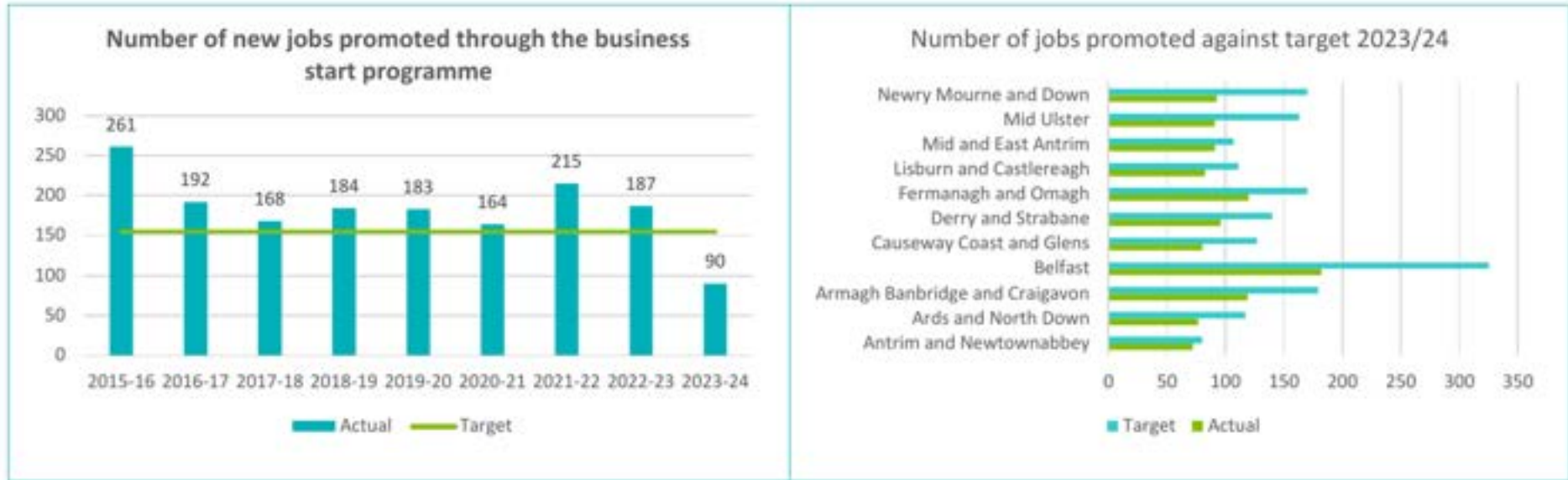
				<p>Council is in receipt of a LoO from DAERA valued at £1,484,688. The LoO straddles 23/24 24/25 25/26 26/27 27/28 committed in 23/24 is £291,520.</p> <p>Council is in receipt of a Letter of Offer for Warrenpoint Revitalisation for £100,000 in 23/24. (The Letter of Offer straddles two financial years. £33,602.50 committed in 23/24 and £66,397.50 for 24/25)</p> <p>Council is in receipt of LoO for Warrenpoint from DfC for £1,988,993.00. The Letter of Offer straddles two financial years (£1,295,000 23/24).</p> <p>Council is in receipt of funding from NLHF for £2.69 million for the restoration of Castlewellan Forest Park. 23/24 expenditure was £708,369.95</p> <p>Council is a project partner on Carlingford Lough Greenway, 23/24 expenditure was £569,371.81</p>
--	--	--	--	--

**Economic Development - Investment secured and spent by Council**




**Regeneration - Investment secured and spent by Council**









## Corporate Objective



Promote the revitalisation of our city, towns, villages and rural communities

Key action	Status	Update
<p>Progress the Belfast Region City Deal, ensuring inclusive economic growth for the region.</p>		<p>The Belfast Region City Deal was signed in December 2021, confirming the commitment of partners to deliver all City Deal proposals. BRCD represents an investment of approx. £200 Million that will transform Newry, Mourne and Down.</p> <p>Mourne Mountains Gateway project: Contract for funding now in place and project design and development underway.</p> <p>Newry City Centre Regeneration including grade A office provision and public realm schemes. Contract for funding now in place and project design and development underway. Planning permission submitted for Theatre and Conference space and Civic Centre.</p> <p>Newry Southern Relief Road - public consultation held.</p> <p>Regional Innovation Hub - The aim is to drive IDEs, foster innovation, digital transformation, and economic growth. Extensive Consultation with Catalyst completed in June 2024 in preparation for full business case development for the Regional Hub due to commence October/November 2024.</p> <p>The Belfast region led by BCC secured £3.8 million for wireless technology from Dept Science, Innovation and Technology and has become one of 5g Innovation regions across UK.</p> <p>Digital Transformation Flexible Fund launched</p> <p>Skills Assessments underway to shape industry needs against forecast growth.</p>

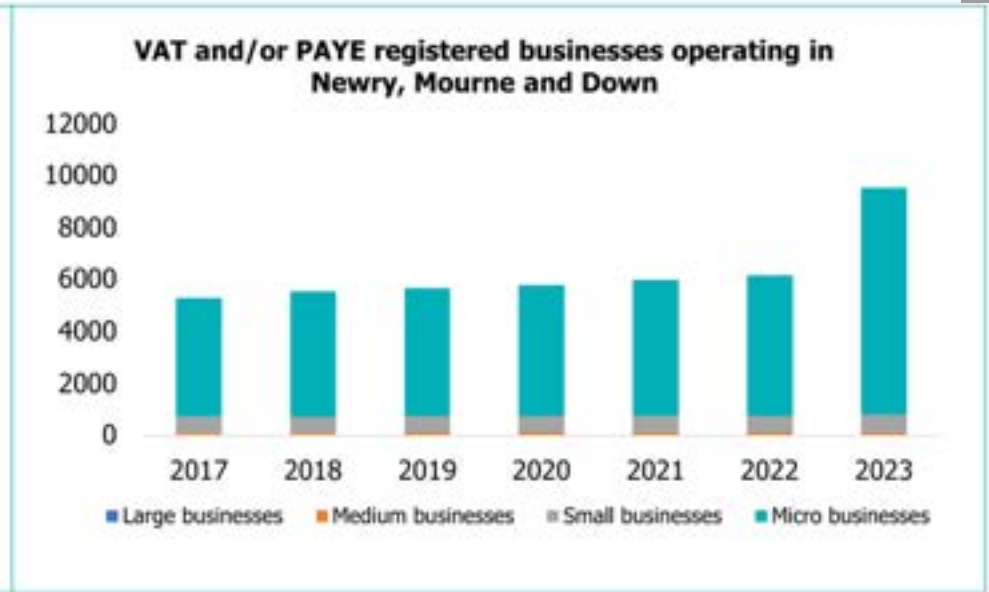
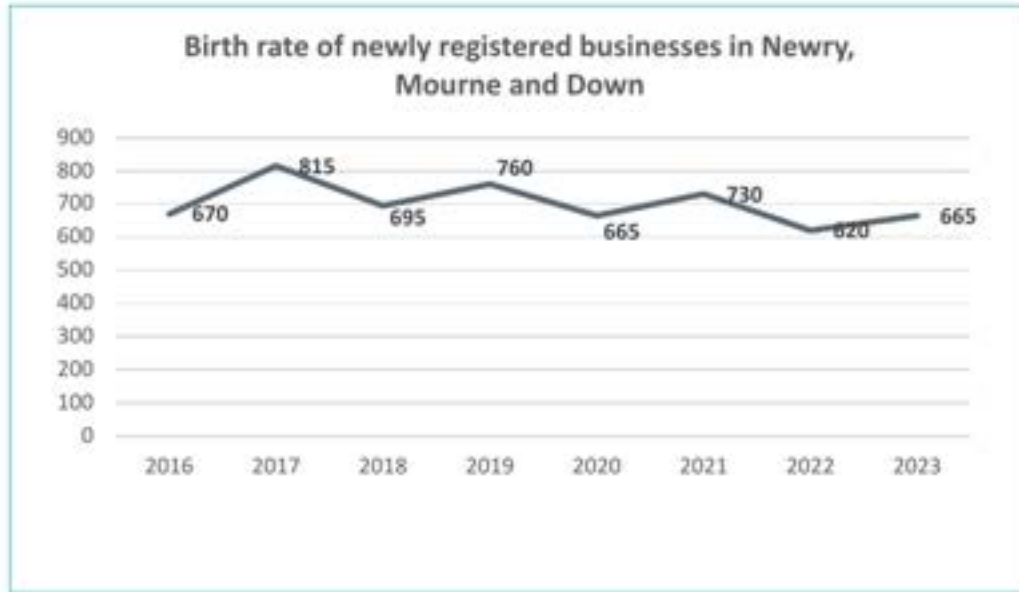


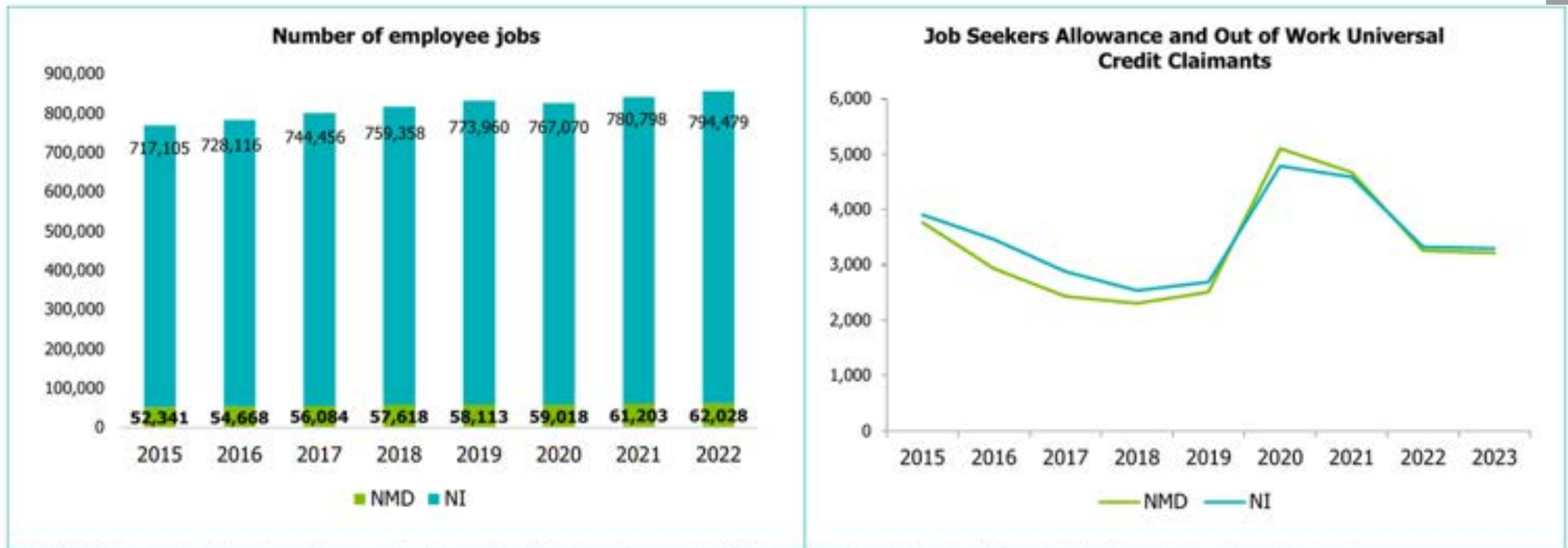
		Council is represented at the Skills and Employability Board by AD, Full Fibre NI Operations Lead attends Digital and Innovation Board.
Implement priority projects identified within masterplans and village plans.		<p>Having been completed in 2022-23, the final defects period for the 'Warrenpoint Front Shore Promenade Public Realm Scheme' was concluded over the course of 2023-24 at an overall cost of £2m. Also, in 2023-24 approvals were obtained and works commenced on the next phase of 'Warrenpoint Front Shore Car-Parks Public Realm Scheme'.</p> <p>During the period 2023-24, the Council also invested £100k in delivery of the follow-up Revitalisation/Shop Front Scheme for Warrenpoint Front Shore Promenade.</p> <p>Council is also in receipt of funding from DfC, DAERA and DfI for implementation of £4.3m Small Settlement Scheme. Annalong, Dundrum, Hilltown, Killyleagh, Meigh, Newtownhamilton, Strangford and Killough villages were included in the scheme. Business and Community representatives along with elected members co-designed action plans tailored for village enhancement.</p> <p>Kilkeel Feasibility Study commenced in late February 2024; it is due to conclude in Q1 2025-26. It is anticipated that the report will review the Masterplan for Kilkeel and will inform revitalisation projects for 25/26.</p>
Establish a new civic centre, theatre and conference facility that will revitalise Newry City and the wider district.		The contract for funding was agreed for Newry City Centre Regeneration Projects in January 2023. Planning permission has been applied for both the Theatre and Conference Centre and Civic Centre projects.
Develop a car parking strategy in line with strategic regeneration development needs and sustainability.		The appointment of carpark providers was delayed due to a legal challenge. The new provider is now in place and a draft car parking strategy has been developed.

<p>Progress Downpatrick Regeneration.</p>		<p>As part of a pilot initiative aimed at rejuvenating the High Street, a Downpatrick Living High Streets Framework for Downpatrick was launched in September 2023.</p> <p>Downpatrick Regeneration Working Group (DRWG) in conjunction with The Ministerial Advisory Group (MAG) for Architecture and the Built Environment, Department for Communities and Council produced the framework for Downpatrick with the help of businesses, residents and stakeholders, to develop a vision for the town and put it in the best possible position for funding opportunities.</p>
---	---	---

Measure of success	2022-23	2023-24	Status Trend	Explanatory Note
<p>Progress against BRCD projects</p>	<p>Progress underway</p>	<p>Progress underway</p>		<p>The Belfast Region City Deal was signed in December 2021, confirming the commitment of partners to deliver against City Deal proposals. BRCD includes five projects that will transform Newry, Mourne and Down, including the Mourne Mountains Gateway, Newry Southern Relief Road, Newry City Centre Regeneration, Digital and Innovation projects and Skills and Employment projects. Outline Business Cases for Mourne Mountain Gateway and Newry City Centre Regeneration have been approved and a signed contract for funding with the Department for Communities for the latter has been completed. In Q4 of 23/24 NMDDC appointed an Integrated Consultancy Team (ICT) to progress the Mourne Mountains Gateway Project. Global engineering consultancy Arup will lead the highly experienced project team, along with TODD Architects, Gleeds and Tandem Design. In 2023-24 both Newry City Centre Regeneration Projects progressed through the planning application and procurement of Integrated Supply Teams (IST) and on programme to appoint in Q2 of 24/25 subject to obtaining approvals. Outline Business Cases for the Southern Relief Road and Digital and Innovation remain in progress. A regionally focused working group has been established to progress investments under skills and employability.</p>
<p>Number of public realm schemes delivered</p>	<p>2</p>	<p>1 complete 4 onsite 1 received planning</p>		<p>During 2023/24, the Council applied for planning and undertook a procurement process for 'Small Settlement Public Realm Schemes' in Bessbrook, Castlewellan, Saintfield and Rostrevor. One</p>

		1 in progress		<p>contractor was appointed to deliver Castlewellaan and Saintfield and one contractor appointed to deliver Bessbrook and Rostrevor. Works will complete in 24/25.</p> <p>Warrenpoint Promenade scheme was delivered by June 2023. Warrenpoint Front shore Car Parks Public Realm scheme received planning with a contractor appointed and due to go on site in April 24.</p> <p>Warrenpoint Breakwater PR Scheme – planning permission achieved in 23/24, this project did not proceed due to budgetary constraints but will be revisited as funding becomes available.</p> <p>Council received a Letter of Offer for Warrenpoint Revitalisation Project in September 2023. The Letter of Offer straddles two financial years. £33,602.50 committed in 23/24 and £66,397.50 for 24/25.</p> <p>Downpatrick Church Street and DeCourcy Place RIBA commenced development. A consultant was appointed to develop the scheme to RIBA Stage 0-3.</p>
Increased business growth and employment	9,175 VAT and/or PAYE registered businesses	9,375 VAT and/or PAYE registered businesses	△	<p>Since 2015, the number of VAT and/or PAYE registered businesses in Newry, Mourne and Down increased by 22.1%, from 7,675 in 2015 to 9,375 in 2023. This includes an increase of 2.2% between 2022 and 2023 which can largely be attributed to the creation of an additional 270 new micro businesses and 45 new small businesses. The birth rate of new businesses in Newry, Mourne and Down was 665* in 2023-24, the second highest across all the Council areas and accounts for 12% of all new business births in Northern Ireland.</p>
	61,203 employee jobs	62,028 employee jobs	△	<p>Between 2015 and 2022, the number of employee jobs across Newry, Mourne and Down increased by 18.5%, from 52,341 to 62,028, which was the 4<sup>th</sup> highest across Northern Ireland, accounting for 7.8% of all regional employee jobs. The BRES (Business Register and Employment Survey) NI 2023 document which reports this data will not be published until 26 September 2023) and so the 2023 figure is currently not available.</p>
	3,260 job seekers and out of work universal credit claimants	3,220 Job seekers and out of work universal credit claimants	△	<p>There was a 1.2% reduction in the number of job seekers allowance and out of work universal credit claimants, from 3,260 in 2022 to 3,220 in 2023, which is the lowest it has been since 2019 but is still above pre-pandemic levels by 23%. This is slightly above the regional trend where the claimant count reduced by 0.9% between 2022 and 2023. Newry, Mourne and Down is ranked 7/11 across all Councils for its claimant count annual average.</p>















\*The 2023 Birth rates data is based on ONS quarterly statistics as the NI Business Demography 2023 is not due to be published until January 2025 and may therefore be subject to change.

## Performance Improvement Objective 2

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

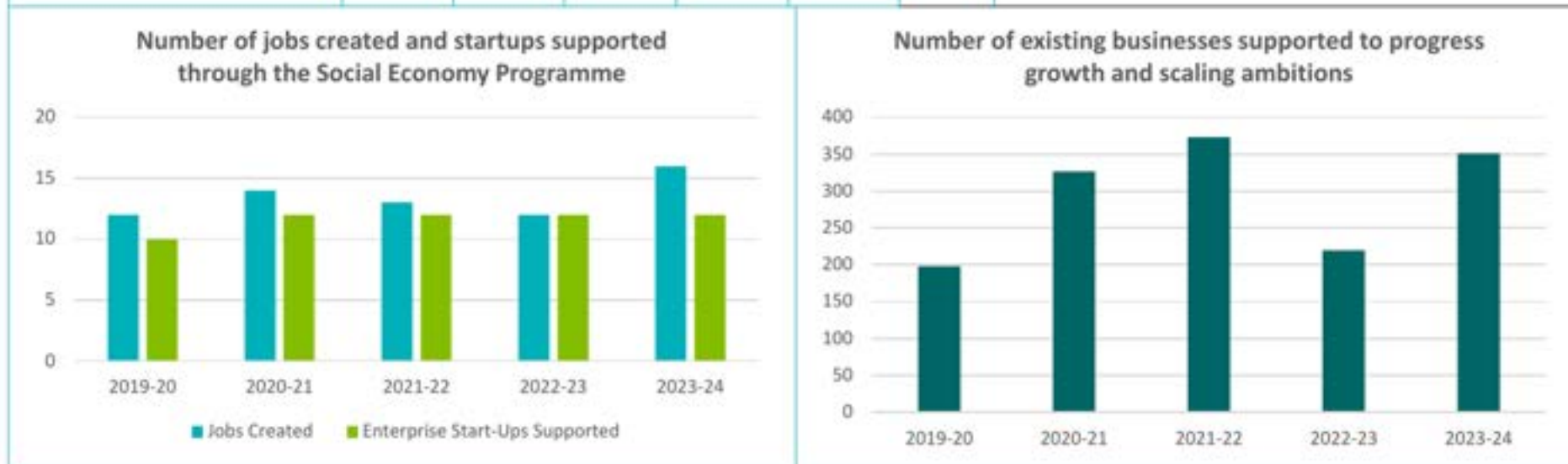
Key action	Status	Update
Roll-out the NMD 'Make it Local' campaign to support the revitalisation of our local economy		The Council implemented several 'Make it Local' promotional campaigns focusing on business recovery in Newry and Downpatrick following flooding in Autumn. Council delivered a Christmas Make it Local campaign featuring 3 businesses from Newry and 3 businesses from Downpatrick. Council delivered a Spring Make it Local campaign with funding received from DfC featuring a range of businesses in Newry and Downpatrick. The campaign was delivered via outdoor marketing, social and print media.
Invest in the social economy through the Social Enterprise programme.		The Council achieved all targets set through the Social Economy programme, supporting 30 social enterprises, 12 new start-up businesses created, delivering 194 mentoring days, assisting 51 people to gain increased skills for entering employment, creating 32 new volunteering jobs, 16 people securing employment and 16 new jobs created.
Support the growth of existing businesses and creation of new jobs through the Entrepreneurship Support Programme		Support for prestart up, start up and growth businesses commenced following the launch of the Northern Ireland Entrepreneurship Support Scheme (NIESS) in November 2023. 13 jobs were created via Go Succeed through the Engage pillar. The service encountered several mobilisation challenges including procurement, CRM delays, delays in mentor training, mobilisation etc. across Northern Ireland which has impacted on achieving targets.
Support the establishment of new businesses through the Entrepreneurship Support Programme		Following the cessation of ERDF funding, 11 Councils throughout NI led by Belfast CC worked in partnership to co design NIESS. NIESS branded "Go Succeed" launched on 13 <sup>th</sup> November 2023. The service is designed to assist pre start up, start up and growth businesses on their entrepreneurial journey.
Continue to create opportunities for employability and skills		Newry, Mourne and Down Labour Market Partnership continued to support local employment by delivering various initiatives in 2023-2024 to assist with the supply of potential employees to the business community. With a focus on employability and

<p>through implementation of the LMP Action Plan</p>	<p>upskilling, local residents have been provided with the opportunity to access support to work towards gaining employment or progressing within their current employment.</p> <p>Initiatives included delivery of a Pre-employment Programme "Get Work Ready" to 48 participants; all of whom availed of one-to-one support, resulting in 30 securing employment to date; assisting 35 local entrepreneurs with mentoring support and grant assistance to develop a business; 95 Upskilling for Growth enrolments, surpassing the initial target of 75 participants, with 83 of those completing their respective courses; delivery of 5 employability academies to 66 participants, 51 of whom completed, 23 of whom have secured employment to date; two sector specific employer engagement events were held to highlight the job opportunities within the Engineering Industry and Hospitality and Tourism Industry, with 58 people in attendance; two business masterclasses were facilitated for flood effected businesses which attracted 84 participants; local employers attended a Disability Engagement Event to obtain practical advice and support when considering employing someone with a disability or health condition.</p> <p>Additionally, a job fair was held with approximately 420 attendees and over 60 employers exhibiting their current vacancies; a careers fair was attended by 12 schools in the Ballynahinch and Lecale Learning Communities attracting 1000+ year 12 and year 13 students. A Bring IT On event was also hosted to highlight potential career pathways into technology. NMD LMP attended the Downpatrick Jobs and Benefits Office Youth Event and hosted two Health and Social care specific events in partnership with Downpatrick and Ballynahinch Jobs and Benefits Offices and NMP LMP continued to support the promotion of Apprenticeships as a viable and alternative pathway to employment through sponsorship of the SRC Big Apprenticeship Event and SERC Excellence Awards Apprentice of the Year.</p>
--	--

Measure of success	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	Status Trend	Explanatory Note
Number of social enterprise start-ups supported	10	12	12	12	12 (Target: 12)	 	Since 2017-18, the Council has consistently met and exceeded the targets set for the number of new social enterprise start-ups supported and jobs created. During 2023-24, the Council supported 12 new social enterprise start-ups and 30 existing social enterprises, assisted 51 people in increasing their skills for entering employment and created 16 new social enterprise jobs, as well as 32 new volunteering jobs.
Number of social enterprise jobs created	12	14	13	12	16 (Target: 12)	 	
Number of business plans created for start-up businesses and employer enterprises	298	266	358	361	151 (Target: 300)	 	NIESS (Go Succeed) commenced in November 2023. The delivery was delayed due to a number of issues including procurement and the development of a Customer Relationship Management (CRM) system, but the service is fully functional from March 2024. This has led to an overall decline in performance compared to 2022-23, with the number of new business plans created decreasing by 58%. This represents only half of the target set for 2023-24.
Number of jobs promoted via business start-up activity	194	199.5	215	187	90 (Target: 155)	 	NIESS (Go Succeed) commenced in November 2023. The delivery was delayed due to a number of issues including procurement and the development of a Customer Relationship Management (CRM) system, but the service is fully functional from March 2024. This has led to an overall decline in performance compared to 2022-23, with the number of new jobs promoted decreasing by 52% to 90 which includes 13.8 through NIESS. In 2023-24, Newry, Mourne and Down ranked 5/11 for the number of jobs promoted across NI. Newry, Mourne and Down also approved 151 business plans in 2023-24 placing the Council 5/11 across NI for business plan approvals.
Number of new businesses & employer enterprises supported to start up	203	181	215	187	90 (Target: 190)		NIESS (Go Succeed) commenced in November 2023. The delivery was delayed due to a number of issues including procurement and the development of a Customer Relationship Management (CRM) system, but the service



						▽	is fully functional from March 2024. This has led to an overall decline in performance compared to 2022-23, with the number of new start-ups supported decreasing by 52% and achieving only 47% of the set target.
Number of existing businesses supported to progress growth and scaling ambitions	198	327	373	220	351 (Target: 200)	😊 △	The number of existing businesses supported to progress growth and scaling ambitions increased significantly between 2022-23 and 2023-24 rising from 220 to 351. This indicates an increase of 59.5% and is 76% above the target set.







## 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

Key action	Status	Update
Develop a Circular Economy Plan for the district to make best use of our waste and resources.		A new Waste Management Strategy for Northern Ireland is being developed by the Department of Agriculture, Environment and Rural Affairs (DAERA) which supports the Circular Economy Package measures. This regional strategy will then allow for each Council, including Newry, Mourne and Down to develop its own Circular Economy Plan.
Develop and implement a strategic plan for controlling environmental crime.		The Council's Education and Enforcement Plan has been delayed due to resourcing issues within the section. Once this plan has been developed it will be monitored and reported to the Sustainability and Environment Committee on a quarterly basis. The Council continues to liaise with NIEA in relation to environmental crime. Enforcement Officers are being strategically assigned to identified "hotspots" where there has been an increase in dog fouling and littering offences. However, there is an acknowledgement that recruitment of seasonal enforcement officers has been difficult which may be a consequence of the challenging recruitment market.
Develop and implement the Local Development Plan.		A revised draft Plan Strategy was agreed by Council in August 2023 and subsequent advice on policies received from the Department for Infrastructure. A final review of the evidence base has been undertaken. The LDP team will finalise the countryside policies with Members in September 2024. Final draft policies will be shared with Shared Environmental Service (carrying out the SA) along with a legal review of






		<p>policies in the last calendar quarter 2024. It is intended to publish the draft Plan Strategy for public consultation at end of March 2025 to meet the current LDP timetable.</p>
<p>Develop a Local Climate Change Adaption Plan.</p>		<p>The development of the Local Climate Adaption Plan which identifies the impact of climate change on a range of operations, including flooding, storms, heat, coastal erosion, heat and drought, has been significantly progressed with publication due in Q3 2024-25.</p>
<p>Implement priority projects identified within AONB action plans and protect our biodiversity.</p>		<ul style="list-style-type: none"> <li>• The management structure and secretariat support for the three Marine Protected Areas (MPAs) were successfully provided, with facilitation and coordination of meetings for five distinct working groups within the Strangford Lough MPA.</li> <li>• Quarterly reports were regularly submitted to the AONB Management Groups, along with annual reports to NIEA.</li> <li>• The Ring of Gullion and Strangford and Lecale AONB Partnership groups continued to be managed, with networking, shared learning, and collaboration opportunities facilitated, as evidenced by the AONB Officers' meetings.</li> <li>• Reports on the implementation of AONB Management Plans were generated, and a review conducted in Q1 of the second year.</li> <li>• The implementation of two AONB Management Plans focused on Nature and Climate Recovery to build ecological and climate resilience, maintaining and improving landscape, water, habitats, species, and earth science conditions, as well as addressing terrestrial invasive species.</li> <li>• The enhancement of the geodiversity profile within the AONB was pursued, primarily through the implementation of the Geoparks 10-year Master Plan and 4-year Business Plan.</li> </ul>



		<ul style="list-style-type: none"> <li>• Multiple programs were developed and delivered, engaging various groups, institutions, and individuals.</li> <li>• Outdoor recreation opportunities were increased, and access to green and blue spaces was improved, mainly through the implementation of the Outdoor Recreation Action Plan.</li> <li>• Actions from the Slieve Gullion SAC management plan were carried out, with ongoing development and implementation of management plans to contribute significantly to maintaining and increasing the area of protected areas in favourable condition.</li> </ul>
--	--	--





Measure of Success	2020-21		2021-22		2022-23		2023-24		Status Trend	Explanatory Note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Level of street cleanliness across the District (KNIB street cleanliness score)	-	64	-	64	-	Data unavailable	64	Data unavailable		The Keep Northern Ireland Beautiful (KNIB) Cleaner Neighbourhoods Survey for 2023-24 has not yet been published. This figure will be included in the Mid-Year Assessment of the Performance Improvement Plan 2024-25.
65% of municipal waste recycled by 2030	50% by 2020	51.9%	50% by 2020	49.8%	50% by 2020	49.6%	50% by 2020	50.0%	 	Since 2017-18, the Council increased the overall rate of recycling by 3.9% to 50.0% and meets the 2020 target of 50%. Similar to the regional trend there has been an increase in the rate of recycling between 2022-23 and 2023-24 with the Council placed 7/11 across Northern Ireland.
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 significantly progressed with publication due in Q3 2024-25. The Council is involved in several projects to increase the availability of EV charging points across the District, with 20 new charging points delivered in 2023-24.								

### Performance Improvement Objective 3

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

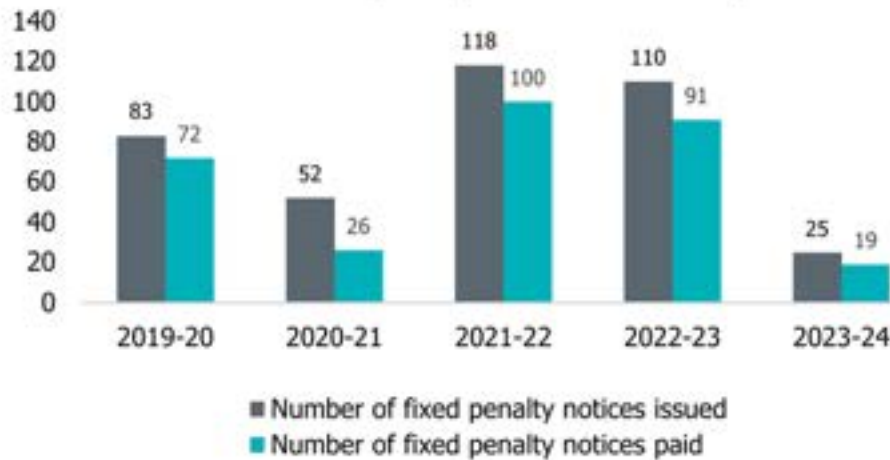
Key action	Status	Update
Address issues around littering, fly tipping and dog fouling by:		
Continuing to implement the Enforcement Action Plan		The Council's Education and Enforcement Plan has been delayed due to resourcing issues within the section. Once this plan has been developed it will be monitored and reported to the Sustainability and Environment Committee on a quarterly basis.
Promoting responsible dog ownership through publicity and social media campaigns		The Council continued to promote and encourage responsible dog ownership. The Council also provides information on responsible dog ownership through the website, social media channels and when issuing dog licences.
Working with Louth County Council to raise awareness of the impact of littering and illicit dumping along the border area		Newry, Mourne and Down District Council continue to liaise with colleagues from Louth County Council with a view to continuing to raise awareness of the impact of littering and illicit dumping along the border area.
Encouraging residents to bring properly sorted surplus recyclable waste to our Household Recycling Centres.		Work is ongoing in relation to the review of Household Recycling Centres. The website and HRC site signage provides clear guidance to residents on how to sort surplus recyclable waste. A booking system is in place which allows residents to access HRC sites in larger vehicles free of charge.
Support local community clean ups.		The Council supported 19 community clean ups at a range of locations across the District, including Kilkeel, Newtownhamilton, Jonesborough, Ballynahinch, Carnagat, Downpatrick and Annalong, however it did not achieve its target number of clean ups during 2023-24.

Implementation of a Paint Re-Use Scheme at 7 Household Recycling Centres throughout the district.		The Paint Re-Use scheme was initially implemented in Camlough during 2023-24. It resulted in the recycling and reuse of 20% of the paint brought to the HRC. The Council intend to rollout this scheme to HRC sites in Newry and Downpatrick during 2024-25.
Promote the Keep NI Beautiful 'Live Here Love Here' campaign.		The Council continued to participate in the Keep NI Beautiful 'Live Here Love Here' campaign, administering 9 grants, with a combined value of £10,697 which were awarded towards local projects. These projects were located across the District including Annalong, Castlewellan, Mayobridge, Lislea and Saul. The funding for these projects were used for numerous items including compost, tools, plants, seeds and seating.

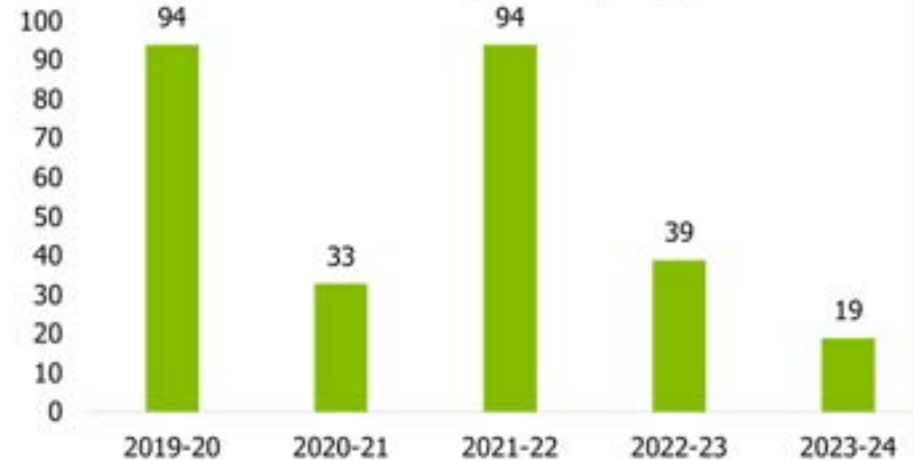
Measure of success	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	Status Trend	Explanatory Note
LEAMS score (Keep NI Beautiful Cleanliness Index)	64	64	Data unavailable	Data unavailable		The Keep Northern Ireland Beautiful (KNIB) Cleaner Neighbourhoods Survey for 2023-24 was not yet been published. This figure will be included in the Mid-Year Assessment of the Performance Improvement Plan 2024-25.
Number of fixed penalty notices issued	52	118	110	25 (Target: 120)	 	Between 2022-23 and 2023-24 the number of illicit dumping incidents reported to Council decreased by 9.6%, from 575 to 520 incidents, whilst the number of littering and dog fouling incidents reported also decreased from 245 to 239 during this period, resulting in a reduction of 2.4%.
Number of fixed penalty notices paid	26 (to date)	100	91	19 (Target: 96)	 	The number of fixed penalty notices issued decreased by 77.3% in the past year, from 110 in 2022-23 to 25 in 2023-24. 19 of the fixed penalty notices have been paid to date, accounting for 76% of the total issued.

Number of community clean ups supported	33	94	39	19 (Target: 100)	 	The Council actively supports clean ups which are carried out by local community groups and residents. Between 2018-19 and 2023-24, the Council supported 379 clean ups across the District, including 19 during 2023-24. This figure was well below the target set of 100.
Number of 'Live Here Love Here' environmental projects	24	18	10	9		Since 2018-19, the Council has supported 120 'Live Here Love Here' environmental projects, including nine during 2023-24. Successful projects used their funding to buy compost, tools, green houses, plants, planters, seeds and seating.

**Number of fixed penalty notices issued and paid**



**Number of community clean ups supported**

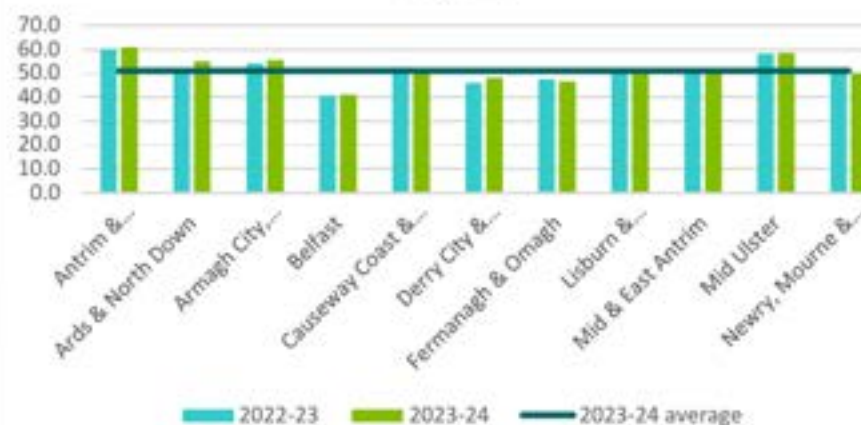


Measure of success	2020-21		2021-22		2022-23		2023-24		Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
The percentage of household waste collected by District Councils that is sent for recycling	50% by 2020	51.9%	50% by 2020	49.8%	50% by 2020	49.6%	50% by 2020	50.0%	 	Since 2017-18, the Council increased the overall rate of recycling by 3.9% to 50.0% and meets the 2020 target of 50%. It is however slightly below the 2023-24 regional average of 51.1% and ranks the Council 7/11 across Northern Ireland. Between 2022-23 and 2023-24, the overall rate of recycling in the District increased by 0.4%. This is in line with the regional upward trend over the past year with a 0.4% increase in the overall rate of recycling.

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



Percentage of household waste that is sent for recycling



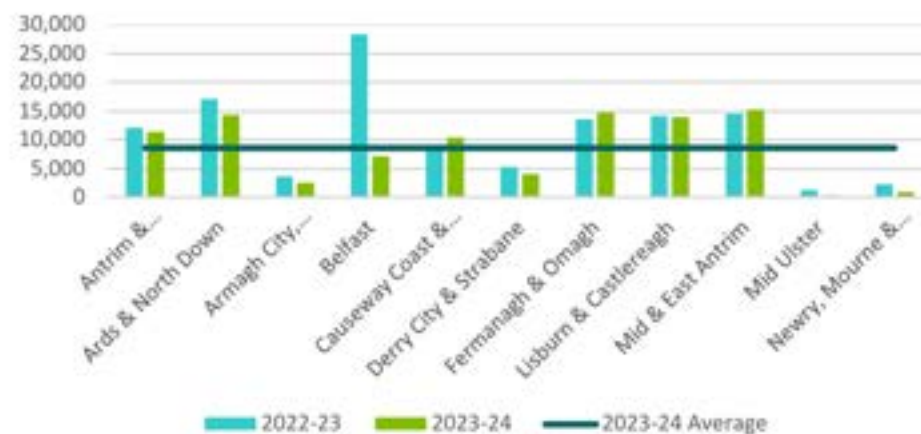


Measure of success	2020-21		2021-22		2022-23		2023-24		Status Trend	Explanatory note
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
The amount of biodegradable Local Authority Collected Municipal Waste that is landfilled	<20,954	2,538t	<20,954	2,685t	<20,954	2,319t	<20,954	937	 	Since 2015-16, the amount of biodegradable local authority collected municipal waste that is sent to landfill reduced by 94.2%, to 937 tonnes, and the Council only used 4.5% of the 2019-20 Northern Ireland Landfill Allowance Scheme allowance**. This falls well below the 2023-24 regional average of 8,682 tonnes with Newry, Mourne and Down ranked 2/11 across Northern Ireland. Between 2022-23 and 2023-24, Newry, Mourne and Down recorded a 59.6% decrease (1382 tonnes) in the amount of waste that is sent to landfill.

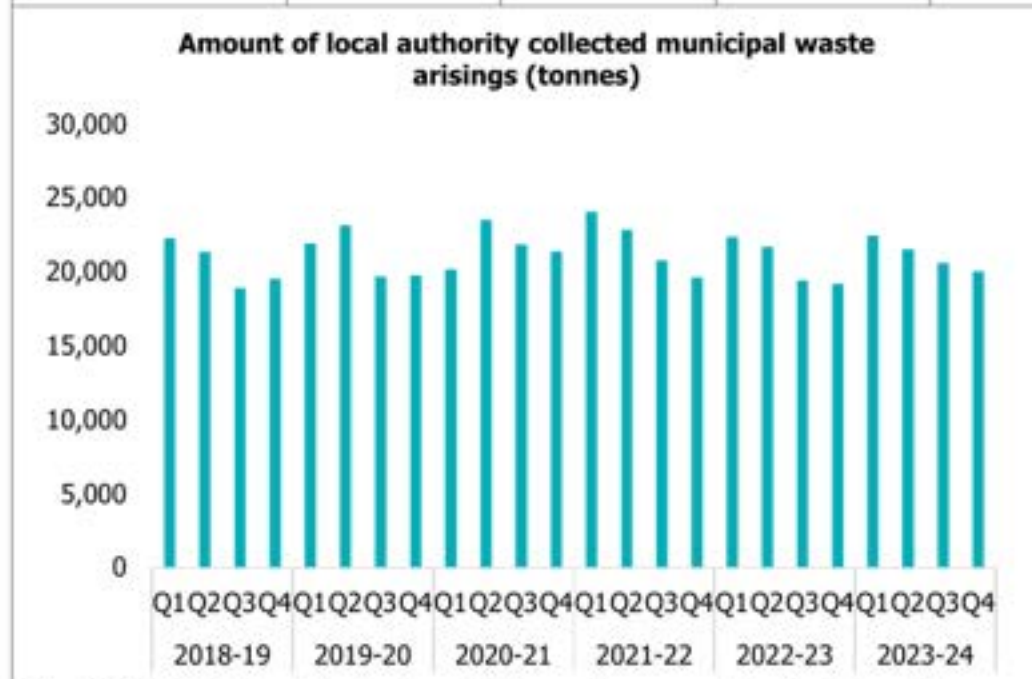
**Amount of biodegradable local authority municipal waste that is landfilled**



**Amount of biodegradable municipal waste that is sent to landfill (tonnes)**



Measure of success	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Trend	Explanatory note
The amount of Local Authority Collected Municipal Waste arisings	86,900t	87,336t	82,842t	84,684	▶	Since 2017-18, the amount of local authority collected municipal waste arisings has increased by 3.9% to 84,684 tonnes, however it does fall below the 2023-24 regional average of 90,901 tonnes. Newry, Mourne and Down is currently ranked 8/11 across Northern Ireland. 2023-24 seen an increase in the amount of Local Authority Collected municipal waste collected rising by 2.2% from 82,842t in 2022-23 to 84,684t in 2023-24.











\*The 2023-24 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 not be published until Q3 2024-25. 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

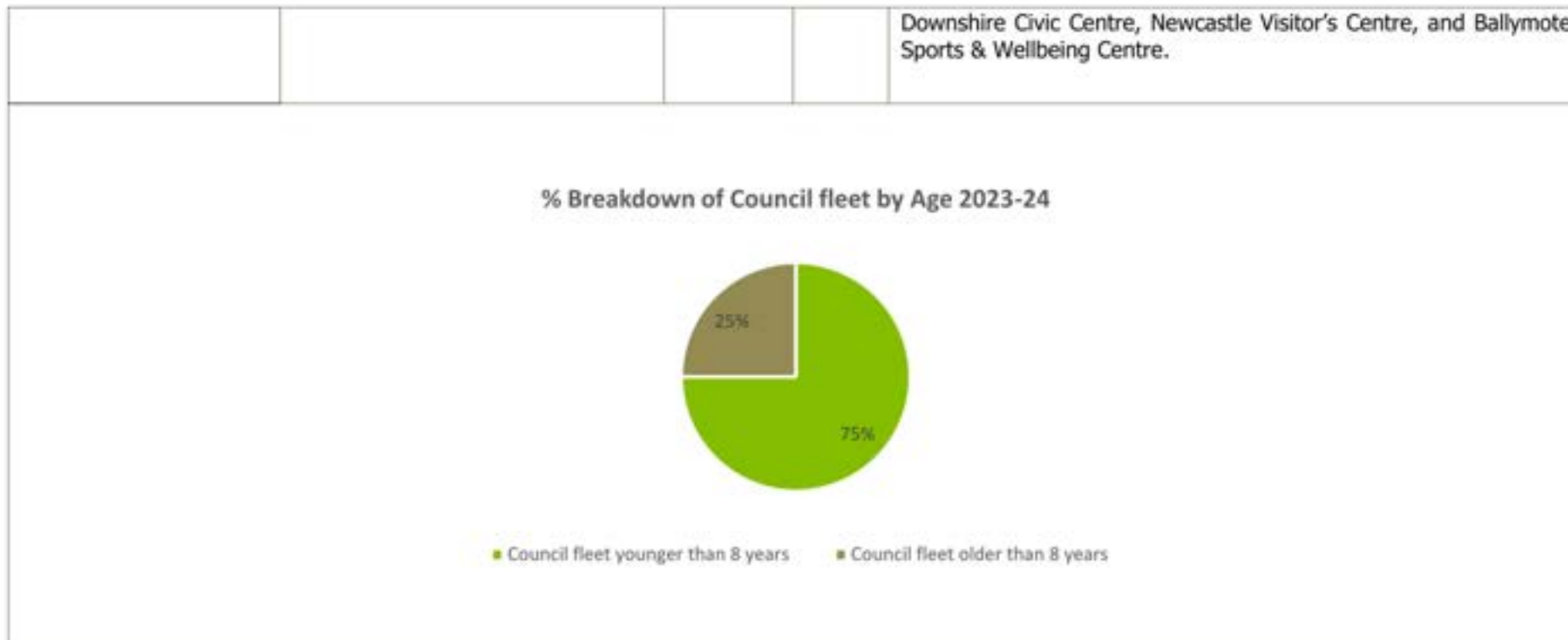
## Performance Improvement Objective 4


We will improve our sustainability and reduce our impacts in relation to climate change

Key action	Status	Update
Developing a climate change and sustainable development strategy		The climate change and sustainable development strategy is completed in draft form with publication planned for Q3 2024-25.
Completing the development of the Climate Change Adaptation Plan		The climate change adaptation strategy is significantly progressed. A final workshop is planned for September 2024 with a target date for publication of December 2024.
Developing a new biodiversity strategy 2023-28		Public consultation for the biodiversity strategy was completed in Q3/Q4 2023-24. Feedback has led to significant changes which have delayed publication. The target date for publication is now September 2024. It should also be noted that it is now a strategy to 2030.
Implementing the Council's Tree Strategy		Implementation of the Council's tree strategy is ongoing with 2,800 trees planted across the District in 2023-24 including 300 root ball trees and 2,500 tree whips.
Installing new public drinking water fountains		Council installed 5 water fountains across the District during 2023-24 at the following locations: <ol style="list-style-type: none"> <li>1. Annalong Harbour</li> <li>2. Ardglass Harbour</li> <li>3. Delamont Country Park</li> <li>4. Kilkeel Harbour</li> <li>5. Newcastle Promenade, Downs Road</li> </ol>

Supporting the implementation of new Electric Vehicle (EV) charging points		During 2023-24, Council completed the Faster EV project which supported the installation of 20 EV charging points across the District. Locations include Newry Leisure Centre, Down Leisure Centre, Downshire Civic Centre, Newcastle Visitor's Centre, and Ballymote Sports & Wellbeing Centre
Undertaking a baseline assessment of the Council's carbon footprint		Council will be undertaking the baseline assessment of its carbon footprint in 2024-25 to meet legislation set out in the new Climate Change Act (Northern Ireland) 2022.
Implementing the Council's fleet replacement programme		Implementation of the Council's fleet replacement programme is ongoing with a replacement programme agreed and included in the capital programme.

Measure of success	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	Trend	Explanatory Note
Carbon footprint of Council estate	To be established					Council will be undertaking the baseline assessment of its carbon footprint in 2024-25 to meet legislation set out in the new Climate Change Act (Northern Ireland) 2022.
Percentage of Council fleet younger than 8 years	New measure			75% (Target: 50%)		In 2023-24, 75% of the Council's fleet was younger than 8 years old which significantly exceeds the target set.
Number of vehicles within the Council fleet that have an alternative fuel source	New measure			1 (Target: 10)		Currently, Council has only one vehicle within its fleet that has an alternative fuel source. This car is used within the enforcement section and is due to be replaced with a new EV vehicle. A further 9 additional small and medium sized electric vans will also to be added to the fleet.
Number of trees planted on Council managed estate	New measure			2,800		In 2023-24, 2,800 trees were planted across the Council managed estate.
Number of Council supported EV charging points	New measure			20 (Target: 20)		During 2023-24, Council completed the Faster EV project which supported the installation of 20 EV charging points across the District including at Newry Leisure Centre, Down Leisure Centre,







## 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

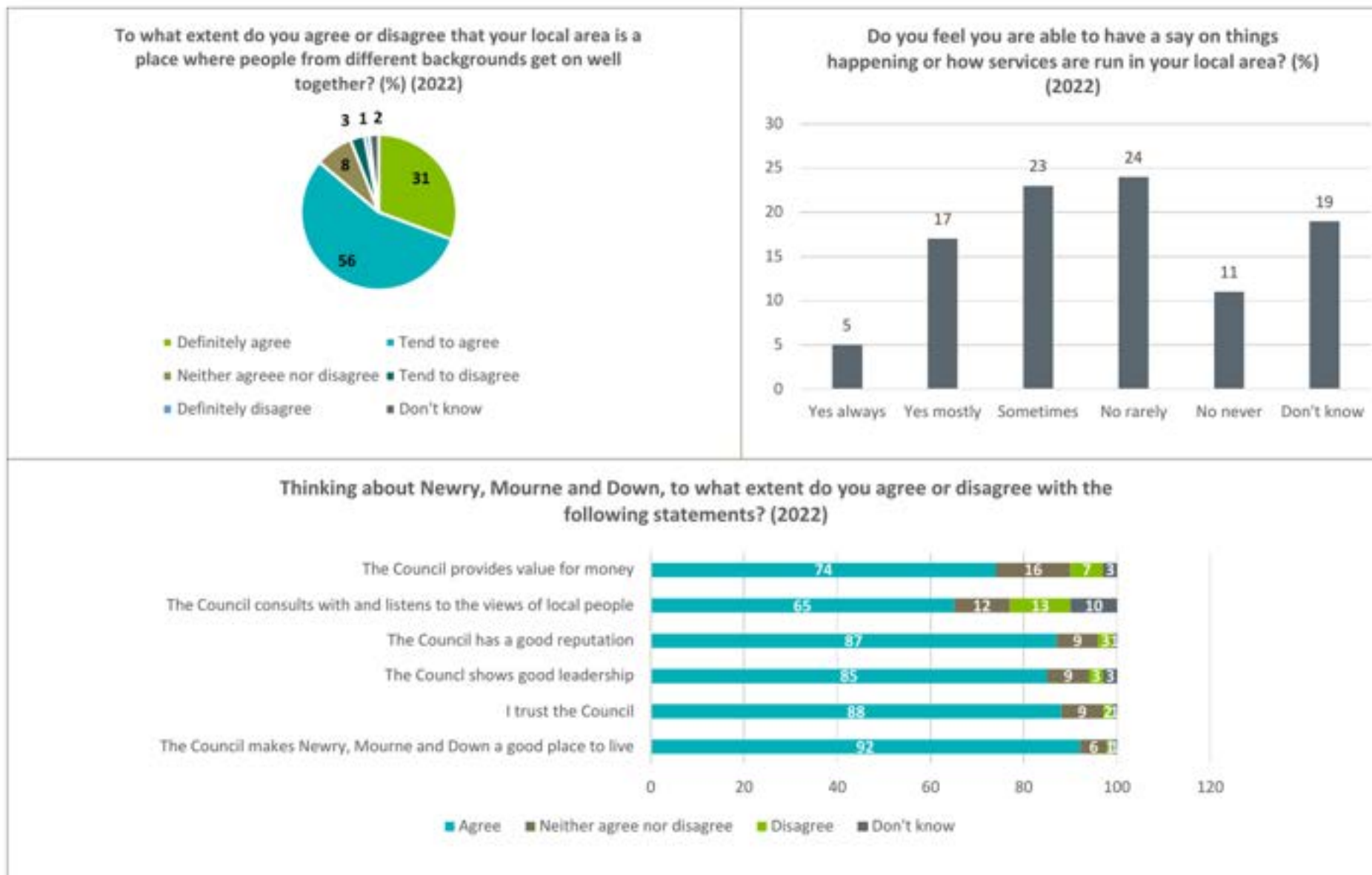
Key action	Status	Update
<p>Through the process of community planning provide opportunities for communities to have a voice in shaping local services and local areas.</p>		<p>Speak NMD, the online engagement platform provides citizens with an opportunity to engage with members of the Newry, Mourne and Down Community Planning Partnership, the community and voluntary sector, and other local organisations on a range of current topics, issues and challenges facing the district.</p> <p>This year the site has conducted 6 projects ranging from Biodiversity to community facilities. The site has had 2762 visitors, 692 respondents, 783 contributions and 159 subscribers.</p> <p>Through the DEA's (District Electoral Areas) 25 forum meetings took place which is made up of a DEA co-ordinator, Elected representatives and independent members who represent a cross section of their communities.</p>
<p>Engage and involve partners and communities in developing the district through the</p>		<p>A Thematic Summit for Health and Wellbeing was held in October 2023, with over 100 delegates from Statutory and Community Voluntary sector partners. Through this summit a number of key priorities were identified that will be addressed through a number of health and wellbeing action groups.</p>

implementation of the Community Plan.		The Partnerships multi-agency affordable housing action plan has been updated and will be published on the Councils website.
Develop and implement a Community Facilities Strategy.		The draft Community Facilities Strategy will now be included within a wider Community Development Strategy to include the role of DEA Fora, PCSP, Good Relations, Neighborhood Renewal, Community Services, Community Planning, Community Funding, and Consultation/Engagement. Alongside this, the Department will work on a model for the future delivery of Council's Community Facilities, aligned with Community Wealth Building (CWB) and Council's Asset Management Strategy, during 2024-25.
Promote sustainable and empowered communities through the implementation of the Council Financial Assistance Scheme.		The Council remains committed to investing in the capacity of local communities through the Financial Assistance (FA) scheme. Since 2015 the Council has awarded £10.8m (including 4-year cycle of FMA & SLA) to 3,440 successful applicants. In 2023-24, 71% of financial assistance applicants were successful with 55% awarded and 386 projects benefitting from the Financial Assistance scheme. The remaining 16% were scored and ranked.

Measure of Success	2018 Actual	2022 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%	87%	 	In September 2018 and again in September 2022, the Council commissioned a Residents Survey to establish and track 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 were surveyed and revealed that: <ul style="list-style-type: none"> <li>87% agree that the area is a place where people from different backgrounds get on well together, representing a significant increase on the 2018 figure of 72%.</li> </ul>
Percentage of residents who agree that the Council consults with and listens to the views of local people	62%	65%	 	

<p>Percentage of residents who feel that they can have a say on how services are delivered in their local area</p>	<p>59%</p>	<p>45%</p>		<ul style="list-style-type: none"> <li>• 65% agree that the Council consults with and listens to the views of local people, which is an increase of 3% on the 2018 figure of 62%. The percentage of residents that disagree with this statement however has increased from 11% to 13% during the four year period.</li> <li>• 45% feel that they can have a say on how services are delivered in their local area. This represents a significant decrease from the 59% recorded in 2018.</li> </ul> <p>Feedback and comparative analysis from the two Residents Survey has been used to inform the development of future plans and strategies, including the Corporate Plan and Performance Improvement Plan.</p>
<p>Measure of Success</p>	<p>2022-23 Actual</p>	<p>2023-24 Actual</p>	<p>Status</p>	<p>Explanatory Note</p>
<p>Number and percentage of financial assistance projects funded and successfully delivered</p>	<p>59.4% (366 projects awarded with 330 successfully delivered)</p>	<p>55% (71% of applicants were successful with 386 awarded)</p>		<p>Since 2015-16, the Council has awarded £10.8m to 3,440 successful applications through the Financial Assistance Scheme. This includes £1.18m being awarded to 386 projects during 2023-24.</p>










## Corporate Plan 2021-23: Self imposed performance indicators

### Corporate Objective

Provide accessible, high quality and integrated services through continuous improvement

Key action	Status	Update
<p>Introduce new, efficient and innovative ways to transform and improve the way we plan, manage and deliver services.</p>		<ul style="list-style-type: none"> <li>• From the 1 June 2022 the former system for paying invoices was discontinued and the Pecos and Multiquote systems are now embedded and operational within Council processes.</li> <li>• The CMT working groups are still operational and are providing updates to the Senior Management Team on a regular basis. Some of the key milestones to date include;             <ul style="list-style-type: none"> <li>- A Customer engagement charter has been developed along with a series of broad service standards.</li> <li>- An Agile Working Policy came into effect in July 2022</li> <li>- A business case was developed for an EDRMS system in February 2023 and is being considered internally.</li> </ul> </li> <li>• A mandatory Complaints Handling Procedure developed by the Northern Ireland Public Services Ombudsman was implemented by Council by 1<sup>st</sup> January 2024. A Complaints Tracker was developed by Council on Sharepoint to compliment the new Procedure. The Tracker monitors complaints from receipt to completion. It provides management information for internal and external reporting purposes. This allows officers, Councillors and the public to map response times and volume of complaints. In Q4 of 2023-24 there were 94 complaints received by Council.</li> <li>• An online property certificates service is now provided by Council.</li> <li>• The Council continues to support the development of a new corporate administration model.</li> </ul>

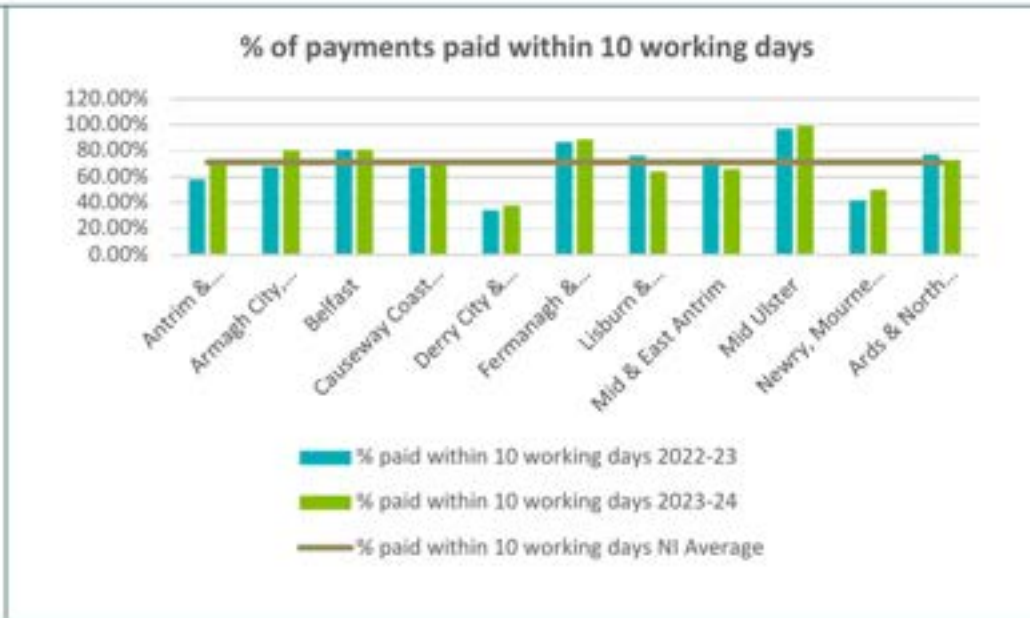
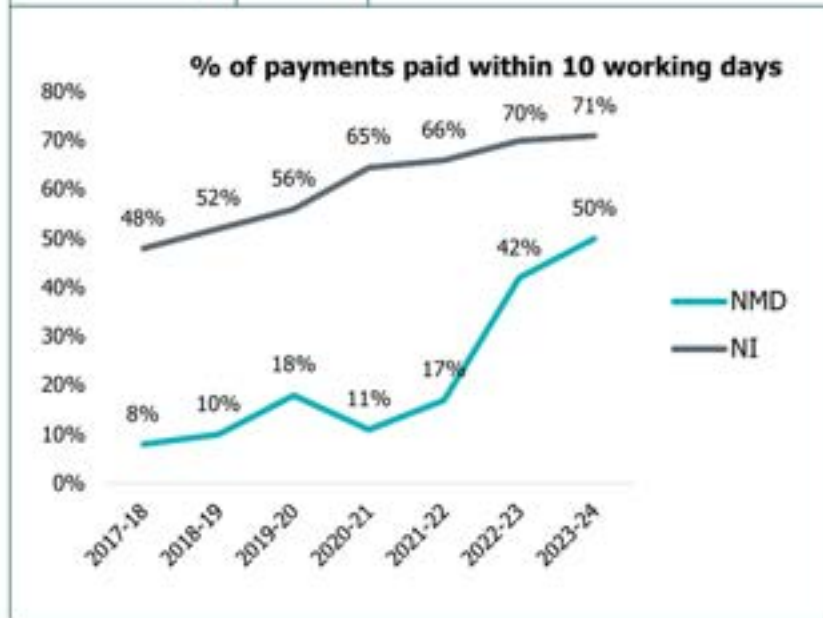
		<ul style="list-style-type: none"> <li>Implementation of a new performance management system began in November 2023 with all the actions and measures from the Council's Community Plan, Corporate Plan, Performance Improvement Plan and Directorate Business and Service Plans uploaded onto the system. Training was provided to all relevant staff in July 2024.</li> </ul> <p>The Council continues to identify and introduce new ways to transform local services.</p>
<p>Develop a robust and reliable evidence base to inform decision making, policy development and service provision.</p>		<ul style="list-style-type: none"> <li>During 2023-24, several surveys were conducted for a range of internal and external stakeholders. These included Museum Services, Parks and Beaches, Good Relations and the NMD Draft Corporate Plan.</li> <li>The evidence and research team facilitated a number of Councils consultation and engagements exercises through the "Speak NMD" public engagement site.</li> <li>The evidence and research team has conducted several data analysis and GIS analysis projects. Examples include mapping of social need, development of crime dashboards and mapping age friendly facilities.</li> <li>The indicator data from the NMD community plan has been updated and underpins the ongoing community planning activity as well as the development of the Draft NMD Corporate Plan (2024-27)</li> </ul> <p>The Council continues to adopt an evidence based and performance led approach to decision-making, policy development and service provision.</p>
<p>Effectively manage performance and align individual contribution with corporate objectives and better outcomes for all.</p>		<p>The Council continues to mainstream and embed the Business Planning and Performance Management Framework. During 2023-24, Service Plans were developed for all departments and a variety of training initiatives and programmes took place throughout 2023-24 to extend the roll out of the Council's People Perform Grow (PPG) process across the Council. These included PPG Leaders workshops and PPG Roadshows. Through Service Plans and People Perform Grow, the Council is demonstrating the alignment across the hierarchy of plans in place and the significant</p>

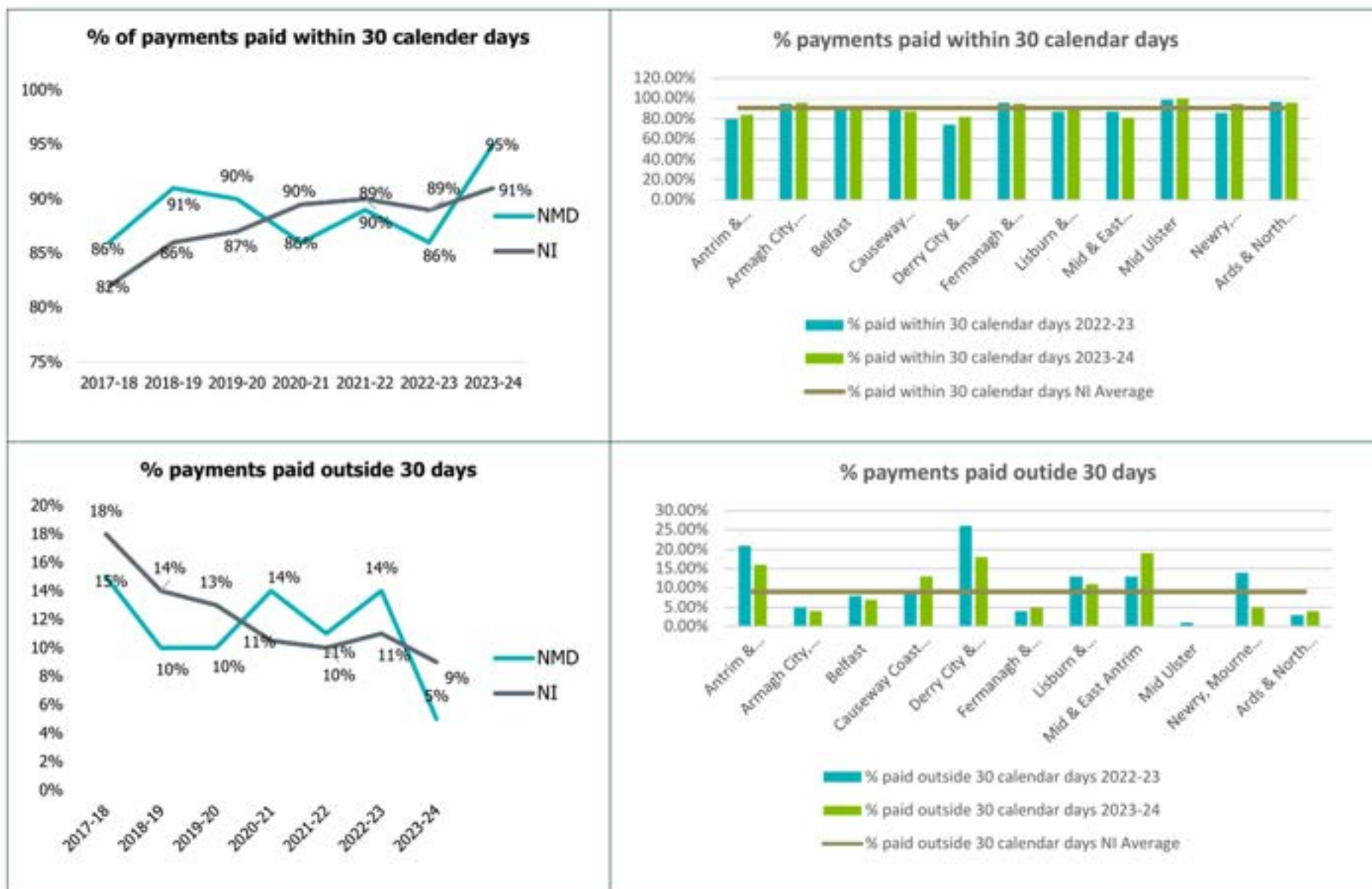
		contribution of employees in achieving the corporate objectives and better outcomes for all.
Support elected members in their leadership role.		<p>The Council continues to support Elected Members in their leadership role, by offering training and development programmes across a range of themes, including social media and the Law. A full induction programme was also held for newly Elected Members in 2024 including training in Standing Orders, Code of Conduct, Data Protection and Safeguarding. Elected Members also attended conferences organised by NILGA, National Association of Councillors and APSE.</p> <p>The Chairperson and Vice Chairperson have a designated resource within the Council to support them in fulfilling their role(s) as First Citizen(s). The Chairperson hosted 21 civic receptions and attended 180 official events across the District, including Civic Awards and Civic Recognition Awards for sporting and community groups and illuminating Council buildings and mentoring groups to recognise 'NHS 75<sup>th</sup> Birthday, Alzheimer's Foundation and Baby Loss Awareness Week' as well as many others. The Chairperson also hosted a charity event to raise funds for her chosen charities – Down Right Brilliant; Life Change Changes Lives; Newry All-Stars; Sound Friends; and Well Lane Warriors.</p>
Implement a new neighbourhood model of providing cleansing and maintenance services.		Cleansing and maintenance service models continue to be reviewed with proposed models to be developed in 2024-25.

Measure of Success	Status Trend	Explanatory Note
Increased citizen satisfaction	😊	<p>The 2022 Residents Survey revealed that:</p> <ul style="list-style-type: none"> <li>• 88% are satisfied with the Council overall, an increase of 1% on the 87% figure recorded in 2018.</li> <li>• 92% agree that the Council helps to make Newry, Mourne and Down a good place to live, an increase of 17% on the 75% recorded in 2018.</li> <li>• 88% trust the Council, an increase of 15% on the 73% recorded in 2018.</li> <li>• 74% believe the Council provides good value for money, which is above the GB average of 51% and is an increase of 13% on the 61% recorded in 2018.</li> </ul>
Compliance with Duty of Improvement	😊	<p>The certificate of Compliance was received from the Local Government Auditor in relation to the Duty of Improvement 2023-24. The Council is currently progressing the implementation of the 'proposals for improvement' which were put forward by the NI Audit Office, to help improve the arrangements in place to secure continuous improvement and facilitate a performance improvement culture.</p>
Level of absenteeism	⚠️	<p>During 2023-24, Newry, Mourne and Down recorded 23.9 days lost per full time equivalent. This represents a small increase from 23.26 days in 2022-23. This is due to an increase in long term absence. Long term absence has increased from 18.24 to 20.53 days per employee and is the highest level of long-term absence recorded since 2015-16. This increase in long term absenteeism is due to a variety of individual circumstances which are carefully monitored.</p> <p>There has been a decrease in short-term absence from 5.02 days in 2022-23 to 3.33 days in 2023-24.</p> <p>48.6% of the workforce (465 employees) had no recorded absence during 2023-24, this represents an increase when compared to the 39.1% of employees with no recorded absence in 2022-23.</p> <p>Overall absenteeism is carefully monitored through the Policies &amp; procedures of the Council.</p>
Percentage of payments paid:		<p>The percentage of payments made within 10 working days has increased by 8% from 42% in 2022-23 to 50% in 2023-24. It remains however, one of the lowest across all regional councils ranking NMD 10/11 across Northern Ireland. An increase has</p>





Within 10 working days	△	also been recorded in the number of payments made within 30 calendar days rising from 86% in 2022-23 to 95% in 2023-24. This is above the NI average of 91% of invoices paid within 30 calendar days and ranks Newry, Mourne and Down joint 4/11 across Northern Ireland alongside Fermanagh and Omagh. The percentage of payments paid outside 30 days has decreased during this period from 14% in 2022-23 to 5% in 2023-24. This is below the regional average of 9% for payments paid outside 30 days with the Council ranked joint 4/11 across Northern Ireland alongside Fermanagh and Omagh.
Within 30 calendar days	△	
Outside 30 calendar days	△	







## Corporate Objective

Advocate with others for the benefit of all people of the District





Key action	Status	Update
<p>Work with partners to implement the Community Plan and deliver better outcomes/improve the quality of life for all.</p>		<p>The Community Planning team facilitated a Thematic summit for Health &amp; Wellbeing (October 2023) which identified a number of priority areas under this theme. A working group has been established to take forward actions to address these priorities</p> <p>The key actions that were undertaken by the Partnership in 2023-24 included:</p> <ul style="list-style-type: none"> <li>• Youth and Future Talents Awards and NMD Youth Council</li> <li>• Community Support Partnerships</li> <li>• Labour Market Partnership</li> <li>• Sustainable Food Partnerships</li> </ul> <p>The Community Co-Ordination Hub and Strategic Stakeholder Forum brought together a number of Community Voluntary organisations with Council Officers and Statutory organisations. Their work has focused on the development of Social Supermarkets, the administration of Hardship Funds and Support for Refugees and Asylum Seekers</p> <p>DEA Fora has also contributed to the delivery of the Community Plan outcomes by delivering numerous cross community events and programmes, provision of warm spaces across the District, Community reimaging projects; health and wellbeing awareness raising, and representing Council at local partnerships. [DEAS]</p>
<p>Support elected members in their advocacy role around key local actions.</p>		<p>Elected members are supported in their advocacy roles through the DEA officers who work together with their DEA fora members to identify key local actions relevant to communities and implement programmes, activities and projects that aim to benefit residents and communities.</p>











Measure of Success	Status	Explanatory note
Compliance with the duty of community planning / monitor delivery of outcomes with partners		During 2023-24, the Council continued to comply with the statutory duty of community planning. The Community Planning Partnership met three times during the past year. The Partnership produced and published their bi-annual statement of progress which is available online. This included a synopsis of the partnership's activity as well as an update on the indicators of the community plan.
Percentage of residents who are satisfied with their local area as a place to live		The 2022 Residents Survey revealed that 91% of residents are satisfied with their local area as a place to live, which is well above the GB average of 81% and is an increase of 1% on the figure recorded in the 2018 Residents Survey. 99% of residents in the Slieve Croob DEA are satisfied with their local area as a place to live, compared to just 59% in the Newry DEA. Older residents are also more likely to be satisfied with their local area as a place to live than younger residents. The top perceived problems identified by residents are dog mess and fouling and rubbish or litter lying around.

## Performance Improvement Objective 5

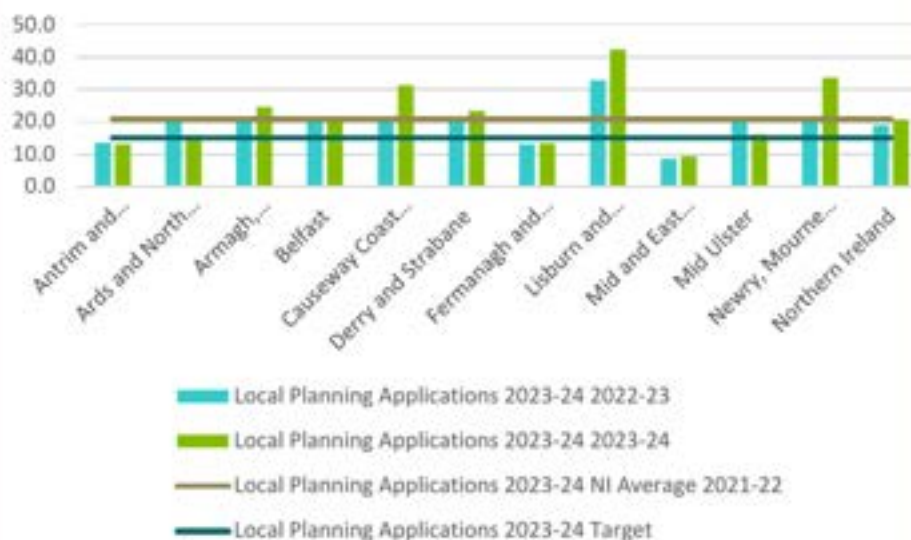
We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme

Key action	Status	Update
Reduce the number of live planning applications and enforcement cases which have been in the system for over 12 months.		The number of live planning applications which have been in the system for 12 months or more increased by 54.4% between 2022-23 and 2023-24 rising from 228 by March 2023 to 352 by March 2024. The number of enforcement cases in the system for 12 months or more also increased, rising by 19.8% during this same period from 500 cases in March 2023 to 599 cases by March 2024. Whilst the number of live planning applications and enforcement cases in the system for over 12 months remains high the Council is committed to continuing to reduce these figures.
Work with agents and architects to improve the standard of planning applications submitted.		In 2023-24 a workshop was held with agents and architects to outline the challenges within the planning service and to start discussions around the importance of quality applications. A broad agreement was reached around the use of validation checklists and work will be ongoing in 2024-25 to implement that.
Support employees to deliver service improvements through ongoing training, capacity building and 'planning surgeries'.		During 2023-24 there was a number of new recruits to the planning team and a number of existing staff promoted. Principal officers and their senior team continue to provide training to staff as part of their induction and continuous development.
Effectively implement the new electronic planning system		The new portal is live however work remains ongoing through ICF to enhance the service and deal with problems that emerge. The design team visited staff in December 2023 to capture feedback and have implemented a range of improvements. Work in relation to the enforcement modules has progressed and remains a work in progress.

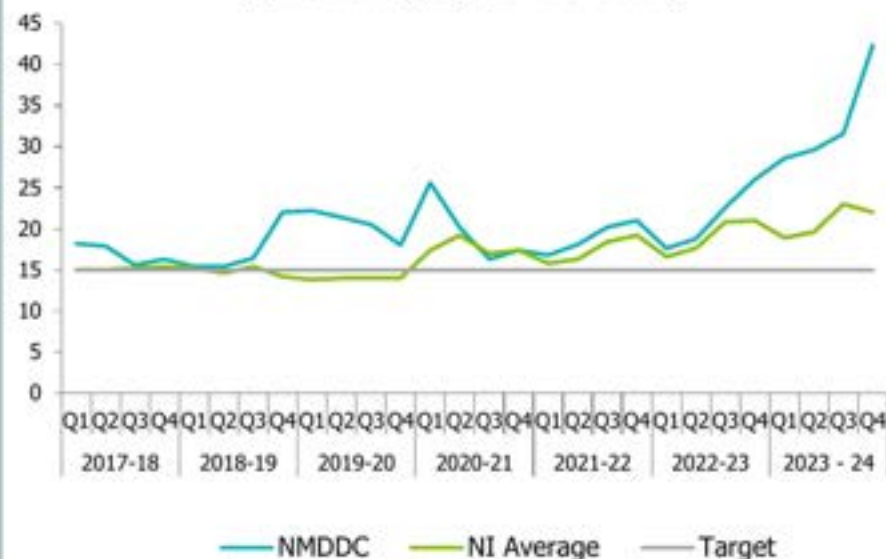
Measure of success	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	Status Trend	Explanatory Note
Average processing time for local planning applications (weeks)	19	18.8	21.6	33.7 (Target: <15 weeks)	 	During 2023-24, Newry, Mourne and Down received 1,277 local planning applications which is the second highest across Northern Ireland behind Belfast but represents a 15.7% decrease when compared to 2022-23. The processing time for local planning applications increased from 21.6 weeks in 2022-23 to 33.7 weeks in 2023-24 which is above the regional average of 20.8 weeks and exceeds the statutory standard of <15 weeks. Newry, Mourne and Down processed 10.0% of local planning applications within the statutory standard for 2023-24, a decrease of 18.3% compared to 2022-23. The Council is currently ranked 10/11 across Northern Ireland for processing local planning applications.
Average processing time of major planning applications (weeks)	64.6	44.3	89.0	154.8 (Target: <30 weeks)	 	During 2023-24, Newry, Mourne and Down received eight major planning applications, one more application than what was received in 2022-23. The processing time for major planning applications increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24 which was the highest increase in processing times across all 11 Councils. It is above the regional average of 46.5 weeks and still exceeds the statutory standard of <30 weeks. 14.3% of major planning applications were processed within the statutory standard, an increase of 5.2% compared to 2022-23 with the Council ranked 11/11 across Northern Ireland.
Percentage of planning enforcement cases progressed within 39 weeks	40.9%	48.5%	58.6%	60.0% (Target: 70%)	 	Data on enforcement cases has now been updated with Newry, Mourne and Down opening 250 enforcement cases in 2023-24, representing a decrease of 21.9% compared to the 320 cases opened in 2022-23. The percentage of enforcement cases progressed within the statutory timescale increased by 1.4% from 58.6% in 2022-23 to 60.0% in 2023-24 however it remains below the statutory target of 70% and below the regional average of 76.4% with Newry, Mourne and Down ranked 8/11 across Northern Ireland.
Number of planning applications in the system for 12 months or more	195	187	228	352 (Target: <200)	 	Between 2022-23 and 2023-24, the number of planning applications in the system for 12 months or more increased by 54.4% from 228 in 2022-23 to 352 in 2023-24. Currently NMD has the highest

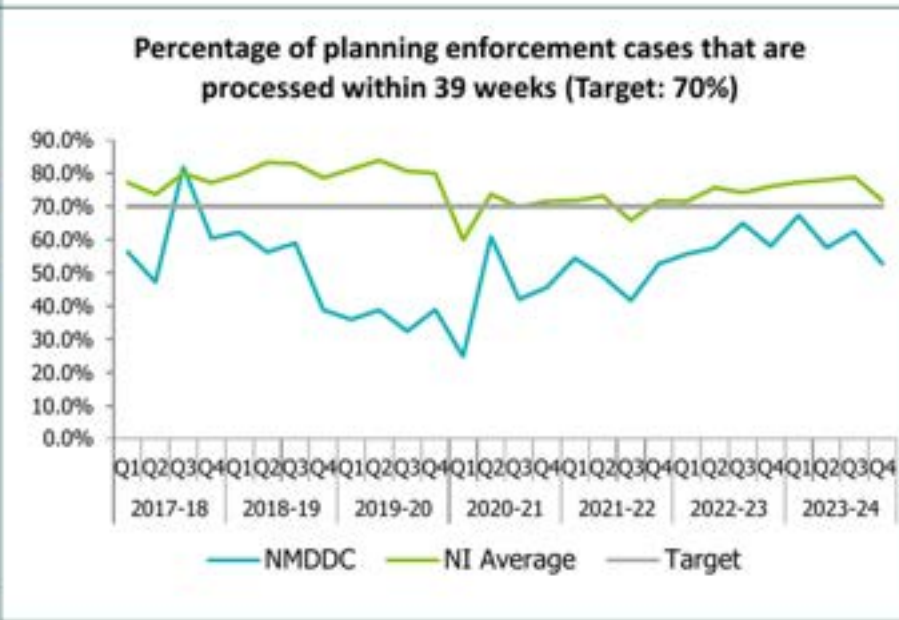
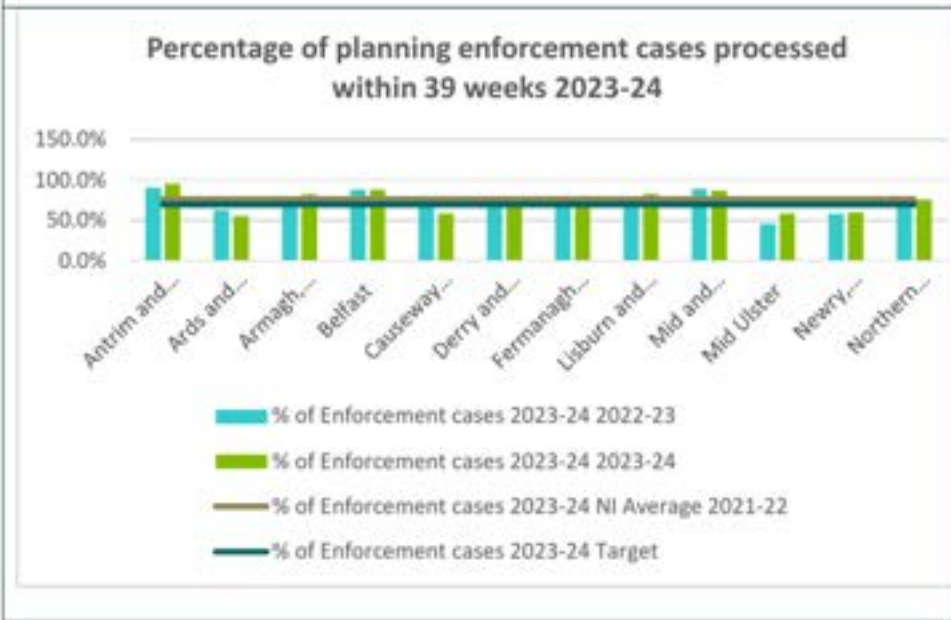
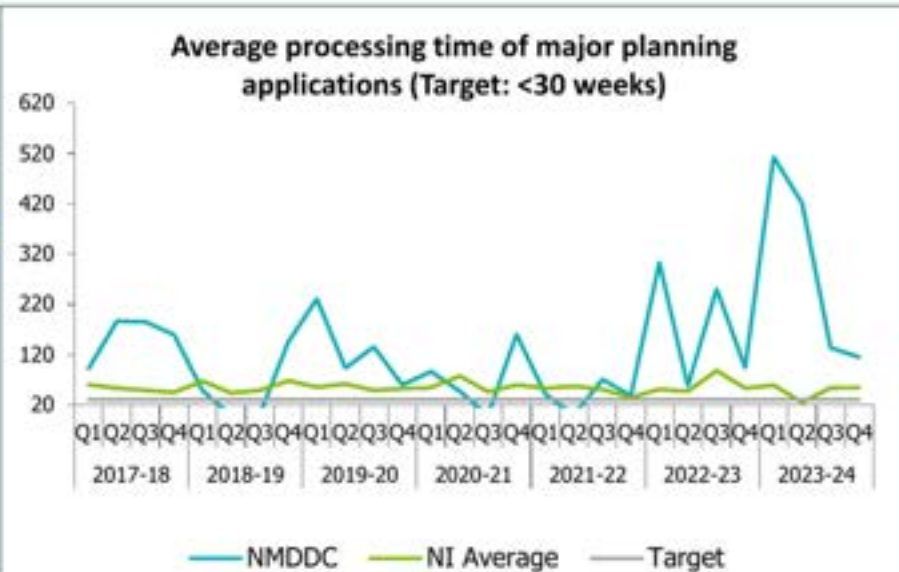
				150)		number of planning applications in the system for 12 months or more across Northern Ireland.
Number of planning applications in the system for 12 months or less	857	871	934	1,154 (Target: 700)	☹️ ▽	Between 2022-23 and 2023-24, the number of planning applications in the system for 12 months or less increased by 23.6%. Newry, Mourne and Down currently has the 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	546	472	500	599 (Target: 450)	☹️ ▽	Between 2022-23 and 2023-24, the number of enforcement cases in the system for 12 months or more increased by 19.8%. Newry, Mourne and Down currently has the highest number of live enforcement cases in the system (803) across Northern Ireland, 54% of which have been in the system for two years or more.

Average processing time of local planning applications 2023-24



Average processing time of local planning applications (Target: <15 Weeks)





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'

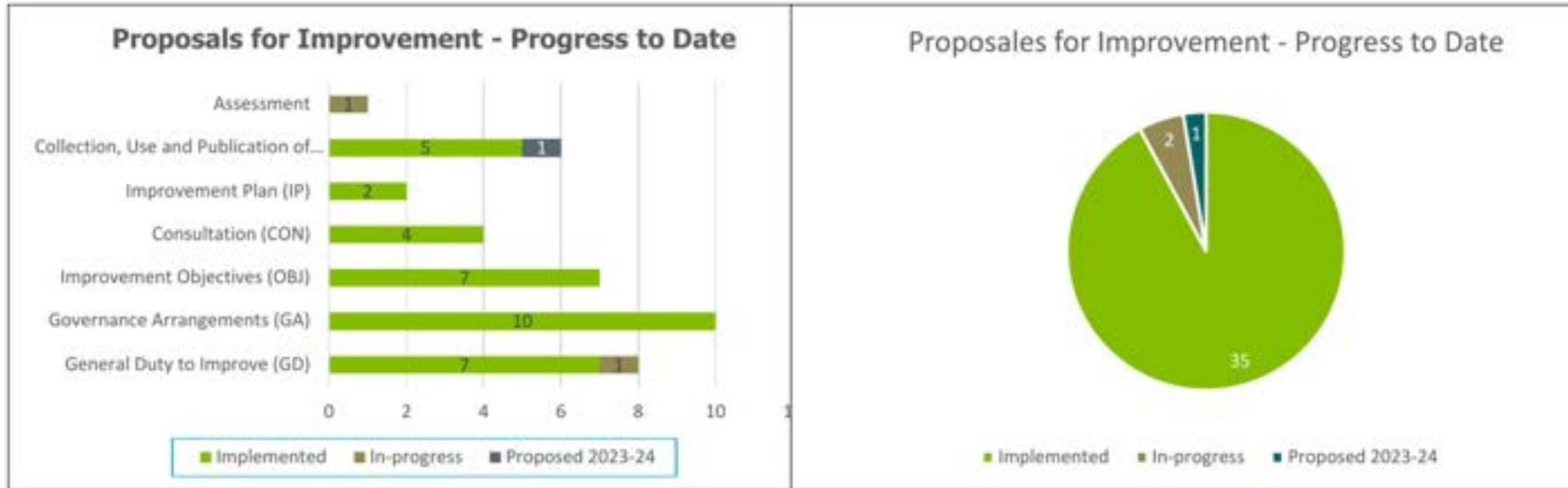
### Newry, Mourne and Down District Council Performance Audit and Assessments: Proposals for Improvement - Progress Report


For the past six 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.

#### 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	



Theme, Proposal and Progress to Date	
<b>THEME: Collection, use and publication of performance information</b>	
<b>PROPOSAL FOR IMPROVEMENT: Targets set out in the Improvement Plan should also be included within the Self-Assessment Report to enable the Self-Assessment report to be used as a standalone document</b>	
<p>In the self-assessment, targets, where set, have always been provided for the measures within the corporate plan. There is also a legend provided at the start of the document that indicates that if a green face is under the status column, then the target has been achieved/on track to be achieved and similarly if a red face is under the status of the measure, it indicates that the target was not achieved or is unlikely to be achieved.</p>	
<b>PROGRESS TO DATE</b>	
<p>To further improve transparency and make it easier to assess performance, the Council has within this report, included all targets, where set, below the actual figure recorded for the assessment year (2023-24). This will also be carried forward for all future Assessment of Performance reports.</p>	



<b>THEME: Assessment</b>	
<b>PROPOSAL FOR IMPROVEMENT: Council should consider enhancing transparency of the self-assessment report by providing more detailed narrative to allow the reader to better understand how Council has determined the ratings of the trends in performance. Furthermore, where there are downward trends in performance or the Council has assessed targets are not likely to be achieved, appropriate explanations should be included as to how Council intends to address this</b>	
<p>The Residents Survey provides robust and reliable datasets for the Council to understand and track resident perceptions of the Council and its services. It is directly aligned to and influences the content of the Corporate Plan and PIP. Best practice indicates that Residents Surveys should be carried out every 3-4 years, as resident perceptions are unlikely to change on an annual basis, and the baseline data is therefore considered 'live' for this period of time. A legend is also provided in all performance reports indicating whether a target has been achieved/partially achieved or not achieved at all and where there has been an upward or downward trend in the figures year on year.</p>	
<b>PROGRESS TO DATE</b>	
<p>A second Residents survey was carried out in September 2022 which allows a comparative and trend analysis with the previous Residents Survey and provides clear transparency in how we are performing as a Council. A status and narrative are provided against every action and measure within the Assessment of Performance and where downward trends are experienced an explanation on how this has occurred is provided where possible.</p> <p>You will see in this Assessment Report that where applicable, a more detailed narrative has been included to allow better understanding of the Council's performance and where targets have not been achieved an explanation of what perhaps contributed to that is also included as well as what Council are doing to bring about improvement.</p>	
<b>THEME: General duty to improve</b>	
<b>PROPOSAL FOR IMPROVEMENT: An electronic performance management system would help to achieve long term continuous improvement as it would provide the basis for a more reliable system for identifying and monitoring improvements, as well as creating efficiencies in the process that could free up time to spend on value adding activities</b>	
<p>Implementation of a new electronic performance system through 'OneAdvanced' has taken place. It came online in Q4 2023-24 and work has been carried out to ensure all the objectives, actions and measures across the whole suite of the Council's performance framework has been included from the Community Plan, Corporate Plan, Performance Improvement Plan, Directorate Business Plans</p>	

down to Service Plans. Training has also been provided to all relevant staff and this training has been recorded for continuous reference. During this transition, the Council will continue to maintain and manage the excel based performance management system until the electronic system is fully embedded and operational. 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.

### **PROGRESS TO DATE**

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, and was updated in Q3 2022, in line with the 4-year policy review cycle.

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.

### **Community Plan**

The Community Planning team facilitated a number of workshops to review the Community Plan. These workshops engaged all partners including the Strategic Stakeholder Forum, District Electoral Area Fora, Youth Council and Older Persons Fora. Subsequent to this an internal workshop was held with Council officers. A review of the plan was presented to the Community Planning Partnership in Q4 2023-24.

### **Corporate Plan**

The Council has now finalised the new Corporate Plan 2024-27 which has been approved through the Council's committee structure. The implementation of the consultation and engagement programme was completed following a 12-week public consultation period between March and May 2024. This included consultation with the Councils District Electoral Area Forums with representatives from the

community and business sectors as well as elected members and a number of Section 75 groups including Youth Voice and the Cedar Foundation. This plan was supported through the second Residents Survey for the District carried out in September 2022, involving a representative sample of residents across the District. The Residents Survey was supplemented by focus groups and workshops, which engaged key stakeholders in the process, particularly Elected Members, employees and the Senior and Corporate Management Teams. This robust and reliable quantitative and qualitative evidence base has been used to inform and influence the strategic objectives, key actions and measures of success within the new Corporate Plan.

### **Performance Improvement Plan**

The Council published the Performance Improvement Plan 2024-25 ahead of the statutory deadline. Three of the performance improvement objectives, supporting actions and measures of success were carried forward from 2023-24. One of the objectives has been amended to better reflect the link to the new corporate objective it supports, as well as the new economic programme 'Go Succeed' which is now in place. Another objective has been amended following feedback through the consultation to further signify the Council's support for recycling. All were developed and updated in close liaison with officers, approved by the Senior Management Team and Strategy, Policy and Resources Committee, and subject to pre-engagement consultation and a public consultation process between March-May 2024.

### **Directorate Business Plans**

Five Directorate Business Plans 2024-25 were developed and approved by the Senior Management Team and relevant Council Committee. Each Business Plan also includes objectives, key actions and measures for success which have now been aligned to the new corporate objectives. As well as that, all the Directorate Business Plans had to be reviewed following completion of the Council's restructure under its planning for the future strategy. This involved various sections moving in and out of Directorates which had to then be reflected within the new Directorate Business Plans. This also impacted the relevance of the Directorates key objectives which had to be developed again to best reflect the new Directorates and sections. Each Directorate also undertook an assessment of their respective Business Plan 2023-24, which was also approved by the Senior Management Team and relevant Council Committee. All Directorates are very proactive in engaging employees in reviewing and developing the Business Plan, organising workshops and business planning sessions.

### **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. Service Plans were subsequently introduced in 2021-22 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 and agreed objectives. All departments developed a Service Plan during 2023-24, and some departments, particularly the Leisure and Sport and Community Development Departments were very proactive in engaging all employees in the development of the 2024-25 Service Plan.

### **Individual Performance**

During 2019-20, the Council developed 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 and was subsequently launched during 2021-22 for tier four employees and above. During 2022-23, 'People, Perform, Grow' was rolled out to employees at tier 5 with People Perform Grow templates linked to individual performance objectives with the relevant Service Plan, in order to strengthen the cascade of corporate objectives to all employees across the organisation. An e-learning module and brochure was developed to support the effective implementation of People Perform Grow, and performance management arrangements have been introduced, through the 'PPG Tracker', to monitor progress in employee participation in People Perform Grow. Progress is reported through the Corporate Performance Dashboard on a quarterly basis.

In 2023-24 a variety of training initiatives and programmes took place to extend the roll out of the Council's People Perform Grow (PPG) process across the Council. There was the roll out of 'PPG Leaders' workshops to support line managers develop their leadership skills and have effective, structured, supportive PPG coaching conversations, in both individual and team settings to deliver all three strands of PPG. These mandatory workshops were successful with 87% of the target audience attending and feedback was excellent. In collaboration with Heads of Service, Learning & Development held 12 'PPG Roadshows' throughout the district to help embed PPG. The roadshows were well received and reached over 300 employees. There was also continued promotion of PPG via PPG Posters circulated throughout the Council district, PPG roadshows, a specific PPG Newsletter and the PPG eLearning module.

The Corporate Performance Dashboard continues 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 will now be aligned to the objectives within the Corporate Plan 2024-27 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 2023-24 is made up of 18 performance measures, including the seven statutory performance indicators for economic development, waste management and planning. These performance measures may change on an annual basis and will continue to be aligned to specific organisational objectives, risks and areas for improvement.

THEME: Governance Arrangements	Status
<p><b>PROPOSAL: The Council should consider using Internal Audit to review the performance improvement arrangements.</b></p>	
<p>The Council views the annual audit carried out by NIAO around the current Performance Management arrangements to be more than sufficient. However, the Council does recognise the value of engaging the Internal Audit function to identify and deliver improvements, specifically those which do not necessarily fall within the scope of NIAO audit, such as around data validation and monitoring. To this end, in 2018, an Internal Audit of the APSE PI's was carried out and all recommendations were implemented. An Internal Audit of the Corporate Plan's Performance Indicators took place in Q4 2022-23 and the Council also agreed a 4-year Internal Audit plan in April 2023 with an audit of Performance included for two of those four years with an option to increase if necessary.</p>	
<p><b>PROGRESS</b></p>	
<p>Performance have a new Internal Audit review scheduled to take place in Q4 2024-25, looking at a number of measures within the Performance Improvement Plan 2024-25. The review will be looking specifically at the validation processes for certain measures. In Q4 2022-23, the Council worked with ASM to agree the Terms of Reference for an audit of specific measures of success within the Corporate Plan 2021-23. The audit identified a number of improvements which could be incorporated within the Council's systems in relation to the performance measures in the 2021-23 Corporate Plan which have been implemented where possible within the new Corporate Plan 2024-27. Based on the information they reviewed however, they considered that the existing systems in place for recording and validating data for performance measures in the 2021-23 Corporate Plan were basically sound and provided a <b>satisfactory</b> level of assurance regarding the effective and efficient achievement of the Council's objectives. This process provides assurance that the necessary data collation processes are in place to ensure robust, reliable and accurate datasets are reported in the public domain, ahead of the publication of the new Corporate Plan 2024-27.</p> <p>Performance management training took place for members of the Audit Committee in January 2021, exploring the role of Elected Members in building high performing organisations. 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 2024-27 and Performance Improvement Plan 2024-25.</p>	

THEME: Improvement Objectives	Status
<b>PROGRESS</b>	
<p>Three of the 2023-24 performance improvement objectives have been carried forward to 2024-25. One of the objectives has been amended to better reflect the link to the new draft corporate objective it supports, as well as the new economic programme 'Go Succeed' which is now in place while another has been amended following feedback through the consultation to further strengthen the Council's support for recycling. 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 2024-27. The five performance improvement objectives were endorsed through the public consultation and engagement process which was carried out during Q1 2024-25. 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 2024 and published before 30 June 2024, ahead of full Council ratification, in order to meet the statutory deadline.</p> <ol style="list-style-type: none"> <li>1. We will support the health and wellbeing of local people by improving our leisure facilities and services</li> <li>2. We will contribute to growing the economy by supporting local businesses and job creation</li> <li>3. We will improve the cleanliness of our District by continuing to promote recycling and addressing littering, fly tipping and dog fouling incidents</li> <li>4. We will improve our sustainability and reduce our impacts in relation to climate change</li> <li>5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</li> </ol> <p>The NI Audit Office has confirmed that the performance improvement objectives carried over are legitimate, clear, robust, deliverable and demonstrable, covering a range of Council services that relate to improving Council functions or improving services for communities.</p> <p>As part of the process to redefine the current suite of performance improvement objectives, the Council reviewed the 'supporting actions' and 'measures of success' which underpin each objective, in order to ensure they remain meaningful and that their achievement can demonstrate improvement. Where possible and appropriate, baseline data for each 'measure of success' has been included in the Performance Improvement Plan 2024-25, to demonstrate performance trends over time and targets for improvement have also been agreed.</p>	

<b>THEME: Consultation</b>	
<b>PROGRESS</b>	
<p>The Council continues to implement a robust and inclusive consultation and engagement process in relation to the development of the annual performance improvement objectives. Overall, the 2024-25 consultation and engagement process resulted in 48 completed surveys and engagement with 111 stakeholders through the Newry DEA Forum, Downpatrick DEA Forum, Crotlieve DEA Forum, Slieve Gullion DEA Forum, Slieve Croob DEA Forum and Rowallane DEA Forum as well as Section 75 groups, including Newry, Mourne and Down Youth Voice and the Cedar Foundation. This consultation and engagement process was launched through the NMD Speak online platform, publicised through public notices in local newspapers and supplemented by the 764 responses to the Residents Survey in 2022. The majority of consultees agreed with the proposed performance improvement objectives 2024-25.</p>	
<b>THEME: Improvement Plan</b>	
<b>PROGRESS</b>	
<p>The Council published the Performance Improvement Plan 2024-25 ahead of the statutory timescale of 30 June 2024. The Council has also published the summary document 'Our Performance Looking Back Going Forward', to provide a user-friendly overview of retrospective performance during 2023-24 and the forward-looking performance objectives for 2024-25.</p>	
<b>THEME: Arrangements to Improve</b>	
<b>PROGRESS</b>	
<p>The Council continues to progress, implement and embed its arrangements to achieve the objectives, key actions and measures of success within the Corporate Plan, Performance Improvement Plan, Directorate Business Plans, Service Plans and People Perform Grow. The arrangements to deliver the performance improvement objectives continue to evolve and are supported by Objective Delivery Plans which provide a detailed overview of how the objectives and associated actions are managed, monitored and reported, under the direction of the Senior Responsible Officer.</p>	
<b>THEME: Collection, Use and Publication of Performance Information</b>	<b>Status</b>
<b>PROGRESS</b>	
<p>The Business Planning and Performance Management Framework demonstrates the alignment that exists between the Community Plan, Corporate Plan, Directorate Business Plans, Service Plans and People Perform Grow. 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 currently being progressed and embedded across the organisation.</p>	

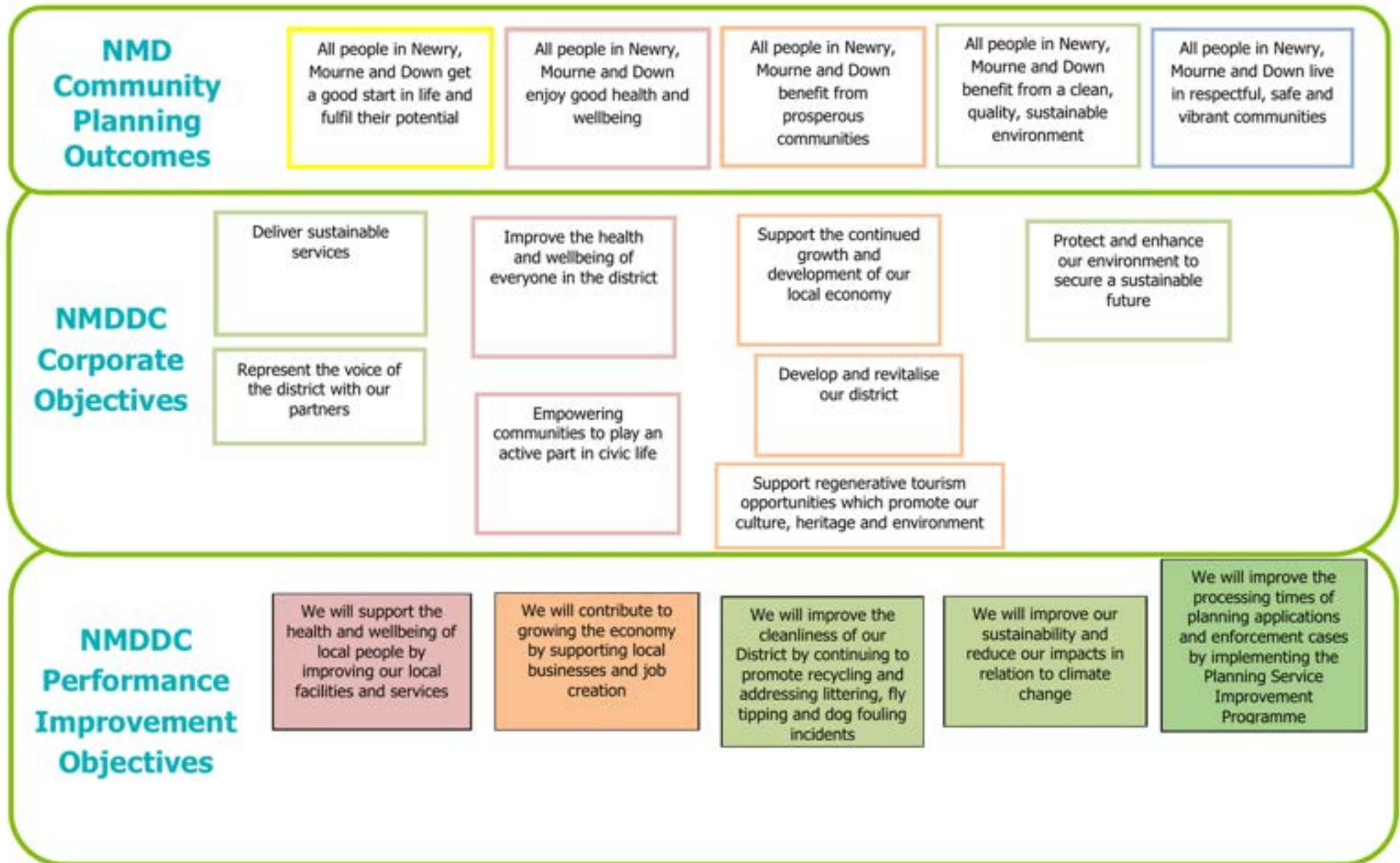
In addition to the statutory performance indicators and standards, the Council has developed and agreed suites of self-imposed performance indicators which underpin the Corporate Plan, Performance Improvement Plan and Directorate Business Plans. These plans provide the strategic and operational context 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, to facilitate a performance led approach to business planning and embed a culture of 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.

Through the Assessment of Performance, the Council continues to benchmark performance with other Councils, specifically in relation to economic development, planning, waste management and prompt payments. The Councils also compares year on year performance across a broad range of performance measures within the Corporate Plan and Performance Improvement Plan.



## Appendix 2: The Golden Thread



[www.newrymournedown.org](http://www.newrymournedown.org)

90

# Ár Feidhmíocht Ag Breathnú Ar Ais, Ag Dul ar Aghaidh

## Our Performance Looking Back, Going Forward



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

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

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 2023-24

Every year, we are required to publish an Assessment of Performance to demonstrate whether planned improvements have been achieved. The Assessment of Performance sets out progress against the current 'measures of success' within the:

- **Corporate Plan 2021-23**
- **Performance Improvement Plan 2023-24 (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

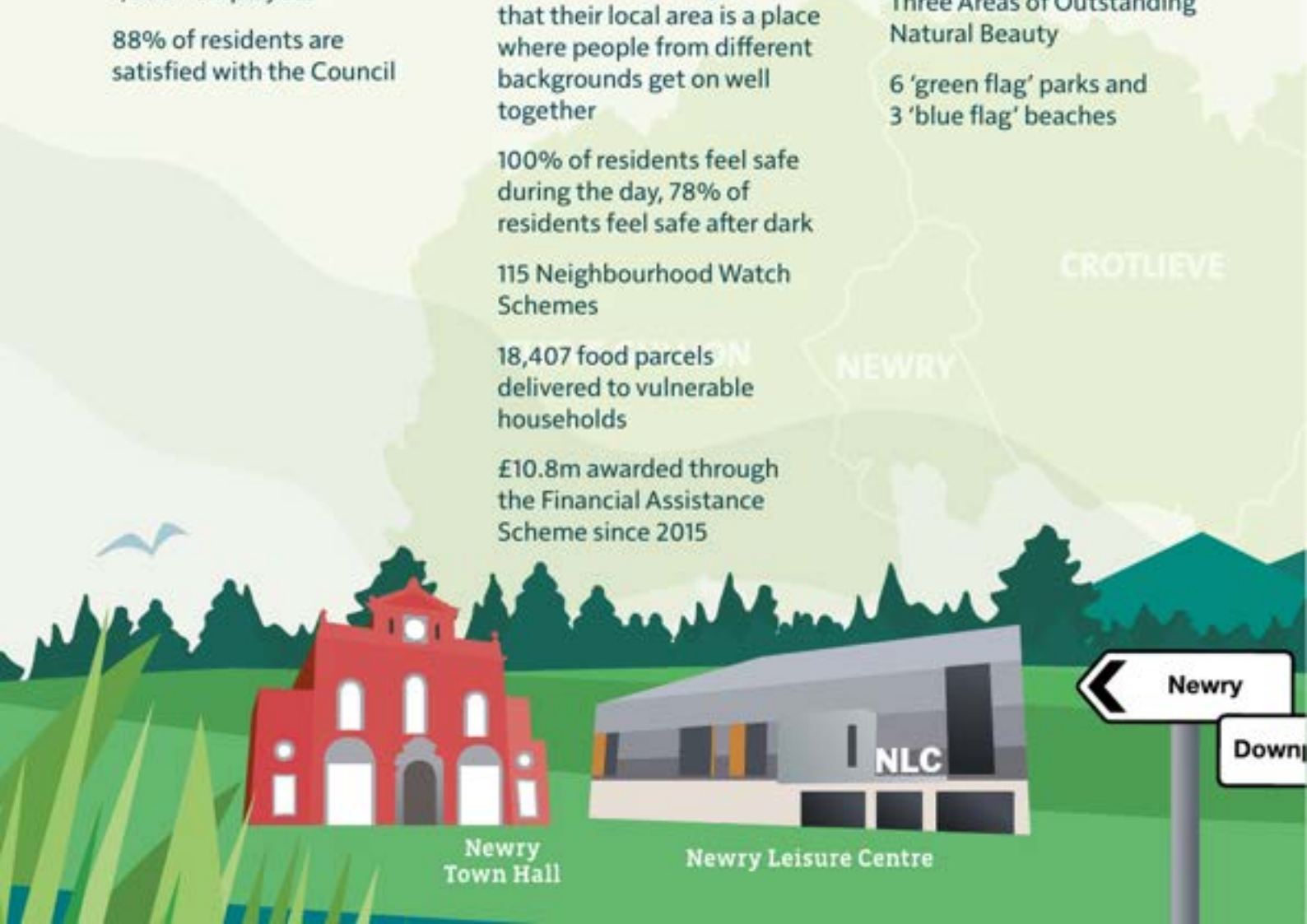
- Population: 182,074
- Households: 68,398
- 7 District Electoral Areas
- 41 Elected Members
- 1,000+ employees
- 88% of residents are satisfied with the Council

## Community

- Life expectancy:**  
Male: 78.9 years / Female: 82.7 years
- Age Profile:** 0-15 years: 22% / 65+ years: 17%
- 87% of residents agree that their local area is a place where people from different backgrounds get on well together
- 100% of residents feel safe during the day, 78% of residents feel safe after dark
- 115 Neighbourhood Watch Schemes
- 18,407 food parcels delivered to vulnerable households
- £10.8m awarded through the Financial Assistance Scheme since 2015

## 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
- 6 'green flag' parks and 3 'blue flag' beaches





## Health and Wellbeing

82% of residents feel they are in very good or good health

83% 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

263k recorded visits at community trails

Over 500k recorded visits to Kilbroney and Slieve Gullion Forest Parks for the last 9 months of 2023-24



## Economy

Employment rate (age 16 to 64): 61.6

9,375 VAT Registered Businesses

14.3% of the population aged 16 years and over have no qualifications

90 new jobs promoted through business start activity

351 businesses supported delivered through economic development programmes



## Environment

Recycling is important to 91% of residents

Top perceived problem for residents: Dog mess and fouling

Recycling rate: 50.0%

166 community clean ups supported since 2020

Second lowest level of waste to landfill across all NI Councils



# Performance at a Glance

## A snapshot of the past year

Performance Improvement Objective	Progress	Status Trend
 <p><b>We will support the health and wellbeing of local people by improving our leisure facilities and services</b></p>	10% increase in paid attendances at Council leisure centres	▲
	16.1% increase in the number of people participating in targeted health programmes	😊 ▲
	11% decrease in the number of young people participating in targeted youth health and wellbeing initiatives.	😞 ▼
	4.1% increase in the number of Council leisure centre memberships	😊 ▲
	3 capital leisure projects progressed	😊
	16.6% increase in recorded visits of community trails	😊 ▲
 <p><b>We will grow the economy by supporting local businesses and creating new jobs</b></p>	90 new jobs promoted through business start activity	😞 ▼
	12 new social enterprise businesses supported and 16 new social enterprise jobs created	😊 ▲
	90 new enterprises created as a result of support	😞 ▼
	351 existing businesses supported to progress growth and scaling ambitions	😊 ▲
	'Make it Local' campaign rolled out	😊
 <p><b>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</b></p>	25 fixed penalty notices issued and 19 paid	😞 ▼
	19 community clean ups supported	😞 ▼
	Increase in the rate of recycling, to 50.0%*	😊 ▲
	Second lowest levels of waste sent to landfill across all NI Councils	😊 ▲
	9 'Live Here, Love Here' environmental projects supported	▼
	Responsible Dog Ownership promoted across Council's social media channels	😊

Performance Improvement Objective	Progress	Status Trend
 <p><b>We will improve our sustainability and reduce our impacts in relation to climate change</b></p>	<p>1 vehicle within the Council fleet that has an alternative fuel source</p> <p>20 Council supported EV charging points installed</p> <p>75% of Council fleet younger than 8 years.</p> <p>Installed 5 drinking water fountains across the District</p> <p>2,800 trees planted on Council managed estate</p>	<p>☹️</p> <p>😊</p> <p>😊</p> <p>😊</p> <p>😊</p>
 <p><b>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</b></p>	<p>The Council received the second highest number of planning applications across the 11 Councils.</p> <p>The processing time for local planning applications increased from <b>21.6</b> weeks in 2022-23 to <b>33.7</b> weeks in 2023-24</p> <p>The processing time for major planning applications increased from <b>89</b> weeks in 2022-23 to <b>154.8</b> weeks in 2023-24</p> <p>The number of planning applications in the system for 12 months or more increased from <b>228</b> by year end 2022-23 to <b>352</b> in 2023-24.</p> <p>The number of enforcement cases in the system for 12 months or more has increased from <b>500</b> in 2021-23 to <b>599</b> 2023-24.</p>	<p>😊</p> <p>☹️ ▽</p> <p>☹️ ▽</p> <p>☹️ ▽</p> <p>☹️ ▽</p>

\*The 2023-24 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year validated data will be published by DAERA in Q3 2024-25.



# Going Forward

## Performance Improvement Objectives 2024-25



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:

<b>Linked to the Community Plan, Corporate Plan and Directorate Business Plans</b>	✓
<b>Based on existing performance information</b>	✓
<b>Aligned to the seven strategic aspects of improvement</b>	✓
<b>Based on stakeholder consultation and engagement</b>	✓



#### Objective 1

**We will support the health and wellbeing of local people by improving our local facilities and services**

#### What you will see:

- Increase in the number of paid attendances at our six leisure centres to 850,000 by the end of 2024-25.
- Increase in the number of people participating in targeted health programmes to 20,000.
- Increase in the number of memberships being taken out to 10,000.
- 265,000 recorded visits to community trails.
- A number of new build and/or upgraded capital leisure projects progressed.
- Leisure-Safe Accreditation being worked towards for all indoor leisure facilities.



#### Objective 2

**We will contribute to growing the economy by supporting local businesses and job creation**

#### What you will see:

- 361 business plans created for Start-Up businesses and employer enterprises
- Over 700 participants engaged across all Go Succeed activity
- Support provided to 220 existing businesses to progress growth and scaling ambitions
- 170 new jobs promoted via business start-up activity.
- 12 social enterprise start-ups supported and 12 social enterprise jobs created
- More support for new and established local businesses and more employment opportunities across the District
- Continue to ensure the District becomes more economically active and prosperous



### 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.
- Responsible dog ownership and reduced levels of dog fouling, littering and illicit dumping
- Improved opportunities to report littering, dog fouling and illicit dumping
- Reduction in the disposal of paint from our Household Recycling Centre sites.
- Opportunities to engage in community clean ups
- A cleaner, greener District, with improved civic and community pride



### Objective 4

**We will improve our sustainability and reduce our impacts in relation to climate change**

#### What you will see:

- Publication of the Council's Climate Change and Sustainable Development strategy
- Publication of the Council's Climate Change Adaptation Plan
- Implementation of the new Newry, Mourne and Down Biodiversity Strategy (2023-2030)
- New trees planted
- Carbon footprint of Council estate established
- Renewable energy baseline of Council established
- Energy consumption of Council buildings established
- Increase in the percentage of younger, less polluting vehicles within the Council fleet
- New electric vehicles ordered for use within the Council fleet



### 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](http://www.newrymournedown.org) as follows:

- **Performance Improvement Plan 2024-25**
- **Assessment of Performance 2023-24**

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](mailto:performance@nmandd.org)

0330 137 4000  
info@nmandd.org  
www.newrymournedown.org

 [facebook.com/nmdcouncil](https://facebook.com/nmdcouncil)

 [x.com/nmdcouncil](https://x.com/nmdcouncil)

**Oifig an Iúir**  
**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



<b>Report to:</b>	Audit Committee Meeting
<b>Date of Meeting:</b>	19 <sup>th</sup> September 2024
<b>Subject:</b>	Update of Members' Interests
<b>Reporting Officer (Including Job Title):</b>	Josephine Kelly, Director of Corporate Services
<b>Contact Officer (Including Job Title):</b>	Sarah Taggart, Democratic Services Manager (Acting)

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

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

<b>1.0</b>	<b>Purpose and Background</b>
1.1	For Elected Members it is likely that from time-to-time private matters will impinge upon public duties. In such circumstances, Members should be aware that it is not appropriate to use public position or resources to deal with private matters or to pursue private interest. The Council has established a Register of Interests and by recording interests openly, any actual or potential conflicts of interest can be identified more easily.
<b>2.0</b>	<b>Key issues</b>
2.1	Councillors have a responsibility to regularly review their circumstances and determine if any change has occurred which should rightly result in a change to their declaration or facilitate the need for a new declaration. If this is the case, they should contact Democratic Services to have their form updated.
2.2	At the Audit Committee meeting in January 2021, it was agreed that Members should regularly review their Register of Interest Forms and that a six-monthly report be brought forward to the Audit Committee to ensure compliance.
2.3	An email was sent to Members on 10 <sup>th</sup> September 2024 asking them to review and, if required, update their Register of Interest forms via Democratic Services.
2.4	The online register has been adapted to reflect the changes and is up to date for all Members.
<b>3.0</b>	<b>Recommendations</b>
3.1	That Members: <ul style="list-style-type: none"> <li>Note the six-month review report.</li> </ul>
<b>4.0</b>	<b>Resource implications</b>
4.1	None identified

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

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	19 September 2024
<b>Subject:</b>	Corporate Risk Register
<b>Reporting Officer (Including Job Title):</b>	Josephine Kelly – Director of Corporate Services
<b>Contact Officer (Including Job Title):</b>	Gerard Byrne – Assistant Director of Finance & Performance

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

	For decision	X	For noting only
<b>1.0</b>	<b>Purpose and Background</b>		
1.1	The Corporate Risk Register was reviewed and updated by SMT on 9 September 2024. Quarter 1 Assurance Statements for 2024/25 have been used to inform and update the content of the Corporate Risk Register. Where relevant, Officers have also provided updates in relation to specific controls and action plans.		
<b>2.0</b>	<b>Key issues</b>		
2.1	<p><b>Corporate Risk Register</b></p> <p>The Council has identified 12 corporate risks, 6 of which are red, 5 of which are amber and 1 of which is a yellow level risk. No new risks have been added to the Risk Register.</p> <p><u>Appendix 1</u> 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 2024.</p> <p>Several actions have been updated to ensure the Corporate Risk Register is a live document and can be used as a Management tool for decision making.</p> <p>The Corporate Risk Register has been updated with the Council's new objectives from the Corporate Plan 2024-27.</p> <p>The updated Corporate Risk Register is attached at <u>Appendix 2</u>.</p>		
2.2	<p><b>Other Risk factors which were considered</b></p> <p>No other factors were considered for the Corporate Risk Register</p>		
2.2	<p><b>Directorate Risk Register – Active and Healthy Communities (AHC)</b></p> <p>The Risk Reporting section of the Risk Strategy states that Directorate Risk Registers will be presented to the Audit Committee on a rotational basis. The Risk Register for the AHC Directorate is attached at <u>Appendix 3</u>. The Risk Register was reviewed and updated with the Assistant Directors and Director of AHC on the 12 September 2024.</p>		
2.3	Within the AHC Directorate Risk Register, 6 risks have been identified, all of which are amber. These risks cover a range of service areas and functions.		



	The AHC Risk Register will be updated on a regular basis and considered by the Audit Committee annually.
<b>3.0</b>	<b>Recommendations</b>
3.1	To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. Full Corporate Risk Register can be evidenced at Appendix 2.  To note the revised AHC Directorate Risk Register summary at Appendix 3 and detailed AHC Directorate Risk Register at appendix 4.
<b>4.0</b>	<b>Resource implications</b>
4.1	There are no resource implications.
<b>5.0</b>	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>
5.1	<b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b>  It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/>
5.2	<b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b>  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If yes, please complete the following:  The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/>  The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/>
5.3	<b><i>Proposal initiating consultation</i></b>  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"/>  Consultation period will be 12 weeks <input type="checkbox"/>  Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/>  <i>Rationale:</i> Consultation not required.

<b>6.0</b>	<b>Due regard to Rural Needs (please tick all that apply)</b>
6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
<b>7.0</b>	<b>Appendices</b>
	<p>Appendix 1: Summary Sheet – Corporate Risk Register – September 2024</p> <p>Appendix 2: Corporate Risk Register – September 2024</p> <p>Appendix 3: Summary Sheet – AHC Directorate Risk Register – September 2024</p> <p>Appendix 4: AHC Directorate Risk Register – September 2024</p>
<b>8.0</b>	<b>Background Documents</b>
	None

## NMDDC Corporate Risk Register Cover Sheet - September 2024

Risk	Description	Risk Owner(s)	Gross Risk Score	Jul-24	Sep-24		Comments
				Revised Residual Risk Score	Revised Residual Risk Score		
CR01	Failure to deliver the capital investment programme for the District	SMT Caolain Boyd	25	20	20	↔	Residual risk score remains unchanged. Action updated to include 2025/26 rates process and Capital Finance Forecasting for 2024/25 as part of the Period 6 Management Accounts Process. New action in relation to BRCD funding going forward.
CR02	Non-compliance with legislative requirements, including procurement	Josephine Kelly Sinead Murphy	25	20	20	↔	Risk score remains unchanged. Actions have been updated.
CR03	Failure to effectively manage waste	Sinead Murphy	25	20	20	↔	Residual risk remains unchanged - actions have been updated.
CR04	Failure to provide robust and timely planning decisions	Conor Mallon	25	16	16	↔	Residual risk score remains unchanged and actions have been updated.
CR05	Failure to adequately deliver future efficiencies and improvements	Marie Ward Josephine Kelly	20	16	16	↔	Residual risk score remains unchanged and actions have been updated.
CR06	Failure to adequately react to a major incident which would minimise any negative consequences/impact	SMT Caolain Boyd	25	8	8	↔	Residual risk score remains unchanged and actions have been updated. One new action in relation to a new scenario planning event to be scheduled.
CR07	Failure to implement an economic development programme to regenerate the district	Marie Ward Conor Mallon	20	16	16	↔	Residual risk score remains unchanged and actions have been updated. Title updated to remove the Windsor Framework and the economic and political climate as this is more of a root cause.
CR08	Failure to manage sickness absence resulting in delays and an inability to deliver Council services.	Senior Management Team	25	20	20	↔	Residual risk score remains unchanged and actions have been updated.
CR09	Risk to the long term financial stability of Council in relation to the delivery of Council Services	Senior Management Team, Gerard Byrne	25	20	20	↔	Residual risk score remains unchanged and actions have been updated. Title of the risk has been updated to reflect the more general financial pressures going forward. New action in relation to the 2025/26 rates process. New action in relation to the BRCD funding going forward.
CR10	Failure to effectively plan for and manage a cyber security attack.	Josephine Kelly Gavin Ringland	25	20	20	↔	Residual risk score remains unchanged and actions have been updated.
CR11	Risk of Industrial Action impacting on Service Delivery	Senior Management Team	25	15	15	↔	Residual risk score remains unchanged and actions have been updated.
CR12	Insufficient staff resources to deliver Council services in an effective and efficient manner	Marie Ward Josephine Kelly	20	16	16	↔	Residual risk score remains unchanged and actions have been updated.

6

**Risk Matrix**

NMDC 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

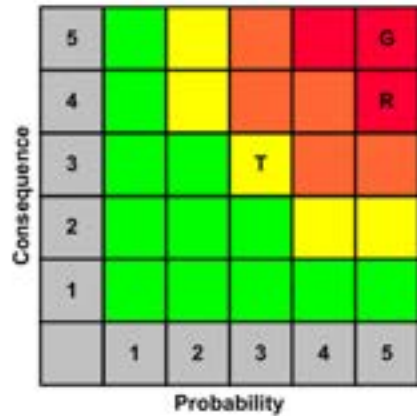
<b>IMPACT</b>	<b>Catastrophic</b> Potential immediate or future harmful impact to the Council. Staff required to make major adjustments to plans and/or resource allocations.	5	10	15	20	25
	<b>Major</b> Substantial departure from best practices and standards. Consequences can be managed with moderate additional resources and/or managerial effort.	4	8	12	16	20
	<b>Moderate</b> Limited impact. Consequences can be managed with limited additional resources and/or managerial effort.	3	6	9	12	15
	<b>Minor</b> Very limited impact. Consequences can be managed under normal operating conditions.	2	4	6	8	10
	<b>Not Significant</b> No impact on normal operating procedures.	1	2	3	4	5
		<b>Rare</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Very Likely</b>
		Has happened rarely or never before.	Has happened rarely or never before.	Likely to happen at some point within the next 2-3 years. Circumstances occasionally encountered (annual).	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (one time a year).	Regular occurrence. Circumstances frequently encountered - Daily / weekly / monthly.

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	SEVERE
-----	----------	------	--------

# 1. Corporate Risk Register NMDDC

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



**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 inflation and Cost of Living crisis  
Contractors on key projects fail to deliver on time and on budget  
Consultant and/or contractor collusion  
Procurement delays, failures or legal challenges  
Governance Arrangements not being adhered to  
Projected timelines too optimistic  
Delays due to the statutory approvals process  
Lack of awareness in staff and managers  
Lack of resources - economic downturn/recession  
Funding reduced/withdrawn, timescales extended leading to increased costs  
Impact of the pay award and inflation on the financial viability of the capital plan going forward

**Consequence** Impact on service delivery  
Financial impact - inflationary pressures / pay demands  
Legal challenge / Negative PR  
Impact on quality/cost of projects  
Future reduction on the capital budget  
Reputational damage

**Risk Owners** Caolain Boyd, Senior Management Team

**Gross/Inherent Risk** Red 25      **Last Review** 9/10/2024

**Residual Risk** Red 20      **Next Review** 11/30/2024

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

### Objectives

- 1. Support the continued growth and development of our local economy
- 6. Develop and revitalise our district
- 7. Deliver sustainable services

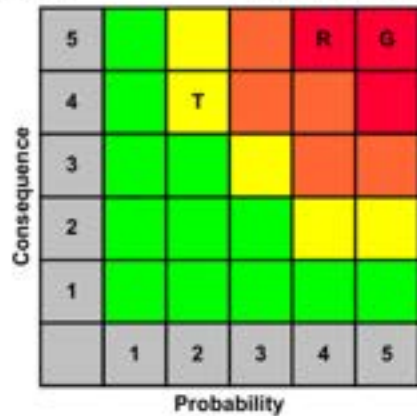
**Key Controls Identified**

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. Large projects are project managed by external consultants who report to the Estates Team.
2. Monthly site progress meetings which are minuted
2. Multi Year Capital Plan
2. Strategic Finance Working Group scrutinises each Capital Project
3. Gateway Reviews
3. Internal Audit of Project Governance received SA 2022/23.

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
BRCD funding going forward	<p>On the 13 September 2024 the UK government announced that it was pausing funding of City Deals in Northern Ireland. The implications of the pause were not clear. It is understood the pause happened in the context of the UK spending review and the Government does not want to commit funds before that process is completed in October 2024.</p> <p>On the 16 September 2024, The Secretary of State confirmed that following communication with HM Treasury nothing has changed on the status of the Belfast Region City Deal, which was signed back in December 2021.</p>	In Progress	Senior Management Team	12/31/2024	<p>The Belfast Region City Deal partners welcome the clarification received on September 16, 2024, from the Department of Finance, following communication between the NI Secretary of State and HM Treasury in relation to the continued commitment to the Belfast Region City Deal, signed in December 2021.</p> <p>The Belfast Region City Deal partners remain focused on fully implementing our Deal and on maximising the wide range of benefits this investment will bring to our region and the people who live here.</p>
Capital Plan Cash Flow forecasting	Working ongoing for the 2025/26 Rates Process	In Progress	Gerard Byrne	10/31/2024	Work is continuing on estimating the MRP/Loan payments over the life of our capital Programme as part of the 2025/26 Rate Process. Capital Financing Costs will be forecast for the 2024/25 year as part of the period 6 Management Accounts process. Finance Team to meet with Capital Team and Project Managers early in October 2024 to establish revised cash flow projections.
Supplier/Contractor Options	AD of Capital Projects and Procurement currently looking a number of options to counter act the over reliance on a small number of Contractors/Suppliers/PMs in NI	In Progress	Caolain Boyd	12/31/2024	Council has put more stringent Pre-Qualification Questionnaire criteria and assurances to ensure Construction line value and project cashflow is stress tested prior to award. Project Expenditure is then monitored against project programmes to manage any underspend against completed activities.

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



**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 / fire risk assessments / Asbestos and Legionella best practice and statutory requirements.  
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.  
FRA / Legionella / Asbestos etc (are not being reviewed due to front line services being provided).

**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** Josephine Kelly; Sinead Murphy

<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b>	9/10/2024
<b>Residual Risk</b>	Red 20	<b>Next Review</b>	11/30/2024
<b>Target Risk Level</b>	Yellow 8	<b>Risk Appetite</b>	Risk Averse

**Objectives**

7. Deliver sustainable services

**Key Controls Identified**

- 1. Asbestos and Legionella Policies and Management Plans in place
- 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, Capital Projects etc
  - 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 Audits Completed and Scheduled going forward annually.

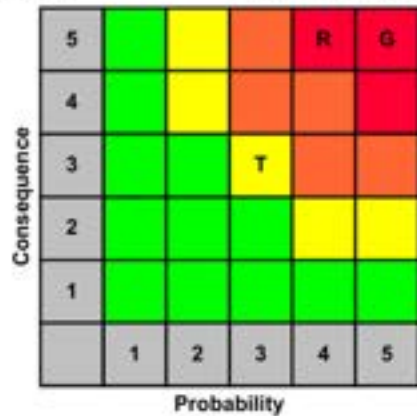
**Action Plans**

	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	Conor Sage	12/31/2024	Council has now appointed a Compliance Officer to improve the management of compliance issues. The current level of risk regarding fire risks in our buildings is considered Low. The Fire Risk Management Policy was approved and effective since 12th March 2020 and is now overdue for review. , The associated Fire Safety Management Plan requires progressing. The priority is to seek agreement on a Fire Safety Management Plan which will guide future control of this risk. The Council has appointed a Council wide Contractor/s to undertake annual inspections of fire alarms and firefighting equipment. Fire alarms inspections are likely to highlight a programme of work to upgrade some systems. Tender documentation for a new Fire alarm maintenance contract has been drafted and issued to procurement for review. The Council's Building Maintenance team continue to address remedial 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	Josephine Kelly Sinead Murphy	10/31/2024	An external review has been undertaken and an independent Report from provided to Council. There has been an initial meeting of Directors of Corporate Services, Sustainability and Environment and Active Healthy Communities. The working group will now meet with relevant Assistant Directors and Heads of Services has been planned for 21 October 2024.



Asbestos Policy and Management Plans	Implementation of Asbestos Policies and Management Plans	In Progress	Conor Sage	12/31/2024	<p>The current level of risk for asbestos, is considered medium.</p> <p>All buildings have been surveyed and no significant risks have been identified which cannot be managed through good building practices.</p> <p>A Contractor was appointed in October 2020 for a three-year period to undertake inspections, air sampling, training and related asbestos consultancy work. There was a defined year 1, 2 and 3 work programmes. An occurrence of asbestos has been identified associated with the Downshire Civic Centre and is being managed in line with the policy. Contract documents currently being reviewed for a new tender for Asbestos Surveys. Asbestos reinspection surveys are now due for completion. Asbestos Management Policy is now due for review. Frameworks are currently being explored for the procurement of a new contract for asbestos surveys.</p>
E-Learning Training	E-Learning training to be promoted throughout the organisation as take up is low - this is particularly relevant to mandatory training sessions.	In Progress	Marina Hughes	9/30/2024	<p>E Learning is promoted throughout the organisation, however it should be noted that there is currently a joint Council E Learning platform contract in place that is lead by LCCC.</p> <p>Action plan now in place to implement recommendations</p>
Internal Audit - Compliance checking – facilities review (considering fire risk, asbestos and legionella checking)	Implement recommendations outlined in the limited assurance internal audit which was finalised in May 2024	In Progress	Conor Sage Senior Management Team	3/31/2025	
Internal Audit - Contract management	Implement recommendations from the limit assurance Internal Audit which was finalised in May 2024	In Progress	Caolain Boyd Senior Management Team	4/30/2025	<p>Procurement Policy will be updated in line with the new legislation. Directors currently bring procurement actions plans to Audit Committee Quarterly. STAs also reported to Audit Committee quarterly.</p>
Legionella Policy and Management Plan	Implementation of Legionella Policies and Management Plans	In Progress	Conor Sage	12/31/2024	<p>The current level of risk for legionella is considered Medium.</p> <p>A new contract for Water Hygiene services is in the process of being awarded. The Legionella Policy has been updated and will be presented for approval at Corporate Management Team in October 2024. The Legionella Management Plan is in the process of being updated. On award of the new contract for Water Hygiene Services, works will be prioritised on a risk based approach.</p>
Social Procurement Policy	Council to consider bringing in a social procurement policy following the guidance issued by the Minister of Finance in June 2021.	In Progress	Caolain Boyd	2/28/2025	<p>Legislation to be reviewed to determine if this is possible while adhering to Public Contract Regulations. Procurement team are liaising with the LG Procurement Working Group. Council is currently adhering to legislative requirements. Procurement Policy to be reviewed in October 2024 when new procurement legislation is introduced in February 2025.</p>

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



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

**Risk Description** Failure to effectively manage waste

**Potential Root Cause** Industrial dispute lodged by the Trade Unions  
Insufficient resources (particularly availability of HGV drivers)  
Market forces enable commercial operators to increase prices (MDR)  
Failure to plan effectively for the future (including financial planning)  
Historic contract arrangements which may not be providing the Council with VFM  
Future changes to waste management arrangements  
Structure of new contracts to process & dispose of our waste to reflect changes in legislation  
Operation of the ARC21 Corporate Body going forward

**Consequence** Failure to meet recycling Targets  
Reputational Issues  
Lower levels of customer satisfaction  
impact on service delivery and lost productivity  
With high CPI price increases the budget for waste management is likely to be insufficient for the 2023/24 year.

**Risk Owners** Sinead Murphy

**Gross/Inherent Risk** Red 25      **Last Review** 9/10/2024

**Residual Risk** Red 20      **Next Review** 11/30/2024

**Target Risk Level** Yellow 9      **Risk Appetite** Risk Cautious

**Objectives**

- 2. Improve the health and wellbeing of everyone in the district
- 7. Deliver sustainable services

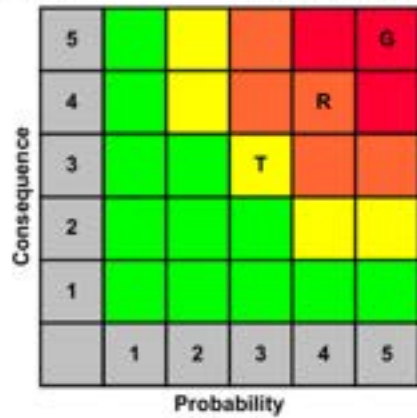
**Key Controls Identified**

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

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
arc21 Waste Management Group	Following the May 2022 refusal to grant arc21 planning permission for their residual waste project and the requirement to recycle 70% by 2030 as per the Climate Change Bill and the Circular Economy package coupled with governance and internal issues within arc21 the long term viability of the group is under consideration. arc21 continue with the appeal process against the refused planning application. SOLACE have engaged SIB to undertake a review of waste management arrangements across the 11 Councils to consider future collaboration in contract management, changing legislation and emerging policies.	In Progress	Sinead Murphy	12/31/2024	Arc21 are carrying out their own strategic review. NM&D have had an opportunity to input. Consideration needs to be given as to how the Council would participate in any successor body to arc21.
Internal Waste Management Planning	Council waste management planning is driven by a number of internal and external factors including the introduction of legislation such as the Climate Change Act (Northern Ireland) 2022, Extended Producer Responsibility, Deposit Return Scheme and Common Collection Systems.	In Progress	Sinead Murphy Sinead Trainor	12/31/2024	Ongoing but stayed as there have been delays to the introduction of Deposit Return Scheme. Common Collection Systems may require legislation which cant be progressed without a sitting Assembly. Response to DAERA consultation "Rethinking our resources: Measures for Climate Action and a Circular Economy in NI" submitted to DAERA. Future resourcing model from Extended Producer Responsibility regulations to be made available in Q3 24/25.
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	Sinead Murphy Conor Sage	12/31/2024	A consolidated action plan in relation to compliance to the Council's Operators License (OL) was presented to SE Committee in November 2022. A further update on compliance was provided in June 2023 showing good progress towards full implementation of actions and ongoing compliance.. Staffing issues are being addressed and the Head of Cleansing has been seconded as interim Head of Fleet. Further operators license COTC holders trained and named on the OL. A further follow up Audit by RHA for 2023/24 also demonstrated positive progress and the Transport Regulation Unit is being regularly informed of progress. KPIs for compliance targets are reported to Operator Licence Working Group on a monthly basis.
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	Sinead Murphy	12/31/2024	A initial review of the arc21 Waste Management Plan (which includes NMDDC) has been completed by WRAP on behalf of DAERA/NIEA. Technical expertise (RPS) has been procured to produce an Addendum for the Plan as part of the six yearly review. arc21 WMP is ucurrently out for public consultation. DAERA are yet to consult on a draft Waste Management Strategy for NI which was due by the end of 2023; the publication of which would better inform the Councils Waste Management Plans.

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



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

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

**Potential Root Cause** Ineffective and/or inadequate resources  
Planning Legislation not being followed  
Ineffective technology - EPIC system changes - challenges of introducing new planning portal and associated training.

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

**Risk Owners** Conor Mallon; Jonathan McGilly

**Gross/Inherent Risk** Red 25

**Residual Risk** Amber 16

**Target Risk Level** Yellow 9

**Last Review** 9/10/2024

**Next Review** 11/30/2024

**Risk Appetite** Risk Open

**Objectives**

- 3. Protect and enhance our environment to secure a sustainable future
- 6. Develop and revitalise our district

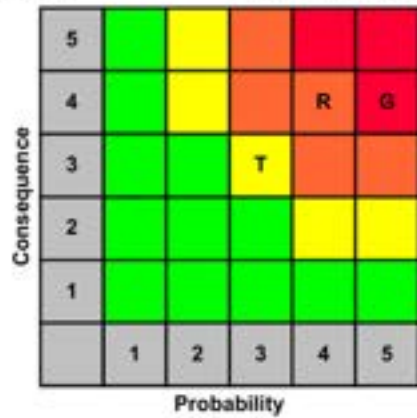
**Key Controls Identified**

- 1. Action plan in place to reduce backlog
- 1. Increase in employee numbers
- 1. Ongoing training for officers and members
- 2. Dedicated Planning Committee in operation
- 2. Local Development Plan developed and timetable agreed
- 2. Quarterly report to Committee on progress against action plan
- 2. 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	Jonathan McGilly	12/31/2024	Planning performance stats for 23/24 released by NISRA. Show that average processing times for Local applications has risen to 33 weeks, above the NI average of 21 weeks and the target of 15 weeks. For Major applications there was a significant in year improvement in processing times, however the average of 154 weeks is well above the 30 week target. Several recruitment exercises were completed during 23/24 and staff compliment was returned to agreed levels in May 2024. There has been ongoing training of staff and presentation of revised plans was tabled at September SPR and SMT meetings. Additional Planning officers will be recruited to address backlogs.
Internal Review of overturn decisions	Council will undertake a review/audit of overturn decisions - this is based on the NIAO Public Accounts Committee report on Planning decisions across Councils in NI	In Progress	Conor Mallon Jonathan McGilly	12/31/2024	Audit is now complete and presented to Audit Committee. Action Plan agreed with Planning Committee in July and currently being implemented. Training for Members was held in July 2024 and Programme of training currently being developed
IT infrastructure	Upgrade of technical IT infrastructure (EPIC Replacement)	Completed	Jonathan McGilly	12/31/2024	Operational from December 2022 – work remains ongoing to fine tune performance of new system to improve user friendliness and efficiency through direct engagement with staff at all levels and stakeholder groups. The enforcement modules are now a priority action and this likewise will be managed via NI officer working groups co-ordinated by ICF.
Regional Planning Review	The Public Accounts Committee issued a regional report on Planning in Northern Ireland on 24 March 2022	In Progress	Conor Mallon	12/31/2024	Performance improvement plan has been developed covering key areas of Planning. This was agreed between DfI and Councils and has involved engagement with PAC. This work is managed by Head of Planning group and is reported on to SOLACE and wider partnership groups involving DfI, PAC and Solace. This work remains ongoing and following recent discussions SOLACE has requested additional actions be added to the work plan including more engagement with PAC etc.

**Risk CR. 05 - Failure to adequately deliver future efficiencies and improvements**



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

**Risk Description** Failure to adequately deliver future efficiencies and improvements

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

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

**Risk Owners** Josephine Kelly, Marie Ward

**Gross/Inherent Risk** Red 20

**Residual Risk** Amber 16

**Target Risk Level** Yellow 9

**Last Review** 9/10/2024

**Next Review** 11/30/2024

**Risk Appetite** Risk Hungry

**Objectives**

7. Deliver sustainable services

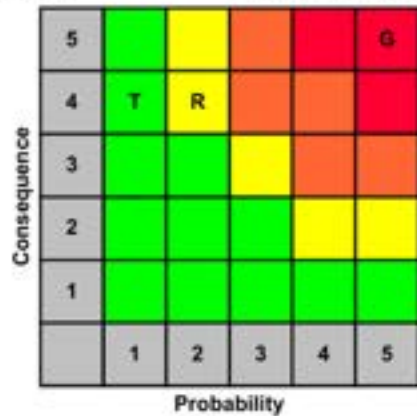
**Key Controls Identified**

1. PFF now complete
2. IT Project Group in place and meets regularly
2. IT Strategy in place

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Digital Strategy	Digital Strategy currently being drafted	In Progress	Veronica Keegan	11/30/2024	Work is progressing to develop a Digital Strategy for Council. Consultation with SMT/CMT/Councillors now complete. Workshop to establish Priority Plan of new digital transformation projects will take place in Autumn 2024 with SMT.
New HR System	New Self Service Human Resource Management system to be procured	In Progress	Marina Hughes Josephine Kelly	11/30/2024	The Business Case for the procurement of new systems has been reviewed following changes to the eLearning system and OH provider changes. Costing are currently being reviewed and the business case is almost complete.
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	10/31/2024	A draft action plan / timetable of service reviews has been provided to the Trade Unions as part of the agreement to the current dispute. Work is progressing. A full list of Service Reviews is being collated to ensure resources are appropriately directed to undertake the work required.

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



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

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

**Potential Root Cause** Natural disasters, localised flooding, Harbour disasters, Fire  
Pandemics - COVID 19  
Significant IT failure  
Inadequate preparedness to be able to respond in the event of an emergency

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

**Risk Owners** Sinead Murphy; Senior Management Team

**Gross/Inherent Risk** Red 25      **Last Review** 9/10/2024

**Residual Risk** Yellow 8      **Next Review** 11/30/2024

**Target Risk Level** Green 4      **Risk Appetite** Risk Averse

**Objectives**

7. Deliver sustainable services

**Key Controls Identified**

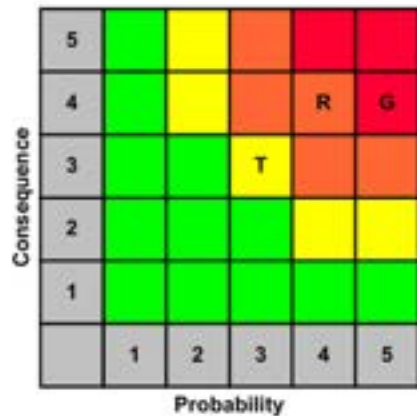
- 1. Emergency planning measures in place, including:
  - Flood risk plan
  - Inter-agency group
- 1. Annual Winter Resilience Plan in place
- 1. Business Continuity scenario plans in place
- 1. Dedicated Emergency Planning team and professionally trained and experienced staff
- 1. Test exercises completed on a regular basis and lessons learned communicated
- 2. Member of Southern Region Emergency Planning Group
- 2. New regional local government regional model
- 3. Internal Audits Completed;



## 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	In Progress	Sinead Trainor	3/31/2025	Revision of all Departmental BCP's in ongoing during 2024/25
Independent External Review of Flooding Incident	Independent review to be carried in the coming months of all statutory agencies	In Progress	Sinead Murphy	12/31/2024	Report was communicated to Council's EPIG group on the 16 August 2024. An action from EPIG is that S&E Working group with Elected Members will review the recommendations and learnings from the the report and bring an action plan back to the S&E Committee. Council is represented at NIEPS were any upcoming incidents will be discussed.
Northern Ireland Emergency Planning Structures Risk Assessments	Officers will continue to attend and contribute to the NI Emergency Planning Structures. A review of all Council Risk Assessments currently in place and a review of all Officers who have been trained in IOSH	In Progress	Senior Management Team	9/30/2024	Information is currently being collated through Councils Corporate Management Team. IOSH Managing Safely training is being rolled out along with risk assesment workshops
Scenario Planning	A new scenario planning event to take place	In Progress	Conor Sage	12/31/2024	A new scenario planning event is going to be coordinated via CMT and take place in the coming months.

**Risk CR. 07 - Failure to implement an economic development programme to regenerate the district and attract inward investment**



**Risk Categories** Impact on individuals (staff or public)  
Quality of Service

**Risk Description** Failure to implement an economic development programme to regenerate the district and attract inward investment

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

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

**Risk Owners** Conor Mallon; Marie Ward

**Gross/Inherent Risk** Red 20      **Last Review** 9/10/2024

**Residual Risk** Amber 16      **Next Review** 11/30/2024

**Target Risk Level** Yellow 9      **Risk Appetite** Risk Hungry

**Objectives**

1. Support the continued growth and development of our local economy
4. Support regenerative tourism opportunities which promote our culture, heritage and environment
6. Develop and revitalise our district
7. Deliver sustainable services

**Key Controls Identified**

1. FFNI Digital Transformation Projects underway
1. Regeneration and Economic Development Strategy 2020-25 in place
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
3. Internal Audits Completed and Scheduled going forward - including the Enhanced Flood Support Scheme grant

**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	Conor Mallon Marie Ward	9/30/2024	The Belfast Region City Deal was signed in December 2021 and unlocks £1 billion of transformative co-investment. OBCs for NMD projects have been approved by BRCD Board and relevant Government Departments. Contracts for funding and funding agreements have been progressed. Progress ongoing on project delivery, based on stage of development of each. The NCCR projects are both currently out to tender for construction.
Full Fibre Network NI (FFNI)	Delivery of Digital Infrastructure and Digital Related projects under the FFNI Consortium / NMDDC	In Progress	Conor Mallon	12/31/2024	Digital Transformation Flexible Fund: FFNI Operations team responsible for centralised implementation and delivery of this programme across all Council areas. The project offers grants to micro and small enterprises. Grant value to businesses max £20k. Total value of funding £7.5m from the Complementary fund and DAERA (£1.1M). NMDDC is the lead Council for this project under FFNI. Invest NI is the Investment Decision Maker.  Development and delivery of the BRCD Digital Pillar projects including proposed Regional Innovation Hub for NMDDC.  Mobile Action Plan: FFNI appointed by Solace as lead for all Councils Digital Champions. FFNI operations lead and project officer currently appointed as Digital Champion and Coordinator in respect of the Mobile Action Plan. Barrier Busting team to be established to promote rollout of advanced technologies which underpins Councils Digital Transformation activities and projects under the City and Growth deals.  LFFNI/ RGC - Ongoing benefits realisation and management information tracking of DCMS funded fibre installed across 887 public sector sites in Northern Ireland. NMDDC lead Council via FFNI Consortium. Data is required to be monitored for 5 years as per DCSM grant agreement. IT dept are currently engaging 3rd parties to put the fibre into use.
Provide Flood Recovery Support to Local businesses in impacted areas of the District	Administering funding provided by UK Treasury for Businesses impacted by flooding in November 2023	In Progress	Conor Mallon Amanda Smyth	10/31/2024	Following the floods across the District, Council hosted LPS workshops for businesses online to provide information on rate relief. Council organised 3 business information clinics (Newry, Downpatrick and Flurrybridge). 114 were paid out. The Enhanced Flood Support Scheme grant applications are currently being assessed.

Support local businesses	The Council is also providing support, advice and guidance to local businesses as they anticipate and manage the changes associated with Brexit.	In Progress	Amanda Smyth	12/31/2024	NMDDC is a delivery partner for Go Succeed, the service is funded by UK Government UKSPF. Belfast City Council is leading on contract management and administration. Enterprise NI and Full Circle are contracted to deliver pillars of the programme on behalf of NMDDC. Implementation was delayed which has significantly impacted on Council's statutory job creation targets for Q3-4 2023/4. DfE increased Council's statutory job creation from 155 to 173 in June 2023 at a time of delivery flux. Council has not achieved its statutory targets for 23/24. Delivery against Labour Market Partnership Action Plan concluded in March 2024. An action plan for delivery in the 24/25 period was submitted to DfC in February for consideration. A letter of offer was subsequently received in Aug 24 to enable implementation.
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	Sinead Murphy Sinead Trainor	10/31/2024	Required checks are being completed at Warrenpoint Port on an on-going basis by trained and authorised staff. Regular meetings are attended with relevant partners, DAERA, Defra, FSA, Border force, Seatruck, Warrenpoint Port, to continue to share learning and work through operational issues as they arise, including the implementation of the Windsor Framework. Funding is continuing to be provided through the FSA.

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

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

<b>Risk Categories</b>	Business operational/reputational Financial Impact on individuals (staff or public) Quality of Service	
<b>Risk Description</b>	CR. 08 - Failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services.	
<b>Potential Root Cause</b>	Increased levels of sickness absence Failure to adequately manage sickness absence Failure to conduct Return to Work Meetings following instances of absenteeism Increase in sickness absence being experienced across all sectors	
<b>Consequence</b>	Increase in sickness absence Critical services failing to be delivered Financial cost of Occupational Sick Pay Impact on remaining staff of increased workloads to cover sickness absence Increased cost to Council due to the use of agency staff/overtime	
<b>Risk Owners</b>	Senior Management Team	
<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b> 9/10/2024
<b>Residual Risk</b>	Red 20	<b>Next Review</b> 11/30/2024
<b>Target Risk Level</b>	Yellow 10	<b>Risk Appetite</b> Risk Minimal

**Objectives**

- 2. Improve the health and wellbeing of everyone in the district
- 8. Represent the voice of the district with our partners

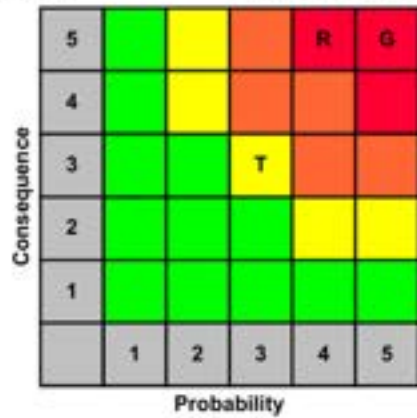
**Key Controls Identified**

- 1. Employee Health Cash Plan
- 1. Human Resources Team
- 1. Managing Attendance Procedure
- 2. Health and Wellbeing Working Group/Team
- 2. Occupational Health Service
- 2. RTW absence interviews are now being monitored through the CMT group
- 3. Internal Audit of Sickness Absence in completed in 2023/24 - Satisfactory

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Return to Work interviews	The completion rate of RTW is very low presently.	In Progress	Marina Hughes	10/31/2024	RTW meetings are a core line management responsibility. HR will continue to provide support and management information. SMT & CMT ensure compliance in their areas of responsibility. An attendance management audit was undertaken in December 2023. The report has been provided to management with satisfactory assurance. Agreed actions will be taken forward in 24/25, in particular a review of the management of RTW meetings for long term absence.
Training	All Managers must complete Managing Attendance training on the Councils e-learning platform	In Progress	Marina Hughes	10/31/2024	The new provider has been appointed and HR will work with them to establish robust processes which contribute to reduction in sickness absence durations. An attendance management audit was undertaken in December 2023. The report had a satisfactory assurance rating. Agreed actions will be taken forward in 24/25, particularly in relation to mandatory attendance management training and refresher training.

**Risk CR. 09 - Risk to the long term financial stability of Council in relation to the delivery of Council Services**



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

**Risk Description** Risk to the long term financial stability of Council in relation to the delivery of Council Services

**Potential Root Cause** Pay Pressures - Regional and Local  
Central Government Funding Cuts - Animal Welfare / Communities etc  
Erosion of Rate Support Grant since LG reform  
Inflation and rising utility costs  
Central Government Budget not known prior to striking the rate  
Capital Programme affordability and availability of funding  
Risk to Council Rates Income and volatility of our ratebase  
Impact of potential changes as to how rates are calculated (Uniform Business Rate Review)  
Impact of the Windsor Framework going forward

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

**Risk Owners** Gerard Byrne; Senior Management Team

**Gross/Inherent Risk** Red 25

**Last Review** 9/10/2024

**Residual Risk** Red 20

**Next Review** 11/30/2024

**Target Risk Level** Yellow 9

**Risk Appetite** Risk Open

**Objectives**

1. Support the continued growth and development of our local economy
2. Improve the health and wellbeing of everyone in the district
6. Develop and revitalise our district
7. Deliver sustainable services
8. Represent the voice of the district with our partners

**Key Controls Identified**

1. Monthly Management Accounts completed by Finance
1. Quarterly Management Accounts to Committee - AD Variance Analysis
2. Engagement with ALGFO and FWG ongoing quarterly
2. Quarterly Budget meetings in place with Directorate Teams
2. Service and Business plans now in place
2. Treasury Management expert contracted by all 11 Councils
3. Internal Audits Completed and Scheduled going forward
3. Statutory Financial Audit by NI Audit Office

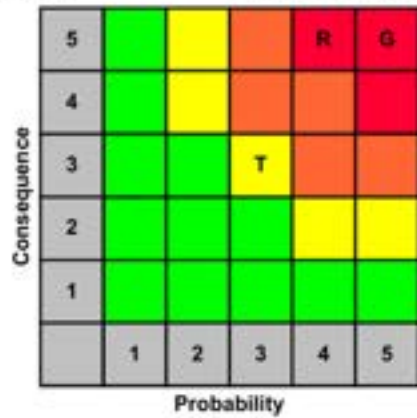
## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
2025/26 Rates Process	Continued engagement with Members as part of the 2025/26 Rates Process via the Strategic Finance Working Group	In Progress	Gerard Byrne Senior Management Team	10/10/2024	The first meeting of the SFWG in relation to the 2025/26 Rates Process will be held on the 10 October 2024. Council Reserves and Year to Date Position will be discussed. Meeting with LPSNI to be held in October in relation to our EPP position. DfC have communicated that it is likely that the NI Executive will only be striking a one year budget for 2025/26.
BRCD funding going forward	On the 13 September 2024 the UK government announced that it was pausing funding of City Deals in Northern Ireland. The implications of the pause were not clear. It is understood the pause happened in the context of the UK spending review and the Government does not want to commit funds before that process is completed in October 2024. On the 16 September 2024, The Secretary of State confirmed that following communication with HM Treasury nothing has changed on the status of the Belfast Region City Deal, which was signed back in December 2021.	In Progress	Senior Management Team	12/31/2024	The Belfast Region City Deal partners welcome the clarification received on September 16, 2024, from the Department of Finance, following communication between the NI Secretary of State and HM Treasury in relation to the continued commitment to the Belfast Region City Deal, signed in December 2021. The Belfast Region City Deal partners remain focused on fully implementing our Deal and on maximising the wide range of benefits this investment will bring to our region and the people who live here.
Management Accounts	Embedding a culture of reporting on variance analysis and budget accountability.	In Progress	Gerard Byrne	10/31/2024	ADs provide variance analysis going forward on a quarterly basis on their own Service Areas. This will feed into the Quarterly Management Accounts which are presented to SP&R. Quarterly budget meetings are to take place with Directorates, led by the DCS and AD of Finance & Performance. Period 6 Management Accounts will include a year end forecast position which will include an estimate of a Capital Finance Costs to year end. Will be provided to the November SP&R.
Rates Support Grant	Director of Corporate Services to write to the Minister of Communities about the reduction of the Rates Support Grant	Completed	Josephine Kelly	9/20/2024	Independent review of the Rates Support Grant is nearing completion and report is due in October 2024. As per action from SP&R, Council wrote to the Minister for Communities on the 12 September 2024 to express concern in relation to the RSG reduction and the impact for Council and Ratepayers.
Treasury Advice - Banking	All 11 Councils receive weekly updated from our Treasury Management Expert in relation to banking and lending.	In Progress	Gerard Byrne	10/31/2024	While we closely monitor market conditions, we are meeting with our Treasury Advisors in relation to our current Banking and Money Market arrangements. Meeting to take place in October 2024 regarding interest rates and capital finance requirements going forward.



Working Groups	Multiple Officer groups discussing these financial concerns on a regular basis.	In Progress	Gerard Byrne Senior Management Team	9/30/2024	<p>CEO attends Solace who have direct engagement with the Permanent Secretaries Group. AD of Finance &amp; performance attends the Council wide Finance Working Group (FWG) and Association of Local Government Finance Officers (ALGFO). Partnership Panel also meet with Ministers as required.</p> <p>Management also meet with our Treasury Advisors on a regular basis to get an overview of the economic situation on a global scale - i.e. interest rates / borrowing etc</p> <p>Officers will continue to attend and input into the above groups.</p>
----------------	---	-------------	---	-----------	---

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



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

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

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

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

**Risk Owners** Josephine Kelly; Gavin Ringland

**Gross/Inherent Risk** Red 25      **Last Review** 9/10/2024

**Residual Risk** Red 20      **Next Review** 11/30/2024

**Target Risk Level** Yellow 9      **Risk Appetite** Risk Averse

**Objectives**

- 7. Deliver sustainable services

---

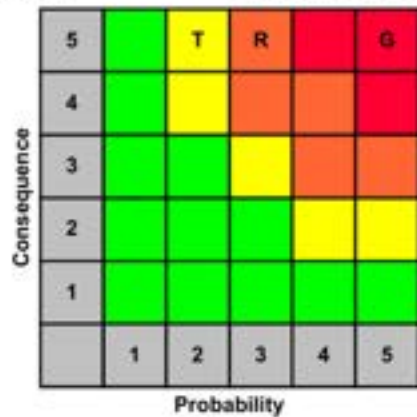
**Key Controls Identified**

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

## 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	In Progress	Gavin Ringland Sinead Trainor	3/31/2025	CMT to ensure that BCPs for each service area are in existence, regularly reviewed and tested where possible/appropriate
Cyber Incident Response/Disaster Recovery	Establish and test cyber incident response and disaster recovery capabilities	In Progress	Gavin Ringland	3/31/2025	Event Scenarios and PlayBooks are being continually tested and refined. Worst Case Scenario (WCS) full test delayed as a result of the delivery of the secondary MPLS circuits into the Dublin Data Centre, although individual and clustered elements of the new environment, as well as the general service wrap, have been tested. The removal of the Single Point of Failure (SPOF) in Monaghan Row was proven successful during the elongated power outage at Monaghan Row over the August bank holiday weekend. Remote access to LAN completely MFA. MFA and conditional access to Office 365 complete. MFA also enabled on many Line of Business Systems, including IDOX. Single Sign On (SSO) implemented on numerous systems. InTune and Defender implemented and works continue on the implementation of LAPS and PAM. The new Mobile Worker solution, which forms part of new WAN arrangements, is fully implemented.
IT Strategy	Implement additional security tools including multifactor authentication, conditional access and modern authentication where possible and appropriate	In Progress	Gavin Ringland	3/31/2025	In-person training was delivered to All Staff and Elected Members in 2023. A new eLearning campaign on Cyber Security commenced in October 2023 running through October 2024. Testing of user resilience will continue with enhanced training delivered to those deemed higher risk with statistics reported to Senior Management Team.
Training / Development Plans	Training to increase User Resilience	In Progress	Gavin Ringland	3/31/2025	Supplier engagement and planning has commenced to migrate most of the server infrastructure underpinning the finance systems to modern Operating Systems and Database Engines. Some of said infrastructure will be decommissioned as new solutions are implemented utilising Software As A Service model. Work continues on the consolidation of data repositories to support an upgrade of the file servers.
Upgrade Virtual Servers	Upgrade the Operating Systems, database engines and on-premise applications to latest supported and stable versions	In Progress	Gavin Ringland	3/31/2025	

**Risk CR. 11 - Risk of Industrial Action impacting on Service Delivery**



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

**Risk Description** Risk of Industrial Action impacting on Service Delivery

**Potential Root Cause** In common with many sectors and employers across the UK, industrial unrest has become increasingly likely  
Unresolved Legacy employment issues  
Current economic climate

**Consequence** Creation of uncertainty and instability  
Negative impact on service delivery and lost productivity  
Negative PR for the Council  
Management & HR time lost to IR issues which impacts on operational and strategic matters being progressed  
Financial implications for Council where meeting the TU demands results in increased salary costs

**Risk Owners** Senior Management Team

**Gross/Inherent Risk** Red 25

**Residual Risk** Amber 15

**Target Risk Level** Yellow 10

**Last Review** 9/10/2024

**Next Review** 11/30/2024

**Risk Appetite** Risk Averse

**Objectives**

- 2. Improve the health and wellbeing of everyone in the district
- 7. Deliver sustainable services

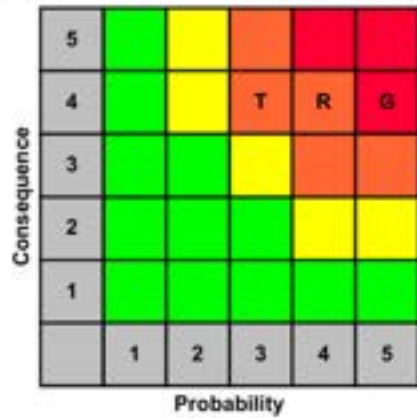
**Key Controls Identified**

- 1. Detailed budgeting process in operation
- 1. Qualified HR, IT & Finance professionals in place
- 2. Agreement was reached between MS and JTUS on 28 February 2024
- 2. External Facilitator engaged
- 2. LRA Conciliation Process

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Labour Relation Agency (LRA) Conciliation Process	Negotiations have been ongoing since March 2023 to resolve current industrial relations dispute, with the assistance of the LRA	Completed	Senior Management Team	10/31/2024	Agreement was reached between MS and JTUS on 28 February 2024. Work has commenced on an industrial Relations Framework and an agreed Workplace between MS and JTUS.
Rebuilding the Industrial Relations (IR) Framework	Agreement is in place between Management and the Joint Trade Unions, to work with an external facilitator, to rebuild the IR Framework and processes in NMDDC	In Progress	Josephine Kelly	10/31/2024	Agreement was reached between MS and JTUS on 28 February 2024. Work has commenced on an industrial Relations Framework and an agreed Workplace between MS and JTUS.

**Risk CR. 12 - Insufficient staff resources to deliver Council services in an effective and efficient manner**



**Risk Categories**

**Risk Description**

Insufficient staff resources to deliver Council services in an effective and efficient manner

**Potential Root Cause**

There has been a difficulty in recruiting key positions in across Council. Another issue has been the retention of staff across all Directorates.  
 Pay scales in private sector  
 Competitive Job Market  
 Candidates less likely to apply for temporary positions

**Consequence**

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  
 Increased costs due to employing agency staff / consultants etc

**Risk Owners**

Josephine Kelly; Marie Ward

**Gross/Inherent Risk**

Red 20

**Last Review**

9/10/2024

**Residual Risk**

Amber 16

**Next Review**

11/30/2024

**Target Risk Level**

Amber 12

**Risk Appetite**

Risk Cautious

**Objectives**

- 7. Deliver sustainable services

**Key Controls Identified**

- 1. Agency Framework in place
- 1. Code of Procedures on Recruitment and Selection
- 1. Qualified HR professionals in place
- 2. SMT review of recruitment schedule

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Alternative methods of recruitment	HR to look at alternative method of recruitment due to the difficulties in recruiting into key positions across Council. All Directorates are struggling to fill certain vacant posts.	In Progress	Marina Hughes	10/31/2024	This includes the Regional Approach in relation to the Talent Management Strategy which is overseen by the LG Staff Commission. NMDDC represented on and contributing to LGSC Regional Talent Management Group.
Service Reviews	Service Reviews are currently being looked at in line with paper which was approved at SP&R.	In Progress	Senior Management Team	10/31/2024	The recruitment processes for the Director posts have been completed and the Directors are in place. The recruitment of a number of AD posts as part of PFF has been completed. There are currently two posts at Assistant Director that are in the process of being recruited. However it should be noted that there are still challenges across the Directorates on a number of posts at different levels. A draft action plan / timetable of service reviews has been provided to the Trade Unions as part of the agreement to the current dispute. Work is progressing. A full list of Service Reviews is being collated to ensure resources are appropriately directed to undertake the work required.

## NMDDC AHC Risk Register Cover Sheet - September 2024

Risk	Description	Risk Owner(s)	Gross Risk Score	Jun-24 Revised Residual Risk Score	Sep-24 Revised Residual Risk Score		Comments
AHC01	Failure to comply with relevant statutory and legislative requirements in AHC Council facilities	Andy Patterson Alison Robb Harry Korkou	25	15	15	↔	Risk score remains unchanged. Actions have been updated.
AHC02	Fraud, theft and mismanagement of money, property and assets	Andy Patterson Alison Robb Harry Korkou	20	12	12	↔	Risk score remains unchanged. Actions have been updated.
AHC03	Failure to enforce and comply with legislative requirements and statutory functions	Andy Patterson Alison Robb Harry Korkou	25	16	16	↔	Residual risk remains unchanged - actions have been updated.
AHC04	Reduction in funding and/or income has an impact on service delivery	Andy Patterson Alison Robb Harry Korkou	20	16	16	↔	Residual risk remains unchanged. New action in relation to Newry Leisure Centre tiles and the work ongoing.
AHC05	Failure to safeguard children/adults from the risk of harm including failing to comply with our statutory responsibilities	Andy Patterson Gary Scott	25	15	12	↓	Safeguarding has moved over from the corporate services risk register following the finalisation of planning for the future. As there already was a safeguarding risk on the AHC register (Failure to meet the safeguarding responsibilities for Community and Leisure Services) the two have now been merged. 18 Key Controls are in place which has enabled the residual risk to come down from 15 to 12.
AHC06	Reduced participation in Community Engagement Programmes may have a negative impact on community cohesion across the District.	Andy Patterson Alison Robb	20	12	12	↔	Residual risk remains unchanged - actions have been updated.



137

**Risk Matrix**

NMDOC 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	<b>Catastrophic</b> Potential immediate or future harmful impact to the Council. IMT required to make major adjustments to plans and/or resource allocations.	5	10	15	20	25
	<b>Major</b> Substantial departure from best practice and standards. Consequences can be managed with moderate additional resources and/or managerial effort.	4	8	12	16	20
	<b>Moderate</b> Limited impact. Consequences can be managed with limited additional resources and/or managerial effort.	3	6	9	12	15
	<b>Minor</b> Very limited impact. Consequences can be managed under normal operating conditions.	2	4	6	8	10
	<b>Not Significant</b> No impact on normal operating procedures.	1	2	3	4	5
		<b>Rare</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Very Likely</b>
		Has happened rarely or never before.	Has happened rarely or never before.	Likely to happen at some point within the next 2-3 years. Circumstances occasionally encountered (annual).	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (five times a year).	Regular occurrence. Circumstances frequently encountered. Daily / weekly / monthly.

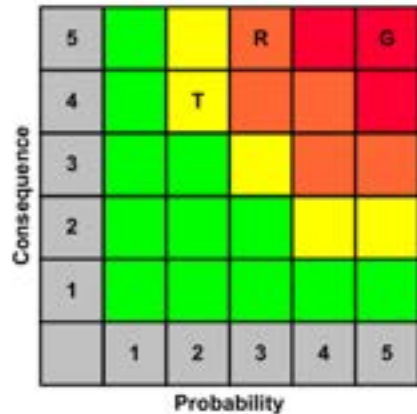
Risks are assessed on a scale of 1-5 in terms of both likelihood and impact, which results on the following risk ratings outlined below:

LOW	MODERATE	HIGH	SEVERE
-----	----------	------	--------

# Active and Healthy Communities Directorate

9/17/2024 10:01:24 AM

## Risk 01. Failure to comply with relevant statutory and legislative requirements in AHC Council facilities



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

**Risk Description** This can include community centres / outstations / leisure centres (including swimming pools) / pitch facilities

**Potential Root Cause** Inadequate safety arrangements and non compliance with statutory requirements - eg fire, legionella and asbestos  
Lone working  
Lack of training / failure to follow operating procedures  
Confrontation with public / threat of violence / aggression  
Lack of supervision  
Lack of awareness of policy and procedures  
Lack of awareness/knowledge of the environment  
Vehicle accident  
Unforeseen event, eg. drowning

**Consequence** Impact of death/injury on those involved and employees  
Reputational damage for the Council  
Negative PR  
Services not being delivered if Council facilities are closed for a period of time  
Non compliance with statutory requirements / legislation and potential financial penalty  
Potential litigation

**Risk Owners** Harry Korkou; Andy Patterson; Alison Robb

**Gross/Inherent Risk** Red 25      **Last Review** 9/12/2024

**Residual Risk** Amber 15      **Next Review** 12/12/2024

**Target Risk Level** Yellow 8      **Risk Appetite** Risk Averse

### Objectives

- 1. Promote increased levels of activity and develop targeted programmes to support improved health and wellbeing outcome
- 3. Create a strong base to engage, empower and build the capacity of local communities, ensuring their views inform the w

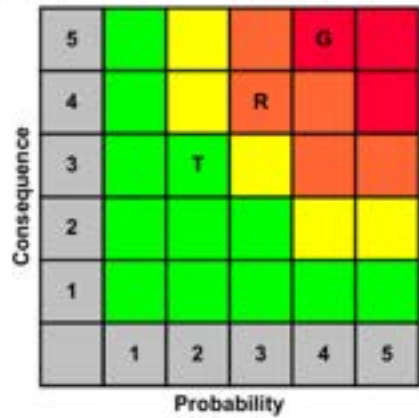
**Key Controls Identified**

Accident Reporting Procedures in place  
 Appropriate clothing for certain sites  
 Assurance Statements  
 Business Continuity Procedures  
 Compliance Scorecards in place for all leisure facilities  
 Corporate Health and Safety Policy and dedicated unit within the Council  
 COSHH  
 Departmental Health and Safety Working Groups  
 Facility Checklists  
 Incident book maintained  
 Leisure safe audits for independent reviews of facilities  
 Licence and insurance details kept for casual and essential vehicle users  
 Lone working arrangements / Remote Working Policy  
 NOPs/EAP's/PSOP/PTOP  
 PPE  
 Risk assessments of Council facilities  
 SSOW  
 Training for all employees

**Action Plans**

	<b>Action Plan Description</b>	<b>Action Plan Type</b>	<b>Action Plan Owner</b>	<b>Action Plan Action Date</b>	<b>Comments</b>
Health and safety training	Continued delivery of the rolling programme for employees and volunteers at local community centres.	In Progress	Alison Robb	12/12/2024	The programme continues to be delivered, offering a range of courses including fire warden, first aid and defibrillator training. During 2023-24, 28 capacity building programmes were delivered first aid, event steward and safeguarding courses. In December 2023, 110 attendees took part across all sites.
Roll out Leisure Safe accreditation across all leisure centres	Leisure Safe accreditation is in place at Newry Leisure Centre.	In Progress	Andy Patterson	12/12/2024	Two year cycle for Leisure Safe accreditation which were completed at Newry, Down, Newcastle, Killeel and Ballymote during 2022-23. Accreditation however was not achieved due to statutory compliance sitting with facilities management. Leisure Safe Accreditation will continue on a biennial basis
Statutory Compliance	Ensuring facilities compliance	In Progress	Andy Patterson Alison Robb	12/12/2024	Representing community and leisure services on corporate facilities management steering group to manage current risks within leisure and community facilities

**Risk 02. Fraud, theft and mismanagement of money, property and assets**



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

**Risk Description** Fraud, theft and mismanagement of money including grant income and expenditure, property and assets

**Potential Root Cause** Poor governance  
Poor security/IT systems  
Failure to effectively implement internal audit recommendations  
Insufficient monitoring and spot checks  
Lack of training and understanding of Fraud and Whistleblowing Policies  
Corporate culture  
Non reconciliation of assets and inventory  
Major changes in organisational development increasing fraud risk  
No inventory of assets in leisure and community centres

**Consequence** Financial impact  
Reputational risk  
Low staff morale during fraud investigations

**Risk Owners** Harry Korkou; Andy Patterson; Alison Robb

**Gross/Inherent Risk** Red 20      **Last Review** 9/12/2024

**Residual Risk** Amber 12      **Next Review** 12/12/2024

**Target Risk Level** Green 6      **Risk Appetite** Risk Averse

**Objectives**

- 1. Promote increased levels of activity and develop targeted programmes to support improved health and wellbeing outcome

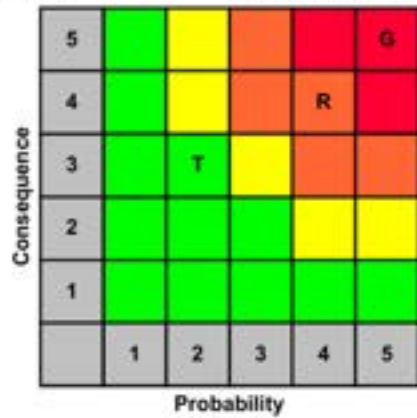
**Key Controls Identified**

- Corporate Procurement Policy in place
- Expansion of online payment methods to limit the amount of cash handling at Council facilities
- Fraud and Whistleblowing Policy in place
- Governance arrangements in place including the Audit Committee and independent internal audit function
- Leisure Services Cash Handling and Booking Management procedures in place

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Develop a centre based asset register for community facilities	Asset Register will include an inventory of all assets within community facilities	In Progress	Alison Robb	12/12/2024	An asset register has been established for the 7 100% Council run facilities. As most assets in community run facilities are community owned an asset register has not been established for them. Council run facilities are to be reviewed annually
Develop centre/service based asset register for sport and leisure	Asset Register will include an inventory of all assets within each leisure facility	In Progress	Harry Korkou	12/12/2024	Asset register is in place and is reviewed annually
Introduce management checks and controls on financial governance	System of spot checks to ensure appropriate controls are in place and adhered to in relation to financial management and governance.	In Progress	Harry Korkou	12/12/2024	Financial controls and checks are in place across all leisure centres. Requirements are in place for Community Associations, through SLAs and FMAs, in relation to legal and financial controls, record keeping and rights of inspection of accounts for Council.
Online booking system	Currently being considered as part of the communities facility strategy	In Progress	Alison Robb	12/12/2024	Subject to internal approvals and budgets

**Risk 03. Failure to enforce and comply with legislative requirements and statutory functions**



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

**Risk Description** Failure to enforce and comply with legislative requirements and statutory functions

**Potential Root Cause** Lack of training  
Inadequate funding and resources to provide the required level of service  
Non-compliance with legislation leading to prosecution

**Consequence** Financial penalty  
Reputational damage  
Poor service being provided

**Risk Owners** Harry Korkou; Andy Patterson; Alison Robb

**Gross/Inherent Risk** Red 25 **Last Review** 9/12/2024

**Residual Risk** Amber 16 **Next Review** 12/12/2024

**Target Risk Level** Green 6 **Risk Appetite** Risk Averse

**Objectives**

1. Promote increased levels of activity and develop targeted programmes to support improved health and wellbeing outcome

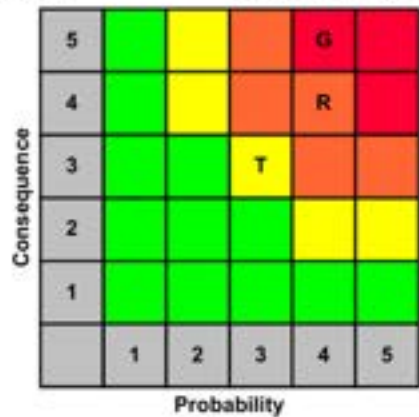
**Key Controls Identified**

Continuous review of policies and procedures.  
Council oversight and independent audits  
Ongoing submission of quarterly returns to external organisations  
Performance management arrangements in place

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Statutory compliance	Ensuring adherence with all statutory compliance responsibilities	In Progress	Alison Robb	12/12/2024	Contributing to the Council's Corporate Facilities Management Steering Group and Health and Safety Policy to ensure ongoing compliance. Continue to commission relevant independent audits and reviewing systems, procedures and policies.

**Risk 04. Reduction in funding and/or income has an impact on service delivery**



<b>Risk Categories</b>	Financial Impact on individuals (staff or public) Quality of Service Statutory Duty (Legal/Regulatory)	
<b>Risk Description</b>	Loss or reduction in funding or income has an impact on service delivery within Community Development and Leisure Services.	
<b>Potential Root Cause</b>	Financial cutbacks from outside organisations Market forces/Government policy Lack of compliance with third party requirements and failure to achieve targets within Letters of Offer Financial Assistance Scheme and ongoing compliance with Financial Assistance Policy Stakeholders do not participate in the range of programmes being delivered Reduced funding for the Good Relations Programme 2024-25 Inadequate approach to develop income generation opportunities Unplanned closure of leisure facilities over a longer duration due to unforeseen maintenance issues.	
<b>Consequence</b>	Financial impact on the Council Reduced funding for specific positions and services may result in key programmes not being delivered Potential negative impact on the health and wellbeing of citizens and stakeholders Impact on staff morale Participants will not have opportunity to engage in physical activity and community-based programmes Negative Publicity	
<b>Risk Owners</b>	Harry Korkou; Andy Patterson; Alison Robb	
<b>Gross/Inherent Risk</b>	Red 20	<b>Last Review</b> 9/12/2024
<b>Residual Risk</b>	Amber 16	<b>Next Review</b> 12/12/2024
<b>Target Risk Level</b>	Yellow 9	<b>Risk Appetite</b> Risk Cautious

**Objectives**

4. Promote sustainability both within the organization and externally, support improved Health and Wellbeing outcomes

**Key Controls Identified**

- Annual targets agreed with funders and quarterly monitoring arrangements in place
- Fixed term and temporary contacts
- Funding in place for key projects and programmes.
- Income opportunities maximised
- Key plans and policies in place, eg Good Relations Action Plan, DEA Action Plans,
- Ongoing liaison and partnership working with funders
- Ongoing programme of renewals and repairs in high-use leisure facilities
- Ongoing promotion of sport and community facilities and programmes
- Project governance arrangements and Risk Registers for key projects in place
- Review maintenance schedules of high-use leisure facilities

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Identify alternative future funding arrangements and ways of working	Identify alternative and additional future funding arrangements and ways of working	In Progress	Alison Robb	12/12/2024	The Council continues to work with partners to identify and consider a range of funding streams. Work will take place during 2024/25 to have a suite of projects in the pipeline and application ready should relevant funding streams become available.
Newry Leisure Centre	Continue to implement ongoing renewals, repairs / maintenance programme in leisure facilities.	In Progress	Andy Patterson	12/12/2024	Replacement of tiles in Newry pool ongoing. Refurbishment of Killeel Leisure Centre scheduled in 2025.
Review customer pricing arrangements at leisure and community facilities	Review customer pricing arrangements at leisure and community facilities to sustain customer loyalty and attract new customers.	In Progress	Alison Robb	12/12/2024	An annual review of community & leisure scales of charges takes place alongside the rate setting process of Council



**Risk 05. Failure to safeguard children/adults from the risk of harm including failing to comply with our statutory responsibilities**

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

<b>Risk Categories</b>	Business operational/reputational Impact on individuals (staff or public) Statutory Duty (Legal/Regulatory)		
<b>Risk Description</b>	The Council has statutory and moral responsibilities to fulfil its obligations regarding safeguarding children, adults at risk and staff from harm.		
<b>Potential Root Cause</b>	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		
<b>Consequence</b>	Failure to protect children and adults at risk (including personal injuries / death) Reputational damage Litigation Disciplinary Physical damage to property		
<b>Risk Owners</b>	Harry Korkou; Andy Patterson; Gary Scott		
<b>Gross/Inherent Risk</b>	Red 25	<b>Last Review</b>	9/12/2024
<b>Residual Risk</b>	Amber 12	<b>Next Review</b>	12/12/2024
<b>Target Risk Level</b>	Yellow 8	<b>Risk Appetite</b>	Risk Averse

**Objectives**

Continue to mitigate existing and emerging safeguarding risks, for both Council and Citizens

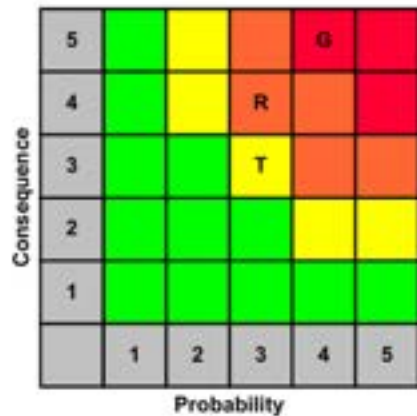
### Key Controls Identified

1. Access NI checks for staff (regulated positions) and contractors as appropriate
10. Council Designated Safeguarding Officers in place together with Council Safeguarding Coordinator.
11. CCTV installed in relevant community and Leisure facilities
12. Safeguarding compliance embedded into procurement processes for contracted services
13. Safeguarding compliance embedded into procurement for contracted services and facility hire arrangements
14. . Dedicated Safeguarding Folder on Council staff R Drive providing support and signposting
15. Leisurewatch training provided to relevant leisure and community staff
16. Referral process with PSNI and social services regarding information sharing
17. Customer Exclusion Policy to prevent inappropriate behaviours by customers
18. Safeguarding Awareness and support leaflets for staff and customers and signage regarding photography displayed prom
2. Safeguarding Coordinator completes spots checks on Council schemes
3. Domestic Abuse Policy and Sexual Violence Policy for the workplace approved and available online
4. Registration booklet established for registering children/young people on all council activities/schemes.
4. Safe Place locations to support staff/communities for advice in relation to Domestic Abuse
6. Safeguarding Policy and associated procedures approved and available online.
7. Safeguarding Training
8. Internal and External working groups and direct information sharing referral mechanisms with PSNI and Social Services
9. Leisure Watch system and accreditation in place in Leisure and Community Facilities

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
1. Safeguarding e-Learning module	Safeguarding eLearning module for newly procured system (skillgate) for staff on to be reviewed and implemented	In Progress	Andy Patterson Gary Scott	12/12/2024	
2. Financial Assistance, Facility Hire and Event Documentation	To review all financial assistance, facility hire and event documentation to ensure consistency in application	In Progress	Andy Patterson Gary Scott	12/12/2024	
3. Risk Assessment and Safeguarding	Continue to assess risk in context of safeguarding across leisure facilities and programmes	In Progress	Andy Patterson Gary Scott	12/12/2024	<p>Over the past two years, the Council has focused on undertaking risk assessments across all leisure facilities. Actions - relevant actions to be updated and where relevant incorporated as a control where appropriate marked as complete</p> <p>Overall risk - Due to the fact Council is a public facing body and all services have interaction with the public, risk cannot be removed entirely, therefore by default are unable to fully control the risk, when considered against mitigation measures the target likelihood is unlikely. As an organisation numerous measures are in place and being developed to mitigate against that risk such as policies, designated safeguarding officers and training which also allows the threshold of major impact rather than catastrophic.</p>

**Risk 06. Reduced participation in Community Engagement Programmes may have a negative impact on community cohesion across the District.**



**Risk Categories**

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

**Risk Description**

Reduced participation in Community Engagement Programmes may have a negative impact on community cohesion across the District.

**Potential Root Cause**

Stakeholders do not participate effectively in community planning structures  
Partners across the community, voluntary, statutory and business sectors have limited opportunities to influence key decisions and programmes of work at a local level  
Lack of awareness and understanding of programmes

**Consequence**

Reduced funding in future years for key programmes of work that build capacity at a local level  
Reduced income across community facilities  
Failure to provide efficient and effective public services to meet the needs and aspirations of local communities  
Lack of social inclusion and community cohesion at a local level  
Hard to reach and vulnerable groups become increasingly marginalised and isolated within society  
Potential social unrest

**Risk Owners**

Alison Robb

**Gross/Inherent Risk**

Red 20

**Last Review**

5/13/2024

**Residual Risk**

Amber 12

**Next Review**

8/13/2024

**Target Risk Level**

Yellow 9

**Risk Appetite**

Risk Open

**Objectives**

**Key Controls Identified**

Community Planning Partnership and Community Plan in place  
Key programmes of work in place around Neighbourhood Renewal, PCSP Action Plan, Good Relation and Financial Assistance.  
Ongoing promotion of programmes through the Council's website and social media platforms  
Seven DEA Forums operational and DEA Action Plans being delivered

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Plan Action Date	Comments
Continue to engage BME communities through the Ethnic Minority Support Centre	The EMSC provides ongoing support, in multiple languages, on issues such as EU Registration, housing and education. The centre is based in Newry and Downpatrick.	In Progress	Alison Robb	12/12/2024	Support though the EMSC is available by appointment in both in Newry and Downpatrick and by phone. The centre records approximately 2,890 visits per annum. Support is provided to individuals from established minority ethnic communities and to newcomers, including Ukrainian refugees and asylum seekers accommodated in the district.
Deliver DEA Action Plans, Neighbourhood Renewal Plans and PCSP and Good Relations Action Plans.	Engage stakeholders through established Forums and Partnerships to facilitate the delivery of key plans and strategies at a local level.	In Progress	Alison Robb	12/12/2024	The implementation of key plans and strategies is ongoing. The Council is also working with the Department for Communities to review the Neighbourhood Renewal Programme which will be replaced by a new programme entitled 'People and Place'. Support will be provided through the DEA Team to re-establish the Newcastle RCRG and the possible creation of a Camlough RCRG. Training and the creation of a database of key information for DEA Co-ordinators will be progressed in 2024/25 to support the Team's response to future emergency situations and assist local communities.
Facilitate the Community Co-ordination Hub	Continue to facilitate the Community Co-ordination Hub, which is aligned to existing community planning structures and meets on a monthly basis.	In Progress	Alison Robb	12/12/2024	Continue to draw down funding from the Department for Communities to deliver programmes which seek to strengthen community engagement.
Review the existing community planning structures.	Review the existing community planning structures.	In Progress	Alison Robb	12/12/2024	The implementation of the recommendations from the stakeholder engagement exercise is ongoing and will explore opportunities to broaden the scope and remit of the Community Planning Partnerships. Officers will continue to engage with the PSG Solace led Community Planning review process in order to influence regional policy and approaches to Community Planning. The performance measures within the Community Plan will be updated in line with the Partnership Board's recommendations.

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	19 September 2024
<b>Subject:</b>	Statement of Accounts for Year ending 31 March 2024
<b>Reporting Officer (Including Job Title):</b>	Gerard Byrne: Assistant Director of Finance & Performance
<b>Contact Officer (Including Job Title):</b>	Gerard Byrne: Assistant Director of Finance & Performance

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

	For decision	X	For noting only	
<b>1.0</b>	<b>Purpose and Background</b>			
1.1	<p>At the Audit Committee meeting of 5 July 2024, Members were advised that the draft Statement of Accounts of Newry, Mourne and Down District Council were submitted to the Northern Ireland Audit Office (NIAO) to be audited. The Accounts were also submitted to DfC on the same date, 28 June 2024.</p> <p>The NIAO audit is almost complete and the audited Statement of Accounts for year ending 31 March 2024 is presented for approval of Members.</p>			
<b>2.0</b>	<b>Key issues</b>			
2.1	<p>As per the NIAO draft Report to Those Charged with Governance (RTTCWG), there has been one adjustment. This was a reclassification within the Short-Term Debtors note amounting to £4.1m in relation to the recovery of VAT on Leisure and recreational income. There have been no other material year-end adjustments. NIAO have also not raised any non-adjusting errors this year.</p> <p>Members received a detailed presentation of the draft Financial Statements and Narrative Report on the 5 July 2025. The Prime Statements and figures remain unchanged from the Draft Accounts.</p> <p>NIAO have recommended several disclosure amendments within the narrative report and the financial statements themselves, which have been revised within the final set of Accounts.</p> <p>Two amendments have been made to Council's Annual Governance Statement;</p> <ol style="list-style-type: none"> <li>1. The inclusion of the Soil Sample Fraud issue which NIAO have issued a report on the 5 July 2024 (similar wording to be included in all 11 Council's Annual Governance Statement).</li> <li>2. Wording included on the City Deal Funding being paused and then reinstated within the last week.</li> </ol> <p>NIAO are still reviewing the Audit File and the RTTCWG still needs reviewed for factual accuracy by Council. Following the completion of Audit, should any material issues arise, or if NIAO require any significant amendments to the Annual Governance Statement, Members will be informed in advance of signing.</p>			

	The audited accounts are attached at <a href="#">Appendix 1</a> ; however, these are still subject to final review by NIAO.
<b>3.0</b>	<b>Recommendations</b>
31	It is recommended that Members note the NIAO RTTCWG and approve the Statement of Accounts for year ending 31 March 2024 for signing by the Chief Executive and Chairperson.
<b>4.0</b>	<b>Resource implications</b>
4.1	None
<b>5.0</b>	<b>Due regard to equality of opportunity and regard to good relations (complete the relevant sections)</b>
5.1	<p><b><i>General proposal with no clearly defined impact upon, or connection to, specific equality and good relations outcomes</i></b></p> <p>It is not anticipated the proposal will have an adverse impact upon equality of opportunity or good relations <input checked="" type="checkbox"/></p>
5.2	<p><b><i>Proposal relates to the introduction of a strategy, policy initiative or practice and / or sensitive or contentious decision</i></b></p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>The policy (strategy, policy initiative or practice and / or decision) has been equality screened <input type="checkbox"/></p> <p>The policy (strategy, policy initiative or practice and / or decision) will be subject to equality screening prior to implementation <input type="checkbox"/></p>
5.3	<p><b><i>Proposal initiating consultation</i></b></p> <p>Consultation will seek the views of those directly affected by the proposal, address barriers for particular Section 75 equality categories to participate and allow adequate time for groups to consult amongst themselves <input type="checkbox"/></p> <p>Consultation period will be 12 weeks <input type="checkbox"/></p> <p>Consultation period will be less than 12 weeks (rationale to be provided) <input type="checkbox"/></p> <p><i>Rationale:</i></p> <p>Consultation not required.</p>
<b>6.0</b>	<b>Due regard to Rural Needs (please tick all that apply)</b>

6.1	<p>Proposal relates to developing, adopting, implementing or revising a policy / strategy / plan / designing and/or delivering a public service</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please complete the following:</p> <p>Rural Needs Impact Assessment completed <input type="checkbox"/></p>
<b>7.0</b>	<b>Appendices</b>
	Appendix 1 – Statement of Accounts at the 31 March 2024
<b>8.0</b>	<b>Background Documents</b>
	None



# *Statement of Accounts*

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

**For the Year Ended 31<sup>st</sup> March  
2024**



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

**Newry, Mourne  
and Down**  
District Council

**Contents Page**

	Page Number
Narrative Report	2
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts	20
Annual Governance Statement	21
Remuneration Report	35
Certificate of the Chief Financial Officer	43
Council Approval of Statement of Accounts	43
Independent Auditor's Report to the Members	44
Comprehensive Income and Expenditure Statement	49
Movement in Reserves Statement	50
Balance Sheet	51
Cash Flow Statement	52
Notes to the Accounts	53

## Narrative Report

### Organisational overview and external environment

With an estimated population of 182,074 and 68,397 households, the Council area has a coastline of approximately 150 kilometres, and encompassing an area of 1,634 square kilometres, we have three Areas of Outstanding Natural Beauty: Mourne, Ring of Gullion, and Strangford and Lecale.



Newry, Mourne and Down is the third largest of the eleven Local Government districts in Northern Ireland. With a net budgeted expenditure of £67.4m in 2023/24, The Council's 873 employees, led by 41 councillors across 7 electoral areas, carry out eight principal roles:

1. Support the continued growth and development of our local economy;
2. Improve the health and wellbeing of everyone in the district;
3. Protect and enhance our environment to secure a sustainable future;
4. Support regenerative tourism opportunities which promote our culture, heritage and environment;
5. Empowering communities to play an active part in civic life;
6. Develop and revitalise our district;
7. Deliver sustainable services;
8. Represent the voice of the district with our partners.

Our draft [Corporate Plan \(2024-2027\)](#) sets out the strategic direction of the organisation and will continue to guide Council's activities and the allocation of resources over the next year. To support the achievement of our community planning outcomes and corporate objectives, we will continue to work closely with Government Departments and partners across the public, private, voluntary and community sectors whilst investing in our staff, ensuring they have the necessary support and resources required to provide high-quality services for all. A twelve-week consultation has just been completed for the draft Corporate Plan 2024-27. Once analysed the Plan will be finalised and agreed through relevant committees during quarter three of the 2024-25 financial year.

The key services delivered by the Council are outlined below under our Operational Model and the key objectives of the Council are outlined below under the Performance Report. The key deliverables for year ended 31 March 2024 reflect the priorities articulated by local people and relate to the Council's functions as both a civic leader and service provider.

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

Throughout the year the Council reports to the Strategic Policy and Resources (SP&R) Committee on the financial performance against agreed budget for each Directorate. 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 different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2) and the Movement in Reserves Statement.

The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments and IAS 19 accounting adjustments. There are also variances due to reclassification of income and expenditure to other income and expenditure for financial accounting purposes such as rental and financing activities. Each committee is responsible for the delivery of key services.

The table below highlights the performance against budget for each Directorate. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this Department in the Comprehensive Income and Expenditure Account. The net expenditure reported in the Comprehensive Income and Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.

DEPARTMENT	INCOME			EXPENDITURE			YTD Net Variance £
	YTD	YTD	YTD	YTD	YTD	YTD	
	Budget	Actual	Variance	Budget	Actual	Variance	
	£	£	£	£	£	£	£
Chief Executive	0	16,353	16,353	2,101,849	2,078,852	22,997	39,350
Corporate Services	69,481,481	69,409,684	-71,797	16,128,440	14,354,946	1,773,494	1,701,697
Economic Regeneration & Tourism	6,593,089	6,251,488	-341,601	14,101,493	13,374,773	726,720	385,119
Sustainability and Environment	1,202,459	1,362,369	159,910	31,932,925	33,692,228	-1,759,303	-1,599,393
Active & Healthy Communities	4,969,420	7,430,152	2,460,733	17,981,741	17,911,887	69,854	2,530,587
<b>Net District Fund Expenditure</b>	<b>82,246,449</b>	<b>84,470,046</b>	<b>2,223,597</b>	<b>82,246,448</b>	<b>81,412,686</b>	<b>833,763</b>	<b>3,057,360</b>

Risks and opportunities

The Council has an embedded process to manage risks and support the achievement of its corporate objectives and performance targets. The Corporate Risk Register plays an integral role in supporting the development and production of the Corporate Plan and is subject to a quarterly review by the Audit Committee and the Senior Management Team (SMT).

In order to assist the Chief Financial Officer in fulfilling her responsibilities, the Council has 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. Assistant Directors and Directors provide Assurance Statements to the Chief Executive on a quarterly basis. Director Assurance Statements are considered by the SMT on a quarterly basis.

An Internal Audit of Risk Management was completed in November 2023. The Review received a satisfactory assurance rating. The Council’s Risk Strategy was revised and approved by the Audit Committee in July 2021 to comply with HM Treasury’s best Practice (Orange Book, Management of Risk; Principles & Concept).

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



SMT reviewed and updated the Corporate Risk Register in September 2024, based on the revised Risk Strategy. The following 12 Corporate Risks were agreed:

Risk	Description
CR01	Failure to deliver the capital investment programme for the District
CR02	Non-compliance with legislative requirements, including procurement
CR03	Failure to effectively manage waste
CR04	Failure to provide robust and timely planning decisions
CR05	Failure to adequately deliver future efficiencies and improvements
CR06	Failure to adequately react to a major incident which would minimise any negative consequences/impact
CR07	Failure to implement an economic development programme to regenerate the district
CR08	Failure to manage sickness absence resulting in delays and an inability to deliver Council services
CR09	Risk to the long term financial stability of Council in relation to the delivery of Council Services
CR10	Failure to effectively plan for and manage a cyber security attack.
CR11	Risk of Industrial Action impacting on Service Delivery
CR12	Insufficient staff resources to deliver Council services in an effective and efficient manner

Controls are in place to manage the risks where possible, and where actions have been identified to further mitigate the risk, they are being progressed by members of SMT and the Corporate Management Teams (CMT), and progress is monitored and reported on a quarterly basis. Council currently has six risks with red residual score ratings which are highlighted in the table above.

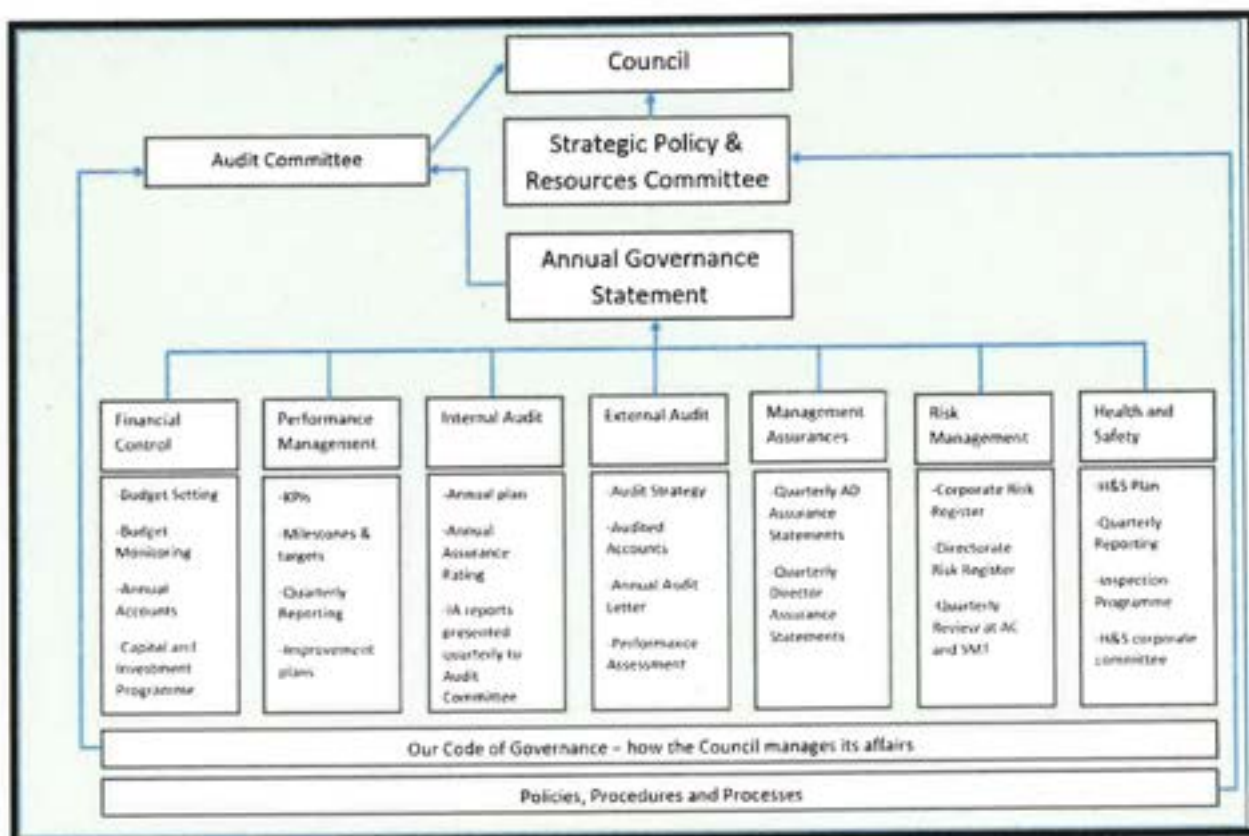
The Audit Committee also consider and review Directorate Risk Registers, on a rotational basis, as a mechanism to strengthen the alignment with the Corporate Plan and ensure risks and be escalated and deescalated as required.

Governance

The Council's Assurance Mapping and Code of Governance was revised and approved by the Audit Committee in July 2024. The Annual Governance Statement on page 21 details the Council's Code of Governance and significant Governance issues facing the Council.

The work of Council is overseen by the committee structure and detailed further in our Governance Statement on pages 21-34. The Annual Governance Statement for 2023/24 highlights the Council's governance arrangements during the year and how significant governance issues are being addressed and actions implemented. Directors and Members have oversight in accordance with the terms of reference for the relevant Committee as well as finance reports covering all aspects of Council expenditure being presented to Committee on a quarterly basis. The Committee structure, which is based on the full council and 6 standing committees, is described in detail within the Annual Governance Statement

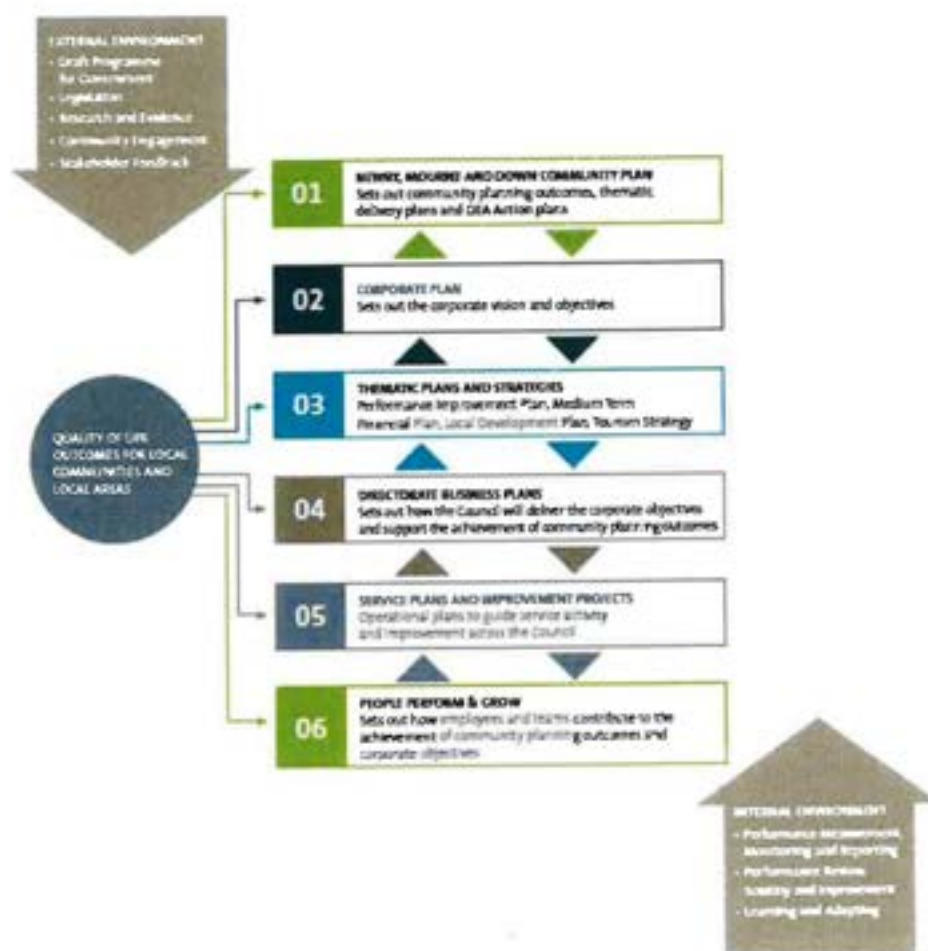
The image below illustrates the assurance framework in place within the Council which is approved annually by the Audit Committee. The framework provides information on compliance with various elements of the Council's Governance arrangements.



### Performance Report

The Council has continued to 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, 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 2024-27 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 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 Living Well Together Community Plan outlines the vision for Newry, Mourne and Down to be 'a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high-quality services which are sustainable, accessible and meet people's needs'. The [Community Plan](#) can be downloaded on the Council's website.

Since launching the Community Plan, community planning partners and local communities have come together to deliver high quality services and positive outcomes for all. This ensures that local people have a say on the programmes and policies that are delivered in their area, based on the understanding that more can be achieved when we work together in partnership.

The Council has worked closely with community planning partners to develop actions including through running thematic summits around the themes of Housing and Health and Well-being.

As part of our statutory responsibilities under the Local Government Act (NI) 2014, the Council is required to monitor progress against the outcomes and indicators within the Community Plan every two years. The [2022-23 Statement of Progress](#) provides an overview of the key achievements of the Community Planning Partnership and can be downloaded on the Council's website.

The key achievements of the Community Planning Partnership during 2023/24 can be summarised as follows:

- Promoting the SpeakNMD civic engagement platform which has facilitated multiple consultations, surveys and polls;
- The ongoing work of the Community Support Partnership providing coordinated help to venerable residents;
- Support for the Strategic Stakeholder Forum in providing a social supermarket within the District;
- Facilitation of the YAFTA youth Awards; and
- Hosting the Health and Wellbeing Thematic Summit.

#### Corporate Plan

Consultation on Newry, Mourne and Down District Council's draft Corporate Plan 2024-27 was carried out for 12 weeks and finished on 31 May 2024. It will now go through the Council's committee structure for approval after which it will launch in September 2024. The draft plan sets out the following Mission statement: *'To deliver sustainable services and empower our communities through transparent government and collaboration.'* Progress in delivering the eight strategic objectives within the Corporate Plan will be monitored, reviewed and reported on an annual basis through 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.

Three of the 2024-25 performance improvement objectives have been carried forward from 2023-24. One has been amended to better reflect the link to the proposed new corporate objective it supports as well as the new economic programme 'Go Succeed' which is now in place. Another one has also been amended to include 'by continuing to promote recycling' in its title which was suggested through the consultation and agreed by officers as recycling is a priority of the Department and a key measure of success within the objective.

All were developed within the context of the Corporate Plan 2024-27 and 'proposals for improvement' which were recommended by the NI Audit Office.



The [Performance Improvement Plan](#) 2024-25 was approved by the SP&R Committee on 13 June 2024 and published on the Council's website ahead of the statutory deadline of 30 June 2024.


























The performance improvement objectives do not describe every improvement the Council plans to make during 2024-25. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Objectives 2024-25 are:

1. We will support the health and wellbeing of local people by improving our leisure facilities and services
2. We will contribute to growing the economy by supporting local businesses and job creation
3. We will improve the cleanliness of our District by continuing to promote recycling and addressing littering, fly tipping and dog fouling incidents
4. We will improve our sustainability and reduce our impacts in relation to climate change
5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme

**Performance 2023-24**

Through the annual Assessment of Performance 2023-24, which will be published in September 2024, Council has monitored progress in delivering the Corporate Plan 2021-23 and Performance Improvement Plan 2023-24, including the statutory performance indicators and standards. The table below provides an overview of performance during 2023-24.

Performance Improvement Objective	Progress	Status Trend
 <p>We will support the health and wellbeing of local people by improving our leisure facilities and services</p>	10% increase in paid attendances at Council leisure centres	△
	16.1% increase in the number of people participating in targeted health programmes	😊 △
	11% decrease in the number of young people participating in targeted youth health and wellbeing initiatives	☹️ △ ▽
	4.1% increase in the number of Council leisure centre memberships	😊 △
	3 capital leisure projects progressed	😊
	16.6% increase in recorded visits at community trails	😊 △
 <p>We will grow the economy by supporting local businesses and creating new jobs</p>	90 new jobs promoted through business start activity	😊 ▽
	12 new social enterprise businesses supported and 16 new social enterprise jobs created	😊 △
	90 new enterprises created as a result of support	😊 ▽
	351 existing businesses supported to progress growth and scaling ambitions	😊 △
	'Make it Local' campaign rolled out	😊
	25 fixed penalty notices issued and 19 paid	☹️ ▽

 <p>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</p>	19 community clean ups supported	 
	Increase in the rate of recycling, to 50.0%*	 
	Second lowest levels of waste sent to landfill across all NI Councils	 
	9 'Live Here, Love Here' environmental projects supported	
	Responsible Dog Ownership promoted across Council's social media channels	
 <p>We will improve our sustainability and reduce our impacts in relation to climate change</p>	1 vehicle within the Council fleet that has an alternative fuel source	
	20 Council supported EV charging points installed	
	75% of Council fleet younger than 8 years	
	Installed 5 drinking water fountains across the District	
	2,800 trees planted on Council managed estate	
 <p>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</p>	The Council received the second highest number of planning applications across the 11 Council.	
	The processing time for local planning applications increased from 21.6 weeks in 2022-23 to 33.7 weeks in 2023-24	 
	The processing time for major planning applications increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24	 
	The number of planning applications in the system for 12 months or more increased from 228 by year end 2022-23 to 352 by year end 2023-24	 
	The number of enforcement cases in the system for 12 months or more increased from 500 by year end 2022-23 to 599 by year end 2023-24	 

\* The 2023-24 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year validated data will be published by DAERA in Q3 2024-25.

## Financial Statements

The Narrative Report provides an overview for Newry, Mourne and Down District Council (NMDDC) and it accompanies the 2023/24 Annual Accounts. It sets the context for Council, outlining corporate governance, performance requirements and financial performance.

The Council's financial performance for the year ended 31st March 2024 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 2024 (the Code) and the Department for Communities Accounts Direction, Circular LG 05/2024. 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 Council's finances during the financial year 2023/24 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 Council, 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 50, 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).

These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net Increase/Decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

## The Comprehensive Income and Expenditure Statement

This statement, as set out on page 49, 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 51, 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, 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 (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, as set out on page 52, 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 2023/24 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.

### **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 for 2023/24.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to 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 main services provided under each committee are summarised in this note and performance against budget is summarised in the Narrative Report. The main variances from the results as reported in the Narrative Report will arise due to the accounting cost of providing services in accordance with generally accepted accounting practices, such as depreciation charges

and IAS 19 pension adjustments which are not funded from taxation. These charges are summarised per committee in Note 2a and Note 2b.

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 2024, the Council's Usable Reserves increased by £3,780k to £39,521k. The budget plans formed part of the annual estimates for 2023/24. The total gross expenditure budget for the Council was set at £82,246k. This budget was agreed as part of the rates estimates process by full Council in February 2023.

The Council reported a £3,057k surplus 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 SP&R Committee. Assistant Directors provide variance analysis reports quarterly to both the Finance Team and their Director. The year-end Management Accounts position was presented to Committee on 13 June 2024.

Operationally, Council had a small deficit. There was several non-recurring, one off savings this year which will not be realised in future years totalling £3,193k. The one-off savings included;

- Council was advised by Land and Property Services NI (LPSNI) that there is a positive rates finalisation of £315k based on current Actual Penny Product data and this has been reflected in these Accounts. LPSNI have now began a process to recover debt, this process was operating at a reduced capacity since COIVD. The impacts of the recent floods on our rate base for 2024/25 have yet to be determined. Council was also advised of a positive outturn in the De-Rating Grant of £61k which has been included.
- There were savings of £1,595k in relation to utility costs. When the Rate was set in February 2023, Council was dealing with significant utility overspends in year as utility prices were soaring (£1,196k actual overspend at 2022/23-year end). Due to energy prices and inflation dropping significantly in year, significant savings were achieved in year. The utility budgets for 2024/25 were substantially reduced to reflect the changing market.
- There was significant Capital financing savings in year (loan interest and Minimum Revenue Provision (MRP)). This was due to capital projects not commencing in year as projected. Some of the significant projects which have been delayed and therefore cashflow requirement reduced included; NCCR, Newry City Park, Mourne Gateway and Donard Park. MRP savings were mainly due to the lead time in securing new vehicles. It was estimated that £4.5m of vehicles would be capitalised at year end (March 2023). However, Council only capitalised less than £2m due to the lead time in ordering vehicles.
- Investment income was greater than budget due to interest rates rising and the cashflow being greater than expected due to delays in capital projects.

Council has a number of significant pressures in year. The Department for Communities (DfC) advised Council of a further Rate Support Grant (RSG) cut of £4m to the baseline total NI Local Government allocation to £4.9m. This has led to a RSG deficit of £711k for 2023/24 year against budget.

Other significant overspends during the 2023/24 year include; Repairs and Maintenance costs were £825k over budget, plant and Vehicle Hire was £349k over budget and Environmental costs were £148k over budget.

Overall income (excluding grants and investment income) reported a £390k deficit against budget. Some of the most significant variances are highlighted below;

- Planning fee and building control income had a £764k deficit against budget. These are demand led services which had a significant surge during the COVID years.
- Registration income was also recorded a £36k deficit against budget, again this is a demand led service.
- The introduction of charging at forest car parks was delayed and was only introduced in April 2024. Therefore, the full deficit was realised during the 2023/24 year.

Tourism income was £297k greater than budget, this includes Caravan Parking and box office receipts. Leisure income was also greater than budget and back to pre-pandemic levels. However, the impact of the closure of the Newry Leisure Centre pool will have a detrimental impact on 2024/25 actuals.

A surplus of £1,179k for Council payroll costs was recorded and this was due to the level of vacant posts in year. A key change when striking the Rate in 2024/25 was the inclusion of a vacancy allowance within the payroll line. This acknowledges that Council will never have a full complement of staff.

The Cost of Services on Continuing Operations of £70.2m (2022/23 - £73.6m), 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.

### **Borrowings**

For the 2023/24 year the Council has an authorised borrowing limit of £130m (2022/23 - £126.1m). This is based on the Council's forecast capital expenditure plans over the medium to long term. In conjunction with the Council's projected capital financing requirement of £120m (2022/23 - £94.4m) at year end, this ensures the Council only borrows for capital purposes.

The Council currently holds £60.3m (2022/23 - £59.4m) of loans, an increase of £0.9m on the previous financial year, as part of its strategy for funding previous years' capital programmes. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing. During the year, Council repaid external loans of £4.1m. In December 2023, Council borrowed £5m on a short-term basis.

### **Capital Expenditure**

The Council has an ambitious four-year capital programme of £91 million (net of funding) at February 2023. The four-year capital programme is updated and approved 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 (SFWG).

The total net expenditure reported in the Comprehensive Income and Expenditure Statement includes allocations of £7.6m (2022/23 - £5.1m) to fund completed capital expenditure.

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



• Fleet Acquisitions	£6.2m
• Warrenpoint Foreshore project	£2m
• Kilbroney Walking Trails	£1.2m
• 16 The Square Rostrevor	£0.6m

### Revaluation of Assets

A valuation exercise was carried out by LPSNI as at 31 March 2024 on the Council's land and buildings. As a result, the value of land and buildings have increased from £188.9 million at 31 March 2023 to £193.2m at 31 March 2024.

### Strategy and resource allocation

The Medium-Term Financial Plan was approved by Council on 6 February 2023. 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 considered past outturn, current spending plans and likely future demand and pressures.

When setting the district rate for 2023/24 consideration was given to the following key financial factors and uncertainties for the Council:

- The future impact of soaring levels of inflation and the cost-of-living crisis. The effects COVID19 continued to have bearing on Council's operations and finances, for example, leisure income had not increased to pre COVID Levels in 2022/23. The future impact of these two Economic Shocks on operations, on the rate base and on the finances remained uncertain, and many assumptions were included within the budgets for 2023/24.
- When Council was striking the Rate in February 2023, there was no budget set at a NI Executive level as the Executive had not been sitting. Prior to the collapse of the Assembly, Ministers were determining a three-year budget for NI (2022-25), with a draft budget out for consultation in December 2021. This would have been a significant help to Local Councils in determining the Annual District Rate. In the absence of an agreed and legislated budget, there were some significant uncertainties which remained at the time of striking the district rate.

Included within our 2023-24 estimates were various areas of funding received from central Government. Amounts were included based on previous arrangements with central Government.

At the time of striking the rate, Councils had been advised of the percentage allocations of Rates Support Grant (RSG) being made available by the DfC for 2023/24. However, until a draft budget was agreed, the total amount of RSG to be awarded to the Local Government sector had not been confirmed.

- Various uncertainties remained as to the impact of Brexit on the NI Economy, the NMDDC rate base and funding streams, and no provision were made in the estimates for any financial implications arising. Furthermore, included within our 2023/24 estimates were various areas of funding received from the European Union under programmes which we have been advised will continue during the 2023/24 year and into future years.

Other factors leading to the 2023/24 rate increase included;

- A £962.50 pay award per employee was estimated plus an additional scale point for every Member of staff which was agreed as part of the 2022/23 local pay award. A national insurance (Health and Social Care Levy) increase from April 2023 was also factored into Council's budgets.
- Council utility costs increased at unprecedented levels in 2022/23. Significant increases in budgets for Electricity, Gas, Heating Oil and Fuel were allowed for in line with 2022/23-year actuals and forecasted usage for 2023/24.
- The increased tonnages and associated costs of waste and recycling across the District were factored into the 2023/24 budgets. Waste contracts were linked with CPI, which was 9.2% in December 2022.
- The Council Insurance budget increased significantly based on 2022/23 actuals. The Brokers stressed that the unprecedented times, and the current increasingly hardening market is accelerating across a range of covers. This trend has been ongoing for 3 years due to a number of factors, however both Brexit & COVID have added to worsening conditions and increasing uncertainty.

A detailed cashflow was prepared by Management and reviewed by 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.

### Outlook

The Council is fully aware that it is operating in a continually challenging environment with the cost of living crisis and global inflationary pressures impacting everyone within the District. The future impact of these economic pressures on operations, on the rate base and on the finances is uncertain, and many assumptions were included in budgets for 2024-25.

The Council continues to face a range of significant budget pressures including general inflation, utility prices, 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 and construction costs. The impact of the recent flooding on the Non-Domestic Rates Base has yet to be determined for future years. Various uncertainties remain as to the impact the Windsor Framework will have on the NI Economy and the Council.

However, the Council is committed to delivering business as usual where possible and will continue to achieve the strategic objectives outlined in the Corporate Plan. The Council strives to deliver its services at the highest standards and some of our key achievements for the year are presented within our Performance Report at page 7.

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 that Council is currently developing are outlined below, along with some key successes in year;

1. City Deal – The signing of the Belfast Region City Deal (BRCD) document on 15 December 2021 is the first of its kind in Northern Ireland and confirms partners' joint commitment to fully implement and deliver on all aspects of the City Deal proposals. The £1 billion of co-investment secured from central government and the BRCD

partners, will deliver a bespoke package of funding across the BRCD Region. BRCD funding has enabled Council to progress on the following ground-breaking projects that will be transformational for our district:

- **The Mourne Mountains Gateway** will redefine visitors' experience of the Mourne Mountains whilst supporting the sustainable growth of tourism and protecting the natural heritage and habitat of the region. The project will deliver a world class visitor attraction, and will create improved, and more sustainable access to the Mournes. NMDDC has signed a Contract for Funding and following a procurement process have appointed an Integrated Consultant Team (ICT) to develop the design and under all professional services to inform a planning application.
  - **Newry City Centre Regeneration** will deliver a civic hub, theatre and conferencing facilities which, together with new public realm and grade A office provision, will revitalise the city. The regeneration will also create and sustain jobs, increase visitor numbers, appeal to residents and stimulate the evening economy. A BRCD Contract for Funding was agreed in January 2023 for Newry City Centre Regeneration Projects supported by the Deal for which £5 million BRCD funding has been allocated for its Public Realm, along with £3 million for a Grade A Office Accommodation Fund. NMDDC have submitted a planning application for both projects and currently in procurement for Contractors.
  - **Newry Southern Relief Road** will link the A1 bypass with the A2 Warrenpoint dual carriageway providing an alternative strategic route for traffic that reduces pressure on Newry city centre, facilitates onward travel to Dublin and improves access to other regional gateways.
  - **Digital and Innovation Projects** will play a critical role in contributing to economic inclusion and sustainable growth. The key interventions of the Digital Programme include; The Belfast Region Innovation Challenge Fund, Enabling Infrastructure and Regional Innovation Hubs.
  - **Skills and Employment projects** will create skills for growth, inclusion and for a digital future are key priorities for BRCD partners.
2. **Newry City Park** - On the 14 December 2021 the Department of Finance announced a £16.2 million funding package for the Albert Basin Park Project in Newry as part of the Executives City/Growth Deal Complimentary fund. The funding will help Council realise our vision for a world-class city park, central to our Newry City Centre Regeneration plans. The Outline Business Case (OBC) was formally submitted in May 2022 to DfC and has been reviewed and approved by DfC economists. Council formally presented the OBC to a Casework Committee in July 2023 with formal approval of this OBC currently pending. Council is currently commencing the procurement of an Integrated Consultant Team for this project which is scheduled to complete in September 2027.
  3. **The Digital Transformation Flexible Fund (DTFF)** – The Council is a lead member of the Full Fibre Northern Ireland (FFNI) Consortium, which is comprised of all 11 local authorities outside of Belfast and administrates the DTFF. DTFF is a Northern Ireland wide grant scheme designed to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies to achieve business transformation in small and micro-businesses.

The £7.5m funding programme is delivered by all local authorities in Northern Ireland under the FFNI Consortium and supported by invest NI. DTFF can offer eligible businesses and social enterprises help to fund their digital transformation project. Digital technology is transforming the way in which businesses operate and can help gain a competitive edge and achieve long term success.

4. **Shared Island Funding** – NMDDC has partnered with a number lead councils in the South to submit applications to the Shared Island Funding Scheme. Across the entire

scheme, more than €4.3m has been allocated to 15 lead Local Authorities in the South, working in partnership with nine Councils in Northern Ireland to develop collaborative cross border investment projects over the next 12 months. NMDDC is a partner in six of these projects, with total award of €995,000.

5. Levelling Up Funding – Council received £2.82m funding towards a new recreation centre at Camlough Lake. Camlough Lake is one of 10 projects across NI which have been allocated more than £71m from the UK government's Levelling Up Fund, a regional development plan to create jobs and boost the economy. Plans for the new leisure and recreation centre include an event space, toilet, showers, changing facilities, parking and enhanced access to the Lake with a slipway provision.
6. UNESCO - Mourne Gullion Strangford has been awarded internationally covered UNESCO Geopark status. The UNESCO Executive Board met in Paris on Wednesday 24 May 2023 and announced that Mourne Gullion Strangford had been welcomed into its network of global Geoparks, making it one of only 18 outstanding landscapes worldwide to be awarded full accreditation this year.

On the 25 July 2023, the Mourne Gullion Strangford UNESCO Global Geopark featured within a newly illustrated map which is available to download from the [UK National Commission for UNESCO](#). Our Geopark is featured alongside 57 other unique UNESCO sites in the UK and crown dependencies.

7. The PEACEPLUS programme – Peace IV successfully concluded in 2023 meeting the targets throughout the action plan. The action plan delivered £4.7m investment throughout the District. The PEACEPLUS Programme is a €1.14bn investment in the social, economic and environmental development of Northern Ireland and the border counties of Ireland.

Council has been allocated an indicative budget of £7.5M. The aim of this programme is to enable and empower local community partnerships, to select and deliver priority projects on a cross-community basis, which will result in shared and inclusive local services, facilities and spaces; and make a significant and lasting contribution to peace and reconciliation. The programme aims to engage 8,646 participants over a three-year delivery period under the following three core themes: Local Community Regeneration & Transformation; Thriving & Peaceful Communities and Celebrating Cultures and Diversity. Council aims to start delivery of the new PEACEPLUS programme on receipt of a letter of offer from the Special EU Programmes Body (SEUPB) in September 2024.

8. Irish Open - The return of the Amgen Irish Golf Open to the district, specifically Newcastle, represents significant economic benefits for the region. This prestigious event is expected to attract over 70,000 visitors, including Republic of Ireland and UK tourists, golf enthusiasts, and media personnel, thereby boosting the local economy.

The tournament's extensive media coverage will enhance the region's visibility as a prime tourist destination. Approximately 450 million people around the globe are expected to watch the golf which will feature images from the district therefore encouraging future visits to the region.

In line with all other Councils in Northern Ireland and the wider public sector, Council is facing several challenges. Public finances are under increasing pressures. Key risks and planned mitigations are included in our Annual Governance Statement on Pages 21 to 34.

## **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 28<sup>th</sup> June 2024.

### **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 2023/24 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 2022/23; and
- Significant governance issues for the year end 2023/24.

#### **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 Act (Northern Ireland) 2014 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. This statement explains how the Council has complied with the code and meets the requirements of Regulation 4 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.

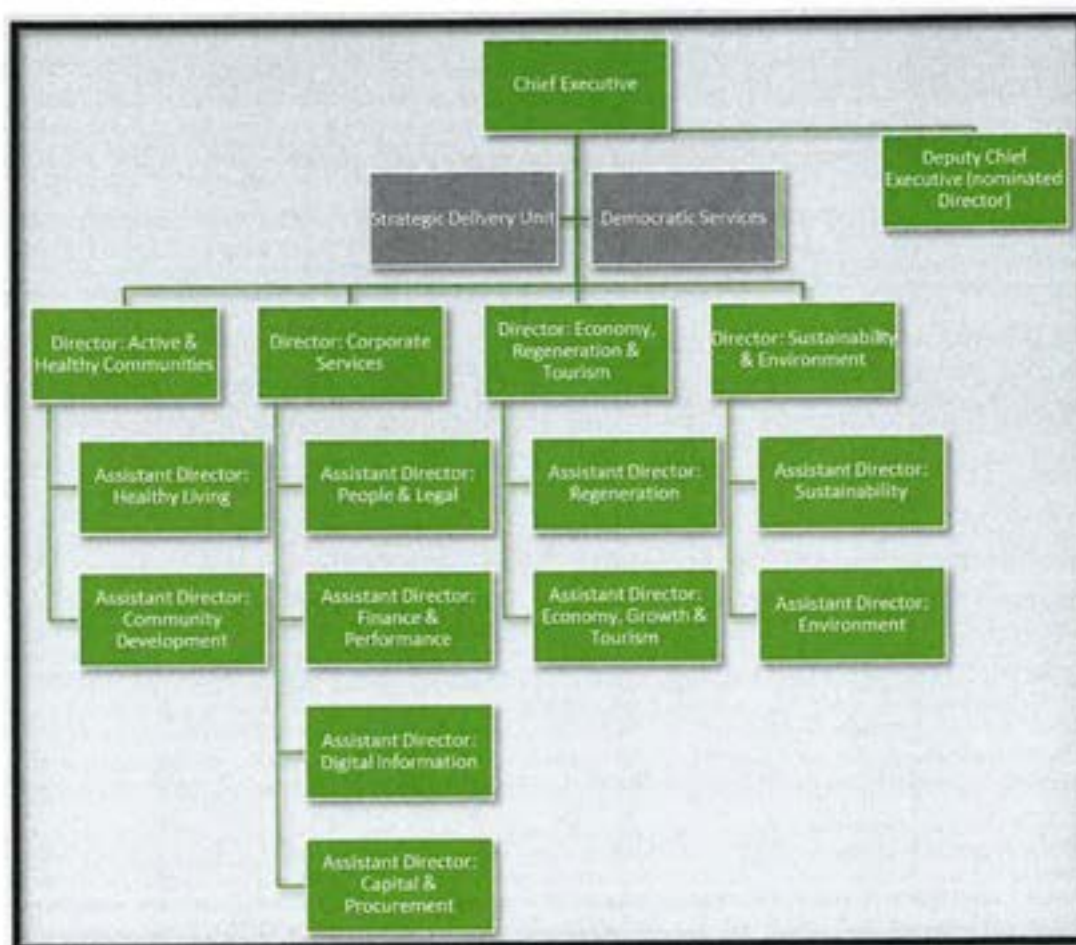
The governance framework has been in place at Newry, Mourne and Down District Council for the year ended 31 March 2024 and up to the date of approval of the financial statements.

**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 Coronavirus Act 2020 [Extension of Provisions Relating to Local Authority Meetings] (No. 2) Order (Northern Ireland) 2023 provided councils with the flexibility to hold meetings by remote or hybrid means until 4 March 2024. The Minister for Communities has not extended the legislation beyond the 4 March 2024.

The committee and management structure demonstrate how the decision-making process is implemented in Council as follows:



The Council's governance framework enables the Council 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 Council operates a Committee System. Meetings of the Council and Committees are open to the public and live audio is open to the public, with the exception of where 'confidential' or 'exempt' matters are being discussed, as defined by the Local Government

Act (Northern Ireland) 2014. Council meetings are managed in accordance with the Council's Standing Orders. The Council's Constitution is available on the Council's website. The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

Within the Constitution, the Scheme of Delegation clearly defines the roles and responsibilities of the Chief Executive, Directors and Assistant Directors. During 2023/24 the Council's Statutory Committees have operated with delegated authority for decision making on specific issues in accordance with their terms of reference. The minutes and associated reports for all Council and Committee Meetings are published on the Council's website with the exception of confidential minutes and reports.

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 Sustainability and Environment (S&E) is responsible for the development and implementation of strategies, policies, programmes and projects aimed at ensuring the waste and maintenance service is delivered across the district in the context of the outcomes agreed in the community and corporate plans.

The 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 22 Council Project Boards and Forums which have been established to support the work of Committees during the 2023/24 year.

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 annually at the July Audit Committee meeting. 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 Raising Concern 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
- Community Plan and Local Development Plan

#### C. Defining Outcomes

- Community and Corporate Plans
- Organisational Development
- Tourism Development and Marketing Strategy
- Performance Improvement Plans
- Local Development Plan

#### D. Optimising the achievement of outcomes

- Corporate, Directorate & Service 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
- AD of Finance & Performance 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:

- Council website - Publication of key reports including Annual Accounts, Annual Governance Statement and Performance Improvement Report
- Committee support members
- Internal Audit effectiveness annually reviewed against the Public Sector Internal Audit Standards
- Accepting 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 (CFO) 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 several fully qualified and experienced staff who are members of various bodies within the Consultative Committee of Accountancy Bodies (CCAB) and as such ensure the decisions made by the CFO are based on sound technical knowledge and understanding.

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 2024/25 financial year. The Fraud Policy and Fraud Response plan were updated in April 2024. Fraud and Raising Concerns are a standing agenda item at Audit Committee quarterly.

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 also exists 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 provides an opportunity to highlight any concerns. Council has a Head of Legal Services, who is a practicing Solicitor, with an internal legal team and a continuing arrangement with Belfast City Council Legal Services for further support when required.

Council utilises various media streams to deliver internal and external communications, such as the Council website, 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.

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.

Council developed new structures and processes, so Council could comply with the new GDPR laws and implement best practice guidance from the Information Commissioners Office (ICO) & Public Records Office NI (PRONI). There have been no breaches of personal data reported to the ICO during the 2023/24 year.

### Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Statement, including the system of internal control. The review of effectiveness is informed by the work of the SMT 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 SMT 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 Officers, reports of the Internal and External Auditor, the Corporate Risk Register and Assurance Statements provided by each Director and Assistant Director for year ended 31 March 2024.

The Council itself maintains overall control of the governance framework. 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 SMT who meet weekly to monitor strategic direction and good governance across the District. CMT meet monthly. SMT and CMT also meet as a group monthly. The 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 provide the Chief Executive assurance over the controls in place. The Assurance Statements also make the Chief Executive aware of any of the risks arising which may have a significant impact on 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 five occasions during 2023/24. The Audit Committee Terms of Reference were revised in May 2024 and sets out the purpose and the roles and responsibilities of Committee.

The effectiveness of Audit Committee was reviewed at the Committee on 23 May 2024. The Committee was satisfied with its overall performance when compared against the National Audit Office (NAO) checklist. The Audit Committee Annual report 2023/24 will be presented to the July 2024 Audit Committee to support the completion of the Annual Governance Statement.

- **By Internal Audit:** The Internal Audit function is carried out by an independent body in accordance with Public Sector Internal Audit Standards (PSIAS). It provides assurance and advisory services to assist Council achieve its objectives and improve the effectiveness of internal control, risk management and governance processes. Seven internal audit assignments were carried out in 2023/24 as per the agreed Internal audit plan. Four reviews received a Satisfactory Assurance rating, one review was advisory, and two reviews received a Limited Assurance rating.

Internal Audit also carried out a follow up review of the 2022/23 recommendations. The review identified that, out of the 51 accepted recommendations, 33 recommendations were fully implemented, 7 recommendations were partially implemented, 8 recommendations were not implemented. There was a further 3 recommendations where Internal Audit were unable to test the implementation status. These recommendations will be followed up internally and reported to Audit Committee quarterly until they are implemented.

The two limited assurance reports are referenced below;

1. **Contract Management:** Internal Audit identified a number of key controls failing in respect of the Council's systems in relation to contract management. In particular they highlighted a number of repeat recommendations that have not progressed relating to: the policy environment and training arrangements; the controls in place to manage contracts and monitor contract spend; the implementation of Procurement Action Plans; the excessive use of Single Tender Actions; and the completion of Post Project Evaluations.
2. **Compliance checking - facilities review (focusing on fire risk, asbestos and legionella compliance checking):** Specifically, Internal Audit identified a need to: strengthen the policy environment; implement appropriate controls to ensure that health and safety inspections and risk assessments are completed in a timely manner; establish a central repository to record health and safety compliance check data; enhance the current reporting and oversight arrangements for health and safety compliance checking; implement effective contract management practices; and provide Fire Risk Awareness training to Facility Managers.

The Assistant Director of Finance and Performance 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. A new performance management and audit tracking system is due to go live in September 2024. This should further assist Management with the tracking and implementing legacy recommendations.

The PSIAS require an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. A leading expert in public sector audit, risk and governance in public services undertook an External Assessment of Council's Outsourced Internal Audit Function and provided a report on the 21 December 2023.

This review found the Internal Audit team that services the Council conforms to the required Code of Ethics and this is embedded in its audit work. Internal Audit also fully conforms to the PSIAS. The review concluded that on the basis of information reviewed, the Council can be satisfied that its Internal Audit Service provides a high quality and professional service which adds value to the assurance framework.

- **Other explicit review / assurance mechanisms:**

- Health and Safety: Reviews of Health and Safety by professionally qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.  
A Court Case on the 26 March 2024 sentenced Council and a local Company for Health and Safety Offences following the death of an Electrician in Slieve Gullion Forrest Park during storm Ali on 19 September 2018. Council pleaded guilty to failing to ensure, so far as reasonably practical, the health and safety of employees and non-employees and failing to make appropriate risk assessments for non-employees and employees. Council was fined £20k.  
The Council takes its health and safety responsibilities seriously. It was acknowledged that there were failings in our health and safety processes at that time and Council have now taken action to rectify this.
- Risk Management: Risk Management is embedded across all activities of the Council and a revised Risk Strategy was presented to the July 2021 Audit Committee to ensure Council's Risk Management complied with HM Treasury's best practice. The Corporate Risk Register is presented quarterly to both SMT, CMT 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 2022/23 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.
- National Fraud Initiative (NFI) – Council participated in the 2022/23 NFI data matching exercise. The result of the matches work was reported to the Audit Committee in 2023/24. Seven duplicate payments were found (all relating to grants) amounting to £27,256. Council has reclaimed £4,349 and entered repayment plans for £19,357. £3,550 could not be recovered. Controls have been strengthened as a result of the findings.

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 2022/23

Seven issues were declared in last year's Governance Statement and all seven remain as significant Governance concerns for 2023/24 as detailed in points 1 to 7 below. The wording and focus of significant governance number 6 has changed slightly to reflect employment issues generally rather than succession planning.

### Significant Governance Issues in 2023/24

The significant governance issues for 2023/24 were identified through the review of significant risks within the Corporate Risk Register for the year ending 31 March 2024, consideration of significant events / issues, internal / external audit reports and a review of the Directorate Assurance Statements at year end.

#### 1. Procurement and Contract Management

Procurement and Contract Management remain a significant risk within the Council's Corporate Risk Register. Corporate Risk 2 details 'Non-compliance with legislative requirements, including procurement'.

Even though progress has been made, we are still highlighting procurement and contract management as a significant governance concern. Procurement activity across the Council remains largely reactionary i.e. based on operational pressures. Linked to that are the identified deficiencies in contract management practices whereby contracts for ongoing requirements lapse and are not retendered in time or spend under contracts exceeds the approved values.

An Internal Audit completed in April 2024 highlighted several significant concerns and had a limited level of assurance. It is imperative now that the Procurement Action Plans which are in place for each Directorate are given renewed impetus, so they provide strategic direction and guide each Directorate's Procurement activity. This will be aided by Management Team driving procurement as a corporate priority and reviewing progress against the Procurement Action Plans on a more regular basis. A formal action plan will be established and monitored monthly by SMT.

Other workstreams timetabled for completion in the 2024/25 financial year include developing a new procurement policy to reflect the wide-ranging changes to processes and procedures required to ensure compliance under the Procurement Regulations 2024. Procurement and Contract Management Training) has been ongoing since January 2024. Further sessions are scheduled, and it is planned that the Procurement Training Programme will be delivered on a rolling basis to enable new staff and annual refresher training to be facilitated.

Finance will explore ways to incorporate contract management tracking codes going forward into the payment and finance systems. Work is currently underway to increase the visibility of Council's procurement processes to ensure a more competitive bidding environment.

#### 2. Financial Position of Council

Our financial planning processes take on greater importance given the current economic climate. The financial landscape for the Council is likely to remain challenging for the foreseeable future. It is critical that we have adequate financial resources in place to fund the Council's future requirements, ambitions and priorities regarding waste management, leisure facilities, climate, innovation, and capital investment.

The challenges faced by the Council over the past few years have been unprecedented and are likely to continue given the on-going global unrest and the resultant economic impacts.

Council currently faces several significant financial pressures:

- **Cost of living / Interest rate pressures**  
The Monetary Policy Committee (MPC) held Bank Rate at 5.25% in March 2024. It is forecast that MPC cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. CPI increased by 2.3% in the 12 months to April 2024. On a monthly basis, the CPI rose by 0.3%. The figures mean a June 2024 Bank Rate cut is highly improbable according to treasury experts.

This has a direct impact on Council's capital expenditure, especially funded projects, including the Belfast City Region Deal (BRCD). Project budgets already include significant levels of optimum bias and contingency. However, the level of funding support from BRCD is fixed for each project and no additional government funding is available.

Therefore, as projects progress through the delivery phase, developing more accurate and informed costs, project specific solutions are being identified at key decision points (i.e. at design, procurement, and Full Business Case) including value engineering and commitment of potential additional funding from other sources.

- **Pay Pressures**  
Future pay awards have a significant impact on our Council's budget and District Rate going forward. Payroll costs represent approximately 60% of Councils net spend and therefore substantial national pay awards have a direct impact on rate increases and service provision going forward. The pay award for 2024/25 has yet to be agreed by Joint Trade Unions.
- **Central Government funding cuts**  
The level of funding available from Central Government has been reduced significantly in the past number of years. RSG is a key area of funding for seven District Councils. RSG was devised to assist the least wealthy and most deprived and rural Councils to provide equality of service provision equal to the wealthier Councils. The RSG is statutory but is a discretionary quantum which is not ring-fenced within the Department for Communities budget.

The first year post local Government Reform, the total RSG pot was £15.6m. This has been reducing year on year. In 2023/24 the regional pot was only £4.9m. DfC advised Councils in June 2024, that the RSG pot was to be reduced again by £1.8m to £3.1m for 2024/25.

- **Belfast Region City Deal Funding going forward**  
On the 13 September 2024 the UK government announced that it was pausing funding of City Deals in Northern Ireland. The implications of the pause were not clear. It is understood the pause happened in the context of the UK spending review and the Government does not want to commit funds before that process is completed in October 2024.

On the 16 September 2024, The Secretary of State confirmed that following communication with HM Treasury nothing has changed on the status of the Belfast Region City Deal, which was signed back in December 2021.

The Belfast Region City Deal partners welcome the clarification received from the Department of Finance, following communication between the NI Secretary of State and HM Treasury in relation to the continued commitment to the Belfast Region City

Deal, signed in December 2021. The Belfast Region City Deal partners remain focused on fully implementing our Deal and on maximising the wide range of benefits this investment will bring to our region and the people who live here.

- **Animal Welfare funding**  
Northern Ireland councils are continuing with a judicial review into a Stormont decision to withdraw funding for animal welfare, despite an offer of a one-off payment from the Environment Minister. In August 2023, DAERA confirmed it had axed all animal welfare funding to local authorities, while warning the councils they were still legally obliged to deliver the service. The total funding for all eleven Councils amounted to £1.25m in 2023/24.
- **Volatility of our rates base**  
A significant uncertainty for Council is the number of non-Domestic Revaluation Challenges outstanding. If a significant proportion of these challenges to LPSNI are successful, this will have a negative impact on our estimated and actual penny product which would devalue our ratebase.

In November 2023 our Council Area was subject to unprecedented flooding and our two major urban centres (Newry and Downpatrick) were most impacted, with many properties severely damaged. The risk is that some of these businesses may not find it viable to trade going forward. The impact would be two-fold, our rates bases would inevitably fall if there were an increase in vacant non-domestic properties. Council may also struggle to attract business investment into these areas if these premises are unable to secure flood insurance going forward.

- **Brexit Implementation Programme for Port Health**  
The Council's Port Health duties include overseeing the import of food into Warrenpoint, including checks on High-Risk Food not of Animal Origin and fish and fishery products for human consumption. Since 31st December 2020 when the UK left the EU, these checks now apply to products arriving in Warrenpoint Port from GB, as well as other countries outside the EU.

Council has continued work with partners and stakeholders to ensure the Council meets its current statutory duties, while also taking steps to prepare for future operational requirements. The programme of work has focused on securing temporary funding (currently allocated on an annual basis), implementing an updated temporary staffing model (including addressing recruitment and retention issues).

Some uncertainty remains following the implementation of new arrangements in October 2023, and the extent to which businesses will utilise the flexibilities for reduced 'green lane' checks. The ongoing uncertainty has caused delays to completion of new inspection facilities, development of IT processes, and development of a sustainable resourcing model for the future.

However, the new inspection facility at Warrenpoint Port has now commenced with an aim for completion by July 2025. The Council are liaising closely with DAERA to ensure operational readiness. Further work will be required in 2024/25 and beyond to develop a longer-term staffing model, and to secure a sustainable funding arrangement to support the service going forward.

A new Capital Projects Procedure was approved by Council in May 2024. Work is now underway for Reserves Policy to be developed and implemented by September 2024. The purpose of the Reserves Strategy will be to manage the financial pressures Council face going forward.



### 3. Planning Backlog

The 'failure to provide robust and timely planning decisions' is highlighted as a risk within the Corporate Risk Register. This has been reinforced by the development of the performance improvement objective to 'improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme' which was agreed in 2023-24 and has been carried forward to 2024-25.

During 2023-24, Newry, Mourne and Down received 1,277 planning applications, which is the second highest across Northern Ireland, behind Belfast City Council. This represents a decrease of 13.6% when compared to the number of applications received during 2022-23. Newry Mourne and Down opened 250 enforcement cases in 2023-24 which is a decrease of 21.9% when compared to the number opened during 2022-23.

Through the Performance Improvement Plan, the Council has agreed and published a suite of performance measures and targets to reduce the backlog of planning applications. Progress in achieving the targets set is monitored and reported to the SMT, SP&R Committee and Audit Committee on a bi-annual basis.

The Council has not yet achieved the statutory standards, and the time taken to process planning applications has increased between 2022-23 and 2023-24. It also did not achieve the statutory standard of 70.0% for enforcement cases processed within 39 weeks however the percentage processed during this period has increased.

- The time taken to process local planning applications has increased from 21.6 weeks in 2022-23 to 33.7 weeks by 2023-24 and is above the current Northern Ireland average of 20.8 weeks.
- The time taken to process major planning applications has increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24 and is above the current Northern Ireland average of 46.5 weeks.
- The percentage of planning enforcement cases processed within 39 weeks increased from 58.6% in 2022-23 to 60.0% in 2023-24 but is below the current Northern Ireland average of 76.4%.

The continued implementation of the performance improvement objective during 2024-25 along with the continued bedding in of the new Planning IT System should deliver service improvements by addressing the backlog of planning applications in the system, reducing the caseloads of Planning Officers, improving processing times and putting in place sound foundations to provide a more modern, efficient, resilient and responsive Development Management Service. There is also new planning performance project underway led by Department for Infrastructure with representation from Councils to improve planning performance across NI.

Internal Audit also completed an advisory review of overturned decisions withing the Planning Committee in May 2024. Internal Audit raised a number of high priority recommendations in relation to; the need to formally monitor the number of planning decisions being overturned by the Planning Committee; the need to strengthen documentation and record keeping to support the overturning of planning decisions by the Planning Committee; the need to ensure that Planning Policy is being consistently applied when making planning decisions; and the need to consider introducing mandatory rotation requirements for Members of the Planning Committee.

Work has commenced on the implementation of these recommendations at June 2024 Planning Committee, and an action plan will be presented to committee on all key actions in July 2024.

Council has received the Northern Ireland Audit Office (NIAO) report into 'Public Bodies' response to misrepresented soil sample analysis'. This report is relevant to only a limited number of Planning applications within this Council area. The findings and recommendations within the report are being carefully considered and appropriate actions will be developed and implemented during 2024/25 that will strengthen the control environment when dealing with the alleged misrepresentation of information in planning applications.

#### 4. Absenteeism

The 'failure to manage sickness absence resulting in delays and an inability to deliver Council services' is included as a risk in the Corporate Risk Register. Sickness absence has marginally decreased in 2023-24, with figures revealing that between March 2023 and March 2024 the number of days lost due to sickness absence decreased slightly by 364, from 19,460 (amended) to 19,096, representing an overall decrease of 1.87%.

However, for the twelve months to the end of March 2024, the average number of day's sick absence in the Council was 23.9 days as compared to 23.3 days in 2022-23, based on full time equivalents. Senior management continues to put in place arrangements to monitor and reduce the number of days lost per employee:

- The Managing Attendance Policy and Procedure has been in place from April 2020 and a recent audit confirmed satisfactory assurance.
- Ongoing provision of support and guidance to line managers, reminding them of their responsibilities in relation to absence management, return to work meetings and the completion of the mandatory training.
- Quarterly reporting of absence management figures to the SMT and monthly reporting of outstanding return to work meetings to SMT and CMT. SP&R also briefed on absence figures.
- The Corporate Performance Dashboard includes two performance measures in relation to the number of days lost and outstanding return to work meetings. The Dashboard is monitored and reported to the SMT and CMT on a quarterly basis and the data is analysed at a corporate, directorate and departmental level.
- The employee led Health & Wellbeing Forum continue to support and promote health and wellbeing initiatives. Employee health and wellbeing is a fundamental element of People Perform Grow which provides an opportunity for employees to discuss any health and wellbeing matters with their line manager.
- Council also continues to invest in employee wellbeing through the provision of a funded Health Cash Plan for Employees.

However, senior management recognise that further improvements are required to address the number of days lost due to sickness absence. Audit recommendations will be taken forward during 2024-25, particularly in relation to return to work interviews, mandatory training and absence reporting. Further actions will be highlighted within Council's Corporate Risk Register.

#### 5. Digital Information and Cyber Security

Digital Information and Cyber Security is a significant governance issue, similar to many other organisations. Cyber security is overseen through the Councils Risk Management Processes. It remains as one of our red risks on Councils Corporate Risk register. Threat activity is continuing to increase on an ever-steepening trajectory.

Cyber Security is a key consideration and robust measures, which are kept under regular review, are in place to minimise the risk posed to Council. Council is progressing several actions to mitigate the Digital information/Cyber risk:

- Continual refinement of Service Area Business Continuity Scenario Plans with a focus on cyber security/disaster recovery and ensuring critical functions can remain operational in the event of a partial/total loss of IT services;
- Implementation of additional security measures including, where supported and appropriate; multifactor authentication, conditional access and modern authentication;
- Increasing User resilience through continual training on a range of cyber security topics, unannounced testing and interactive learning experiences, remediation and management alerting of non-compliance;
- Continuing to engage with and follow guidance from the National Cyber Security Centre (NCSC);
- Use of NCSC Cyber Defence tools including; Mail Check, Web Check, Early Warning, Protective DNS;
- Penetration testing, actioning recommendations resulting therefrom where possible and appropriate;
- Vulnerability scanning, actioning recommendations resulting therefrom where possible and appropriate;
- Implementation of Privileged Access Management and identity security;
- Implementation of Zero Trust security model;
- Use of always-on Virtual Private Network to ensure all remote access is managed through our security infrastructure and Regular patching;
- Use of Mobile Device Management tools to protect and manage endpoints;
- Incorporation of business continuity and cyber security clauses into contracts;

#### 6. Succession Planning and Talent Recruitment

Insufficient staff resources to deliver Council services in an effective and efficient manner is included as a risk in the Corporate Risk Register. Council continues to face challenges in recruitment at all levels with the organisation for certain posts. Progress has been made in concluding the Planning for the Future processes. All Directors posts have been filled with all but two Assistant Director positions remaining vacant. Alternative recruitment methods are being employed to ensure these key posts are filled. Council will continue to recruit posts, including hard to fill posts in 2024/25, particularly in leisure and planning services.

#### 7. Industrial Relations

Management and the recognised Trade Unions within Council reached agreement and industrial action ended on 28 February 2024. Progress has been made in relation to a number of agreed actions including the reduction to a 36 hour working week. An independent facilitator is supporting Management and Joint Trade Union side in the development of an Industrial Relations Framework and a workplan will be agreed in due course.

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**

**Date** xx September 2024  
CHAIR

**Signed**

**Date** xx September 2024  
CHIEF EXECUTIVE

**NORTHERN IRELAND LOCAL GOVERNMENT BODIES'****REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2024****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 2023 were issued by the Department for Communities on 28 November 2023 (Circular LG 23/2023). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 18 May 2023, 462 councillors were elected to the 11 councils for a four year term. Newry, Mourne and Down District Council had 41 councillors in 2023/24.

**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 Commission's 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 Stevin 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 was a four year temporary appointment from 15 April 2019 until 31 March 2023. Ms Stevin's appointment has been extended until 31 July 2024. A payment of £500 is paid per meeting (this includes preparation time of £250 and £250 for the meeting), plus travel and expenses. In 2023/2024 Ms Stevin claimed for 11 meetings and associated preparation time of £5,500, 3 from 2021/2022, 5 from 2022/2023, and 1 for 2023/2024. Ms Stevin claimed mileage of £421.20.

**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	2023/24		2022/23	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	696,913	52	670,168	49
Special Responsibility Allowance	80,181	31	80,286	25
Chairperson/Deputy Mayor Allowance	20,165	2	20,165	3
Vice Chairperson/ Deputy Mayor Allowance	6,293	2	6,293	2
Mileage Allowance	24,062	29	32,369	27
Public Transport and Other Travel Incidentals	3,021	4	7,139	9
Subsistence	2,054	4	5,201	9
Courses/Conferences Visits (registration & joining fees)	3,235	2	9,219	8
Dependents' Carers Allowance	219	1	755	1
<b>TOTAL ALLOWANCES</b>	<b>836,143</b>	-	<b>831,595</b>	

Details of the allowances paid to individual councillors in 2023/24 are published on the council website at [www.newrymauredown.org/councillors-allowances-and-expenses](http://www.newrymauredown.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	2023/24				2022/23			
	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
<b>Marie Ward</b> Clerk & Chief Executive	145 - 150	-	100	145 - 150	125 - 130	-	100	125 - 130
<b>Michael Lipsett</b> Director of Active & Healthy Communities (Date Left 14/04/2023)	0 - 5 (95 - 100 full year equivalent)	-	100	0 - 5	90 - 95	-	100	90 - 95
<b>Dorinnia Carville</b> Deputy Chief Executive Designate (Date left 31/07/2022)	-	-	-	-	30 - 35 (95 - 100 full year equivalent)	-	100	30 - 35
<b>Conor Mallon</b> Director of Enterprise, Regeneration & Tourism	95 - 100	-	100	95 - 100	90 - 95	-	100	90 - 95
<b>Jonathon McBride</b> Director of Neighbourhood Services (Date Left 30/06/2022)	-	-	-	-	25 - 30 (85 - 90 full year equivalent)	-	100	25 - 30
<b>Andrew Cassells</b> Director of Sustainability & Environment (Date Left 31/03/2024)	95 - 100	-	100	95 - 100	65 - 70 (90 - 95 full year equivalent)	-	100	65 - 70
<b>Josephine Kelly</b> Director of Corporate Services	95 - 100	-	100	95 - 100	40 - 45 (90 - 95 full year equivalent)	-	-	40 - 45
<b>Andrew Patterson *</b> Director of Active & Healthy Communities (From 01/02/2024)	70 - 75 (95 - 100 full year equivalent)	-	100	70 - 75	65 - 70	-	100	65 - 70
<b>Sinead Murphy **</b> Director of Sustainability & Environment (From 01/03/2024)	70 - 75 (95 - 100 full year equivalent)	0	100	70 - 75	65 - 70	-	100	65 - 70

\* Andrew Patterson was promoted in-house from the post of Assistant Director of Economy, Growth and Tourism to Director of Active & Healthy Communities from 01/02/2024, so the previous years salary is not comparable.

\*\* Sinead Murphy was promoted in-house from the post Assistant Director Environment to Director of Sustainability & Environment from 01/03/2024, so the previous years salary is not comparable.

The role of Deputy Chief Executive is not assigned to any nominated Director position, but rather the additional responsibilities can be assigned to any substantive Director role. As such, remuneration will be paid via an honorarium allowance, added to the respective Director salary at the time of assuming this responsibility. The honorarium will continue to be paid for undertaking this role and should it become necessary for the additional responsibilities of Deputy Chief Executive to transfer to another Director position for whatever reason, payment of this honorarium allowance will cease.

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 2023/24 was £145 - £150. This was 5.10 times the median remuneration of the workforce, which was £28,586.

**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)**

	2023/24	2022/23
Salary Band of Highest Paid member of the Executive Management Team / Senior Management Team	£145k - £150k	£125k - £130k
Median Total Remuneration	£28,586	£25,898
Ratio	5.10	4.99

In 2023/24, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

#### Salary

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

#### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023/24 relate to performance in 2023/24.

#### 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

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Table 4: Exit Packages in 2023/24 (audited information)

Severance Package Cost Band	2023/24				2022/23			
	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	0	0	0	0	-	7	7	82
£20,001 - £40,000	0	4	4	110	-	10	10	303
£40,001 - £60,000	0	1	1	56	-	9	9	465
£60,001 - £80,000	0	0	0	0	-	3	3	213
£80,001 - £100,000	0	1	1	85	-	3	3	264
£100,001 - £150,000	0	4	4	505	-	1	1	100
£150,001 - £200,000	0	2	2	387	-	-	-	-
£200,001 - £250,000	0	2	2	443	-	-	-	-
£250,001 - £300,000	0	1	1	263	-	-	-	-
<b>Total</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>1,849</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>1,427</b>

Where an individual has a non-standard pension arrangement (e.g. accelerated accrual or membership of a Supplementary Scheme), this should be disclosed in the report.

### Pension

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 2023, were as follows:



**Table 5: Employee Contribution Rates 2023/2024**

Band	Range	Employee Contribution Rate
1	£0 - £16,900	5.5%
2	£16,901 - £26,000	5.8%
3	£26,001 - £43,400	6.5%
4	£43,401 - £52,800	6.8%
5	£52,801 - £104,700	8.5%
6	More than £104,700	10.5%

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 2022 was carried out in 2022/23 and set the employer contribution rates for the 3 years commencing 1 April 2023 as follows:

**Table 6: Employer Contribution Rates**

Year	Employer Contribution Rate
1 April 2023 - 31 March 2024	19.0%
1 April 2024 - 31 March 2025	19.0%
1 April 2025 - 31 March 2026	19.0%

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 2023/24 was £152,265.36.

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 2023/24 (audited information)

Officers	Accrued Pension at pension age as at 31/03/2024 £'000	Accrued Pension at pension age as at 31/03/2024 and related lump sum £'000	CETV at 31/03/2024 £'000	CETV at 31/03/2023 £'000	Real increase in CETV £'000
<b>Marie Ward</b> Clerk & Chief Executive	30 - 35 no lump sum	2.0 - 2.5 no lump sum	485	419	31
<b>Michael Lipsett</b> Director of Active & Healthy Communities (Date Left 14/04/2023)	50 - 55 plus lump sum of 75 - 80	(-1.5) - (-2.0) plus lump sum of (-5.0) - (-5.5)	1,077	1,052	22
<b>Conor Mallon</b> Director of Enterprise, Regeneration & Tourism	10 - 15 no lump sum	2.0 - 2.5 no lump sum	174	130	26
<b>Andrew Cassells</b> Director of Sustainability & Environment (Date left 31/03/2024)	3.0 - 3.5 no lump sum	2.0 - 2.5 no lump sum	62	25	28
<b>Josephine Kelly</b> Director of Corporate Services	2.5 - 3.0 no lump sum	2.0 - 2.5 no lump sum	46	14	23
<b>Andrew Patterson</b> Director of Active & Healthy Communities (From 01/02/2024)	20 - 25 no lump sum	1.0 - 1.5 no lump sum	318	281	28
<b>Sinead Murphy</b> Director of Sustainability & Environment (From 01/03/2024)	10 - 15 no lump sum	2.5 - 3.0 no lump sum	211	156	48

**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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

**Chief Executive**

**28 June 2024**

**Certificate of the Chief Financial Officer**

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2024 on pages 49 to 52 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 53 to 74.
  
- (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 31st March 2024.

**Chief Financial Officer**

**Date** 28 June 2024

**Council Approval of Statement of Accounts**

These accounts will be approved by resolution of the Audit Committee on xx September 2024.

**Chairman**

**Date**

**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 2024

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 different 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	2023/24			2022/23		
		Gross Expenditure £	Gross Income £	Net Cost £	Gross Expenditure £	Gross Income £	Net Cost £
Chief Executive	2	2,568,415	(16,353)	2,552,062	2,166,843	(12,317)	2,154,526
Corporate Services	2	11,048,029	(545,332)	10,502,697	16,833,673	(393,993)	16,439,680
Enterprise, Regeneration & Tourism	2	16,559,758	(5,897,459)	10,662,299	17,004,283	(6,654,600)	10,349,683
Sustainability & Environment	2	38,068,121	(1,426,305)	36,641,816	33,987,266	(1,398,261)	32,589,005
Active & Healthy Communities	2	20,948,945	(11,111,520)	9,837,425	18,677,903	(6,569,614)	12,108,289
<b>Cost of Services on Continuing Operations</b>		<b>89,193,268</b>	<b>(18,994,969)</b>	<b>70,198,299</b>	<b>88,649,968</b>	<b>(15,028,785)</b>	<b>73,641,183</b>
Other Operating Expenditure/Income	8	140,061	(197,760)	(57,699)	1,458,847	(957,067)	501,780
Financing and Investment Income and Expenditure	9	1,838,832	(706,008)	1,132,824	3,319,391	(287,760)	3,031,631
(Surplus) or Deficit on Discontinued Operations				-			-
Share of Operating Results of associates and joint ventures		-	-	-	-	-	-
<b>Net Operating Expenditure</b>		<b>91,172,161</b>	<b>(19,900,737)</b>	<b>71,271,424</b>	<b>93,448,206</b>	<b>(16,273,612)</b>	<b>77,174,594</b>
Taxation and Non-Specific Grant Income	10	-	(70,466,725)	(70,466,725)	-	(66,093,986)	(66,093,986)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>91,172,161</b>	<b>(90,367,462)</b>	<b>804,699</b>	<b>93,448,206</b>	<b>(82,367,598)</b>	<b>11,080,608</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(5,566,908)			(10,282,873)
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			4,607,000			(67,030,000)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures				-			-
<b>Other Comprehensive Income and Expenditure</b>				<b>(959,908)</b>			<b>(77,312,873)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(155,209)</b>			<b>(66,232,265)</b>

**Newry, Mourne and Down District Council**  
**Movement in Reserves Statement for the year ended 31 March 2024**

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
	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	<b>11,150,134</b>	<b>24,494,065</b>	<b>-</b>	<b>35,644,199</b>	<b>48,267,940</b>	<b>83,912,139</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(11,080,608)	-	-	(11,080,608)	-	(11,080,608)
Other Comprehensive Income and Expenditure	-	-	-	-	77,312,873	77,312,873
<b>Total Comprehensive Income and Expenditure</b>	<b>(11,080,608)</b>	<b>-</b>	<b>-</b>	<b>(11,080,608)</b>	<b>77,312,873</b>	<b>66,232,265</b>
Adjustments between accounting basis & funding under regulations	11,832,553	(654,796)	-	11,177,757	(11,177,757)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>751,945</b>	<b>(654,796)</b>	<b>-</b>	<b>97,149</b>	<b>66,135,116</b>	<b>66,232,265</b>
Transfers to/from Statutory and Other Reserves	(805,907)	805,907	-	-	-	-
<b>Increase/Decrease in year</b>	<b>(53,962)</b>	<b>151,111</b>	<b>-</b>	<b>97,149</b>	<b>66,135,116</b>	<b>66,232,265</b>
<b>Balance as at 31 March 2023</b>	<b>11,096,172</b>	<b>24,645,176</b>	<b>-</b>	<b>35,741,348</b>	<b>114,403,056</b>	<b>150,144,404</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(804,699)	-	-	(804,699)	-	(804,699)
Other Comprehensive Income and Expenditure	-	-	-	-	959,908	959,908
<b>Total Comprehensive Income and Expenditure</b>	<b>(804,699)</b>	<b>-</b>	<b>-</b>	<b>(804,699)</b>	<b>959,908</b>	<b>155,209</b>
Adjustments between accounting basis & funding under regulations	5,950,230	(1,365,807)	-	4,584,423	(4,584,423)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>5,145,531</b>	<b>(1,365,807)</b>	<b>-</b>	<b>3,779,724</b>	<b>(3,624,515)</b>	<b>155,209</b>
Transfers to/from Statutory and Other Reserves	(1,251,106)	1,251,106	-	-	-	-
<b>Increase/Decrease in year</b>	<b>3,894,425</b>	<b>(114,701)</b>	<b>-</b>	<b>3,779,724</b>	<b>(3,624,515)</b>	<b>155,209</b>
<b>Balance as at 31 March 2024</b>	<b>14,990,597</b>	<b>24,530,475</b>	<b>-</b>	<b>39,521,072</b>	<b>110,778,541</b>	<b>150,299,613</b>

**Newry, Mourne and Down District Council**  
**Balance Sheet as at 31 March 2024**

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	31st March 2024	31st March 2023
		£	£
Fixed Assets	11	213,311,899	205,729,723
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	15	35,587	50,478
Other Long Term Assets	21	-	4,232,000
<b>LONG TERM ASSETS</b>		<b>213,347,484</b>	<b>210,012,201</b>
Short Term Investments	16	-	-
Inventories	14	614,096	620,391
Short Term Debtors	15	10,603,800	7,555,063
Cash and Cash Equivalents	25	1,629,128	7,800,171
Assets Held for Sale	11	133,000	-
<b>CURRENT ASSETS</b>		<b>12,980,024</b>	<b>15,975,625</b>
Bank Overdraft	25	-	-
Short Term Borrowing	17	8,928,191	4,091,304
Short Term Creditors	18	13,445,039	13,283,991
Provisions	19	-	1,416,976
Contract Liabilities		-	-
<b>CURRENT LIABILITIES</b>		<b>22,373,230</b>	<b>18,792,271</b>
Long Term Creditors	18	-	-
Provisions	19	1,496,926	1,777,219
Long Term Borrowing	17	51,345,741	55,273,932
Other Long Term Liabilities	21	812,000	-
Contract Liabilities		-	-
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
<b>LONG TERM LIABILITIES</b>		<b>53,654,667</b>	<b>57,051,151</b>
<b>NET ASSETS</b>		<b>150,299,613</b>	<b>150,144,404</b>
USABLE RESERVES			
Capital Receipts Reserve	26	-	-
Capital Grants Unapplied Account	26	1,633,556	-
Capital Fund	26	15,000,000	15,000,000
Other Balances and Reserves	26	7,896,919	9,645,176
General Fund	26	14,990,597	11,096,172
		<b>39,521,072</b>	<b>35,741,348</b>
UNUSABLE RESERVES			
Capital Adjustment Account	27	42,148,047	43,798,791
Revaluation Reserve	27	70,472,665	67,521,006
Pensions Reserve	27	(812,000)	4,232,000
Accumulated Absences Account	27	(658,977)	(654,204)
Provisions Discount Rate Reserve	27	(371,194)	(494,537)
		<b>110,778,541</b>	<b>114,403,056</b>
<b>NET WORTH</b>		<b>150,299,613</b>	<b>150,144,404</b>

**Newry, Mourne and Down District Council****Cash Flow Statement at 31 March 2024**

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	2023/24	2022/23
		£	£
Net Deficit on the provision of services		(804,699)	(11,080,608)
Adjustment for non-cash movements	25	5,779,364	15,739,410
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(2,116,436)	(2,980,322)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>2,858,229</b>	<b>1,678,480</b>
Cash flows from Investing Activities	25	(9,937,968)	(8,072,521)
Net Cash flows from Financing Activities	25	908,696	(10,342,321)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(6,171,043)</b>	<b>(16,734,342)</b>
Cash and cash equivalents at the beginning of the reporting period		7,800,171	24,536,533
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,629,128</b>	<b>7,800,171</b>

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**i Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. 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 2023/24, 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 2023/24 also requires disclosure in respect of:

**Summary of Material Accounting Policy Information**

**ij) Accruals of Income and Expenditure**

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

- 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.

ii) **Acquisitions and Discontinued Operations**

Newry, Mourne and Down District Council has not acquired operations (or transferred operations under combinations of public sector bodies) 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 those 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 in no more than three months 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 (e.g. cars) 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
- unlisted 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.

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 scheme 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.

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.

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/weighted average] 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 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 - lease**

Property, plant and equipment held under 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 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 - lease**

Where the Council grants a 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 charged 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
- Land, buildings, infrastructure and surplus assets - held at current value
- Investment assets – held at fair value
- Heritage assets are held at historical cost and not depreciated

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 which is normally 3 to 10 years.

*\* Some legacy assets within VPE have longer useful lives*

## 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.

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 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.

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.

xxviii) **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 [other financial instruments as applicable] 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.

For 2023/24, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.  
It is not anticipated that these accounting changes will impact on the financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Council will adopt IFRS 16 in 2024/25

## c 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.

The calculation of the necessary financial provision for the capping and aftercare costs for the landfill sites depends on a judgement around the appropriate discount rate to be used and the number of years over which these costs are needed to be provided. The landfill provision figures are sensitive to the assumptions used.

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

227

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 2024 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 the pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of local property market sectors relating to each of the asset types identified and valued. Accordingly, and for avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VP3 and VPGA 10 of the RICS Valuation - Global Standards.

2  
a Expenditure and Funding Analysis

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

	2023/24			2022/23		
	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	2,552,062	-	2,552,062	2,153,654	(872)	2,154,526
Corporate Services	12,882,837	2,380,140	10,502,697	11,483,562	(4,956,118)	16,439,680
Enterprise, Regeneration & Tourism	7,487,439	(3,174,840)	10,662,299	7,732,894	(2,616,789)	10,349,683
Sustainability & Environment	32,114,322	(4,527,494)	36,641,816	30,036,421	(2,552,584)	32,589,005
Active & Healthy Communities	6,884,033	(2,953,392)	9,837,425	10,298,625	(1,809,664)	12,108,289
<b>Net Cost of Services</b>	<b>41,920,693</b>	<b>(8,275,604)</b>	<b>70,194,299</b>	<b>61,705,156</b>	<b>(11,936,027)</b>	<b>73,641,183</b>
Other Income and Expenditure	(71,716,976)	2,326,376	(69,391,600)	(62,467,098)	103,477	(62,560,575)
<b>Surplus or Deficit</b>	<b>(9,796,283)</b>	<b>(5,950,230)</b>	<b>804,699</b>	<b>(751,942)</b>	<b>(11,832,550)</b>	<b>11,080,608</b>
<b>Opening General Fund</b>			<b>11,096,172</b>			<b>11,150,134</b>
<b>Surplus/(Deficit) on General Fund Balance in Year</b>			<b>3,894,425</b>			<b>(83,962)</b>
<b>Closing General Fund</b>			<b>14,990,597</b>			<b>11,096,172</b>

2  
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 2023/24

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	-	-	-	-	-
Corporate Services	3,176,838	(786,000)	(10,698)	-	2,380,140
Enterprise, Regeneration & Tourism	(3,184,030)	-	9,170	-	(3,174,860)
Sustainability & Environment	(4,655,493)	-	127,999	-	(4,527,494)
Active & Healthy Communities	(2,945,491)	-	(7,901)	-	(2,953,392)
Net Cost of Services	(7,608,176)	(786,000)	118,570	-	(8,275,606)
Other Income and Expenditure from the Expenditure and Funding Analysis	1,976,376	349,000	-	-	2,325,376
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(5,631,800)	(437,000)	118,570	-	(5,950,230)

#### Adjustments between Funding and Accounting Basis 2022/23

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	-	-	(872)	-	(872)
Corporate Services	2,215,354	(7,155,000)	(14,472)	-	(4,954,118)
Enterprise, Regeneration & Tourism	(2,612,819)	-	(3,970)	-	(2,616,789)
Sustainability & Environment	(2,943,670)	-	391,086	-	(2,552,584)
Active & Healthy Communities	(1,795,150)	-	(14,514)	-	(1,809,664)
Net Cost of Services	(5,136,285)	(7,155,000)	355,258	-	(11,936,027)
Other Income and Expenditure from the Expenditure and Funding Analysis	1,491,477	(1,388,000)	-	-	103,477
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(3,644,808)	(8,543,000)	355,258	-	(11,832,550)

**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:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- ii) 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
- iii) 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 post 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.

2

## c Segmental Income and Expenditure

Income and expenditure on a segmental basis are analysed below:

	2023/24								
	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	(16,252)	-	-	-	-	660,881	-	-	-
Corporate Services	(442,809)	-	(287,262)	1,814,085	376,066	5,349,044	-	-	7,065,096
Enterprise, Regeneration & Tourism	(4,366,237)	-	-	-	2,286,536	6,003,956	-	-	897,493
Sustainability & Environment	(1,316,322)	-	-	-	3,905,925	22,000,166	-	-	749,569
Active & Healthy Communities	(3,044,907)	-	-	-	2,551,999	3,101,862	-	-	393,491
Total Income Analysed on a segmental basis	(9,186,527)	-	(287,262)	1,814,085	9,120,526	37,115,909	-	-	9,105,649

	2022/23								
	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	(8,585)	-	-	-	-	781,485	-	-	-
Corporate Services	(345,242)	-	(228,077)	1,877,785	506,018	5,169,653	-	-	5,722,628
Enterprise, Regeneration & Tourism	(4,289,623)	-	-	-	2,046,248	5,216,334	-	-	566,571
Sustainability & Environment	(1,349,572)	-	-	-	2,790,868	20,229,234	-	-	152,802
Active & Healthy Communities	(2,599,107)	-	-	-	2,492,547	6,641,089	-	-	(697,397)
Total Income Analysed on a segmental basis	(8,592,129)	-	(228,077)	1,877,785	7,835,681	38,037,795	-	-	5,744,604

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

	2023/24	2022/23	
	£	£	
Chief Executive	-	-	
Corporate Services	-	-	
Enterprise, Regeneration & Tourism	-	(487,000)	DfC Covid Recovery Small Settlements Scheme
Enterprise, Regeneration & Tourism	-	(382,883)	DfC Hardship Funding
Neighbourhood Services	-	-	
Active & Healthy Communities	-	-	
Total	-	(869,883)	

Newry, Mourne and Down District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2024

232

3 a Expenditure and Income Analysed by Nature

Expenditure		2023/24	2022/23
	Notes	£	£
Employee Benefits Expenses	7	(41,502,322)	(39,511,528)
Other Services Expenditure		(38,153,923)	(41,999,365)
Depreciation, Amortisation, Impairment	11	(9,677,084)	(8,116,142)
Interest Payments	9	(1,814,085)	(3,265,785)
Loss on the Disposal of Assets	8	-	(501,780)
Other Expenditure		(24,747)	(53,606)
<b>Total Expenditure</b>		<b>(91,172,161)</b>	<b>(93,448,206)</b>

Income		2023/24	2022/23
	Notes	£	£
Fees, Charges and Other Service Income		19,137,000	15,985,852
Interest and Investment Income	9	636,613	228,690
District Rate Income	10	64,132,152	60,110,791
Government Grants and Contributions	10	6,334,573	5,983,195
Gain on the Disposal of Assets	8	57,699	-
Other Income		69,395	59,070
<b>Total Income</b>		<b>90,367,442</b>	<b>82,367,598</b>

<b>Surplus or (Deficit) on the Provision of Services</b>		<b>(804,699)</b>	<b>(11,080,608)</b>
--	--	------------------	---------------------

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**  
**c 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:**

	Notes	2023/24		2022/23	
		£	£	£	£
<b>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:</b>					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	556,558		280,460	
Depreciation charged in the year on non-current assets	11	9,120,526	9,677,084	7,835,682	8,116,142
Net Revenue expenditure funded from capital under statute	12, 26e		3,240,091		1,257,144
Carrying amount of non current assets sold	8a	140,061		1,458,847	
Proceeds from the sale of PP&E, investment property and intangible assets	8a	(197,760)	(57,699)	(957,067)	501,780
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	21b		6,881,000		14,281,000
Employers contributions payable to the NIGOSC and retirement benefits payable direct to pensioners	21b		(6,444,000)		(5,738,000)
Capital Grants and Donated Assets Receivable and Applied in year	10c		(1,918,676)		(2,023,255)
Capital Grants Receivable and Unapplied in year			-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to short-term compensated absences	27d		4,773		36,833
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment	27e		(123,343)		(392,091)
<b>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</b>					
Statutory Provision for the financing of Capital Investment	12, 26e		(5,309,000)		(4,207,000)
Direct revenue financing of Capital Expenditure			-		-
			<b>5,950,230</b>		<b>11,832,553</b>

b	Notes	2023/24		2022/23	
		£	£	£	£
<b>Net transfers (to)/from statutory and other earmarked reserves:</b>					
<b>Capital Fund</b>					
Interest		-		-	
From Capital		-		-	
Other	26	-	-	-	-
<b>Renewal and Repairs Fund</b>					
Interest		-		-	
Other		-	-	-	-
<b>Capital Receipts Reserve</b>					
Interest		-		-	
Other	26	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		-		-	
From Other Funds		-		-	
Other	26	(1,251,106)	(1,251,106)	(805,907)	(805,907)
<b>Unusable reserves</b>					
Capital Adjustment Account	27	-	-	-	-
			<b>(1,251,106)</b>		<b>(805,907)</b>

**5 Cost of Services on Continuing Operations**

**a General power of competence**

Prior to Local Government Reform on 1st 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 £Nil during 2023/24 (£Nil in 2022/23).

**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.

	2023/24	2022/23
	£	£
External Audit Fees	77,000	76,000
Grant Claim Certification Fees	-	1,314
Other Fees	15,000	13,500
(Over)/Under provided previous year	(6,500)	(2,250)
	85,500	88,564

The other fees of £15,000 (2022/23 £13,500) were incurred in respect of performance audit services provided by the appointed auditor. The amount over provided in the previous year of £6,500 relates to Performance Audit Fees.

**6 Operating and leases**

**Council as Lessor**

**a 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 £462,837 (2022/23 £328,617).

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

	31st March 2024	31st March 2023
	£	£
Not later than 1 year	401,746	395,801
Later than 1 year and no later than 5 years	510,335	436,801
Later than 5 years	451,970	283,690
	1,364,051	1,116,292

**Council as Lessee**

**c Leases (Council as lessee)**

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

	31st March 2024	31st March 2023
	£	£
Other Land and Buildings	-	-
Vehicles, Plant, Furniture and Equipment	-	-

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:

	31st March 2024	31st March 2023
	£	£
Leases liabilities (net present value of minimum lease payments):		
Current	-	-
Non-Current	-	-
Finance costs payable in future years	-	617
Minimum Lease Payments	-	617

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

	Minimum Lease Payments		Lease Liabilities	
	1st March 2024	31st March 2023	31st March 2024	31st March 2023
	£	£	£	£
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	617	-	-
Later than five years	-	-	-	-
	-	617	-	-

Newry, Mourne and Down District Council will adopt IFRS 16 in 2024/25.

#### d Operating Leases (Council as lessee)

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

	31st March 2024	31st March 2023
	£	£
Not later than 1 year	190,618	186,768
Later than 1 year and no later than 5 years	424,889	503,602
Later than 5 years	1,432,595	1,487,191
	2,048,102	2,177,561

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

	2023/24	2022/23
	£	£
Minimum lease payments	254,780	124,874
Contingent rentals	-	-
Less: Sublease payments receivable	-	-
Total	254,780	124,874

#### 7 Employee Costs and Member Allowances

##### a Staff Costs

	2023/24	2022/23
	£	£
Salaries and Wages	29,470,215	28,576,444
Employers NIC	2,827,246	2,788,334
Employers Superannuation	5,978,041	5,667,342
Total staff costs	38,275,502	37,032,120

In addition, agency costs during the year amounted to £3,226,820 [2022/23 £2,479,408]. Short term compensated absences during the year amounted to £4,773 [2022/23 £36,832] included above.

The Council's current contribution rate to NIGOSC scheme is 19%. There was no Deficit Recovery Contribution.

At last actuarial valuation dated 31st March 2022 the funds assets meet 111% of liabilities at that date (2019-112%).

##### Average Number of Employees - where FTE represents fulltime equivalent employees

##### b Average Number of Employees

	2023/24	2022/23
	FTE	FTE
Chief Executive	12	16
Corporate Services	103	108
Enterprise, Regeneration & Tourism	148	146
Sustainability & Environment	325	325
Active & Healthy Communities	210	233
Total Number	798	828

	2023/24	2022/23
	Actual Numbers	Actual Numbers
Full-time numbers employed	734	758
Part-time numbers employed	139	153
Total Number	873	911

c Senior Employees' Remuneration	2023/24		2022/23	
		£		£
£50,001 to £60,000		36		27
£60,001 to £70,000		11		14
£70,001 to £80,000		6		2
£80,001 to £90,000		1		-
£90,001 to £100,000		3		2
£100,001 to £110,000		-		-
£110,001 to £120,000		-		-
£120,001 to £130,000		-		1
£130,001 to £140,000		-		-
£140,001 to £150,000		1		-
<b>Total Number</b>		<b>58</b>		<b>46</b>

#### d Members' Allowances

	2023/24		2022/23	
		£		£
Salaries		-		-
Basic allowance		696,913		670,168
Mayor's & Deputy Mayor's Allowance		26,458		26,458
Special Responsibility Allowances		80,181		80,786
Dependents' care allowance		219		755
Employer costs		213,066		210,535
Mileage		24,062		32,369
Conferences and Courses		3,235		9,219
Travel & Subsistence Costs		5,075		12,340
Miscellaneous Costs		19,108		15,707
Severance Payments		-		-
<b>Total</b>		<b>1,068,317</b>		<b>1,057,837</b>

#### 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 2020. 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 2024.

For 2023/24, employers' contributions of £345,416 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 2020 was completed by the Actuary during 2019-20. 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 2023/24 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 (exc. Investment Properties)**

	2023/24	2022/23
	£	£
Proceeds from sale	(197,760)	(957,067)
Carrying amount of non-current assets sold (exc. Investment Properties)	140,061	1,458,847
	(57,699)	501,780

**b Other Operating Income/Expenditure**

	2023/24	2022/23
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2023/24	2022/23
	£	£
(Surplus)/Deficit on Non Current Assets	(57,699)	501,780
Other Operating (Income)/Expenditure	-	-
	(57,699)	501,780

**9 Financing and Investment Income and Expenditure**

**a Interest Payable and Similar Charges**

	2023/24	2022/23
	£	£
Lease / hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,814,085	1,877,785
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	1,814,085	1,877,785

**b Interest and Investment Income**

	2023/24	2022/23
	£	£
Bank interest	287,262	228,077
Employee Car Loan Interest	351	613
NIHE Loan Interest Receivable	-	-
Investment income on Fund Balances		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	287,613	228,690

**c Pensions interest costs/(income) and expected return on pensions assets**

	2023/24	2022/23
	£	£
Net interest on the net defined benefit liability (asset)	(349,000)	1,388,000
	(349,000)	1,388,000

**d Surplus/(Deficit) on trading operations**

	2023/24	2022/23
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2023/24	2022/23
	£	£
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(69,395)	(59,070)
Expenditure	24,747	23,606
Net income from investment properties	(44,648)	(35,464)
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
(Surplus)/deficit on sale of investment Properties:	-	-
<b>Changes in Fair Value of Investment Properties</b>	-	30,000
	(44,648)	(3,464)

	2023/24			2022/23		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,814,085	-	1,814,085	1,877,785	-	1,877,785
Interest and Investment Income	-	(287,613)	(287,613)	-	(228,690)	(228,690)
Pensions interest cost / (income)	-	(349,000)	(349,000)	1,388,000	-	1,388,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	24,747	(69,395)	(44,648)	23,606	(59,070)	(35,464)
Changes in Fair Value of Investment Properties	-	-	-	30,000	-	30,000
	1,838,832	(706,008)	1,132,824	3,319,391	(287,760)	3,031,431

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

	2023/24	2022/23
	£	£
General	(4,415,897)	(3,959,940)
Other	-	-
	(4,415,897)	(3,959,940)

**b Revenue Grants - Unapplied**

The Council has no Revenue Grants Unapplied.

## c Capital Grants and Donated Assets - Applied

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and applied in	(1,918,676)	(2,023,255)
Government & Other Grants - transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(1,918,676)	(2,023,255)

## d Capital Grants - Unapplied

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Other	-	-
	-	-

## e District Rates

	2023/24	2022/23
	£	£
Current year	(63,817,313)	(59,721,125)
Finalisation - previous year	(314,839)	(389,666)
Transitional Relief	-	-
Finalisation - other years	-	-
	(64,132,152)	(60,110,791)

Taxation and Non Specific Grant Income	2023/24	2022/23
	£	£
District Rate Income	(64,132,152)	(60,110,791)
Revenue Grants	(4,415,897)	(3,939,940)
Capital Grants and Contributions	(1,918,676)	(2,023,255)
	(70,466,725)	(64,093,986)

**Newry, Mourne and Down District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2024**

**11 a 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	Assets Held for Resale	TOTAL
£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2023</b>	32,163,512	149,441,222	956,139	110,001	16,835,228	26	8,261,606	4,656,501	<b>212,424,235</b>	1,582,006	-	<b>214,006,241</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2023</b>	<b>32,163,512</b>	<b>149,441,222</b>	<b>956,139</b>	<b>110,001</b>	<b>16,835,228</b>	<b>26</b>	<b>8,261,606</b>	<b>4,656,501</b>	<b>212,424,235</b>	<b>1,582,006</b>	<b>-</b>	<b>214,006,241</b>
Additions	-	644,196	-	-	6,609,880	-	4,667,789	-	<b>11,921,865</b>	-	-	<b>11,921,865</b>
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) to Revaluation Reserve	1,250,808	(1,380,043)	11,350	(481,896)	-	-	-	58,100	<b>(541,681)</b>	2,000	-	<b>(539,681)</b>
Revaluation increases/(decreases) to Surplus or Deficit on the Provision of Services	203,203	(1,618,485)	(850)	-	-	-	-	200	<b>(1,415,932)</b>	-	-	<b>(1,415,932)</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(4,760)	-	-	(3,437,152)	-	-	-	(132,600)	<b>(3,574,512)</b>	-	-	<b>(3,574,512)</b>
Derecognition - Other	-	-	-	-	(42,541)	-	(5,144,286)	-	-	-	-	-
Reclassifications & Transfers	-	5,294,286	-	-	-	-	-	-	<b>107,459</b>	-	-	<b>107,459</b>
Reclassified to/(from) Held for Sale	-	-	-	-	-	-	-	(133,000)	<b>(133,000)</b>	-	-	<b>(133,000)</b>
<b>Balance as at 31 March 2024</b>	<b>33,612,763</b>	<b>152,381,177</b>	<b>966,639</b>	<b>(371,895)</b>	<b>19,965,415</b>	<b>26</b>	<b>7,785,109</b>	<b>4,449,201</b>	<b>216,788,435</b>	<b>1,584,006</b>	<b>-</b>	<b>220,372,441</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	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473
Depreciation Charge	-	6,434,064	15,003	-	2,211,596	-	-	-	8,640,663	-	-	8,640,663
Depreciation written out on Revaluation Reserve	-	(5,575,860)	(13,833)	(516,896)	-	-	-	-	(6,106,589)	-	-	(6,106,589)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(858,204)	(1,170)	-	-	-	-	-	(859,374)	-	-	(859,374)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(3,434,451)	-	-	-	(3,434,451)	-	-	(3,434,451)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	-	4	775,118	(516,897)	11,933,496	1	-	-	12,191,722	-	-	12,191,722
<b>Balance as at 31 March 2024</b>	33,612,763	152,381,173	191,521	145,002	8,031,919	25	7,785,109	4,449,201	208,596,713	1,584,006	-	208,180,719

b Long - Term Assets - Comparative Year												
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PF&E Under Construction	Surplus Assets	Total PP&E	Herbage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	31,810,512	140,015,207	956,807	110,001	15,672,148	26	7,353,190	3,501,751	199,419,662	1,552,756	23,500	200,995,918
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	31,810,512	140,015,207	956,807	110,001	15,672,148	26	7,353,190	3,501,751	199,419,662	1,552,756	23,500	200,995,918
Additions	-	2,609,891	-	-	2,054,524	-	5,797,006	-	10,461,421	8,250	-	10,469,671
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	906,575	4,163,253	[124]	-	-	-	-	[9,828]	5,059,876	25,000	-	5,084,876
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(43,084)	(781,149)	[544]	-	-	-	-	[121,500]	(946,277)	-	-	(946,277)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(450,491)	(1,000,000)	-	-	[537,189]	-	-	(26,422)	(2,014,102)	(4,000)	(21,000)	(2,039,102)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	(60,000)	4,434,020	-	-	[354,275]	-	(4,888,590)	60,000	(808,845)	-	-	(808,845)
Reclassified to(-)/from(+) investment Properties/Held for Sale	-	-	-	-	-	-	-	1,252,500	1,252,500	-	(2,500)	1,250,000
<b>Balance as at 31 March 2023</b>	32,163,512	149,441,222	956,139	110,001	16,835,228	26	8,261,606	4,654,501	212,424,235	1,582,006	-	214,006,241

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Fleet & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	-	3	775,118	(1)	12,422,082	1	-	-	13,197,203	-	-	13,197,203
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	-	3	775,118	(1)	12,422,082	1	-	-	13,197,203	-	-	13,197,203
Depreciation Charge	-	5,922,739	14,122	-	1,323,102	-	-	-	7,259,963	-	-	7,259,963
Depreciation written out on Revaluation Reserve	-	(5,184,956)	(13,041)	-	-	-	-	-	(5,197,997)	-	-	(5,197,997)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(694,736)	(1,081)	-	-	-	-	-	(695,817)	-	-	(695,817)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(43,066)	-	-	(537,189)	-	-	-	(580,255)	-	-	(580,255)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	(51,644)	-	-	-	(51,644)	-	-	(51,644)
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473
<b>Net Book Values</b>												
Balance as at 31 March 2023	32,163,512	149,441,218	181,021	110,002	3,678,877	25	8,241,606	4,656,501	198,492,742	1,582,004	-	200,074,748
Balance as at 31 March 2024	33,612,763	152,381,173	191,521	145,002	8,031,919	25	7,785,109	4,449,201	206,596,713	1,584,004	-	208,180,719

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**11 c Property, plant and equipment**

**Depreciation**

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

- buildings - 10 to 50 years straight line
- vehicles, plant, furniture and equipment - 3 to 7 years straight line
- infrastructure - as per buildings
- information technology - 3 to 10 years straight line
- intangibles - estimated useful life

**Revaluations**

The Council carries out a rolling programme that ensures that all property, plant and equipments required to be measured at current value is revalued at least every five years. All valuations were carried out externally by Land and Property Services. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic cost adjusted for inflation.

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

The Council has surplus assets with a carrying value of £4,449,201 at 31st March 2024.

**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	2023/24	2022/23
	£	£
Balance at start of year:		
Gross carrying amounts	6,136,459	5,346,653
Accumulated amortisation	2,871,506	2,295,807
Net carrying amount at start of year	3,264,953	3,050,846
Additions	43,548	32,605
Derecognition - Disposals (Cost)	(327,257)	-
Revaluation increases or decreases	-	-
Impairment losses recognised or reversed directly in the Revaluation Reserve	-	-
Impairment losses recognised or reversed directly in the Surplus/Deficit on the Provision of Services	-	-
Amortisation for the period	(459,863)	(575,699)
Derecognition - Disposals (Amortisation)	327,257	-
Transfer from Assets Under Construction (See Note 11a)	42,541	757,201
<b>Net carrying amount at end of year</b>	<b>2,891,179</b>	<b>3,244,953</b>
Comprising:		
Gross carrying amounts	5,946,934	6,136,459
Accumulated amortisation	3,055,755	2,871,506
<b>Net carrying amount at end of year</b>	<b>2,891,179</b>	<b>3,244,953</b>

**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	31/03/2024	31/03/2023
	£	£
Rental Income from Investment Activities	69,395	59,070
Direct Operating expenses arising from investment properties	(24,747)	(23,606)
<b>Net gain/(loss)</b>	<b>44,648</b>	<b>35,464</b>

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

Investment Properties	2023/24	2022/23
	£	£
Balance at start of the year	2,390,002	3,670,002
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	-	(30,000)
Transfers to/from inventories	-	-
Transfers to/from property, plant and equipment	(150,000)	-
Transfer to Surplus Assets	-	(1,250,000)
<b>Balance at end of the year</b>	<b>2,240,002</b>	<b>2,390,002</b>

#### Valuation process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors.

The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

#### f 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	31/03/2024	31/03/2023
	£	£
Artefacts	529,452	529,452
Historical Furniture	79,935	79,935
Civic Items	65,600	65,600
Ross' Monument	415,911	413,911
Paintings and Drawings	493,108	493,108
<b>Balance at end of the year</b>	<b>1,584,006</b>	<b>1,582,006</b>

#### g Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2023	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	133,000	-	133,000
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>133,000</b>	<b>-</b>	<b>133,000</b>
<b>Impairment</b>			
Balance as at 1 April 2023	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
<b>Balance as at 31 March 2024</b>	<b>133,000</b>	<b>-</b>	<b>133,000</b>
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2022	-	23,500	23,500
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	(21,000)	(21,000)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	(2,500)	(2,500)
<b>Balance as at 31 March 2023</b>	-	-	-
<b>Impairment</b>			
Balance as at 1 April 2022	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	-	-	-

During 2023/24 non-current assets with a fair value of £133,000 met the criteria to be recognised as assets held for sale.

#### h Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2023	242,308	21,430	263,738
Additions	-	-	-
Disposals	(150,165)	-	(150,165)
<b>At 31 March 2024</b>	<b>92,143</b>	<b>21,430</b>	<b>113,573</b>
<b>Depreciation</b>			
At 1 April 2023	242,308	21,430	263,738
Disposals	(150,165)	-	(150,165)
Provided for year	-	-	-
<b>At 31 March 2024</b>	<b>92,143</b>	<b>21,430</b>	<b>113,573</b>
<b>Net Book Value at 31/3/24</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2022	364,473	36,626	401,099
Additions	-	-	-
Disposals	(122,165)	(15,196)	(137,361)
<b>At 31 March 2023</b>	<b>242,308</b>	<b>21,430</b>	<b>263,738</b>
<b>Depreciation</b>			
At 1 April 2022	364,473	36,626	401,099
Disposals	(122,165)	(15,196)	(137,361)
Provided for year	-	-	-
<b>At 31 March 2023</b>	<b>242,308</b>	<b>21,430</b>	<b>263,738</b>
<b>Net Book Value at 31/3/23</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### h Revaluation

A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2024 on the Council's land and buildings. As a result, the value of land and buildings have increased from £188.9 million at 31 March 2023 to £193.2 million at 31 March 2024.

## 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 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		2023/24	2022/23
		£	£
<b>Opening Capital Financing Requirement</b>		94,409,923	90,492,621
<b>Capital Investment</b>			
Property, Plant and Equipment	11	11,921,865	10,469,671
Investment Properties		-	-
Intangible Assets		43,548	32,605
Revenue Expenditure Funded from Capital under Statute		3,240,091	1,257,144
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts		(197,760)	(957,067)
Government Grants and Other Contributions	10	(1,918,676)	(2,023,255)
Transfers from Earmarked Reserves		(1,365,807)	(654,796)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(5,309,000)	(4,207,000)
<b>Closing Capital Financing Requirement</b>		100,824,184	94,409,923
<b>Explanation of Movements in Year</b>		2023/24	2022/23
		£	£
Increase in underlying need to borrow		6,414,261	3,917,302
Assets acquired under leases		-	-
Assets acquired under PFI/PPP contracts		-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		6,414,261	3,917,302

## 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	15,195,118	8,150,354	7,044,764
Other Commitments	12,627,536	829,875	11,797,661
<b>Total</b>	<b>27,822,654</b>	<b>8,980,229</b>	<b>18,842,425</b>

Schemes underway detail all projects where spend has been incurred prior to the year-end. The Grant Aid element includes all projects where Letters of Offer are awarded by the funding body based on Outline Business Cases. Signed Contracts for Funding may not necessarily be in place at this stage.

14 Inventories	2023/24	2022/23
	£	£
Central Stores	430,111	423,401
Other	183,985	196,990
<b>Total</b>	<b>614,096</b>	<b>620,391</b>

15 Debtors	2023/24	2022/23
	£	£
<b>a Long Term Debtors</b>		
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	146	1,524
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	32,741	36,341
Lease debtors	-	-
Trade debtors	-	-
NIHE Loans	-	-
Other	2,700	12,613
Impairment of loans and receivables	-	-
Contract Receivables	-	-
<b>Total Long-Term Debtors</b>	<b>35,587</b>	<b>50,478</b>

b Short Term Debtors	2023/24	2022/23
	£	£
Government Departments	5,095,790	1,275,548
Other Councils	90,344	215,731
Public corporations and trading funds	-	-
Bodies external to general government	-	-
NIHE loans	-	-
Employee car loans	1,934	7,283
Revenue Grants	1,800,368	2,528,705
Capital Grants	1,479,305	910,669
Interest Receivable	20,102	25,428
Capital Debtors	-	-
Value Added Tax	1,428,588	1,635,998
Prepayments	295,311	503,400
Lease debtors	-	-
Other	254,318	159,878
Trade receivables	423,705	570,995
Impairment loss - Trade receivables	(285,965)	(278,572)
Contract Receivables	-	-
<b>Total Short-Term Debtors</b>	<b>10,603,800</b>	<b>7,555,043</b>
<b>Total Debtors</b>	<b>10,639,387</b>	<b>7,605,541</b>

#### 16 Investments

The Council has no investments.



17 Borrowings		2023/24	2022/23
<b>a Short Term Borrowing</b>		£	£
Loans re-payable within one year		8,928,191	4,091,304
Lease Principal		-	-
<b>Total Short Term Borrowing</b>		<b>8,928,191</b>	<b>4,091,304</b>
<b>b Long Term Borrowing</b>		£	£
Between 1 and 2 years		3,791,555	3,928,191
Between 2 and 5 years		11,466,061	11,416,814
Between 5 and 10 years		14,543,987	16,185,817
In more than 10 years		21,544,138	23,743,110
<b>Government Loans Fund</b>		<b>51,345,741</b>	<b>55,273,932</b>
<b>Total Borrowing</b>		<b>60,273,932</b>	<b>59,345,236</b>
18 Creditors		2023/24	2022/23
<b>a Short Term Creditors</b>		£	£
Government Departments		2,128,170	1,653,266
Other Councils		212,040	140,215
Public corporations and trading funds		25,714	28,330
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		2,315,930	2,136,867
Accumulated Absences		658,977	654,204
Loan Interest Payable		-	-
Capital Creditors		2,922,175	3,069,198
Receipts in advance		879,681	716,021
Trade creditors		4,245,678	4,777,798
Other		56,674	108,092
Contract Payables		-	-
<b>Total Short Term Creditors</b>		<b>13,445,039</b>	<b>13,283,991</b>
<b>Total Creditors</b>		<b>13,445,039</b>	<b>13,283,991</b>

The creditor balance for 'Other Councils' relates mainly to legal costs and contributions. There are no long-term creditors at 31st March 2024.

#### 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 17,699 invoices totalling £66,368,816

The number of disputed invoices were Nil.

The Council paid:  
16,812 (95%) invoices with 30 calendar days target;  
8,832(50%) invoices within 10 working days target; and  
887 invoices outside of the 30 day target.

Provisions	Balance as at	Increase in	Utilised during	Unused amounts	Interest cost	Balance as at 31
	1 April 2023	provision	year	reversed	and/or discount	March 2024
	£	£	£	£	rate changes	£
Landfill Closure	1,777,219	35,978	(192,928)	-	(123,343)	1,496,926
Restructuring Costs	1,416,976	-	-	(1,416,976)	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>3,194,195</b>	<b>35,978</b>	<b>(192,928)</b>	<b>(1,416,976)</b>	<b>(123,343)</b>	<b>1,496,926</b>

Current Provisions	1,416,976	-	-	(1,416,976)	-	-
Long Term Provisions	1,777,219	35,978	(192,928)	-	(123,343)	1,496,926
<b>Total</b>	<b>3,194,195</b>	<b>35,978</b>	<b>(192,928)</b>	<b>(1,416,976)</b>	<b>(123,343)</b>	<b>1,496,926</b>

#### Comparative Year

Provisions	Balance as at	Increase in	Utilised during	Unused amounts	Interest cost	Restated Balance
	1 April 2022	provision	year	reversed	and/or discount	as at 31 March
	£	£	£	£	rate changes	2023
Landfill Closure	2,568,346	-	(189,680)	(209,356)	(392,091)	1,777,219
Restructuring Costs	2,843,669	-	-	(1,426,693)	-	1,416,976
Other	-	-	-	-	-	-
<b>Total</b>	<b>5,412,015</b>	<b>-</b>	<b>(189,680)</b>	<b>(1,636,049)</b>	<b>(392,091)</b>	<b>3,194,195</b>

Current Provisions	2,843,669	-	-	(1,426,693)	-	1,416,976
Long Term Provisions	2,568,346	-	(189,680)	(209,356)	(392,091)	1,777,219
<b>Total</b>	<b>5,412,015</b>	<b>-</b>	<b>(189,680)</b>	<b>(1,636,049)</b>	<b>(392,091)</b>	<b>3,194,195</b>

#### Landfill Closure

The expected cost of landfill closure and aftercare costs of £1,496,926 is based on the percentage utilisation of the landfill sites of both Drumonakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed as at 31st March 2015. Drumonakelly 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. During the 2023/24 year a Capitalisation Direction was obtained for £1.76m to finance part of the restructuring costs hence the balance of the provision was subsequently reversed. Actual redundancy payments under this Capitalisation Direction have been charged to the CIES in year.

## 20 Financial Instruments

## Categories of Financial Instruments

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

## a Financial Assets as at 31 March 2024

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	35,587	274,240	831,408	1,141,235
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	1,354,888	-	1,354,888
<b>Total Financial Assets</b>	-	35,587	1,629,128	831,408	2,496,123
Non-Financial Assets	-	-	-	9,772,392	9,772,392
<b>Total</b>	-	35,587	1,629,128	10,603,800	12,268,315

## Financial Assets as at 31 March 2023

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	50,478	3,773,378	886,125	4,709,981
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	4,026,793	-	4,026,793
<b>Total Financial Assets</b>	-	50,478	7,800,171	886,125	8,736,774
Non-Financial Assets	-	-	-	6,668,937	6,668,937
<b>Total</b>	-	50,478	7,800,171	7,555,062	15,405,711

## b Financial Liabilities as at 31 March 2024

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	51,345,741	-	8,928,191	8,235,635	68,509,567
<b>Total financial liabilities</b>	<b>51,345,741</b>	-	<b>8,928,191</b>	<b>8,235,635</b>	<b>68,509,567</b>
Non-financial liabilities	-	-	-	5,209,404	5,209,404
<b>Total</b>	<b>51,345,741</b>	-	<b>8,928,191</b>	<b>13,445,039</b>	<b>73,718,971</b>

## Financial Liabilities as at 31 March 2023

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	55,273,932	-	4,091,304	8,551,054	67,916,290
<b>Total financial liabilities</b>	<b>55,273,932</b>	-	<b>4,091,304</b>	<b>8,551,054</b>	<b>67,916,290</b>
Non-financial liabilities	-	-	-	4,732,937	4,732,937
<b>Total</b>	<b>55,273,932</b>	-	<b>4,091,304</b>	<b>13,283,991</b>	<b>72,649,227</b>

**Material soft loans made by the Council**

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

**Employee Car Loans**

The Council makes loans for car purchases to employees who are in posts that require them to drive regularly on the Council's business. The balances outstanding are disclosed at Note 15.

**c 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 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	31st March 2024		31st March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Financial liabilities held at amortised cost [Loans]	60,273,932	53,164,064	59,365,236	55,704,238
<b>Total</b>	<b>60,273,932</b>	<b>53,164,064</b>	<b>59,365,236</b>	<b>55,704,238</b>

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.

**d Nature and Extent of Risks Arising from Financial Instruments**

The Council has no material exposure to any of the risks identified below in its dealings with financial instruments.

**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. 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.

**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. The Council also occasionally takes out short-term loans from other UK local authorities to benefit from low interest rates available. This is done with advice from the Council's treasury advisers and in line with the Treasury Management Strategy Statement for the year.

**Foreign Exchange Risk**

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro for payments however due to the size of the balances held this would not be considered 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 Charges:

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	2023/24 £	2022/23 £
<b>Net cost of services:</b>			
Current service cost		6,497,000	12,667,000
Past service cost/(gain)		733,000	226,000
Gains and losses on settlements or curtailments		-	-
<b>Net operating expenditure:</b>			
Net interest on net defined benefit liability (asset)		(349,000)	1,388,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>			
		6,881,000	14,281,000
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(6,881,000)	(14,281,000)
<b>year:</b>			
Employers' contributions payable to scheme		6,444,000	5,738,000
<b>Net adjustment to General Fund</b>		<b>(437,000)</b>	<b>(8,543,000)</b>

The service cost figures include an allowance for administration expenses of £154k (2022/23 £139k).

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2023/24 £	2022/23 £
Liability gains/(losses) due to change in assumptions		7,103,000	105,867,000
Liability gains/(losses) due to demographic changes		3,032,000	(1,162,000)
Liability experience gains/(losses) arising in the year		(2,706,000)	(14,895,000)
Actuarial gains/(losses) on plan assets		9,876,000	(22,780,000)
Adjustment in respect of paragraph 64		(21,912,000)	-
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(4,607,000)</b>	<b>67,030,000</b>

C Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities:			
	Note	2023/24 £	2022/23 £
Balance as at 1 April		195,482,000	268,675,000
Current service cost		6,497,000	12,667,000
Interest cost		9,100,000	7,209,000
Contributions by members		1,952,000	1,853,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(7,103,000)	(105,867,000)
Actuarial gains/losses arising from demographic changes		(3,032,000)	1,162,000
Actuarial gains/losses arising on liabilities from experience		2,706,000	14,895,000
Other (if applicable)		-	-
Past service costs/(gains)		733,000	226,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(84,000)	(81,000)
Estimated benefits paid		(5,781,000)	(5,257,000)
<b>Balance as at 31 March</b>		<b>200,470,000</b>	<b>195,482,000</b>
Reconciliation of present value of the scheme assets:			
	Note	2023/24 £	2022/23 £
Balance as at 1 April		199,714,000	214,420,000
Interest income		9,449,000	5,821,000
Contributions by members		1,952,000	1,853,000
Contributions by employer		6,360,000	5,657,000
Contributions in respect of unfunded benefits		84,000	81,000
Remeasurement gain/(loss)		9,876,000	(22,780,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(84,000)	(81,000)
Benefits paid		(5,781,000)	(5,257,000)
Adjustment in respect of paragraph 64		(21,912,000)	-
<b>Balance as at 31 March</b>		<b>199,658,000</b>	<b>199,714,000</b>

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 £19.3m (2022/23 loss of £17m).

Fair Value of Plan Assets	2023/24 £	2022/23 £
Equity investments	87,963,290	82,481,882
Bonds	72,231,820	72,496,182
Property	20,606,010	20,969,970
Cash	27,474,680	11,783,126
Other	13,294,200	11,982,840
	<b>221,570,000</b>	<b>199,714,000</b>

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):**

	2023/24 £	2022/23 £
Fair Value of Employer Assets	199,658,000	199,714,000
Present value of funded defined benefit obligation	(199,658,000)	(194,583,000)
Pension asset/(liability) of Funded Scheme	-	5,131,000
Present Value of unfunded defined benefit obligation	(812,000)	(899,000)
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(812,000)</b>	<b>4,232,000</b>
Amount in the Balance sheet:		
Liabilities	(200,470,000)	(195,482,000)
Assets	199,658,000	199,714,000
<b>Net Asset/(Liability)</b>	<b>(812,000)</b>	<b>4,232,000</b>

**d Scheme History**

Analysis of scheme assets and liabilities	2023/24 £	2022/23 £
Fair Value of Assets in pension scheme	199,658,000	199,714,000
Present Value of Defined Benefit Obligation	(200,470,000)	(195,482,000)

<b>Surplus/(deficit) in the Scheme</b>	<b>(812,000)</b>	<b>4,232,000</b>
--	------------------	------------------

Amount recognised in Other Comprehensive Income and Expenditure:	2023/24 £	2022/23 £
Actuarial gains/(losses)	(14,483,000)	89,810,000
Expected Return on Plan Assets	9,876,000	(22,780,000)
Increase/(decrease) in irrecoverable surplus from membership fall and other	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(4,607,000)	67,030,000
Cumulative actuarial gains and losses	71,667,000	76,274,000
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	2,706,000	14,895,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £200m has been balanced by the fair value of the assets resulting in a net asset of £21m which has been restricted to £nil as recorded in the Balance Sheet at 31/3/2024.

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 2025**

	31/03/2025 £	31/03/2025 %
Projected current cost	6,213,000	95.6%
Net interest on the net defined benefit liability (asset)	(104,000)	-1.7%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	<b>6,109,000</b>	<b>93.9%</b>

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 2025 is £5.95m.

**History of experience gains and losses**

The actuarial gains/losses identified as movements on the Pensions Reserve 2023/24 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2024.

	2023/24 %	2022/23 %
Experience gains and (losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	-1.35%	-7.62%

### e 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 2024.

Pension scheme assumptions:	2023/24		2022/23	
	%		%	
Equity investments		39.7%		41.3%
Bonds		32.6%		36.3%
Property		9.3%		10.5%
Cash		12.4%		5.9%
Other		6.0%		6.0%
<b>Mortality assumptions:</b>				
Longevity at 65 current pensioners:	Years		Years	
Men		21.7		22.2
Women		24.6		25.0
Longevity at 65 for future pensioners:				
Men		22.7		23.2
Women		25.6		26.0
Inflation/Pension Increase Rate		2.60%		2.70%
Salary Increase Rate		4.10%		4.20%
Expected Return on Assets		0.00%		0.00%
Discount Rate		4.80%		4.70%
Pension accounts revaluation rate		2.60%		2.70%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>				
Service to April 2009		0%		0%
Service post April 2009		0%		0%

### 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 2024 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

#### Funded Pension Scheme Benefits

Discount Rate Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to discount rate		
Present value of the total obligation	196,264,000	203,252,000
% change in the present value of the total obligation	-1.70%	1.80%
Projected service cost	5,983,000	6,449,000
Approximate % change in projected service cost	-3.70%	3.80%
<b>Rate of General Increase in Salaries</b>		
	+0.1%p.a.	-0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	200,257,000	199,059,000
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost	6,213,000	6,213,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
	+0.1%p.a.	-0.1%p.a.
Adjustment to pension increase rate		
Present value of the total obligation	202,653,000	196,863,000
% change in the present value of the total obligation	1.50%	-1.40%
Projected service cost	6,449,000	5,983,000
Approximate % change in projected service cost	3.80%	-3.70%
<b>Post Retirement Mortality Assumption</b>		
	- 1 Year	+1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	204,849,000	194,467,000
% change in the present value of the total obligation	2.6%	-2.60%
Projected service cost	6,430,000	5,996,000
Approximate % change in projected service cost	3.50%	-3.50%

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



#### f Major categories of plan assets as percentage of total plan assets

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

	31/03/2024		31/03/2023	
		%		%
Equity investments		39.70%		41.30%
Government Bonds		15.00%		20.50%
Corporate Bonds		17.60%		15.80%
Property		9.30%		10.50%
Cash		12.40%		5.90%
Other		6.00%		6.00%
<b>Total</b>		<b>100.00%</b>		<b>100.00%</b>

#### g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2016. 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 2024.

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

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 and the balance on the Donated Assets Account was £Nil at 31st March 2024 (31/3/2023 £Nil).

#### 23 Capital Grants Received in Advance

The Council has no capital grants received in advance other than those reflected in the Capital Grants Unapplied account.

#### 24 Contingencies

##### a Contingent Liabilities

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, Maume 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 participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

The Council has a number of ongoing legal cases, the outcome of which are uncertain and difficult to predict.

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**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 non-cash movements			
	Notes	2023/24	2022/23
		£	£
Depreciation	11	9,120,526	7,835,682
Impairment & downward revaluations (& non-sale derecognitions)	11	556,558	250,460
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories		6,295	(45,006)
(Increase)/Decrease in Debtors		(2,747,402)	7,175,437
Increase/(Decrease) in impairment provision for bad debts		7,393	57,839
Increase/(Decrease) in Creditors		(43,798)	(7,349,029)
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	21	437,000	8,543,000
Carrying amount of non-current assets sold	8	140,061	1,458,847
AIC/WIP written off to Net Cost of Services	11	-	-
Contributions to Other Reserves/Provisions		(1,697,269)	(2,217,820)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	30,000
Amounts posted to CIES from Donated Assets Account	21	-	-
		<b>5,779,364</b>	<b>15,739,410</b>

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing			
	Notes	2023/24	2022/23
		£	£
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		(197,760)	(957,067)
Capital grants included in "Taxation & non-specific grant income"		(1,918,676)	(2,023,255)
		<b>(2,116,436)</b>	<b>(2,980,322)</b>

**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:

	2023/24	2022/23	2021/22
	£	£	£
Cash and Bank balances	259,458	1,848,280	3,533,681
Short Term Deposits (considered to be Cash Equivalents)	1,369,670	5,951,891	21,011,531
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	-	-	(8,679)
	1,629,128	7,800,171	24,536,533

**c Cash Flow Statement: Operating Activities**

	2023/24	2022/23
	£	£
The cash flows from operating activities include:		
Interest received	287,613	228,690
Interest paid	1,814,085	1,877,785

**d Cash flows from Investing Activities**

	2023/24	2022/23
	£	£
Purchase of PP&E, investment property and intangible assets	(11,760,567)	(10,904,368)
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	197,760	957,067
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	1,624,839	1,874,780
Other Receipts from Investing Activities	-	-
<b>Net Cash flows from Investing Activities</b>	<b>(9,937,968)</b>	<b>(8,072,521)</b>

**e Cash flows from Financing Activities**

	2023/24	2022/23
	£	£
Cash Receipts from Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts	-	-
Repayment of Short and Long Term Borrowing	908,696	(10,342,321)
Other payments for Financing Activities	-	-
<b>Net Cash flows from Financing Activities</b>	<b>908,696</b>	<b>(10,342,321)</b>

**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	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Disposal of Non-Current Assets/Capital Sales		197,760	957,067
Capital Receipts used to finance capital expenditure	3, 11	(197,760)	(957,067)
Other Movements		-	-
<b>At 31 March</b>		-	-

**b Capital Grants Unapplied Account**

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

Capital Grants Unapplied account	Notes	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Unapplied Capital Grants received in year		-	-
Transferred from Other Balances & Reserves in year	26d	1,633,556	
Unapplied Capital Grants transferred to CAA in year		-	-
<b>At 31 March</b>		1,633,556	-

**c 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.

Capital Fund	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		15,000,000	15,000,000
Transfers between statutory & other reserves & the General Fund		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	-	-
<b>At 31 March</b>		<b>15,000,000</b>	<b>15,000,000</b>

**d Other Balances & Reserves**

Other Balances & Reserves	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		9,645,176	9,494,065
Transfers between statutory & other reserves & the General Fund	4b	1,251,106	805,907
Transferred to Capital Grants Unapplied Account	26b	(1,633,556)	-
CAA to finance capital expenditure	12	(1,365,807)	(654,796)
<b>At 31 March</b>		<b>7,896,919</b>	<b>9,645,176</b>

(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 31/3/24 is £Nil (31/3/23 £489,500).

(ii). Covid Funding Reserve - the Department for Communities allocated funding to Councils to alleviate the impact of exceptional losses and costs incurred as a consequence of Covid-19 and latterly the cost-of-living crisis. This reserve was created to ring-fence the unspent funding. The balance at 31/3/24 is £Nil (31/3/23 £554,397).

(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 during the two years ended 31st March 2022 for Community Support. This reserve was created to ring-fence the unspent funding. The balance at 31/3/24 is £18,111 (31/3/23 £32,956).

(iv). Covid Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District post-Covid. The balance at 31/3/24 is £754,920 (31/3/23 £978,804).

(v). Economic Recovery Reserve - this reserve was created to assist with the economic recovery of the District post-Covid. The balance at 31/3/24 is £Nil (31/3/23 £2,250,000).

(vi). Covid Recovery Small Settlements Regeneration Reserve - the Department for Communities issued funding towards the Council's Covid Recovery Small Settlements Regeneration Programme in March 2022 and again in March 2023. The balance at 31/3/24 is £168,689 (31/3/23 £3,529,942) in addition £1,633,556 was transferred to the Capital Grants Unapplied Account at 31/3/24.

(vii). Hardship Funding Reserve - the Department for Communities issued funding to the Council in March 2023 to provide financial support to the most vulnerable in the district. The balance at 31/3/24 is £Nil (31/3/23 £382,883).

(viii). Future Rate Pressure Reserve - this reserve has been created to alleviate future Rate pressures. The balance at 31/3/24 is £2,843,669 (31/3/23 £1,426,693).

(ix). Leisure Claim Reserve - this reserve has been set up to fund future leisure services. The balance at 31/3/24 is £4,111,528 (31/3/23 £Nil).

## e 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	31/03/2024	31/03/2023
		£	£
At 1 April		11,096,172	11,150,134
Applied Capital Grants	10, 12	(1,918,676)	(2,023,255)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	9,677,084	8,116,142
Statutory Provision for financing Capital Investment	4	(5,309,000)	(4,207,000)
Net Revenue expenditure funded from capital under statute	4, 12	3,240,091	1,257,144
Surplus/(Deficit) on the Provision of Services	CIES	(804,699)	(11,080,608)
Transfers between Statutory and Other Reserves and the General Fund	4b	(1,251,106)	(805,907)
Net movements on Pension Reserve	4, 20	437,000	8,543,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11, 23	(57,699)	501,780
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	4,773	36,833
Other Movements	27e	(123,343)	(392,091)
<b>At 31 March</b>		<b>14,990,597</b>	<b>11,096,172</b>

## 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	31/03/2024	31/03/2023
		£	£
At 1 April		43,798,791	44,288,017
Applied Capital Grants	10, 12	1,918,676	2,023,255
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(9,677,084)	(8,116,142)
Statutory Provision for financing Capital Investment	4, 12	5,309,000	4,207,000
Net Revenue expenditure funded from Capital under	4, 12	(3,240,091)	(1,257,144)
Disposal of Fixed Assets/Capital Sales	4, 11	(140,061)	(1,458,847)
Capital Receipts used to finance capital expenditure	4, 12	197,760	957,067
Other Movements	27b	2,615,249	2,500,789
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	1,365,807	654,796
<b>At 31 March</b>		<b>42,148,047</b>	<b>43,798,791</b>

#### 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	31/03/2024	31/03/2023
		£	£
At 1 April		67,521,006	59,738,922
Revaluation & Impairment	11	5,566,908	10,282,873
Other Movements	27a	(2,615,249)	(2,500,789)
<b>At 31 March</b>		<b>70,472,665</b>	<b>67,521,006</b>

**c Pension Reserve**

Pension Reserve	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		4,232,000	(54,255,000)
Net Movements on Pension Reserve	4, 21	(437,000)	(8,543,000)
Revaluation & Impairment	21	(4,607,000)	67,030,000
<b>At 31 March</b>		<b>(812,000)</b>	<b>4,232,000</b>

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	31/03/2024	31/03/2023
		£	£
At 1 April		(654,204)	(617,371)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	(4,773)	(36,833)
<b>At 31 March</b>		<b>(658,977)</b>	<b>(654,204)</b>

**e Provisions Discount Rate Reserve**

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2018/19 accounts direction (see DfC circular 18/19), 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 an agreed period.

Provisions Discount Rate Reserve	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		(494,537)	(886,628)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	123,343	392,091
Other Movements		-	-
<b>At 31 March</b>		<b>(371,194)</b>	<b>(494,537)</b>



## 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 £676,039 and costs of £381,558.

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

- the magnitude of each individual trading operation's turnover.
- the risk of financial loss the Council may be exposed to in providing the service to the user.

Non-financial criteria taken into account in deciding whether trading operations are significant to the

- 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 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 £363,451 (2022/23 £317,671). Payments were made to the company of £298,000 (2022/23 £272,000). The company also reimburses the Council's reasonable charges and expenses which amounted to £5,739 (2022/23 £5,739) for the financial year under review. The balance outstanding from the BID company's debtors amounted to £562,877 at 31st March 2024 (31/3/23 £442,560). This resulted in a net amount of debt held by the Council on behalf of the company at 31st March 2024 of £27,735 (31/3/23 £89,489). 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 for the project. Claims for the project partners are made by the 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 €1,072,549 (2022/23 €861,300) of grants from SEUPB on behalf of the project partners and paid €1,089,105 (2022/23 €840,926) to the project partners. These transactions are not reflected in the Council's Revenue accounts. The balance owing to the other project partners at 31st March 2024 was €3,819 (31/3/23 €20,374).

3. The Digital Transformation Flexible Fund (DTFF) - the Council is a lead member of the Full Fibre Northern Ireland (FFNI) Consortium, which is comprised of all local authorities outside of Belfast and administrates the project. DTFF is a Northern Ireland wide grant scheme designed to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies to achieve business transformation in small and micro-businesses. The £7.5m funding programme is delivered by local authorities in NI under the FFNI Consortium and supported by Invest NI. There were no agency transactions through the Council's accounts in the year ended 31st March 2024 but it is anticipated there will be transactions in the following financial year as the project gets underway.

## 30 Related Party Transactions

266

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely 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.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2023/24 is shown in Note 7. During 2023/24, works and services to the value of £269,970 (2022/23 £598,503) were commissioned from companies in which individual members and senior officers had an interest. In addition a member of the Council is a member of the ARC 21 Committee (disclosed separately below). Contracts were entered into in full compliance with the council's standing orders. In addition, the council paid grants/SLAs totalling £524,600 to voluntary organisations in which 26 members had positions on the governing body and £5,950 to one organisation in which a senior officer had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Civic Centre during office hours.

<u>Organisation</u>	<u>Members</u>	<u>Grants/SLAs</u>	<u>Other</u>
		£	£
Atticall GAA	1	3,000	-
Ballyholland Development Association	1	1,223	-
Ballynagross Rural Community Hub	1	5,074	-
Camlough Community Association	1	421	1,200
Carlingford Lough Commission	2	-	610
Crossgar War Memorial Hall	1	3,665	-
Crossmaglen Rangers GAA Club	1	5,000	-
Cuan Marines Services Ltd	0	-	35,076
Down Community Arts	1	28,446	834
Downpatrick And County Down Railway Society Ltd	1	54,228	-
Downpatrick Town Committee	1	15,000	-
East Border Region Committee	3	22,500	-
Education Authority Southern Region	2	3,224	-
Fired	1	-	200
Hilltown Comm Association	1	12,049	1,290
Kellies Coffee (Income)	1	-	(3,500)
Kellys Point Hire Ltd	0	-	5,840
Kilcoo Eoghan Rua Kilcoo GAA	1	1,573	-
Lecale Conservation Association	1	1,500	-
Lislea Community Association	0	5,950	380
Moume Heritage Trust	3	341,689	-
Moume Stimulus Ltd	1	-	2,360
N.I. Local Government Association	2	-	61,091
National Association Of Councillors	1	-	10,040
Newry Advertiser Ltd	1	-	600
Our Lady And St Patrick Primary School	1	4,000	405
Queens University Belfast	1	-	3,754
River Valley Development Assoc	1	6,368	-
Rostrevor Men'S Shed	1	5,641	600
Royal Mail Group Ltd	1	-	136,539

<u>Organisation</u>	<u>Members</u>	<u>Grants/SLAs</u>	<u>Other</u>
		£	£
Safer Warrenpoint Project	1	5,000	-
St Malachys Primary School Castlewellan	2	-	320
St Oliver Plunkett Youth Club	1	190	-
Strangford Coastal Rowing Club	1	5,000	-
Sustainable Northern Ireland	0	-	6,000
Ti Chulainn Ltd	1	-	150
Traditional Arts Partnership (South Armagh)	1	-	2,680
		<b>530,740</b>	<b>266,470</b>
* Arc 21 - See Below	1		

The Council incurred expenditure of £586,943 (2022/23 £593,927) to other councils of which £104,875 (31/3/23 £52,630) was outstanding as at 31st March 2024.

The Council has recorded income of £817,543(2022/23 £687,817) from other councils of which £90,344 (31/3/23 £184,726) was outstanding as at 31st March 2024.

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 £161,822 (2022/23 £156,287). The Council paid an additional £3,163,797 (2022/23 £2,810,089) to Arc 21 for various services provided during the year including the use of the Material Recycling Facility and received income of £115,187 (2022/23 £252,603).

### 31 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Audit Committee on XX September 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

### 32 Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on XX September 2024



# National Fraud Initiative in Northern Ireland 2024-25

## Instructions

<b>Contents</b>	<b>Page</b>
<b>Introduction</b>	<b>4</b>
Distribution of matches	4
Audit	5
<b>Statutory framework</b>	<b>6</b>
<b>Privacy notices</b>	<b>7</b>
<b>Contact nominations and responsibilities</b>	<b>8</b>
Senior Responsible Officer role	8
Key Contact role	8
Data submission role	8
Investigation role	8
<b>Data requirements</b>	<b>10</b>
<b>Timetable</b>	<b>12</b>
<b>Submission of data</b>	<b>14</b>
<b>Making the process more efficient</b>	<b>15</b>
<b>Communications</b>	<b>16</b>
<b>Appendix 1 - The Data Specifications</b>	<b>17</b>
Summary of changes from 2022-23	17
Payroll	19
Pensions (including occupational pensions, pension gratuities and deferred pensions)	21
Trade creditors standing data	23
Trade creditors payment history data	25
Housing benefit	27
Housing tenants	29
Housing waiting list	31
Private supported care home residents	32

**National Fraud Initiative 2024-25****270**

Transport passes and permits	33
Licences - Taxi drivers	35
Rates	36
Lone pensioner allowance	37
State pension	38
Electoral register	39
<b>Appendix 2: Data upload instructions</b>	<b>40</b>
<b>Appendix 3: Data format</b>	<b>41</b>
<b>Appendix 4: Participants in NFI 2024-25</b>	<b>43</b>

## Introduction

1. The Comptroller and Auditor General for Northern Ireland (C&AG), head of the Northern Ireland Audit Office (NIAO), has statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud. The powers are contained in the Serious Crime Act 2007, which adds Articles 4a to 4h to the Audit and Accountability (Northern Ireland) Order 2003.
2. The Serious Crime Act imposes a regulatory regime alongside existing fair processing and other compliance requirements of data protection legislation. Any person or body conducting or participating in the C&AG's data matching exercises must, by law, have regard to a statutory Code of Data Matching Practice.
3. Data matching involves comparing sets of data, such as the payroll or benefits records of a body, against other records held by the same or another body to see how far they match. This allows potentially fraudulent claims and payments to be identified.
4. The next data matching exercise under the C&AG's powers will be undertaken in 2024-25, as part of the National Fraud Initiative (NFI). As in previous NFI exercises, the Public Sector Fraud Authority will carry out the key aspects of the exercise on behalf of the C&AG, including the collection and processing of data.
5. The data obtained for the 2024-25 exercise will be matched on a cross jurisdictional basis across the UK.

### Distribution of Matches

6. Once the data matching process is completed, the output will be available to participating organisations, for consideration and investigation, via the secure NFI web-based application. Responsibility for investigating matches will rest with the participating organisations. **Organisations are not expected to investigate all matches but should use a risk-based approach to decide on how many, and which, matches to investigate.**
7. The data matching output provided by the Public Sector Fraud Authority indicates the priority reports and higher risk data matches within each report. It is important to note that the matches do not necessarily indicate fraud but they highlight an inconsistency which may be worthy of further investigation.

## Audit

8. The C&AG and local government auditors will use the output from the NFI exercise to help them assess the arrangements that the bodies they audit have in place to prevent and detect fraud.
9. Information on the role of the C&AG and the local government auditors is at [www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk).



## Statutory framework

10. The C&AG conducts data matching exercises under statutory powers in the Audit and Accountability (Northern Ireland) Order 2003, as amended by the Serious Crime Act 2007.
11. The legislation requires the C&AG to prepare a code of practice to govern the data matching exercises, and to consult over it before approving and laying it before the Assembly. The original Code was laid before the Northern Ireland Assembly in July 2008. A revised Code, taking account of the transfer of the NFI to the Public Sector Fraud Authority and the provisions of the 2018 General Data Protection Regulation (GDPR), was laid in November 2018, following consultation with key stakeholders, including the Information Commissioner's Office. The revised Code can be viewed [here](#).
12. Under the legislation, the C&AG may carry out data matching exercises for the purpose of assisting in the prevention and detection of fraud, as part of an audit or otherwise. The C&AG may require certain bodies to provide data for a data matching exercise. These are bodies whose accounts are required to be audited by:
  - the C&AG, other than any body whose accounts are required to be audited by virtue of section 55 of the Northern Ireland Act 1998, which includes North/South Implementation bodies audited jointly by the C&AG and the Irish Comptroller and Auditor General; and
  - a local government auditor.

Therefore central government bodies (that is Northern Ireland departments, executive agencies, police and justice bodies, non-departmental public bodies and health and social care bodies) and local government bodies (district councils) must participate if required.

13. Other bodies may participate in the data matching exercises on a voluntary basis where the C&AG considers it appropriate. The requirements of data protection legislation and the GDPR will apply.
14. The C&AG may disclose the results of a data matching exercise to bodies that have provided the data. The C&AG may also disclose both data provided for data matching and the results of data matching to the Public Sector Fraud Authority, the Auditor General for Wales, the Auditor General for Scotland, the Accounts Commission for Scotland and Audit Scotland, for the purposes of preventing and detecting fraud. This is an important aspect of the legislation as it enables cross jurisdictional data matching.
15. The processing of data by the C&AG in a data matching exercise is carried out with statutory authority. It does not require the consent of the individuals concerned to satisfy data protection legislation.

## Privacy Notices

16. Under data protection legislation and the GDPR, NFI participants must tell individuals that their data will be processed. This information is provided by way of a Privacy Notice.
17. Participants should, as far as is practicable and unless an exemption from the fair processing requirement applies, provide or make readily available, privacy notices to the individuals about whom they are sharing information. The privacy notice should:
  - clearly explain that their data may be disclosed for the purpose of preventing and detecting fraud;
  - include details of the legal basis on which the data controller relies for the processing;
  - in accordance with the Information Commissioner's guidance, specify with whom the data will be shared; and
  - contain details of how individuals can find out more information about the processing in question.
18. For more information on privacy notices, participants should refer to the Information Commissioner's guidance at <https://ico.org.uk/for-organisations/accountability-framework/transparency/>
19. The Comptroller and Auditor General's full text privacy notice for the National Fraud Initiative is available on the NIAO's website at <https://www.niauditoffice.gov.uk/national-fraud-initiative> . It includes an explanation of the legal basis for the C&AG's data matching exercises.
20. The Key Contact for each participating organisation must submit a declaration via the [secure NFI web application](#) confirming that they have complied with Privacy Notice requirements.

## Contact nominations and responsibilities

### Senior Responsible Officer role

21. The director of finance, or equivalent senior named officer, will act as '**Senior Responsible Officer**' (SRO) for the NFI. The SRO is responsible for ensuring the participating organisation meets its statutory requirements. The SRO should:
  - nominate a **Key Contact**;
  - ensure the Key Contact has access to the matches via the [secure NFI web application](#) when they become available; and
  - ensure that the Key Contact fulfils all privacy notice requirements.

### Key Contact role

22. The **Key Contact** is responsible for:
  - fulfilling the organisation's privacy notice requirements. The Key Contact should be in direct communication with their organisation's data protection officer or equivalent;
  - ensuring that the data formats guidance and data specifications are adhered to;
  - nominating appropriate users to upload data submissions, investigate the matches and act as point of contact for other bodies about a match ('preferred dataset contact');
  - co-ordinating and monitoring the overall exercise; and
  - ensuring that outcomes from the investigation of matches are recorded on the [secure NFI web application](#) promptly and accurately.
23. In small organisations, one person may fulfil the Key Contact, data submission, dataset contact and investigation roles.

### Data submission role

24. The user responsible for the submission of the data should ensure that data:
  - meets the specifications (see Appendix 1);
  - contains a header row;
  - is in the correct format (see Appendix 3);
  - is submitted via the data file upload (DFU) facility; and
  - is submitted by the required deadline (see Table 2 at paragraph 30).

### Investigation role

25. The Key Contact will set up a user or number of users with access to the NFI web application so that they can review and investigate the matches. The users may also be responsible for responding to enquiries from other matched bodies if the Key Contact delegates this role.

26. Once the data matching process for each exercise is completed, the output will be available to the relevant participating body via the [secure NFI web application](#). Participating bodies are then responsible for reviewing and investigating matches as appropriate.
27. The [secure NFI web application](#) contains embedded guidance with the data matching output. It is essential that users follow this guidance as it helps with prioritising reports and the matches within them.

## Data requirements

28. The data requirements for the 2024-25 data matching exercise are set out in Table 1, with the corresponding data specifications set out in Appendix 1. Points to note are:
- The requirements of the Code of Data Matching Practice of the Comptroller and Auditor General for Northern Ireland in relation to privacy notices should be adhered to. In addition, see paragraphs 16 to 19 above. Liaise with your own Data Protection Officer if you require any clarification.
  - The Data Submission section (see page 14) provides details on how to upload data securely. This is the only acceptable method.
  - For bodies whose payroll is administered through HR Connect, if you are NOT an NICS department, you must request a file of data from HR Connect administrators in line with the payroll data specification and upload it directly to the Public Sector Fraud Authority. For NICS departments, HR Connect will provide a payroll file to NICS HR who will upload the data on behalf of all NICS departments.
  - For bodies whose creditors are administered through Account NI, each individual body must request from Account NI a file of data in line with the creditors' data specifications (standing data and payments history). Bodies will then upload their creditors' datasets directly to the Public Sector Fraud Authority.
  - In cases where a provider submits data (e.g. payroll) direct to the Public Sector Fraud Authority on behalf of a body, it is the body's responsibility to ensure that the provider receives full and timely instructions about this requirement and that employees are notified in line with the fair processing requirements.
  - Experience from previous NFI exercises has shown that Trade Creditors standing data and payments history are complicated specifications so extreme care should be taken when extracting this data, otherwise the quality of the output can be severely affected.

## National Fraud Initiative 2024-25

278

Table 1: Data requirements 2024-25

Mandatory Participants	Datasets Required
All mandatory participants (see Appendix 4)	<ul style="list-style-type: none"> <li>Payroll (including agency workers)</li> <li>Trade creditors' payment history</li> <li>Trade creditors' standing data</li> <li>Pensions (through relevant pension paying authority)<sup>1</sup></li> </ul>
The following bodies must also submit these <u>additional</u> datasets:	
Northern Ireland Housing Executive	<ul style="list-style-type: none"> <li>Housing benefit claimants</li> <li>Housing tenants</li> <li>Right to Buy</li> <li>Social housing waiting list</li> </ul>
Department of Finance	<ul style="list-style-type: none"> <li>Rates</li> <li>Lone Pensioner Allowance (LPA) data</li> <li>Electoral register</li> </ul>
Belfast Health & Social Care Trust Northern Health & Social Care Trust South Eastern Health & Social Care Trust Southern Health & Social Care Trust Western Health & Social Care Trust	<ul style="list-style-type: none"> <li>Private supported care home residents</li> </ul>
Department for Infrastructure	<ul style="list-style-type: none"> <li>Blue badges</li> <li>Taxi driver licences</li> </ul>
Department for Communities	<ul style="list-style-type: none"> <li>State pension (to facilitate LPA data match)</li> </ul>
Voluntary Participants	Datasets Required
Northern Ireland Audit Office	<ul style="list-style-type: none"> <li>Payroll (including agency workers)</li> <li>Trade creditors' payment history</li> <li>Trade creditors' standing data</li> </ul>
NI Water	<ul style="list-style-type: none"> <li>Payroll (including agency workers)</li> <li>Trade creditors' payment history</li> <li>Trade creditors' standing data</li> </ul>
Translink	<ul style="list-style-type: none"> <li>Payroll (including agency workers)</li> <li>Concessionary travel passes</li> <li>Small pension fund</li> </ul>
Victims and Survivors Service	<ul style="list-style-type: none"> <li>Payroll (including agency workers)</li> <li>Trade creditors' payment history</li> <li>Trade creditors' standing data</li> </ul>

<sup>1</sup> NI Civil Service Pensions, NI Local Government Officers' Superannuation Committee, Teachers' Pensions, Health Pensions, NI Fire and Rescue Pensions and Assembly Pensions

## Timetable

29. The timetable, from launch of the exercise and collection of data through to distribution of matches, is set out in Table 2.

**Table 2: 2024-25 timetable**

Activity	Who	How	Timing
Confirm contact details for the 2024-25 exercise	Senior Responsible Officer / Key Contact	Changes should be notified via email, as and when they arise, to: <a href="mailto:nficoordinator@niauditoffice.gov.uk">nficoordinator@niauditoffice.gov.uk</a> and <a href="mailto:helpdesk@nfi.gov.uk">helpdesk@nfi.gov.uk</a>	Updating of contact details is a continuous process. Changes should be notified as and when they arise
2024-25 web application becomes available	NFI Team (PSFA)	The link to the web application is <a href="https://www.nfi.gov.uk/">https://www.nfi.gov.uk/</a> .	Web application for 2024-25 will be available from Tuesday 25 June 2024
Check the list of expected data sets	NFI Key Contact	Key Contacts should log into the 2024-25 web application Data File Upload (DFU), check that the list of expected datasets is accurate and advise any changes to the NFI Coordinator by. ( <a href="mailto:nficoordinator@niauditoffice.gov.uk">nficoordinator@niauditoffice.gov.uk</a> )	Between Tuesday 30 July and Tuesday 27 August 2024
Issue the FINAL data specifications for each data set	NFI Team (PSFA)	Final <a href="#">data specifications</a> are available on the NFI GOV.UK web page	By 31 July 2024
Issue NFI Instructions to bodies participating in NFI 2024-25	NFI Coordinator (NIAO)	NIAO will email Instructions, including final data specifications, to the Senior Responsible Officer in all participating organisations (and copy to the Key Contact for information). A copy will be on the NIAO website at <a href="https://www.niauditoffice.gov.uk/national-fraud-initiative">https://www.niauditoffice.gov.uk/national-fraud-initiative</a> .	From Monday 12 <sup>th</sup> August
Ensure the person uploading data has a web application account	NFI Key Contact	Key Contacts should ensure the person(s) responsible for uploading data has a user account on the web application.	By Friday 30 August 2024, and as and when future changes occur
Complete the 24-25 privacy notice compliance declaration in the	NFI Key Contact	Key Contacts should ensure the privacy notice compliance declaration is completed.	By Friday 30 August 2024

## National Fraud Initiative 2024-25

280

Activity	Who	How	Timing
web application			
Extract data from systems in accordance with the data specifications and upload data to the NFI web application	NFI Key Contact / User (data upload)	<p>Key Contacts should ensure that data is extracted from systems as at 30 September 2024 (unless otherwise stated in the data specification) and uploaded to the 2024-25 web application via the data file upload (DFU) facility as soon as quality checks have been completed.</p> <p>The database for 2024/25 will close on Friday 8 November 2024, this means to allow sufficient time for your data to be processed and data quality checked prior to the closure of the database, data will actually need to be submitted by Friday 25 October 2024.</p> <p>Late data, or data that does not adequately meet specified data quality criteria may incur a penalty fee.</p>	<p>Data must be uploaded between Tuesday 1 October 2024* and Friday 25 October 2024 ***</p> <p>Database closes on Friday 8 November 2024.</p> <p><b>Note:</b> different dates will apply for rates, LPA, and state pension, to be advised separately.</p>
Cut-off for the main NFI 2024-25 data submission	NFI Key Contact / Senior Responsible Officer	If data is not received <b>and processed</b> by close of business on Friday 25 October 2024 it may be classed as late and a failure to fully meet your statutory duty**	5pm on Friday 25 October 2024***
Set up or confirm accounts for those who will be reviewing matches	NFI Key Contact	Key Contacts should ensure user accounts are set up on the web application. Users responsible for reviewing matches can access the online Help menu in preparation for the release.	By Monday 2 December 2024 and as and when future changes occur
2024-25 matches available	NFI Team (PSFA)	The PSFA NFI Team will send an email to Senior Responsible Officers and Key Contacts, informing them that the matches are available.	From Friday 20 <sup>th</sup> December 2024****

\* A series of reminders will be issued to Key Contacts from Tuesday 8 October 2024. If data has not been received, or we have not been notified of a delay, by 15 October 2024 reminders will be copied to Senior Responsible Officers i.e. 2 weeks after the submission date.

\*\* Under Articles 4A to 4G of the Audit and Accountability (Northern Ireland) Order 2003.

\*\*\* Failure to submit all of your required data promptly and of acceptable quality may incur additional fees and result in some datasets being excluded from the matching process for the 2024/25 results release. Data should still be submitted for a later supplementary match release.

\*\*\*\* There may be subsequent match releases should data not be provided by the required deadline.



## Submission of data

30. Before data is extracted (downloaded) from local systems, it is essential that the guidance on data upload to the NFI secure website is taken into account:
  - data upload instructions (Appendix 2); and
  - data format (Appendix 3).
31. If you require any further guidance on how to extract, upload or submit data please contact the NFI Data Centre (Synectics Solutions Ltd) via email [helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk) or call 0845 345 8019.
32. To upload the data, log into the [secure NFI web application](#) and select the Data File Upload option from the relevant National Exercise menu. The secure application features 256 bit Secure Sockets Layer encryption and enables data files to be password protected. Before downloading data from your system, please refer to Appendix 2.
33. Data should be submitted using the Data File Upload (DFU) facility within the NFI secure website. This is the only acceptable method to supply NFI data. If any other method of submission is used, our policy will be to inform the Senior Responsible Officer that data has been put at unnecessary risk.

### Password protection

34. As part of our ongoing commitment to keep your data secure, in line with good practice when handling personal data, you are required to password protect each dataset once extracted from the relevant systems. If required, refer to the guidance on the Public Sector Fraud Authority website at <https://www.gov.uk/guidance/uploading-data-to-national-fraud-initiative>.
35. The document *Protect Yourself Online* (available on the Public Sector Fraud Authority website at the above link) provides guidance on using the NFI secure web application.
36. If you require any further guidance on extracting data from your system or submitting data, contact the NFI Data Centre (Synectics Solutions Ltd) via email [helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk) or call 0845 345 8019.

## Making the process more efficient

37. The Senior Responsible Officer and Key Contact can take measures to make the NFI process more efficient. These include:

- ensuring all contact details are up to date;
- reviewing the data quality reports from the previous exercise to identify any improvements that can be made for the next data submission (these reports will be accessible from the home page of the secure NFI web application);
- making sure that appropriate staff review all data extraction guidance documents prior to submission of data; and
- planning in advance what investigative resources are needed, based on local expertise and knowledge, so the matches can be dealt with promptly. For example, trade creditor duplicate matches are perhaps best dealt with by a nominated person in either Internal Audit or Accounts Payable.

## Communications

38. The Public Sector Fraud Authority and the NIAO are committed to ensuring the NFI is effective. We will continue to work closely with key contacts and others to provide regular and timely information to all parties involved in the investigation process. The NFI communication plan includes:
- access to NFI related reference material on the Public Sector Fraud Authority's NFI web page ([www.gov.uk/government/collections/national-fraud-initiative](http://www.gov.uk/government/collections/national-fraud-initiative)) and the NIAO web page (<https://www.niauditoffice.gov.uk/national-fraud-initiative>);
  - important messages to be placed within the NFI software on the Message Board of the new Home page;
  - NFI general support from the Public Sector Fraud Authority via [nfiqueries@cabinetoffice.gov.uk](mailto:nfiqueries@cabinetoffice.gov.uk);
  - NFI technical support on 0845 345 8019 or via [helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk); and
  - general enquiries about the NFI in **Northern Ireland** should be addressed in the first instance to the NFI Co-ordinator via email at [nficoordinator@niauditoffice.gov.uk](mailto:nficoordinator@niauditoffice.gov.uk)

## Appendix 1 – The Data Specifications

1. There is a separate data specification for each dataset type collected for the NFI. To find out what data you must supply, refer to Table 1 at page 11 of these Instructions.
2. The data specifications are reviewed prior to each NFI exercise and a summary of changes for the 2024-25 exercise is set out in the table below. Changes to the fields required in the data specifications have been kept to a minimum, to ensure consistency between exercises.

Data specification	Summary of changes from 2022-23 specification
Payroll (see page 19)	<ul style="list-style-type: none"> <li>• Add agency workers</li> </ul>
Pensions (see page 21)	<ul style="list-style-type: none"> <li>• Add dependents in receipt of a deceased person's pension</li> </ul>
Trade Creditors Standing Data (see page 23)	<ul style="list-style-type: none"> <li>• Additional optional fields</li> </ul>
Trade Creditor Payments History (see page 25)	<ul style="list-style-type: none"> <li>• Additional optional fields</li> </ul>
Housing Benefit (see page 27)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Housing Tenants (see page 29)	<ul style="list-style-type: none"> <li>• Add number of bedrooms to assist with prioritisation</li> </ul>
Housing Waiting List (see page 31)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Private Supported Care Home Residents (see page 32)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Transport Passes and Permits (see page 33)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Licences – Taxi Drivers (see page 35)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Rates (see page 36)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Lone Pensioner Allowance (see page 37)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
State Pension (see page 38)	<ul style="list-style-type: none"> <li>• No change</li> </ul>
Electoral Register (see page 39)	<ul style="list-style-type: none"> <li>• No change</li> </ul>

### Format

3. Before extracting the data, you should refer to the data format guidance at Appendix 3 and take into consideration the comments in the data specifications associated with each field.

### Submission

4. You must use the data file upload (DFU) facility within the secure NFI web application to submit data direct from local computers. This connection provides 256 bit Secure Sockets Layer encryption and enables password protection. Before uploading data you should refer to the data upload instructions at Appendix 2 and data format guidance at Appendix 3.
5. The secure electronic upload facility is the only acceptable method of data submission for NFI data. If any other method of submission is used, our policy will be to inform Directors of Finance that data has been put at unnecessary risk.
6. If you require any further guidance on extracting, uploading or submitting data, contact the NFI Data Centre (Synectics Solutions Ltd) via email at [helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk) or call 0845 345 8019.
7. Data should be provided in accordance with the timetable at Table 2 on pages 12 and 13 of these Instructions.

## Payroll

To find out who should supply payroll data, please refer to Table 1 on page 11 of these Instructions.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names listed below.
- Current employees from all payrolls (for example, monthly, weekly, and quarterly) should be provided. Data in respect of agency workers can also be provided, if as stated below, the agency organisation has confirmed to you that Privacy Notices (PN) have been issued to all of their personnel.
- Data **should not** be provided in respect of payrolls processed for other organisations on an agency basis **unless**:
  - this has been authorised by the organisation;
  - the organisation has confirmed that Privacy Notices have been issued; and
  - the organisation's participation has been agreed by the C&AG.
- A single file for permanent and agency staff for each organisation should be uploaded. Where agency staff are included they should be flagged as per the specification below and the name of the Agency should be provided. Alternatively, a separate file can be submitted that contains your agency workers.
- Ensure that there is only a **single** record for each employee i.e. details for individual employees with more than one post should be merged into one record. For example, for employees with multiple posts, 'Gross pay to date' and 'Standard hours per week' for each post should be added together to give aggregated totals for those two fields. Other fields such as 'Date started', 'Sort code' and 'Bank account' should be provided from the main (highest earnings) post.

Field name	Data format	Comments
Employee reference number	Character	
Employee post number	Character	Leave blank if not applicable, but do not omit this field
Department	Character	Provide the Department where the employee works, for example, Social Services, Education. If this field contains a code, please provide a lookup table.
Title	Character	
Gender	Character	
Surname	Character	
Forename(s)	Character	Please ensure you capture any middle name(s) or initial(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.

## National Fraud Initiative 2024-25

287

Field name	Data format	Comments
Middle name(s) or middle initials(s)	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Post code	Character	
Unique Property Reference Number (UPRN)	Character	This field should significantly improve address matching, provide if available.
Date of birth	Date	
Home telephone number	Character	
Mobile telephone number	Character	
Email address	Character	
Passport number	Character	
Date started	Date	
Date left	Date	Included as an independent check that only current employees are included.
Leaver indicator	Character	Included as an independent check that only current employees are included.
National insurance number	Character	
Agency worker/Contractor	Character	New - Insert 'A' to denote an individual that is employed via a recruitment agency.
Agency name	Character	New - Include the name of the agency through which the individual is employed.
Full-time/part-time flag	Character	Insert 'F' for full time (employed for more than 30 hours per week), 'P' for part time (less than 30 hours a week) or 'C' for casual/as and when employees.
Gross pay to date	Numeric	This should be gross pay to date, NOT taxable pay to date, for the 2024-25 financial year, at the date of extract (i.e. 1 <sup>st</sup> April 2024 to 30 <sup>th</sup> September 2024). Do not submit a record if this field is zero.
Standard hours per week	Numeric	e.g. 16 hours as 1600 and 17 hours and 30 minutes as 1750
Date last paid	Date	
Teacher flag	Character	Insert 'T' for a teacher. Leave blank if not applicable but do not omit this field.
Sort code	Character	6 numeric characters in groups of 2 which may be separated by hyphens, e.g. 20-45-23.
Bank account	Character	Usually 8 numeric characters.
Building society roll number	Character	Building societies have a roll number or reference, which indicates the individual account to which payments are disbursed, after being paid into a single holding account.

## Pensions (including occupational pensions, pension gratuities and deferred pensions)

**Pensions data will be submitted by the six pension paying authorities - see footnote 1 at page 11 of these Instructions.**

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- Where data is being submitted for pension widow(er) or dependent(s) then you should ensure the widow(er) or dependent(s) name, date of birth and National Insurance Number is submitted and not that of the original pensioner.
- To ensure that the submission of data using the DFU facility is as straightforward as possible, data should now be uploaded in three separate files:
  - 1 Current pensioners, i.e. those currently in receipt of a pension;
  - 2 **If applicable** -Pensioners currently in receipt of a pension gratuity; and
  - 3 **Optional**- Deferred pensioners not currently in payment. Please note any pensions currently in payment should be included in 'Current pensioners' file.

Field name	Data format	Comments	Fields required		
			1	2	3
Employee reference number	Character		✓	✓	✓
Employee post number	Character	Leave blank if not applicable, but do not omit this field	✓	✓	✓
Title	Character		✓	✓	✓
Gender	Character		✓	✓	✓
Surname	Character		✓	✓	✓
Forename(s)	Character	Please ensure you capture any middle name(s) or initial(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.	✓	✓	✓
Middle name(s) or middle initial(s)	Character		✓	✓	✓
Address line 1	Character		✓	✓	✓
Address line 2	Character		✓	✓	✓
Address line 3	Character		✓	✓	✓
Address line 4	Character		✓	✓	✓
Post code	Character		✓	✓	✓
Unique Property Reference Number (UPRN)	Character		✓	✓	✓
Date of birth	Date		✓	✓	✓
Date started pension	Date		✓	✓	✓
Date employment ended	Date	Included as an independent check that only pensioners are	✓	✓	✓



National Fraud Initiative 2024-25

Field name	Data format	Comments	Fields required		
			1	2	3
Leaver indicator	Character	included.	✓	✓	✓
Pensioner's widow(er) or dependent(s) indicator	Character	Enter 'W' for pension widow(er)s or 'D' for dependent and ensure the widow(er) or dependent(s) name, DOB and NI Number is submitted, rather that of the original pensioner.	✓	✓	
National insurance number	Character		✓	✓	✓
Gross pension to date	Numeric	This should be gross pension to date, <u>NOT</u> taxable pension to date. Do not submit a record if this field is zero.	✓	✓	
Date last paid	Date		✓	✓	
Injury pension flag	Character	<b>Police and Fire pensions only.</b> Include a 'Y' in this field if the pensioner is in receipt of an enhanced pension due to injuries suffered at work.	✓		
Ill health retirement flag	Character	Include a 'Y' in this field if the pensioner retired on ill health grounds. This will assist with pension abatement matches.	✓		
Pension abatement flag	Character	Include a 'Y' in this field if pension is being reduced due to abatement rules or if pension abatement rules are not applicable. Please note -Records marked with a 'Y' will be excluded from matching on the basis that you perceive there to be no fraud risk.	✓		

## Trade creditors standing data

To find out who should provide trade creditors standing data, please refer to Table 1 at page 11 of these Instructions.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- There are 4 additional fields included below that are optional as we will be working with participants to determine the usefulness either for matching or displaying in subsequent reports.
- Standing data should be current at the date of extraction (30 September 2024) and should exclude dormant or suspended creditors.

Field name	Data format	Comments
Creditor reference	Character	This is the unique identifier for an individual creditor. This can be in the form of a numeric or alpha numeric string.
Site ID	Character	If Creditors have more than one address, there should be a different record for each, but separately identifiable via this <b>Site ID</b> <sup>1</sup>
Creditor name	Character	
Company Registration Number (CRN)	Character	<b>New field:</b> This will be either 8 numeric characters or 2 letters and 6 numeric characters. <b>Leave the field blank if you do not record this.</b>
Address 1	Character	If the address is held in a single field, use the Address 1 field.
Address 2	Character	
Address 3	Character	
Address 4	Character	
Postcode	Character	
Unique Property Reference Number (UPRN)	Character	This field should significantly improve address matching.
Telephone number	Character	This may or may not have the area/STD code. It should be output as a character field so the leading zeros are not lost.
Bank sort code	Character	6 numeric characters in groups of 2 which may be separated by hyphens, e.g., 20-45-23.
Bank account number	Character	Usually 8 numeric characters.
Building Society Roll number or reference	Character	Building societies have a roll number or reference, which indicates the individual account to which payments are disbursed, after being paid into a single holding account. This should be blank for normal bank accounts.

## National Fraud Initiative 2024-25

291

Field name	Data format	Comments
Creditor type <sup>2</sup>	Character	For example, '0 = trade creditor, 1 = benefits, 2 = payroll, 3 = factor, 4 = grants, 5 = temporary/one-off, etc. Then provide a key to the codes used. If this type of identifier is not available from the system it would be to your advantage to populate this field to enable you to filter the output more easily and focus resources on what you may deem to be the most worthwhile matches.
<b>The fields below are optional. They have been suggested as an additional aid to filtering the matches. The usefulness of these fields will be reviewed prior to the next exercise.</b>		
General ledger Code	Character	Optional
VAT registration Number	Character	Optional
Credit Note	Character	Optional, insert Y or N
Prepayment	Character	Optional, insert Y or N

<sup>1</sup> If a Site ID is provided in the standing data file, it should also be included on the payments history file so that there is a unique linking field between the two datasets. This will make it possible to establish cumulative payments to individual trade creditor sites (which are attached to the standing data) and to attach the trade creditor names to each transaction on the payments history file.

<sup>2</sup> This field only needs to be populated if you are unable to provide just trade creditors data i.e. the submission includes other types of creditors.

## Trade creditor payments history data

To find out who should supply trade creditor payments history data, please refer to Table 1 at page 11 of these Instructions.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- There are 3 additional fields included below that are optional as we will be working with participants to determine the usefulness either for matching or displaying in subsequent reports.
- Trade creditor's payments history data should cover at least the last three financial years, 1 October 2021 to 30 September 2024 (or to the date of extract). Where there has been a recent change in your creditors system then, as a minimum, payments history data from 1 April 2024 to date of extract can be accepted.

Field	Data format	Comments
Creditor reference	Character	This is the same reference as shown in the standing data specification. See note below <sup>1</sup> regarding inclusion of a Site ID.
Site ID	Character	If trade creditors can have more than one address, these should be separately identifiable via the Site ID <sup>1</sup> .
Company Registration Number (CRN)	Character	This will be either 8 numeric characters or 2 letters and 6 numeric characters. <b>Leave the field blank if you do not record this.</b>
Suppliers invoice number	Character	This should be the reference shown on the supplier's invoice – usually a number but may have alpha prefixes or suffixes.
Internal/system invoice number	Character	Most systems generate a unique, sequential transaction number so all invoices, credit notes, payments, etc. can be separately identifiable.
Invoice date	Date	This should be the date on the invoice, but could be the date of input if the invoice date is not available.
Payment date	Date	If the invoice has not been paid then leave blank. <b>In those cases, if your system displays a default date in this field and therefore you can't leave it blank, please tell us what the default date is.</b>
Total invoice amount	Numeric	The 'total invoice amount' is <b>inclusive of VAT, less any discount</b> . However, some systems hold VAT exclusive amounts, with the VAT figure held separately. In this case these figures should be <b>added together</b> to produce the 'total invoice amount'.

## National Fraud Initiative 2024-25

293

Field	Data format	Comments
VAT amount	Numeric	This should be separately identifiable for each invoice but could be nil if an invoice is zero rated, exempt or outside the scope of VAT.
Method of payment	Character	E.g. BACS, cheque, cash, payable order etc. If codes are used, a 'key' to the codes should be sent with the data submission.
Payment reference number	Character	This field should contain the cheque, payable order (PO) or BACS reference number by which the invoice was paid. This means that invoices that have been paid together would have the same cheque/PO/BACS number.
Remarks	Character	This field can be used as a free text field to include information that may assist you when investigating matches.
<b>The fields below are optional. They have been suggested as an additional aid to filtering the matches. The usefulness of these fields will be reviewed prior to the next exercise.</b>		
General ledger Code	Character	Optional
Credit Note	Character	Optional, insert Y or N
Prepayment	Character	Optional, insert Y or N

<sup>1</sup> If a Site ID is provided in the payments history data file, it should also be included on the standing data file so that there is a unique linking field between the two datasets. This will make it possible to (a) establish cumulative payments to individual trade creditor sites (as detailed in the standing data) and (b) to attach the trade creditor names to each transaction on the payments history file.

## Housing Benefit

Housing benefit data will only be submitted by the Northern Ireland Housing Executive.

### Requirements:

- Please only supply data for those currently in receipt of housing benefit
- Ensure that there is only a single record for each reference number

Field	Data format	Comments
Authority	Character	If applicable. This field is required if the results are to be distributed back to individual housing benefit paying body
Housing benefit claim reference number	Character	
National Insurance number	Character	
Title	Character	
Surname	Character	
Forename 1	Character	
Forename 2 (middle name)	Character	
Date of birth	Character	
Sex	Character	
Type of tenancy	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Postcode	Character	
Unique Property Reference Number (UPRN)	Character	This field has been included within the data specification to significantly improve address matching.
Income support indicator	Character	
Second adult rebate flag	Character	
Current claim start date	Date	
Bank sort code	Character	
Building society roll number	Character	
Bank account number	Character	
Weekly rate of housing benefit	Character	
Date last paid	Date	
Child tax credit income	Numeric	
Rent income	Numeric	
Income from earnings	Numeric	
Pensions credit savings credit amount	Numeric	
Maintenance	Numeric	

## National Fraud Initiative 2024-25

295

Field	Data format	Comments
Occupational pension	Numeric	
Total claimants capital declared	Numeric	
Working tax credit income	Numeric	
Incapacity benefit	Numeric	
One parent benefit flag	Character	
Student indicator flag	Character	
Disability living allowance flag	Character	
Claimant's pension credit guarantee credit flag	Character	
Claimants job seekers allowance flag	Character	

## Housing Tenants

Housing tenants' data will be provided by the Northern Ireland Housing Executive and housing associations.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- Data should only be provided in relation to residential properties. **Do not** submit data for garages, sheds etc.
- Data should be provided for all named tenants i.e. first named tenants, joint tenants or other tenants. Do not provide data for dependants.
- In order to ensure that the submission of data using the new DFU facility is as straightforward as possible, data should be uploaded in two separate files:
  - 1 **Current named tenants**, including those where a right to buy purchase is in progress; and
  - 2 Former tenants who completed a **right to buy** application between 1 April 2021 to the date of extract (30 September 2024) or, as a minimum, 1 April 2024 to date of extract.

Field name	Data format	Comments	Fields required	
			1	2
Tenant status flag <sup>1</sup>	Character	Insert a flag to indicate whether the tenant is first named tenant or other. 'F' for first named or joint tenant 'O' for 2 <sup>nd</sup> , 3 <sup>rd</sup> , etc. named tenant.	✓	✓
Surname	Character		✓	✓
Forename(s)	Character	Please ensure you capture any middle name(s) or initial(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.	✓	✓
Middle name(s) or middle initial(s)	Character		✓	✓
Address line 1	Character	Where the address is a permanent address.	✓	✓
Address line 2	Character		✓	✓
Address line 3	Character		✓	✓
Address line 4	Character		✓	✓
Post code	Character		✓	✓
Unique Property Reference Number (UPRN)	Character	If this field is captured.	✓	✓
Home telephone number <sup>1</sup>	Character	See note <sup>1</sup> below	✓	✓
Mobile telephone number <sup>1</sup>	Character		✓	✓



## National Fraud Initiative 2024-25

297

Field name	Data format	Comments	Fields required	
Email address <sup>1</sup>	Character		✓	✓
Date of birth	Date		✓	✓
National Insurance Number	Character		✓	✓
Number living permanently at address	Numeric		✓	
Tenant/account reference	Character	This uniquely identifies the person.	✓	✓
Housing benefit reference	Character	Include the housing benefit reference if applicable.	✓	✓
Right to buy flag	Character	Insert 'I' in this field to identify where a purchase is in progress (current tenant) under right to buy, or a 'C' where the purchase is complete (former tenant).	✓	✓
Right to buy application stage	Numeric	Revised: Insert stage 1 to 4 in line with NIHE guidance on stages of a RTB application - <a href="https://www.nihe.gov.uk/Documents/Landlord/house-sales-a-tenants-guide.aspx?ext">https://www.nihe.gov.uk/Documents/Landlord/house-sales-a-tenants-guide.aspx?ext</a> . (see page 6 of NIHE guide)  RTB stage is not used in matching; it is returned as part of the match to allow sorting/filtering.	✓	✓
Tenancy start date	Date		✓	
Tenancy end date	Date	Included as an independent check that only current tenants are included.	✓	✓
Right to buy completion date	Date			✓
Number of bedrooms	Numeric	<b>NEW - Include this data, if it is captured, to assist with your match prioritisation.</b>	✓	
Amount of Right to Buy discount awarded	Numeric			✓

<sup>1</sup> These fields are collected for matching purposes only and will not be shown within any matches passed back to participants for review. If you do not hold this information, leave these fields blank.

## Housing waiting list

The social housing waiting list will be submitted by the Northern Ireland Housing Executive.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- Data should only be provided in relation to residential properties. Do not submit data for garages, sheds, etc.
- Data should be provided for all named applicants who are either actively bidding or are eligible to bid for properties, as they have been judged higher priority. This will result in you only receiving matches relating to these higher risk individuals.

Field name	Data format	Comments
Waiting list reference	Character	This uniquely identifies the person or the application if there is more than one named applicant.
Surname	Character	
Forename(s)	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Post code	Character	
Unique Property Reference Number (UPRN)	Character	Provide if held
Date of birth	Date	
National Insurance Number (NINO)	Character	Provide if held
Housing benefit reference	Character	Include the housing benefit reference if available
Application start date	Date	Date application was made
Application end date	Date	Included as an independent check that only current waiting list applicants are included. <sup>1</sup>

<sup>1</sup> If it is not possible to extract a subset of data from your housing waiting list then please upload the data for all named applicants.

## Private supported care home residents

Private supported care home residents' data will be provided by the health and social care trusts as listed in Table 1 at page 11 of these Instructions.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- Data should relate to current care home residents only where the Trust is paying for all or part of the care.

Field name	Data format	Comments
Case reference	Character	
Title	Character	
Surname	Character	
Forename(s)	Character	Please ensure you capture any middle name(s) or initial(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.
Middle name(s) or middle initial(s)	Character	
Current address line 1	Character	This should be the care home address.
Current address line 2	Character	
Current address line 3	Character	
Current address line 4	Character	
Current address postcode	Character	
Date of admission	Date	
Previous address line 1	Character	The address from which the person moved, to enter care.
Previous address line 2	Character	
Previous address line 3	Character	
Previous address line 4	Character	
Previous address postcode	Character	
Date of birth	Date	Better quality matches will be achieved by submitting this data.
National insurance number	Character	
Weekly cost of care	Numeric	Provide the amount the individual receives for care costs per week. This is to enable the Public Sector Fraud Authority to more accurately estimate the value of fraud or error prevented.

## Transport passes and permits (blue badges and concessionary travel) – Adult data only

Transport passes and permits data will be provided by the Department for Infrastructure and Translink.

### Requirements:

- Data submitted should meet this data specification, i.e. include all field names.
- Please note, blue badge data should be uploaded from your local system, the Blue Badge Improvement Service (BBIS) system or both as applicable.
- Data should be uploaded in two separate files:
  - current adult holders of a blue badge (BB) (including local schemes); and
  - current adult holders of a concessionary travel pass (CTP).

Field name	Data format	Comments	Fields required	
			BB	CTP
Reference number	Character	This should be the internal reference number	✓	✓
Pass/Permit number	Character	This should be the actual blue badge or travel pass reference number	✓	✓
Title	Character		✓	✓
Surname	Character		✓	✓
Forename(s)	Character	Please ensure you capture any middle name(s) or initial(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.	✓	✓
Middle name(s) or middle initial(s)	Character		✓	✓
Address 1	Character		✓	✓
Address 2	Character		✓	✓
Address 3	Character		✓	✓
Address 4	Character		✓	✓
Postcode	Character		✓	✓
Unique Property Reference Number (UPRN)	Character		✓	✓
Date of birth	Date		✓	✓

## National Fraud Initiative 2024-25

301

Field name	Data format	Comments	Fields required	
			BB	CTP
National insurance number	Character	It is important to provide this field where available, in order to improve the quality of the data matching.	✓	✓
Home telephone number <sup>2</sup>	Character	See note <sup>2</sup> below.	✓	✓
Mobile telephone number <sup>2</sup>	Character		✓	✓
Email address <sup>2</sup>	Character		✓	✓
Permit start date	Date		✓	✓
Permit expiry date	Date		✓	✓
Permit type flag <sup>1</sup>	Character	Insert 'B' in this field to indicate if the data relates to a blue badge, and 'F' for Freedom/concessionary travel passes.	✓	✓
Date last used	Date	This field is optional, its inclusion may help with follow-up.		✓

<sup>1</sup>This field only needs to be populated if you are unable to submit data in two separate files.

<sup>2</sup> These fields are collected for matching purposes only and will not be shown within any matches passed back to participants for review. If you do not hold this information, leave these fields blank.

## Licences<sup>1</sup> - Taxi Drivers

Taxi licences data will be provided by the Department for Infrastructure.

### Requirements:

- Data should only be submitted for current holders of a taxi driver licence.

Field name	Data format	Comments
Reference number	Character	This should uniquely identify the individual, i.e. the licence number
Title	Character	
Surname	Character	
Forename(s)	Character	Please ensure you capture any middle name(s) or initials(s). You can provide this in a separate Middle name(s) or middle initial(s) field or in the 'Forename(s)' cell if preferred.
Middle name(s) or middle initial(s)	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Post code	Character	
Unique Property Reference Number (UPRN)	Character	
Date of birth	Date	
Home telephone number <sup>2</sup>	Character	See note 2 below.
Mobile telephone number <sup>2</sup>	Character	
Email address <sup>2</sup>	Character	
National insurance number	Character	
Licence start date	Date	
Licence expiry date	Date	

<sup>1</sup> This data will primarily be matched to identify undeclared income and recourse to public funds.

<sup>2</sup> These fields are collected for matching purposes only and will not be shown within any matches passed back to participants for review. If you do not hold this information, leave these fields blank.

## Rates

Rates data will be provided by the Department of Finance (DoF).

### Requirements:

- Data submitted should meet this data specification i.e. include all field names.

Field	Data Format	Comments
Property Type	Character	Enter D for Domestic Enter M for Mixed
Occupancy ID	Numeric	Unique ID for occupancy (ratepayer, property, start & end dates)
Prop ID	Numeric	Unique ID for property as supplied by LPS
Unique Property Reference Number (UPRN)	Character	This field has been included within the data specification to significantly improve address matching.
First Name	Character	DoF cannot split the name between first/middle/surname. The NFI data centre is content that first, middle and surname are provided in one field.
Middle Name(s) or initial(s)	Character	
Surname	Character	
Occupancy Start Date	Character	Date occupancy started. Date format DD/MM/YYYY
Sub Building Name	Character	
Building Name	Character	
Building Number	Character	
Street	Character	
Town	Character	
County	Character	
Postcode	Character	
District council	Character	
Ward	Character	
Vacancy indicator flag	Character	"Y" to indicate vacant property

## Lone Pensioner Allowance (LPA)

Lone Pensioner Allowance data will be provided by the Department of Finance.

### Requirements:

- Data submitted should meet this data specification i.e. include all field names.

Field	Data Format	Comments
Property Type	Character	Enter D for Domestic Enter M for Mixed
Occupancy ID	Numeric	Unique ID for occupancy (ratepayer, property, start & end dates)
Prop ID	Numeric	Unique ID for property as supplied by LPS
Unique Property Reference Number (UPRN)	Character	This field has been included within the data specification to significantly improve address matching.
First Name	Character	DoF cannot split the name between first/middle/surname. The NFI data centre is content that first, middle and surname are provided in one field.
Middle Name	Character	
Surname	Character	
Gender	Character	Male/Female
National Insurance Number (NINO)	Character	
Date of Birth (DOB)	Date	
LPA Start Date	Character	Date LPA Award started. Date format DD/MM/YYYY
LPA End Date	Character	Date LPA Award ended. Date format DD/MM/YYYY
Sub Building Name	Character	
Building Name	Character	
Building Number	Character	
Street	Character	
Town	Character	
County	Character	
Postcode	Character	
District council	Character	
Ward	Character	



## State Pension

State Pension data will be provided by the Department for Communities.

### Requirements:

- This data will be matched with Lone Pensioner Allowance.
- Please only supply data for those in receipt of State Pension at the date of data upload.

Field	Data Format	Comments
National Insurance Number	Character	Unique identifier to associate results with the particular claim records.
Surname	Character	
Forename 1	Character	
Forename 2 (middle name)	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Postcode	Character	
Date of Birth	Character	
Unique Property Reference Number (UPRN)	Character	To improve address matching. Provide if held, otherwise leave field blank.

## Electoral Register

Electoral register data will be submitted by the Department of Finance following purchase of the register from the Electoral Office.

### Requirements:

- This data should be the latest 'full version' of the latest Electoral register (not the commercially available 'edited version').

Field	Data format	Comments
Electoral Register reference number	Character	This should be unique
Unique Property Reference Number (UPRN) (if available)	Character	
Title	Character	
Surname	Character	
Forename	Character	
Middle name or middle initial	Character	
Address 1	Character	
Address 2	Character	
Address 3	Character	
Address 4	Character	
Postcode	Character	

## Appendix 2 - Data upload instructions

Given that good quality data is needed to produce good quality matches, the Public Sector Fraud Authority (PSFA) has devised some **pre-submission data quality checks** (available on its website at <https://www.gov.uk/guidance/uploading-data-to-national-fraud-initiative>). These should help minimise the risk of the data having to be re-submitted, which typically can cause a delay of more than a week and can result in unnecessary increases in upload costs for participating bodies. We recommend that, as well as carrying out these checks, the NFI Key Contact ensures that:

- a data download contact is nominated (i.e., the person who extracts the data from your organisation's systems). This should be the person with the most knowledge of the system in question;
- the data is extracted and submitted (uploaded) by the required deadline (see Table 2 at paragraph 29);
- the data is readable and complete. All the data fields requested may not be available from a single system but contained within a second or third system. If so, they should be brought across to complete the data submission;
- the record layout is consistent with the data specification;
- a 'look up' table is provided that describes the codes used in fields, whether system or manually generated (e.g. type of creditor);
- in accordance with data protection protocols, the data should be **password protected** at the earliest opportunity - see guidance on Public Sector Fraud Authority website at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/757053/2018-10-05-Password-Protecting-Data-1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757053/2018-10-05-Password-Protecting-Data-1.pdf)
- copies of any intermediate files are retained so that the data may be re-supplied if it proves unreadable;

If you require any further guidance on extracting, downloading or submitting data contact the NFI Data Centre via email ([helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk)) or call 0845 345 8019.

## Appendix 3 - Data format

Data should be formatted as ASCII, i.e. text. You can use fixed length or character delimited records (e.g. CSV files), where each field is separated by a specific character. If you are supplying a delimited file, the delimiter should not be in the data unless fields are encapsulated with text qualifiers (usually quotation marks). Likewise, the text qualifier should not be in the data. A good choice for a delimiter, instead of the conventional comma, is a pipe (also known as a vertical bar) or a tilde.

### Using Excel

There are a number of risks associated with exporting data into Excel from the host system. Although NFI accepts Excel files, we recommend that you carry out basic pre-submission data quality checks (referred to in Appendix 2) to ensure that the following formatting issues do not affect the quality of the data submitted.

Common issues using Excel include:

- Numeric strings of 16 digits or more are treated as numbers by default and only the first 15 significant figures are stored.
- Leading zeros are removed from numeric strings, e.g. when typing "01062007" into a cell. This is a very common problem which can affect dates, invoice numbers, bank details etc.
- Excel automatically transforms some numbers into dates. This causes problems with bank sort codes using hyphens (e.g. "21-11-97") and house numbers if they are supplied in a different column to the street name (e.g. "05-07").
- Most versions of Excel have a maximum number of rows that can be stored on a spreadsheet (1,048,576 in most recent versions). If the number of rows is exceeded, the data will be cut off when the file is saved, resulting in a loss of records.

### Checking your data is readable

For Excel submissions, you can check this by opening the data file. Close the file without saving it, as Excel may truncate the data if it exceeds the maximum number of rows for that version of the software. For text file submissions, you can check the data by opening the file in a text editor (e.g. Notepad) but again, close the file without saving.

### Date fields

For date fields, NFI prefers ddmmyyyy but ddmmyy is also acceptable. If a date separator is used, it should be either a forward slash (/) or a hyphen (-). Other date formats are also acceptable: dd-mmm-yyyy (01-JAN-2022); dd month yyyy (01 January 2022); dd/mm/yyyy hh:mm:ss (01/01/2022 10:14:36); etc.

### Monetary fields

Monetary amounts can be supplied with or without a £ sign but must be in the same format throughout the file. Formats must not be mixed. Preferably the amount should be in pounds and pence (e.g. £123.45), but the NFI can accept amounts that are all in pence if that is the way data is held (this should be added as a note to the processor when uploading the data).

If monetary values cannot be supplied, leave the field blank. Please do not insert a zero.

### Character fields

If a field type is alpha numeric (neither a date nor a number), this is referred to as a 'character' field for the purposes of this exercise. Fields such as 'VAT registration number' and 'suppliers invoice number' (which can often be a combination of letters and numbers) are character fields.

### Blank fields

Blank fields should be space filled for fixed-length records. For CSV records, the blank field must still be represented by a delimiter.

### File Extensions

Data should be password protected at the earliest opportunity after extraction (see page 40 above). Standard encryption or compression software usually produces a file with a .zip, .7z or .rar extension.

The following is a list of acceptable extensions for the file types of data extracted from the host system:

.csv, .xls, .txt, .xlsx, .doc, .ASC, .dat, .TSV, .lis, .xlsm, .ttx, .docx, .lst, .chr, .mdb, .EXT, .out

This list is not exhaustive so if your file data has an extension that is not on the above list, please check with the NFI helpdesk ([helpdesk@nfi.gov.uk](mailto:helpdesk@nfi.gov.uk)).

## National Fraud Initiative 2024-25

310

## Appendix 4 – Participants in NFI 2024-25

<b>Mandatory Participants</b>	
<i>Northern Ireland Departments</i>	
Department of Agriculture, Environment and Rural Affairs	Northern Regional College
Department for Communities	North West Regional College
Department for the Economy	Probation Board for Northern Ireland
Department of Education	South Eastern Regional College
Department of Finance	Southern Regional College
Department of Health	South West College
Department for Infrastructure	Sport Northern Ireland
Department of Justice	Stranmillis University College
The Executive Office	Strategic Investment Board
Public Prosecution Service (non-ministerial)	Tourism NI
	Ulster Supported Employment Ltd
<i>Executive Agencies</i>	
Driver and Vehicle Agency	<i>Health Service Bodies</i>
Forensic Science NI	Belfast Health and Social Care Trust
Forest Service	Business Services Organisation
Labour Relations Agency	Strategic Planning and Performance Group
Legal Services Agency NI	NI Ambulance Service Trust
NI Courts and Tribunals Service	NI Social Care Council
NI Environment Agency	Northern Health and Social Care Trust
Childrens Court Guardian Agency for NI	Northern Ireland Blood Transfusion Service
NI Medical and Dental Training Agency	Regulation and Quality Improvement Authority
NI Statistics and Research Agency	South Eastern Health and Social Care Trust
Public Health Agency	Southern Health and Social Care Trust
Youth Justice Agency	Western Health and Social Care Trust
<i>Other central government bodies</i>	<i>Local Government Bodies</i>
Agri-food and Biosciences Institute	Antrim and Newtownabbey Borough Council
Arts Council of Northern Ireland	Ards and North Down Borough Council
Belfast Metropolitan College	Armagh City, Banbridge and Craigavon Borough Council
Commissioner for Children and Young People NI	Belfast City Council
Community Relations Council	Causeway Coast and Glens District Council
Construction Industry Training Board	Derry City and Strabane District Council
Council for Catholic Maintained Schools	Fermanagh and Omagh District Council
Education Authority	Lisburn and Castlereagh City Council
Equality Commission NI	Mid and East Antrim Borough Council
General Consumer Council	Mid Ulster District Council
Health and Safety Executive NI	Newry, Mourne and Down District Council
Invest Northern Ireland	Arc 21
Libraries NI	
Livestock and Meat Commission	<i>Voluntary Participants</i>
National Museums Northern Ireland	Northern Ireland Audit Office
NI Authority for Utility Regulation	Northern Ireland Water
NI Council for the Curriculum, Examinations and Assessment	Translink
NI Local Government Officers' Superannuation Committee	Victims and Survivors Service
Northern Ireland Assembly	
Northern Ireland Civil Service Pensions	
Northern Ireland Fire and Rescue Service	



Report by the Comptroller  
and Auditor General

Published  
18 September 2024

# Developing the skills for Northern Ireland's future



**For further information about the  
Northern Ireland Audit Office:**

Northern Ireland Audit Office  
106 University Street  
Belfast, BT7 1EU

028 9025 1000  
[info@niauditoffice.gov.uk](mailto:info@niauditoffice.gov.uk)  
[www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)

© Northern Ireland  
Audit Office 2024



This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of the Order.

The Comptroller and Auditor General is the head of the Northern Ireland Audit Office. She, and the Northern Ireland Audit Office are totally independent of Government. She certifies the accounts of all Government Departments and a wide range of other public sector bodies; and she has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

**Dorinnia Carville**

Comptroller and Auditor General

18 September 2024

# Contents

	<b>List of Abbreviations</b>	<b>6</b>
	<b>Key Facts</b>	<b>7</b>
	<b>Executive Summary</b>	<b>9</b>
<b>Part One</b>	<b>What is the vision for skills in Northern Ireland and who are the key stakeholders?</b>	<b>16</b>
	The current Skills Strategy was launched in 2022 in support of the economic vision for Northern Ireland	<b>17</b>
	Who are the main stakeholders in the skills landscape in Northern Ireland?	<b>19</b>
	Scope of this Report	<b>22</b>
<b>Part Two</b>	<b>The skills needed in Northern Ireland</b>	<b>23</b>
	Since 2015 the Ulster University Economic Policy Centre (UUEPC) has prepared the Skills Barometer, under the direction of DfE	<b>24</b>
	The Employer Skills Survey is a biennial UK-wide large-scale survey of employers which provides labour market information on employers' skills challenges	<b>27</b>
	Conclusion	<b>29</b>
<b>Part Three</b>	<b>DfE's skills provision and progress towards the goals in the Skills Strategy</b>	<b>30</b>
	Sectoral partnerships are intended to be an important channel for ensuring work-based learning routes, such as apprenticeships, meet the needs of employers	<b>32</b>
	DfE supports the Labour Market Partnerships established in each local council area which have a focus on employability outcomes	<b>33</b>
	The Northern Ireland Skills Council is intended to be a key method of engaging with stakeholders	<b>33</b>
	Skills initiatives are regularly monitored by DfE in terms of performance; however we are concerned by ongoing limitations affecting performance monitoring of the largest programmes	<b>34</b>

	Progress towards achieving the strategic goals in the Skills Strategy has been disappointing and more needs to be done to ensure a clearer linkage between the skills needed, the ongoing activities designed to develop skills, and the overarching strategic goals	35
	Conclusion	37
<b>Part Four</b>	<b>There are weaknesses in the governance arrangements and plans to support a coherent approach to developing skills in Northern Ireland</b>	<b>38</b>
	A much needed review and rationalisation exercise of bodies in the skills landscape will not complete until 2027	39
	There is a lack of clarity in the governance and oversight arrangements for the Skills Strategy	40
	Significant issues have been identified in the governance and implementation of the 14-19 Framework	40
	Stakeholders continue to express concerns on the clarity and coherency of arrangements to develop skills in Northern Ireland	42
	Conclusion	43
<b>Appendix 1</b>	<b>Summary of the findings and recommendations from key evaluations and reports which were used to inform the Skills Strategy</b>	<b>45</b>
<b>Appendix 2</b>	<b>Study Scope and Methodology</b>	<b>47</b>
<b>NIAO Reports 2023 and 2024</b>		<b>48</b>

# List of Abbreviations

<b>ACVED</b>	Apprenticeships, Careers and Vocational Education Division
<b>CCEA</b>	Council for the Curriculum, Examinations & Assessment
<b>CDP</b>	College Development Plan
<b>DE</b>	Department of Education
<b>DfC</b>	Department for Communities
<b>DfE</b>	Department for the Economy
<b>ETI</b>	Education and Training Inspectorate
<b>FE</b>	Further Education
<b>FHEQ</b>	The Framework for Higher Education Qualifications of Degree-Awarding Bodies in England, Wales and Northern Ireland
<b>HE</b>	Higher Education
<b>HEI</b>	Higher Education Institutions
<b>KPI</b>	Key Performance Indicator
<b>LMP</b>	Labour Market Partnership
<b>NDPB</b>	Non-Departmental Public Body
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RQF</b>	Regulated Qualifications Framework
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>UUEPC</b>	Ulster University Economic Policy Centre

# Key Facts



**£2.3 billion**

Total spending on skills support by the Department for the Economy between 1 April 2019 and 31 March 2024



**7%**

Reduction in real terms spending on skills since April 2019



**35%**

Percentage of job vacancies due to skills shortages in 2022



The participation rate in adult learning has decreased from

**18.2%**

in 2020 to

**16.3%**

in 2022 (2030 target: 25%)



There has been limited progress against a strategic target to increase the proportion of the working population with Level 2 and above qualifications:

2020 Baseline: **76.3%**

2022 Level: **76.4%**

2030 Target: **85-90%**



There has been limited progress against a strategic target to increase the proportion of the working population with Level 3 and above qualifications:

2020 Baseline: **56%**

2022 Level: **57.2%**

2030 Target: **70-75%**



There has been no progress against a strategic target to increase the proportion of higher education graduates with degrees in narrow STEM subjects:

2020 Baseline: **24%**

2022 Level: **24%**

2030 Target: **27%**

(Narrow STEM subject degrees include physical and biological sciences, mathematical and computer science, engineering and technology)

# Executive Summary

## Executive Summary

1. Workforce skills are essential for a healthy and growing economy. Countries in which people develop strong skills, learn throughout their lives, and use their skills fully and effectively at work and in society, are more productive and innovative, and enjoy higher levels of trust, better health outcomes and a higher quality of life. In 2020 the Organisation for Economic Co-operation and Development (OECD) commented that developing relevant skills and using them effectively is crucial for Northern Ireland's ability to thrive in an increasingly interconnected and rapidly changing world.

### Skills needs in Northern Ireland

2. The Skills Barometer, published biennially by the Ulster University Economic Policy Centre, forecasts labour market demand for skills and skills supply, and combines them to identify projected skills imbalances in areas of undersupply and oversupply by qualification level. As well as modelling qualification level supply and demand, the Skills Barometer also considers the field of study and industry sector needs.
3. The latest iteration of the Skills Barometer, based on data up to 2021, was published in March 2022. Based on a high growth scenario, the 2021 iteration identified that during the 2020-2030 period there is a forecast average annual undersupply of new workers with qualifications at Level 3, Levels 4-5, and Level 6 and above; and an average annual oversupply of new workers with qualifications at Levels 2 and below (see **Figure 2** for details on qualification levels). The 2021 Skills Barometer also forecast undersupply in 2020-2030 across most subject areas at degree level (Level 6 and above) with undersupply most prominent in the Science, Technology, Engineering and Mathematics (STEM) subjects, and undersupply across all subject areas at Levels 4 and 5.
4. The 2022 Employer Skills Survey found that of an estimated 39,500 job vacancies, 35 per cent were attributable to a lack of skills, experience or qualifications amongst applicants. Nearly all employers (96 per cent) reported that these skills-shortage vacancies were having a detrimental impact on their business performance, and a significant proportion of employers (over 40 per cent) considered that the impacts of skills-shortage vacancies were causing delays in developing new products or services, a loss of business to competitors, or withdrawals from offering certain products or services altogether. A simple analysis using the latest Office for National Statistics Gross Value Added (the increase in the value of the economy due to the production of goods and services) per filled job in Northern Ireland of approximately £52,000 (as of 2021) suggests that filling these skills-shortage vacancies could increase Northern Ireland's Gross Value Added by over £700 million each year. In 2022, the highest percentage of skills-shortage vacancies was reported amongst the manufacturing sector.



## In Northern Ireland the Department for the Economy leads on government skills policy

5. The skills system involves multiple bodies, including central government departments, local councils, further and higher education institutions, employers, various local and sectoral partnerships and bodies, and individuals. In Northern Ireland, the Department for the Economy (DfE) leads on skills policy, and it has a strategic objective to “enhance education, skills and employability”. Support for skills and learning is the largest area of spend for DfE, with approximately £470 million spent in 2023-24. That includes £372 million on funding to further and higher education institutions in Northern Ireland and £84 million on a range of programmes provided by DfE to support skills development. Whilst effective development of skills is dependent on a collaborative and coherent approach across government and industry, given DfE's responsibility for leading on skills policy this report has focused on its activities in this area.

## Transformation of the skills system is necessary to support the vision for economic growth in Northern Ireland

6. In March 2021, DfE developed a new economic strategy for Northern Ireland, A 10x Economy – Northern Ireland's Decade of Innovation (the 10x Strategy), which set out a vision for economic growth through innovation which benefitted all of society. The delivery of the 10x Strategy requires transformation in our skills system. In March 2022 the Skills Strategy for Northern Ireland: Skills for a 10x Economy (the Skills Strategy) was launched in support of the delivery of the 10x Strategy's economic vision. The 2019 iteration of the Skills Barometer was a primary evidence base used in the development of the Skills Strategy. The Skills Strategy identified three new strategic goals, which can be summarised as:
- increasing the proportion of Northern Ireland higher education graduates with degrees in narrow STEM subjects to 27 per cent by 2030 (from a baseline of 24 per cent). Narrow STEM subject degrees include physical and biological sciences, mathematical and computer science, engineering and technology;
  - increasing the proportion of the working age population with Level 2 and above qualifications to 85-90 per cent by 2030 (from a baseline of 76.3 per cent); and
  - increasing the proportion of the working age population with Level 3 and above qualifications to 70-75 per cent by 2030 (from a baseline of 56 per cent).
7. The Skills Strategy aims to drive economic growth, and to establish a skills framework that addresses the key issues which have constrained Northern Ireland's economic and social development:
- the prevalence of individuals with low, or no qualifications;
  - limited opportunities for high paying jobs and pathways for career progression; and
  - a 'skills deficit' and comparatively poor productivity performance.

8. The Skills Strategy contained 49 recommendations (subsequently increased to 50) for action and activity to support achieving the strategic goals. Key areas of work over the lifetime of the Skills Strategy are to include: the development of a Lifelong Learning Action Plan; a renewed approach to management and leadership; a review of vocational education provision; and the development of a new Careers and Skills Portal. Whilst not a strategic goal, the Skills Strategy targeted an increase in the participation rate in adult learning to 25 per cent by 2030 (from a baseline of 18.2 per cent). The Skills Strategy also committed to developing two, five and ten year implementation plans for the 50 recommendations (the ten year implementation plan was later shortened to eight years due to delays in the publication of the Skills Strategy and the need to maintain 2030 as the target for delivery of the strategic goals).

### **It is difficult to see how DfE ensures that the funded skills provision aligns with the skills needed in Northern Ireland and the Skills Strategy**

9. In addition to funding provided to further and higher education institutions, DfE offers a range of programmes to support skills development, including core initiatives such as support for apprenticeships, along with smaller, targeted initiatives. The 2022 Skills Strategy was informed by identified skills needs and stakeholder engagement and DfE continues to have access to a range of data including the Skills Barometer, the Employer Skills Survey, and intelligence gathered through sectoral partnerships, labour market partnerships and the Skills Council. Whilst DfE advised that it seeks to use this data to ensure that its programmes are aligned to current and future needs, it was not clear to us how those identified needs are integrated across the suite of skills programmes, including provision by further and higher education institutions, on an ongoing basis and how DfE ensures that its provision remains relevant. DfE told us that further work is underway to strengthen engagement with employers to align skills provision with their needs, however it can take time to create new courses, and where necessary, provide facilities, equipment and staff.
10. Whilst many of the programmes funded by DfE have been positively evaluated, the linkage between each of those programmes, the skills needed in Northern Ireland, and the achievement of the goals in the Skills Strategy is not clear. More needs to be done to ensure that individually, and collectively, the skills programmes equip people with the right skills and contribute towards the achievement of the Skills Strategy goals. Money should be invested in those initiatives that make the greatest impact and enable the achievement of the economic vision.

### **Ongoing limitations affecting performance monitoring for two of the largest skills programmes cannot be allowed to persist**

11. Due to ongoing issues following the introduction of a new computer system (Trainee & Apprenticeship Management System) in August 2022, DfE has been unable to produce fully validated performance reports against the KPIs for both ApprenticeshipsNI and Skills for Life and Work. Whilst DfE advised that Contract and Programme Management activity has continued to provide assurances and help identify any issues, it is extremely concerning that full KPI monitoring has not been completed for almost two years. In 2023-24, approximately £61 million was spent on these programmes (2022-23: £57 million) and in the absence of full KPI reporting and informed risk assessments, it is difficult to see how DfE can be confident that the contracts are being effectively managed and value for money is being achieved.

## Limited progress has been made towards achieving the strategic goals in the Skills Strategy and urgent action is needed to enable Northern Ireland to achieve its economic vision

12. Annual monitoring reports set out progress against the Skills Strategy goals, based on the latest available data. The latest results are summarised below. This shows that the proportion of the working age population with qualifications at Level 2 (equivalent to five or more GCSE grades A\*-C) or above has declined since 2021; the participation rate in adult learning has also declined and there has been no change in the proportion of Northern Ireland higher education graduates with degrees in narrow STEM subjects.

**Figure 1: Performance against the Skills Strategy goals**

Skills Strategy goals	2020 Baseline	2021	2022	Progress 2021-2022	Overall Progress To Date	2030 Target
Workforce Level 2+ qualifications	76.3%	78.5%	76.4%	-2.1%	0.1%	85-90%
Workforce Level 3+ qualifications	56.0%	59.9%	57.2%	-2.7%	1.2%	70-75%
Narrow STEM graduates	24%	24%	24%	0%	0%	27%
Adult learning rate	18.2%	17.3%	16.3%	-1.0%	-1.9%	25%

Source: NIAO summary of details included within the Skills Strategy annual monitoring reports

**Note:** see **Figure 2** in the main report for details of the qualification levels referred to in the table.

13. Whilst the second annual monitoring report suggests that the 2022 outcomes at Level 2 and Level 3 may be outliers as they are not consistent with the long term growth trends since 2016-17, it recognises that significant improvements are needed to achieve the long term goals included in the Skills Strategy. DfE advised that the majority of skills interventions typically take between two and four years for an individual to complete, therefore the five-year review point in the Skills Strategy will be a key stage in assessing the impact of the Strategy on outcomes.
14. The second annual monitoring report also covers the initial two-year period noted for the 50 implementing actions contained in the Skills Strategy. Whilst the Skills Strategy did not include target dates for all actions, the first annual monitoring report in March 2023 anticipated delivery of 26 actions by the end of March 2024 (with 5 actions considered delivered already by March 2023). The second annual monitoring report presents an update on these 26 actions. Whilst we note that progress has been made in some areas, including the introduction of all age apprenticeships in September 2023, our analysis of the comments included in the report indicate that 15 of the 26 actions have not yet been achieved. The Skills Strategy was intended to be flexible and refreshed as necessary to ensure it delivered an evolving programme of work in response to economic and labour market needs. However, it is not clear if this is happening in practice.
15. DfE told us that its capacity to make substantive progress on some recommendations, including those with cross departmental responsibility, has been limited due to the absence of Ministerial leadership and a functioning Executive and Assembly for the majority of the Skills Strategy's lifetime. We also note that some actions were paused due to budget uncertainty.

## A whole of government approach to support the delivery of the Skills Strategy has not been achieved and issues persist in developing a coherent approach

16. Whilst DfE leads on skills policy and is accountable for much of the spend on government-funded skills initiatives, the successful delivery of the Skills Strategy is dependent on collaboration across government and beyond. In its 2020 report, the OECD noted that co-ordination on skills policy could be improved within and between government departments with a better whole-of-government approach, and between central and local government. It also reported that stakeholders considered there to be too many employer engagement bodies on skills, leading to overlap, confusion and frustration. Similar concerns that the skills system is fractured and fragmented were also identified from stakeholders during the development of the current Skills Strategy in Northern Ireland.
17. The current Skills Strategy was intended as a whole of government strategy. It recognised the need for significant improvement in how the skills system is governed and that addressing the skills challenges facing Northern Ireland requires all stakeholders to work together. However, the skills landscape and the approach to developing skills remains confused and fragmented. The **Institute of Directors** recently reported that its members continue to be *"frustrated by the weak and disjointed skills and education system that hampers plans for business growth"*. The majority of stakeholders that engaged with us during our review did not agree that there is clarity on the roles and responsibilities across government for developing skills in Northern Ireland, and most disagreed that there is a coherent approach to the policies, initiatives and interventions for developing skills to address identified skills need. We note that the Northern Ireland Skills Council will undertake a review and rationalisation of existing advisory bodies, however this is only targeted for completion by March 2027. In our opinion this important work should be progressed with greater urgency.
18. Limited progress has been made in the implementation of a more strategic approach to 14-19 education and training. This was intended to be central to the delivery of the vision set out in "A 10x Economy" and in delivering the objectives set out in the Skills Strategy, however significant issues, including ineffective governance and unclear objectives, have been identified.

## Conclusion

19. Significant improvements are needed to achieve the goals of the Skills Strategy in Northern Ireland. It is difficult to see how DfE ensures that all the skills programmes it funds, including provision by further and higher education institutions, align with the skills needs in Northern Ireland or how it measures the success and impact of its skills delivery arrangements as a whole. Substantial change is needed to deliver the volume of skills needed now and in future years to support the achievement of the overarching economic vision for Northern Ireland.



### Recommendation 1

Following the introduction of a new computer system (Trainee & Apprenticeship Management System) in August 2022, DfE has been unable to produce fully validated performance reports against the KPIs for both ApprenticeshipsNI and Skills for Life and Work. Immediate action must be taken to enable full and accurate performance reporting for these significant contracts.



### Recommendation 2

DfE must ensure that resources are being used to best effect. We recommend that DfE reviews each of its skills programmes, including the objectives, design and outcomes, and considers how both individually and collectively the programmes contribute towards achieving the overarching strategic goals. DfE should focus spend on skills programmes that have the greatest impact in achieving the objectives of the Strategy.



### Recommendation 3

DfE must use the available data to drive change by ensuring that current programmes and new initiatives are suitably focused on current and emerging areas of need as evidenced by stakeholders.



### Recommendation 4

We recommend that DfE reviews the implementation actions which underpin the Skills Strategy to ensure they remain relevant in supporting the ambitions of the Skills Strategy and the economic vision, and that there is clarity on how they will be successfully implemented. DfE should ensure that demonstrable success has been achieved in delivering the Skills Strategy at the five-year review point.



### Recommendation 5

DfE must review, streamline and clarify the governance and oversight arrangements for skills in Northern Ireland and ensure that the skills system can be more easily navigated by stakeholders. It should clearly set out the roles and responsibilities of the different bodies in the skills system and eradicate unnecessary overlap. This review should clarify how these bodies will successfully interact with each other to establish a coherent and effective approach to address existing skills shortages and future skills needs in Northern Ireland.

**Part One:**

# **What is the vision for skills in Northern Ireland and who are the key stakeholders?**

## What is the vision for skills in Northern Ireland and who are the key stakeholders?

- 1.1** A new economic strategy for Northern Ireland was published in 2021, A 10x Economy – Northern Ireland's Decade of Innovation (the 10x Strategy), which set out a vision for economic growth through innovation which benefitted all of society. The 10x Strategy also noted the need to tackle structural weaknesses in the Northern Ireland economy, primarily low levels of productivity (compared to the rest of the UK and Ireland), high levels of economic inactivity, too few high paying jobs and relatively low levels of investment in research and development.
- 1.2** The 10x Strategy sets out key priority clusters considered to be important strategic drivers of economic competitiveness:
- Digital, ICT and Creative Industries;
  - Agri-Tech;
  - Fintech/Financial Services;
  - Advanced Manufacturing and Engineering; and
  - Life and Health Sciences.

### The current Skills Strategy was launched in 2022 in support of the economic vision for Northern Ireland

- 1.3** The vision for "a 10x Economy" identifies 'talent' as one of five key pillars of delivering success: *"Inspiring and preparing a future generation of workers that can respond flexibly to future skills requirements. Ensuring everyone across NI has opportunities to thrive."* The Department for the Economy (DfE) leads on skills policy in Northern Ireland, and it has a strategic objective to "enhance education, skills and employability". In support of the delivery of the 10x Strategy's economic vision DfE launched the Skills Strategy for Northern Ireland: Skills for a 10x Economy (the Skills Strategy) in March 2022. The Skills Strategy identified three new strategic goals:
- increasing the proportion of Northern Ireland higher education graduates with degrees in narrow STEM subjects to 27 per cent by 2030 (measured against a 2019-20 baseline of 24 per cent). Narrow STEM subject degrees include physical and biological sciences, mathematical and computer science, engineering and technology;
  - increasing the proportion of the working age population with Level 2 and above qualifications to 85-90 per cent by 2030 (measured against a 2019-20 baseline of 77.3 per cent, which was later reweighted to a 76.3 per cent baseline using updated data); and
  - increasing the proportion of the working age population with Level 3 and above qualifications to 70-75 per cent by 2030 (measured against a 2019-20 baseline of 57.2 per cent, which was also later reweighted to a 56 per cent baseline).
- 1.4** The skills levels referred to in the Skills Strategy are a hierarchy of qualification levels in ascending order comprising a band of qualifications with similar levels of attainment. Examples of typical qualification levels are set out in **Figure 2**.

**Figure 2: Examples of typical qualification levels in Northern Ireland**

Level	Example typical qualification
Level 8	<ul style="list-style-type: none"> <li>• Doctoral degrees</li> </ul>
Level 7	<ul style="list-style-type: none"> <li>• Master's degrees</li> <li>• Postgraduate diplomas/certificates</li> </ul>
Level 6	<ul style="list-style-type: none"> <li>• Bachelor's degrees</li> </ul>
Level 5	<ul style="list-style-type: none"> <li>• Foundation degrees</li> <li>• Higher National Diploma</li> <li>• Level 5 award/certificate/diploma</li> </ul>
Level 4	<ul style="list-style-type: none"> <li>• Higher National Certificates</li> <li>• Level 4 award/certificate/diploma</li> <li>• Higher Level Apprenticeship</li> </ul>
Level 3	<ul style="list-style-type: none"> <li>• Two or more A Levels</li> <li>• Level 3 award/certificate/diploma</li> <li>• Apprenticeship</li> </ul>
Level 2	<ul style="list-style-type: none"> <li>• Five or more GCSE grades A*-C</li> <li>• Level 2 award/certificate/diploma</li> <li>• Traineeships</li> </ul>
Level 1	<ul style="list-style-type: none"> <li>• Five or more GCSE grades D-G</li> <li>• Level 1 award/certificate/diploma</li> <li>• Level 1 Essential Skills</li> </ul>
Entry Level	<ul style="list-style-type: none"> <li>• Entry Level award/certificate/diploma</li> <li>• Entry Level Essential Skills</li> </ul>

Source: NIAO based on data from the Regulated Qualifications Framework (RQF) and the Framework for Higher Education Qualifications of Degree-Awarding Bodies in England, Wales and Northern Ireland (FHEQ).

**Note:** The RQF comprises nine levels (Entry Level and Levels 1-8) and the FHEQ comprises five levels (Levels 4-8). Whilst the two frameworks are separate in Northern Ireland they are comparable at the corresponding higher levels. See [Qualifications can cross boundaries](#) for further details.

- 1.5** To achieve the strategic goals, the Skills Strategy focuses on three policy objectives (addressing skills imbalances, driving economic growth; creating a culture of lifelong learning; and enhancing digital skills, developing a digital spine). These policy objectives are supported by three policy enablers (enhancing policy cohesion; building strong relationships; and investment in the skills system).



- 1.6** The Skills Strategy was informed by a range of data sources which identified current and future skills needs, and also by the findings and recommendations from a number of reports including the evaluation of the previous strategy, *Success through Skills – Transforming Futures*, the *OECD Skills Strategy Northern Ireland report* and *The Strategic Integration Of Skills & Innovation Policy In Northern Ireland: An International Small Economy Perspective* (see **Appendix One** for summaries of these reports).
- 1.7** Key areas of work over the lifetime of the Skills Strategy are to include the development of a Lifelong Learning Action Plan, a renewed approach to management and leadership, a review of vocational education provision, and the development of a new Careers and Skills Portal. The Skills Strategy contained 49 recommendations for action and activity to support achieving the strategic goals (subsequently increased to 50 recommendations). The Skills Strategy also committed to developing two, five and ten year implementation plans for the recommendations (the ten year implementation plan was later shortened to eight years due to delays in the publication of the Skills Strategy and the need to maintain 2030 as the target for delivery of the strategic goals). It was intended that the Implementation Plan would be refreshed on an annual basis to deliver an evolving programme of work in response to economic and labour market needs. **Part Three** of this report considers the progress made two years after the launch of the Skills Strategy.

## Who are the main stakeholders in the skills landscape in Northern Ireland?

- 1.8** In Northern Ireland the skills landscape involves a wide range of bodies, including central government departments, local councils, further and higher education institutions, employers, various local and sectoral partnerships and bodies, and individuals. The system can be complex and to be effective requires all stakeholders to work together. **Figure 3** summarises the main bodies involved in skills planning, delivery and development in Northern Ireland.
- 1.9** DfE is responsible for employment and skills programmes for workers and employers as well as post-compulsory education policy including further education (FE) and higher education (HE). DfE is also responsible for careers guidance and delivery of the Careers Service, which includes delivery of careers advice in schools through partnership agreements with all post-primary schools and in Jobs and Benefits offices. As of March 2024, there were 379 staff in DfE's Skills and Education Group (with a further 46 vacant posts). This number is staff in the core DfE and does not include staff in other bodies e.g. FE colleges.

**Figure 3: Main bodies involved in skills planning, delivery and development in Northern Ireland**



Source: NIAO analysis.

**Note:** Other bodies and organisations support the development of skills in Northern Ireland, such as schools and sixth form colleges, and the UK Government which funds some initiatives delivered by bodies in Northern Ireland.

**1.10** Support for skills and learning is the largest area of spend for DfE, with approximately £470 million spent in 2023-24 (see **Figure 4**). In real terms, funding has decreased by 7 per cent since 2019-20. Spend in 2023-24 included £372 million on funding to HE and FE institutions in Northern Ireland and £84 million on a range of programmes, and careers advice, provided by DfE to support skills development.

**Figure 4: Spend by DfE on support for skills and learning, 2019-20 to 2023-24**

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
<b>Higher Education Division</b>	145,258	152,322	157,222	152,126	143,669	<b>750,596</b>
<b>Further Education Division</b>	189,761	212,972	218,456	230,246	228,735	<b>1,080,170</b>
<b>Apprenticeships, Careers and Vocational Education Division (ACVED)</b>						
Skills for Life and Work/ Training for Success	43,685	48,777	35,305	21,276	26,329	<b>175,372</b>
Apprenticeships	25,655	32,686	38,347	35,498	34,904	<b>167,090</b>
Careers	5,594	5,763	5,476	5,364	5,611	<b>27,808</b>
Other ACVED programmes	1,871	1,661	1,882	1,791	1,394	<b>8,599</b>
<b>Total ACVED Division</b>	<b>76,805</b>	<b>88,887</b>	<b>81,010</b>	<b>63,929</b>	<b>68,238</b>	<b>378,869</b>
<b>Skills Division</b>						
Employer Skills programmes	3,741	6,930	8,676	2,643	2,211	<b>24,202</b>
Step Up	-	-	-	-	6,178	<b>6,178</b>
Skill Up	-	-	-	5,745	3,149	<b>8,894</b>
Flexible Skills Fund	-	-	4,591	4,425	4,313	<b>13,329</b>
<b>Total Skills Division</b>	<b>3,741</b>	<b>6,930</b>	<b>13,267</b>	<b>12,813</b>	<b>15,851</b>	<b>52,603</b>
<b>Salaries and Admin costs</b>	<b>10,286</b>	<b>10,943</b>	<b>11,364</b>	<b>11,508</b>	<b>13,885</b>	<b>57,985</b>
<b>Total Skills and Education Group spend</b>	<b>425,851</b>	<b>472,054</b>	<b>481,320</b>	<b>470,622</b>	<b>470,377</b>	<b>2,320,224</b>
<i>Real terms spend in 2019-20 terms (£000)</i>	425,851	447,676	460,234	421,602	395,501	<b>2,150,863</b>
<b>Difference in real terms (£000)</b>						<b>-169,361</b>
<b>Difference in real terms (%)</b>						<b>-7%</b>

Source: NIAO analysis of information provided by DfE adjusted by HM Treasury GDP deflator indices (actual indices to 2022-23 and forecast for 2023-24).

- 1.11** FE Colleges are non-departmental public bodies of DfE. DfE's responsibilities in FE are for policy, strategic development, financing of the statutory FE sector and quality assurance over the sector. The provision offered by FE colleges is vocationally and technically focussed, with courses available from entry level to Level 6. FE Colleges also have a dual mandate role to not only support the economy through developing professional and technical skills and boosting business innovation, but also in supporting social inclusion by providing opportunities to those with low or no qualifications through offerings such as Essential Skills training. Courses are provided on both a full-time and a part-time basis, with some of the part-time vocational programmes, such as apprenticeships, using a model of combined academic and work-based learning. No tuition fees are charged for full-time FE by the colleges, with the provision intended to be funded by the core grant each college receives from DfE. FE colleges are also involved in offering courses in adult education and courses tailored to the needs of specific businesses and organisations.
- 1.12** FE colleges also play a role in the delivery of the Department of Education's (DE) post-14 curriculum by delivering some courses with a professional and technical focus to pupils who are enrolled in schools.
- 1.13** Northern Ireland's higher education institutions (HEIs) are the primary deliverers of higher education at degree level (Level 6) and above in Northern Ireland. With the exception of Stranmillis University College which is a non-departmental public body of DfE, the HEIs are independent autonomous bodies. Therefore, DfE's role in HE is different compared to its role in FE. DfE is responsible for developing policy and administering grant funding to support HE and research-related activities undertaken by the HEIs, and for quality assurance over the HE sector.

## Scope of this Report

- 1.14** Whilst effective development of skills is dependent on an inclusive and coherent approach, including engagement and support across government and industry, given DfE's responsibility for leading on skills policy, this report has focused on its activities in this area. The report also considers the joint working between DfE and DE, which is responsible for compulsory education, specifically on the development of a policy and framework for the 14-19 age group, when young people face significant milestones and make important decisions about what, how, and where to study, or whether they will leave education and training. Further details on our scope and methodology are included in **Appendix Two**. This report is structured as follows:
- **Part Two** sets out the skills needed in Northern Ireland.
  - **Part Three** considers how DfE seeks to ensure that its provision aligns with skills needs; how it evaluates its skills programmes; and progress to date implementing the Skills Strategy actions and achieving the strategic goals.
  - **Part Four** highlights weaknesses in the governance arrangements and plans to support a coherent approach to developing skills in Northern Ireland.

**Part Two:**

# **The skills needed in Northern Ireland**

## The skills needed in Northern Ireland

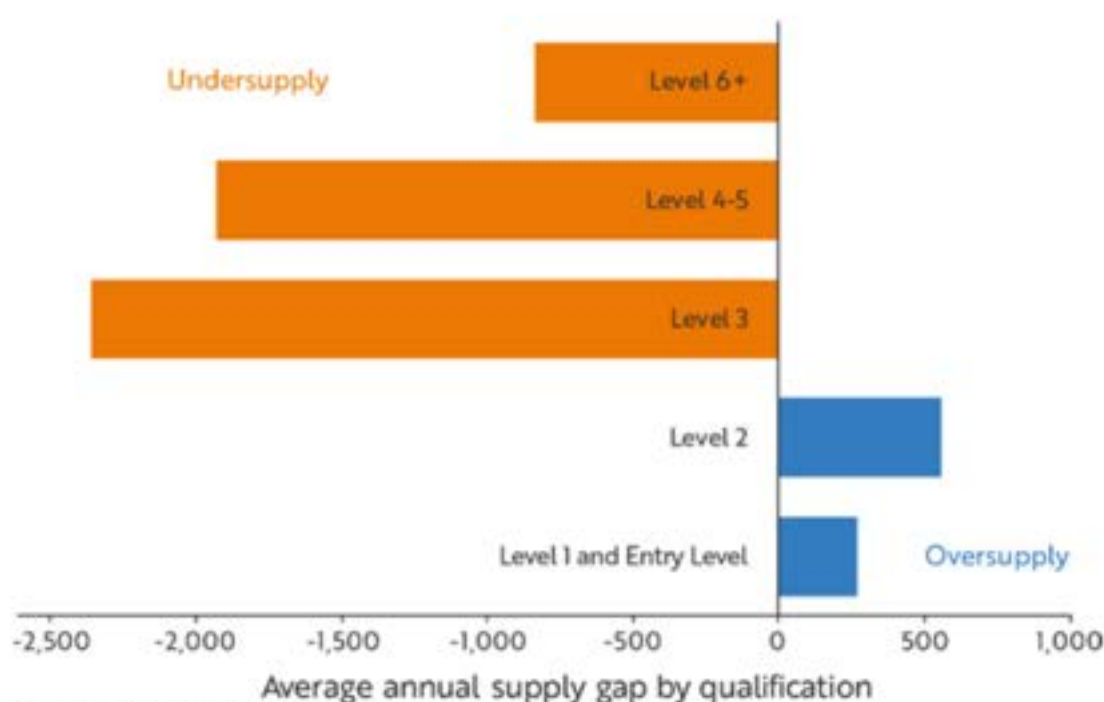
**2.1** An essential input to the development of skills policy is a robust understanding of skills requirements and supply, not only currently but also forecast in the future. This is important due to the multi-year nature of many academic and vocational qualifications, and the need to ensure provision of education and training is suitably aligned in both supply and curriculum. DfE has access to a range of data to identify and understand skills needs.

### Since 2015 the Ulster University Economic Policy Centre (UUEPC) has prepared the Skills Barometer, under the direction of DfE

**2.2** The Skills Barometer, published biennially, forecasts labour market demand for skills and skills supply, and combines them to identify projected skills imbalances in areas of undersupply and oversupply by qualification level. As well as modelling qualification-level supply and demand, the Skills Barometer also considers the field of study and industry sector needs. The 2019 iteration of the Skills Barometer was a primary evidence base used in the development of the Skills Strategy.

**2.3** The latest iteration of the Skills Barometer, based on data up to 2021, was published in March 2022. Based on a high growth scenario, the 2021 iteration identified that during the 2020-2030 period there is a forecast average annual undersupply of new workers with qualifications at Level 3, Levels 4-5, and Level 6 and above; and average annual oversupply of new workers with qualifications at Levels 2 and below (see **Figure 5**). Compared to the 2019 iteration of the Skills Barometer, the forecast undersupply has increased at Levels 3 and above and Level 2 has changed from a balanced supply to an oversupply position.

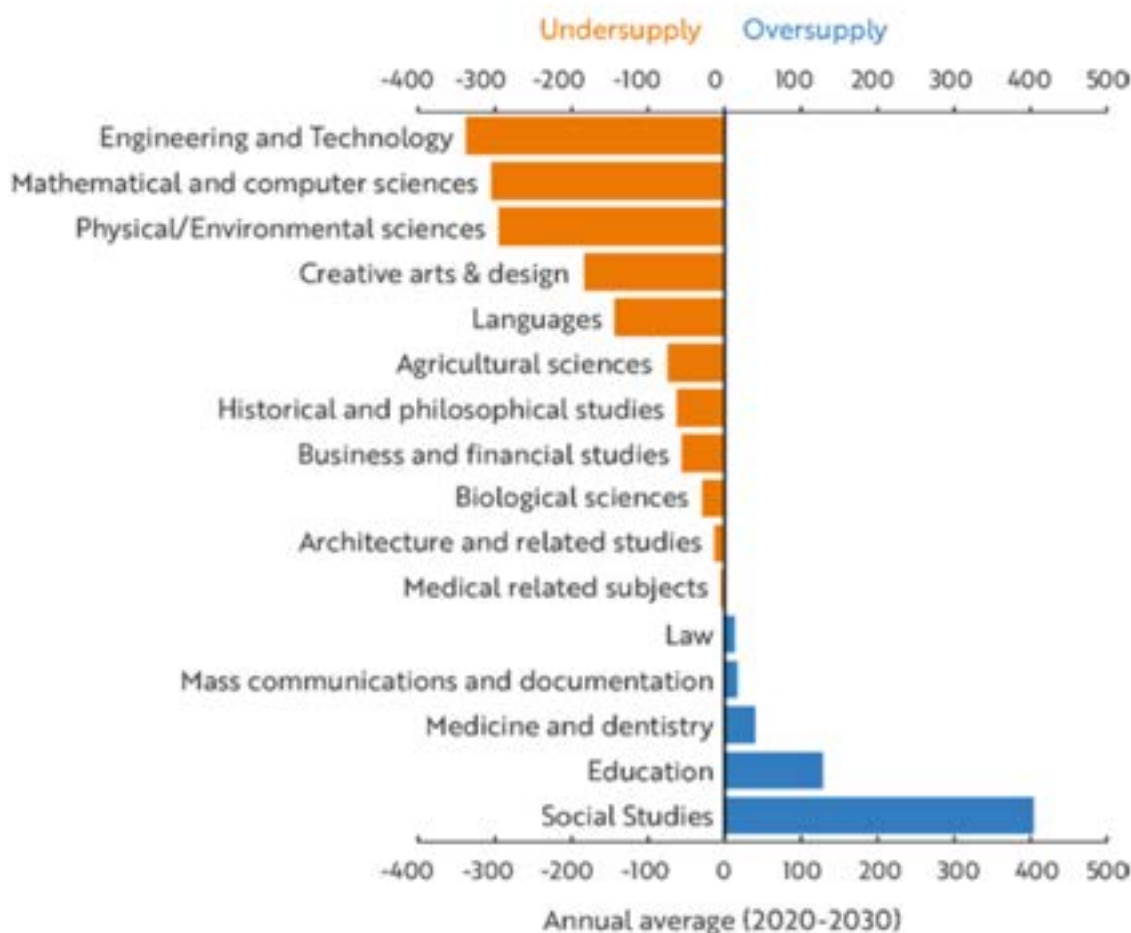
**Figure 5: Average annual labour market supply gap by qualification, 2020-2030**



Source: UUEPC 2021 Skills Barometer

2.4 The 2021 Skills Barometer also forecast undersupply in 2020-2030 across most subject areas at degree level (Level 6 and above) with undersupply most prominent in the STEM subjects (see **Figure 6**), and undersupply across all subject areas at Levels 4-5 (see **Figure 7**).

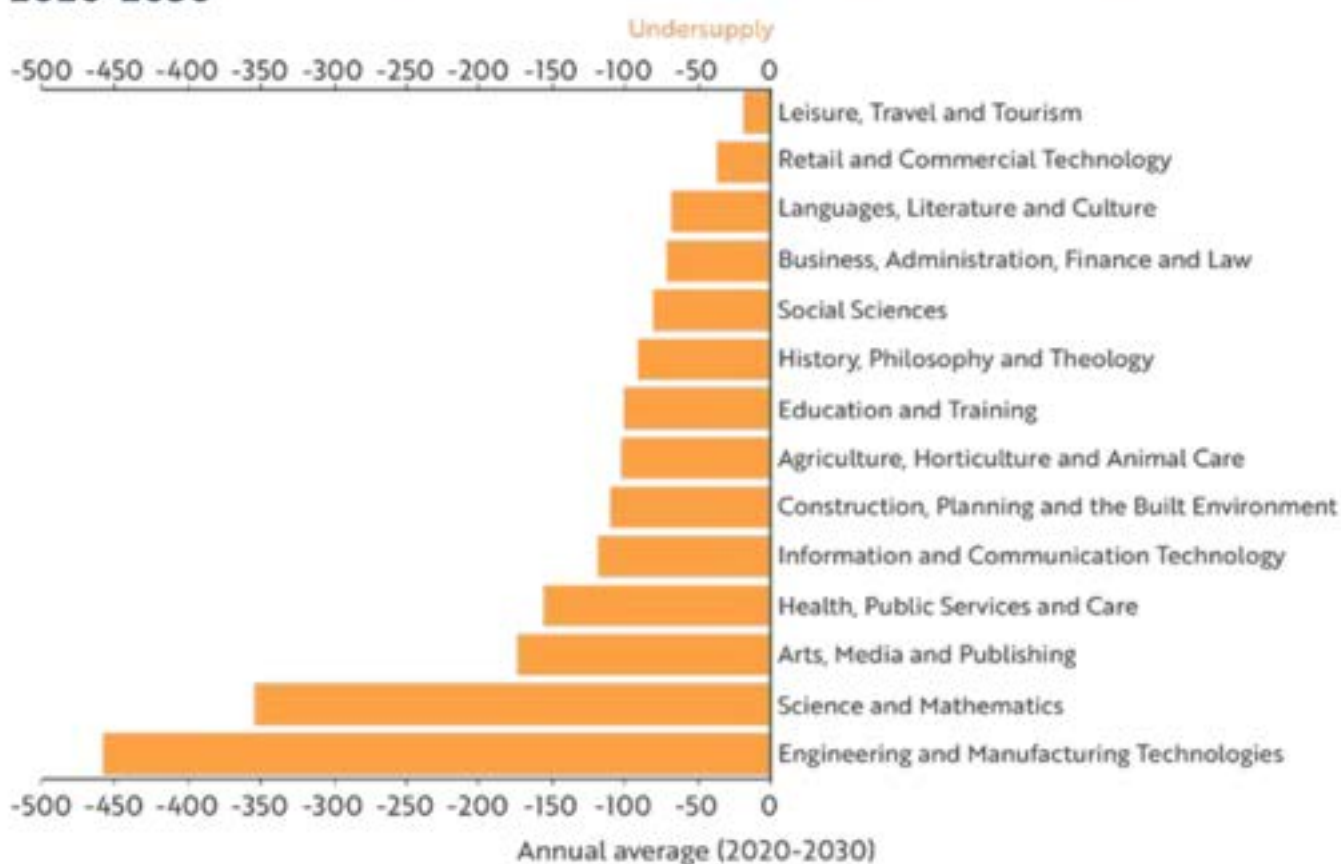
**Figure 6: Annual average effective supply gap by Level 6 + subject, 2020-2030**



Source: UUEPC 2021 Skills Barometer

Note: where the scale of under or over-supply is marginal, the Skills Barometer suggests these areas should be considered as being broadly in balance.

**Figure 7: Annual average effective supply gap by Levels 4-5 subject, 2020-2030**



Source: UUEPC 2021 Skills Barometer

Note: where the scale of under or over-supply is marginal, the Skills Barometer suggests these areas should be considered as being broadly in balance.

**2.5** The 2021 Skills Barometer also forecast that almost two-fifths (37 per cent) of new workers will require degree level and above qualifications (Level 6 and above) up to 2030, see **Figure 8**. This has risen sharply from the 29 per cent forecast in the first iteration of the Skills Barometer covering 2015-2025.

**Figure 8: Annual average labour demand by qualification level, 2020-2030**

Qualification level	Annual average net requirement 2020-2030	Proportion of total requirement (per cent)
Level 6 and above	10,680	37
Levels 4-5	3,410	12
Level 3	6,700	23
Level 2	5,500	19
Level 1 and Entry Level	2,370	8

Source: UUEPC 2021 Skills Barometer

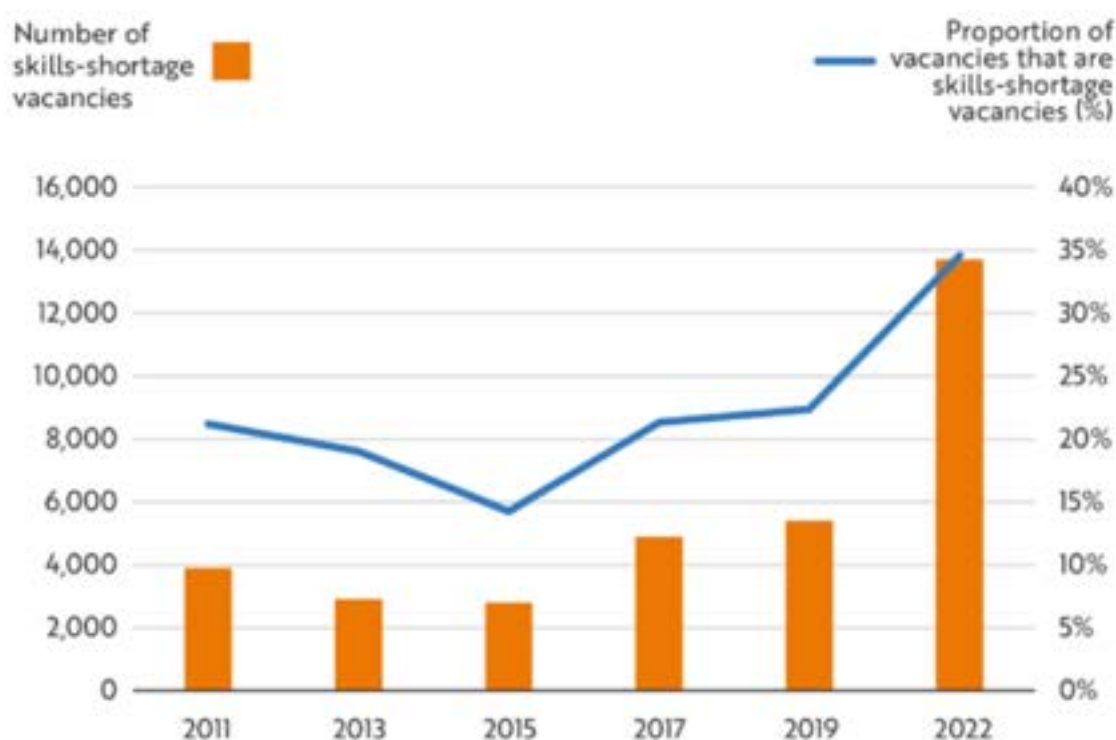


- 2.6** Both the 2019 and 2021 iterations of the Skills Barometer forecast significant annual undersupply of new workers with qualifications at Levels 4 and 5 across all subjects. However, the Skills Strategy does not have a strategic goal either in part or wholly targeted at Levels 4 and 5. DfE told us that the Skills Barometer model only examines the need for new workers (i.e. from education or migration). Most of the skills provision for new entrants to the labour market from Levels 4 and 5 comes from FE but the Skills Barometer model assumes that a large proportion studying in FE continue in education to Level 6 and beyond. Therefore, any target specifically aligned to Level 4 and 5 entrants to the labour market would need to be much higher than the Skills Barometer indicated, to account for those that continue to further study. DfE concluded that the Labour Force Survey data available was not sufficiently robust to set a reliable target.
- 2.7** DfE also advised that the primary need and policy intent is not for individuals who are leaving education for the first time to join the labour force at Levels 4 or 5 rather than stay on in education, but to encourage more individuals to increase their qualification level beyond Level 2, whether that is by continuing in education before joining the labour force or through engagement in adult learning. Therefore, a population level indicator at Level 3 and above was judged by DfE to be the most viable way of recognising the anticipated demand set out in the Skills Barometer.
- 2.8** DfE acknowledges that this is imperfect and the need for growth in mid-level skills outcomes is emphasised throughout the Strategy, including in the context of increasing adult/lifelong learning.

## The Employer Skills Survey is a biennial UK-wide large-scale survey of employers which provides labour market information on employers' skills challenges

- 2.9** The latest iteration of the Employer Skills Survey is based on 2022 data. The survey shows that of an estimated 39,500 vacancies, approximately 13,700 (35 per cent) of vacancies were considered by employers to be attributable to a lack of skills, experience or qualifications amongst applicants (defined in the survey as skills-shortage vacancies<sup>1</sup>). A simple analysis using the latest Office for National Statistics Gross Value Added (the increase in the value of the economy due to the production of goods and services) per filled job in Northern Ireland of approximately £52,000 (as of 2021) suggests that filling these skills-shortage vacancies could increase Northern Ireland's Gross Value Added by over £700 million each year. **Figure 9** shows both the number of skills-shortage vacancies and the proportion of vacancies that are due to skills shortages. The number of skills-shortage vacancies was almost five times greater in 2022 than 2015 (increasing from 2,800 to 13,700 vacancies) and 35 per cent of all vacancies in 2022 were categorised as skills-shortage vacancies.

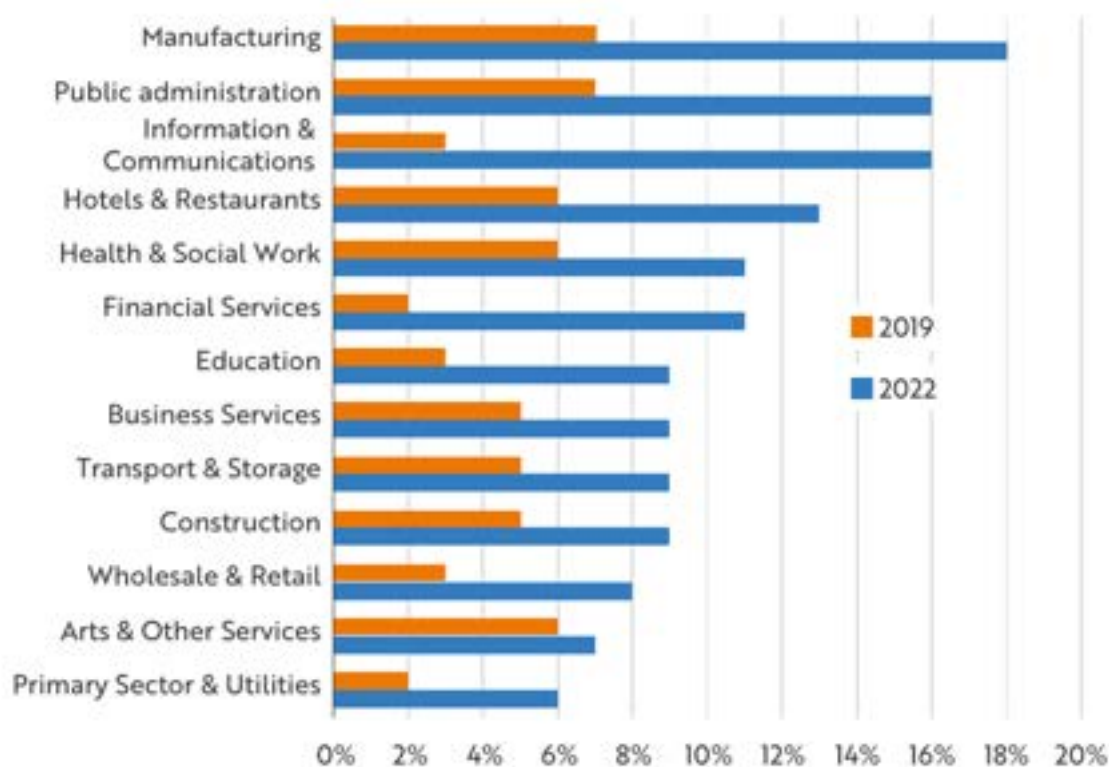
<sup>1</sup> Note: not all skills-shortage vacancies are due to a lack of those skills in the local labour market. In some instances, it may be that those with the requisite skills are not interested in applying due to the unattractiveness of the role (aspects such as the pay or conditions).

**Figure 9: Skills-shortage vacancies in NI, 2011 to 2022**

Source: [Employer Skills Survey](#)

**Note:** The survey was not completed in 2021 due to COVID-19.

- 2.10** A lack of technical and practical skills was the cause, at least in part, of most of those skills-shortage vacancies (84 per cent). Whilst a lack of specialist skills or knowledge was the most significant factor in the overall lack of technical and practical skills, employers also considered deficiencies in basic numerical skills and basic information technology skills as important factors. A lack of 'softer' personal and people skills, such as the ability to manage one's own time and task prioritisation, or team-working abilities, were also identified by employers as a major cause, at least in part, of skills-shortage vacancies.
- 2.11** Nearly all employers (96 per cent) reported that these skills-shortage vacancies were having a detrimental impact on their business performance. Most employers considered the skills-shortage vacancies caused an increase in workload for other staff, difficulties in meeting customer service objectives, and an increase in operating costs. Furthermore, a significant proportion of employers (over 40 per cent) also considered that the impacts of skills-shortage vacancies were causing delays in developing new products or services, a loss of business to competitors, or even withdrawals from offering certain products or services altogether.
- 2.12** Skills-shortage vacancies have also significantly increased in all sectors of the economy, as categorised by the Employer Skills Survey since the previous iteration of the survey was conducted in 2019 (see **Figure 10**). The greatest percentage increases in skills-shortage vacancies were suffered by the Information & Communications sector (13 per cent), Manufacturing sector (11 per cent), and Financial Services and Public Administration sectors (9 per cent).

**Figure 10: Employers with skills-shortage vacancies - 2019 vs 2022**

Source: [Employer Skills Survey](#)

**2.13** The Employer Skills Survey also showed that employers are continuing to invest in training for their workforces, with total training costs increasing from £1.2 billion in 2019 (approximately £1,600 per employee) to £1.3 billion in 2022 (approximately £1,700 per employee).

## Conclusion

**2.14** DfE, and the Northern Ireland Executive, has access to regularly updated data to identify the current skills challenges facing employers in Northern Ireland and forecast skills needs. Skills shortages can have a detrimental impact on business and constrain the economic growth in Northern Ireland. **Part Three** of this report considers how this data is used to inform skills planning and delivery and progress in implementing the Skills Strategy.

**Part Three:**

# **DfE's skills provision and progress towards the goals in the Skills Strategy**

## DfE's skills provision and progress towards the goals in the Skills Strategy

- 3.1** As shown in **Figure 4**, the largest area of spend on skills by DfE is funding to HE and FE institutions in Northern Ireland. Over the past five years, funding to HE and FE has totalled £751 million and £1.1 billion respectively.
- 3.2** Each FE college prepares an annual College Development Plan (CDP) in line with DfE's requirements. Each CDP is subject to approval by DfE and sets out planned activity and key performance indicators for the upcoming academic year, including projected numbers of learners to be enrolled in the relevant academic year, as well key areas of curriculum provision, business support and skill initiatives. Progress against the planned activity targets and key performance indicators is reported throughout the year to DfE by each FE college. DfE holds annual accountability and partnership performance meetings with each college to review their activity against that expected under the CDP. DfE told us that FE colleges have to respond to departmental-led strategies which identify priority economic areas and provide details as to how they are contributing to those areas.
- 3.3** With the exception of Stranmillis University College, a non-departmental public body of DfE, HEIs are independent autonomous bodies therefore DfE's role and oversight is different compared to that in the FE colleges. DfE is aiming to better align higher education outcomes with Northern Ireland's economic need whilst continuing to recognise the wider social and cultural role that these institutions play and the importance of student choice. One example of this is the attempt to establish Outcome Agreements with each of Northern Ireland's three universities, with the intention that the Outcome Agreements will demonstrate how each institution can contribute to achieving the Minister for the Economy's strategic priorities (whilst showing regard for the universities' independent status and own mission and values). The aim is to have Outcome Agreements in place with each university for the start of the 2024-25 academic year. In our opinion, such initiatives should have been in place earlier in the implementation of the economic and skills strategies. DfE also told us that, subject to Ministerial approval, it will shortly launch a consultation on possible changes to the postgraduate award scheme it funds which pays the course fees and stipend (or bursary) to postgraduate students, and how this support can be better aligned with economic priorities.
- 3.4** DfE advised that adjustments to skills provision can require long lead in times and capital investment. For example, increasing the percentage of graduates in STEM subjects requires enough students studying these subjects at level 3 and at level 2 to provide a pipeline of potential students and for school, colleges and higher education institutions have the facilities and teaching staff to teach these subjects effectively. DfE highlighted that another important factor in seeking greater alignment between higher education outcomes and Northern Ireland's economic need is recognition of the role of individual choice. Choice should be based on good information, advice and guidance, recognising that individuals will consider a range of factors including, but not limited to, their future career opportunities.
- 3.5** In addition to the funding provided to FE and HE institutions, DfE offers a range of programmes to support skills development, including core initiatives such as support for apprenticeships (£35 million in 2023-24) along with smaller targeted initiatives. **Figure 11** is an extract from **Figure 4** in **Part One** of this report and shows some of the main programmes funded by DfE in recent years.

- 3.6** DfE advised that it seeks to ensure that its programmes are aligned to current and future needs by engaging with stakeholders through sectoral and labour market partnerships, the Skills Council and by using the findings and evidence presented in the Skills Barometer and the Employer Skills Survey (see **paragraphs 2.2-2.10**). For example, Skill Up is in part aligned to respond to training and skills gaps particularly prevalent in sectors with reskilling requirements or high growth potential as noted in the Skills Barometer and Employer Skills Survey.

**Figure 11: The main skills programmes funded by DfE in recent years**

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Skills for Life and Work/ Training for Success	43,685	48,777	35,305	21,276	26,329	175,372
Apprenticeships	25,655	32,686	38,347	35,498	34,904	167,090
Employer Skills programmes	3,741	6,930	8,676	2,643	2,211	24,202
Step Up	-	-	-	-	6,178	6,178
Skill Up	-	-	-	5,745	3,149	8,894
Flexible Skills Fund	-	-	4,591	4,425	4,313	13,329

Source: NIAO analysis of information provided by DfE

### **Sectoral partnerships are intended to be an important channel for ensuring work-based learning routes, such as apprenticeships, meet the needs of employers**

- 3.7** The business community has an important role in providing employment for apprentices, meaningful work placement opportunities and up-skilling of existing employees. DfE continues to engage with employers to align skills pathways with economic needs through channels such as sectoral partnerships. Sectoral partnerships have been established across 15 economic sectors, with a further three due to be rolled out. They bring together relevant stakeholders including, employers and/or employer body organisations, the Council for the Curriculum, Examinations & Assessment (CCEA), representatives from FE and HE as well as DfE officials, along with trade unions, industry experts or policy advisers as required. The main focus of Sectoral Partnerships is to ensure that the content and curriculums of initiatives with an element of work-based learning, such as traineeships, apprenticeships and higher-level apprenticeships, meet the current and future needs of employers and industry. Sectoral partnerships are supported by the appointment of development partners who possess the specialist skills and experience to develop and refine course content.
- 3.8** An evaluation of the sectoral partnerships in June 2023 was broadly positive, however we note that membership in some has been difficult, specifically in relation to employers. We also note the call for improved clarity on responsibilities once the need for new qualifications has been identified by the sectoral partnerships. It is important that DfE continues to evaluate the impact of these partnerships and uses the intelligence gained to develop and enhance the skills provision in Northern Ireland.

## DfE supports the Labour Market Partnerships established in each local council area which have a focus on employability outcomes

- 3.9** Labour market partnerships (LMPs) have been established in each of Northern Ireland's eleven local council areas as part of the Department for Communities' (DfC) Employability NI programme. The LMPs were noted in March 2024 by the Institute for Employment Studies as a 'valuable example' of effective engagement with employers.
- 3.10** DfE and DfC contribute funding to each LMP (approximately £50k and £400k respectively annually to each LMP) however local councils lead on the initiative. The purpose of each LMP is to support people, particularly the unemployed and economically inactive, to find employment and training opportunities in their local area. LMPs are intended as multi-agency partnerships, bringing together DfC, DfE and the DfE Careers Service, InvestNI, the local council, the relevant FE college, health and social care trusts as well as local employers, entrepreneurship bodies and members of the community and voluntary sector.
- 3.11** To inform their work, LMPs are required to conduct strategic assessments of their respective local labour markets and engage with local communities and key stakeholders to determine priority issues and concerns. Whilst the actions of each LMP are co-designed to reflect local need, actions across the LMPs typically include promotional activities to improve awareness of employment and training opportunities through advertising or jobs fairs, delivery of employability academies for specific industries, entrepreneurship support programmes and essential skills courses.

## The Northern Ireland Skills Council is intended to be a key method of engaging with stakeholders

- 3.12** A Skills Strategy Advisory Group, including representatives from business, trade unions and education institutions, was established to support the development of the current Skills Strategy. To ensure continued collaboration it was agreed that a Northern Ireland Skills Council (the Skills Council) should be established to support the implementation of the Skills Strategy, with the Chair and additional members to be appointed by open competition. While the appointment process was ongoing, members from the Skills Strategy Advisory Group acted as an interim Skills Council from December 2021 to support the upcoming implementation of the Skills Strategy.
- 3.13** The Chair and seven members were appointed to the Skills Council via public competition in June 2023 for a four-year term. The first meeting of the reconstituted Skills Council was in September 2023. DfE told us that the primary means for stakeholder engagement is through the Skills Council which aims to present the views, not only of its members, but also of wider industry and society. In addition to the Chair and publicly appointed members, ex-officio members of the Skills Council are drawn from officials in local government, HE, FE, trade unions, and the community/voluntary sector, as well as senior officials from DfE, DE and DfC. Secretariat support is provided by DfE.
- 3.14** Several sub-groups of the Skills Council have been established to date to focus on the following specific areas of interest or sectors, each chaired by a member of the Skills Council and comprising a wide range of relevant stakeholders to inform the sub-group's work:
- Skills Equality, Diversity and Inclusion Sub-Group;
  - Digital Skills Industry Reference Group;
  - Green Energy Skills Industry Reference Group; and,
  - Skills Supply Task and Finish Group.

- 3.15** The relevant sub-groups of the Skills Council are also crucial for supporting two of DfE's existing priorities. The Skills Strategy included a policy objective of 'enhancing digital skills, developing our digital spine'. The Digital Skills Industry Reference Group is developing a Digital Skills Action Plan, which sets out multiple actions that fall to DfE, DE and wider industry to support that policy objective. Similarly, linked to DfE's **Path to Net Zero** Energy Strategy published in December 2021, the Green Energy Skills Industry Reference Group oversaw **research** by Energy & Utility Skills which was published in June 2023, setting out the anticipated skills needed to transition to a net zero emission economy. DfE told us the Green Energy Skills Industry Reference Group is now facilitating collaborative skills planning between DfE and industry.

### **Skills initiatives are regularly monitored by DfE in terms of performance; however we are concerned by ongoing limitations affecting performance monitoring of the largest programmes**

- 3.16** The performance measures used vary across initiatives and include: review meetings with FE colleges or relevant training providers; success rates of programme participants and qualifications, including published statistical bulletins for traineeships, apprenticeships and higher-level apprenticeships; and inspections or evaluations by independent bodies including the Education and Training Inspectorate (ETI), CCEA and the Strategic Investment Board. We sought details on some programmes to understand how they are monitored. We noted that evaluations of many of the initiatives have been broadly positive and concluded that the programmes have met their objectives, whilst other programmes have had mixed success – for example, the evaluation of the second year of the Skill Up initiative noted that nearly 9,800 learners enrolled on courses, with approximately 6,500 learners eventually certified. However, we also noted that of the 2,713 learners enrolled at one HEI, a staggering 1,728 learners (approximately 64 per cent) withdrew from the course.
- 3.17** Below we have summarised the arrangements in place for the programmes with the largest spend (ApprenticeshipsNI and Skills for Life and Work) and have highlighted weaknesses in these arrangements.

### **Figure 12: Monitoring and evaluation arrangements for ApprenticeshipsNI and Skills for Life and Work**



**ApprenticeshipsNI** – statistical bulletins are published on DfE's website detailing key information on the programme, including the number of starters and leavers, occupancy and qualifications achieved. The statistical bulletins are to be published bi-annually however the most recent publication was February 2023, which covered the period up to July 2022. Further bulletins have been delayed due to ongoing issues following the introduction of a new computer system (Trainee & Apprenticeship Management System) in August 2022. DfE told us that a statistical bulletin, covering the period up to January 2024, will be published shortly and the statistical bulletins will return to their usual schedule in 2025.

Each year, DfE commissions the Education and Training Inspectorate (ETI) to carry out a range of inspection activities and evaluations. Key Performance Indicators (KPI) set around Retention, Achievement and Compliance are measured quarterly and combine to give overall risk ratings ranging from low to high, which then inform the extent of monitoring and support going forward. DfE Contract Managers carry out Contract Review meetings with each provider at least twice a year but this may be increased if there are concerns over the provision. All programme providers produce quarterly General Service Delivery Reports, by which key achievements, developments, issues and challenges are reported to DfE.





**Skills for Life and Work** – The KPIs for ApprenticeshipsNI are replicated for Skills for Life and Work, as are the Contract Management arrangements. Whilst the KPI targets differ, due to the nature of the programme, its cohort and the levels of qualification, many of the ApprenticeshipsNI providers also deliver Skills for Life and Work, and the Contract Managers within DfE cover both programmes. General Service Delivery Reports are also produced for this programme.

Performance against KPIs for the provision of ApprenticeshipsNI and Skills for Life and Work cannot be fully validated due to ongoing system issues

DfE has been unable to produce fully validated performance reports against the KPIs for both ApprenticeshipsNI and Skills for Life and Work due to ongoing issues following the introduction of the Trainee & Apprenticeship Management System in August 2022. Whilst DfE advised that Contract and Programme Management activity has continued to provide assurances and help identify any issues, it is extremely concerning that full KPI monitoring has not been completed for almost two years. In 2023-24, approximately £61 million was spent on these programmes (2022-23: £57 million) and in the absence of full KPI reporting and informed risk assessments, it is difficult to see how DfE can be confident that the contracts are being effectively managed and value for money is being achieved.



## Recommendation 1

Following the introduction of a new computer system (Trainee & Apprenticeship Management System) in August 2022, DfE has been unable to produce fully validated performance reports against the KPIs for both ApprenticeshipsNI and Skills for Life and Work. Immediate action must be taken to enable full and accurate performance reporting for these significant contracts.

## Progress towards achieving the strategic goals in the Skills Strategy has been disappointing and more needs to be done to ensure a clearer linkage between the skills needed, the ongoing activities designed to develop skills, and the overarching strategic goals

- 3.18** Despite the range of skills support provided by DfE, limited progress has been made towards the strategic goals in the Skills Strategy. An annual monitoring report is published each year on the Skills Strategy. The first annual monitoring report was published in March 2023. The update showed that progress had been made towards achieving the strategic goals to increase the proportion of the working age population with qualifications at Level 2 and above (from the 76.3 per cent 2020 baseline up to 78.5 per cent) and Level 3 (from the 56 per cent 2020 baseline up to 59.9 per cent). No progress had been made on the strategic goal to increase the proportion of individuals graduating with degrees in narrow STEM subjects.
- 3.19** Whilst not a strategic goal, one of the recommendations in the Skills Strategy also targeted an increase in the participation rate in adult learning from a 2020 baseline of 18.2 per cent to 25 per cent by 2030. Disappointingly, the first annual monitoring report showed that there had been a decrease below the original 2020 baseline, with the adult learning participation rate down to 17.3 per cent.

**3.20** A second annual monitoring report is currently in draft. It concerningly shows that there have been decreases since the previous annual monitoring report against the two strategic goals to increase the proportion of the working age population with qualifications of at least Level 2 or Level 3. There has again been no progress against the third strategic goal to increase the proportion of individuals graduating with degrees in narrow STEM subjects. The second annual monitoring report also noted that the adult participation rate in education or training, targeted to increase to 25 per cent, had decreased further to 16.3 per cent compared to the 2020 baseline (18.2 per cent) and first annual monitoring report (17.3 per cent). See **Figure 13** for a summary of these results.

**Figure 13: Performance against the strategic goals and additional target in the Skills Strategy**

Skills Strategy goals	2020 Baseline	2021	2022	Progress 2021-2022	Overall Progress To Date	2030 Target
Workforce Level 2+ qualifications	76.3%	78.5%	76.4%	-2.1%	0.1%	85-90%
Workforce Level 3+ qualifications	56.0%	59.9%	57.2%	-2.7%	1.2%	70-75%
Narrow STEM graduates	24%	24%	24%	0%	0%	27%
Adult learning rate	18.2%	17.3%	16.3%	-1.0%	-1.9%	25%

Source: NIAO summary of details included within the Skills Strategy annual monitoring reports

- 3.21** Whilst the second annual monitoring report suggests that the 2022 outcomes at Level 2 and Level 3 may be outliers as they are not consistent with the long term growth trends since 2016-17, it recognises that significant improvements are needed to achieve the long term goals included in the Skills Strategy. DfE advised that the majority of skills interventions typically take between two and four years for an individual to complete, therefore the five-year review point in the Skills Strategy will be a key stage in assessing the impact of the Strategy on outcomes.
- 3.22** The second annual monitoring report also covers the initial two-year period noted for the 50 implementing actions contained in the Skills Strategy (see **paragraph 1.7**). Whilst the Skills Strategy did not include target dates for all actions, the first annual monitoring report in March 2023 anticipated delivery of 26 actions by the end of March 2024 (with 5 actions considered delivered already by March 2023). The second annual monitoring report presents an update on these 26 actions. Whilst we note that progress has been made in some areas, including the introduction of all age apprenticeships in September 2023, our analysis of the comments included in the report indicate that 15 of these actions have not yet been achieved. DfE told us that its capacity to make substantive progress on some recommendations, including those with cross departmental responsibility, has been limited due to the absence of Ministerial leadership and a functioning Executive and Assembly for the majority of the Skills Strategy's lifetime. We also note that some actions were paused due to budget uncertainty.
- 3.23** The Skills Strategy was intended to be flexible and refreshed as necessary to ensure it delivered an evolving programme of work in response to economic and labour market needs. It is not clear if this is happening in practice. For example, the 2019 Skills Barometer was a primary evidence base informing the development of the Skills Strategy. **Part Two** of this report draws on the 2021 iteration of the Skills Barometer and changes in the forecast position and the Employer Skills Survey results from 2022, to set out the skills needed in Northern Ireland based on the most recent data available. We remain unsure as to how the Skills Strategy has evolved to reflect these changes in need or how DfE adapts its provision in response to need.

## Conclusion

- 3.24** Limited progress has been made towards achieving the strategic goals set out in the Skills Strategy, and it is concerning that three of the key indicators have gone in the wrong direction in 2022, with one remaining static. DfE funds a range of initiatives and programmes to develop skills, many of which have individually positive outcomes and evaluations. However, there is a lack of clarity on how DfE brings the various measures and evaluations for each of its skills initiatives together to assess how successfully the portfolio as a whole is contributing towards achieving the goals set out in the Skills Strategy.
- 3.25** DfE has access to a range of data, including the Skills Barometer, the Employer Skills Survey and ongoing engagement with stakeholders, to enable it to identify and understand what the skills needs are in Northern Ireland. However, it was not clear to us how identified need is integrated into the planning and delivery of skills provision across Northern Ireland on an ongoing basis. For example, **Part Two** of this report notes that the 2021 iteration of the Skills Barometer shows an increase in the forecast undersupply at Levels 3 and above and Level 2 has changed from a balanced supply to an oversupply position. It also sets out how sectors affected by skills shortages have changed since 2019. We remain unsure as to how DfE adapts its provision at the scale needed to address these needs or how DfE ensures its portfolio, including the provision at HE and FE, is relevant and suitably focused on areas of need. More needs to be done to ensure that identified need is integrated into the planning and delivery of skills provision across Northern Ireland.
- 3.26** Performance to date indicates that the arrangements and actions are not working, and based on the current trajectory, DfE is unlikely to achieve the goals of the Skills Strategy in Northern Ireland. Significant change is needed to deliver the skills Northern Ireland needs now and in future years to support the achievement of the overarching economic vision for Northern Ireland.



### Recommendation 2

**DfE must ensure that resources are being used to best effect. We recommend that DfE reviews each of its skills programmes, including the objectives, design and outcomes, and considers how both individually and collectively the programmes contribute towards achieving the overarching strategic goals. DfE should focus spend on skills programmes that have the greatest impact in achieving the objectives of the Strategy.**



### Recommendation 3

**DfE must use the available data to drive change by ensuring that current programmes and new initiatives are suitably focused on current and emerging areas of need as evidenced by stakeholders.**



### Recommendation 4

**We recommend that DfE reviews the implementation actions which underpin the Skills Strategy to ensure they remain relevant in supporting the ambitions of the Skills Strategy and the economic vision, and that there is clarity on how they will be successfully implemented. DfE should ensure that demonstrable success has been achieved in delivering the Skills Strategy at the five-year review point.**

## Part Four:

# There are weaknesses in the governance arrangements and plans to support a coherent approach to developing skills in Northern Ireland

## There are weaknesses in the governance arrangements and plans to support a coherent approach to developing skills in Northern Ireland

- 4.1** Effective governance and oversight arrangements are crucial in developing workforce skills. As noted at **paragraph 1.8** there are a wide range stakeholders involved in the development of skills in Northern Ireland and it is essential they work together to deliver a coordinated approach to skills planning and development.
- 4.2** One of the issues identified in DfE's 2020 evaluation of the previous skills strategy 'Success through Skills – Transforming Futures', was the need for wider buy-in from across government and the Northern Ireland Executive. In the same year, the OECD report identified the need to strengthen the governance of skills policies in Northern Ireland as a key area. It highlighted the importance of a whole of government approach, effective stakeholder engagement, integrated information systems and co-ordinated financing arrangements as being essential to improve skills development and use. It concluded that co-ordination on skills policy could be improved in Northern Ireland, within and between government departments with a better whole-of-government approach, and between central and local government. It also noted concerns that the number of employer engagement bodies on skills policies in Northern Ireland was too high, leading to confusing overlap and frustration which challenges meaningful engagement, as stakeholders struggle to understand and engage effectively with the complex landscape.

### A much needed review and rationalisation exercise of bodies in the skills landscape will not complete until 2027

- 4.3** The Skills Council (see **paragraphs 3.12 -3.15**) was established to support a strategic approach to skills policy and to develop a more cohesive skills system. It is intended to be a long-term body which will drive strategic co-ordination and greater cohesion across the skills system. It has been established as an advisory body, meeting quarterly, to provide strategic advice to Northern Ireland Executive ministers and government departments on issues pertaining to the development of skills policy. In order to drive collaboration and complementarity, additional stakeholder groups advising on skills issues are only to be formed in agreement with the Skills Council.
- 4.4** In response to concerns that the existing advisory skills landscape was crowded and confused, the Skills Strategy included a recommendation that the Skills Council should undertake a review and rationalisation exercise of advisory bodies to minimise duplication and ensure clarity of purpose among existing advisory bodies. However, we were alarmed to note that this important work is only targeted for completion by March 2027 – five years in to an eight-year strategy. We recognise that whilst the Skills Council is anticipated to be a key advisory body, it is a part time role for its members and there are limitations to what it can achieve and how quickly. In our opinion, DfE should consider how this important work can be progressed with greater urgency.

## There is a lack of clarity in the governance and oversight arrangements for the Skills Strategy

- 4.5** The Skills Strategy recommended the creation of a cross-departmental NI Civil Service management board to sit under the Skills Council and ensure cohesive delivery of actions, with representation from all government departments. DfE told us that this management board is in effect the Skills Strategy Programme Board, which met for the first time in September 2022. Despite the intentions of the Skills Strategy, the Programme Board only included representatives of three departments: DfE, DE and DfC. These three departments are particularly relevant given their responsibilities on skills, education, and employability policy. However, given the previous concerns raised around government buy-in for skills development, and the recommendations from the OECD to strengthen the governance structures, it is disappointing that wider cross-departmental arrangements in support of the Skills Strategy were not put in place.
- 4.6** In addition to the difficulties with achieving whole of government involvement, the Skills Strategy Programme Board has struggled to put in place effective programme management arrangements. In 2023, work had been undertaken to develop a reporting system to monitor progress against the recommendations identified in the Skills Strategy. Highlight reports were developed, containing all the recommendations assigned to the relevant project owners and including sections for project owners to record their risks and issues specific to their recommendations. This then fed into a Summary Programme Update report which included a Red/Amber/Green progress status for each recommendation and was considered at the Skills Strategy Programme Board.
- 4.7** These reporting and monitoring arrangements were short-lived as concerns were raised over duplication with processes and structures already in place, leading to nugatory work. Concerns were also recently raised within DfE that across both DfE's Skills and Education group and the wider Department, there was a lack of buy-in for both the revised strategic vision articulated in the economic strategy launched in 2021 ([A 10x Economy Northern: Ireland's Decade of Innovation](#)) and the Skills Strategy.
- 4.8** A new head of the DfE Skills and Education Group was appointed in August 2023 and the merit of the ongoing classification of this body of work as a programme was questioned. A proposal was then raised in October 2023 by DfE to replace the Skills Strategy Programme Board with a cross-departmental steering group, with a refreshed aim of achieving the whole of government approach envisaged in the Skills Strategy. No further progress has been made on this to date.

## Significant issues have been identified in the governance and implementation of the 14-19 Framework

- 4.9** In 2017, the Minister of Education and the Minister for the Economy agreed that officials in DE and DfE should work together, as a priority for both departments, to develop a coherent education policy for the 14-19 age group. This age group is where young people face significant milestones and make important decisions about what, how, and where to study, or whether they will leave education and training. The latest available figures from 2021-22 showed that at least 71 per cent of school leavers remained in education via HE or FE, a decrease compared to the 77 per cent of school leavers in 2016-17. Over the last five years, whilst the proportion entering HE has been stable at 42-44 per cent (except for an increase during the COVID-19 pandemic), the proportion of school leavers entering FE has

decreased from 34 per cent in 2016-17 to 27 per cent in 2021-22. We also note that there has been an increase in those intending to enter employment from 19 per cent in 2016-17 to 25 per cent in 2021-22. DfE told us that some of that increase relates to school leavers entering apprenticeships, and availing of the associated training delivered in FE Colleges however that data is not specifically identifiable in the DE School Leavers Survey.

- 4.10** The Transition of Young People into Careers (14-19) Project was established in January 2019 and jointly funded and supported by DE and DfE. The project aimed to transform the education and training system to deliver better outcomes for children and young people. As part of its work, the project sought to assess provision across schools, colleges and other providers, and identify actions for developing a more strategic approach to 14-19 education.
- 4.11** An overarching framework, Developing A More Strategic Approach To 14-19 Education And Training: A Framework To Transform 14-19 Education And Training Provision (the 14-19 Framework) was published in June 2022. This is a joint Framework between DfE and DE. The implementation of this Framework was intended to be central to the delivery of the vision set out in "A 10x Economy", in delivering the objectives set out in the Skills Strategy, and in addressing some of the actions in DE's "A Fair Start".
- 4.12** The 14-19 Framework identified challenges to be addressed, including:
- inconsistencies in the delivery and quality of careers guidance across providers;
  - a lack of parity of esteem between general/academic qualifications and technical/vocational qualifications; and
  - competition between schools and FE colleges for pupils, alongside breakdowns of collaborative practices between schools and FE colleges (including instances of schools duplicating provisions already delivered by FE colleges).
- 4.13** The 14-19 Framework was underpinned by a range of strategic and supporting actions, however there is a lack of clarity as to how these actions were to be implemented and monitored. The action plan, which was included within the published 14-19 Framework, did not include targeted timeframes for implementation. We were provided with a 'roadmap' for implementation that suggested most actions were expected to be completed by the end of 2023, with others ongoing into future years but nearly all due to have commenced by the end of 2023. We were subsequently told that in June 2022, the then Ministers of both DfE and DE agreed an underpinning draft Action Plan. This version of the action plan did not set specific dates but instead categorised actions to be delivered over the short (1-2 years), medium (3-5 years) or long-term (5-10 years) alongside estimated costings. We found the progress on many of the actions to be limited (including on short-term actions imminently due for completion) and, in our opinion, the detail on actions taken to be lacking. As noted at **paragraph 4.11**, the implementation of this Framework was intended to be central to the delivery of the vision set out in "A 10x Economy" and in delivering the objectives set out in the Skills Strategy, therefore it is disappointing that limited progress has been made. We were told that despite the importance of this Framework, it was published without resource, and it has not been possible to allocate the resource needed to progress all actions simultaneously.
- 4.14** In January 2024, officials from DfE and DE commissioned a Gateway review to help identify the main challenges in implementing the 14-19 Framework and how these could be addressed. **Figure 14** summarises the recent findings and conclusions from that Gateway review.

## Figure 14: Gateway review of the 14-19 Framework Implementation Programme

Significant programmes and projects valued at £5 million and above delivered by the Northern Ireland Civil Service are required to undergo the Gateway review process, which is a series of independent peer reviews conducted at key stages during a programme or project's lifecycle. The 14-19 Framework Implementation Programme underwent the initial Gateway review point (Gate 0 – Strategic Assessment) in early 2024 and received a Red rating. A Red assessment under the Gateway review is defined as suggesting that successful delivery of a programme appears unachievable, that there are major issues which do not appear to be manageable or resolvable, and that the programme may need re-baselining or its viability reassessing and should not proceed onto its next phase until these issues are managed.

Whilst the Gateway review team noted that officials involved in the programme were supportive of the 14-19 vision, it concluded that the programme has struggled to make an effective transition from framework development to implementation. Significant issues were identified including:

- ineffective governance;
- unclear objectives;
- misalignment between the programme and stakeholders' objectives;
- duplication of effort including a number of the actions in the 14 – 19 implementation plan also being covered in one or more other strategies such as the Skills Strategy;
- limited delivery management; and
- no benefits management.

Source: NIAO summary of Gateway Review Report

- 4.15** Work is progressing within DfE and DE to address the issues identified by the Gateway Review, including considering appropriate governance structures to best support implementation of the 14-19 Framework, and to agree priorities and key deliverables. In August 2024, the Red rating had improved to an Amber rating and work remains ongoing.

### Stakeholders continue to express concerns on the clarity and coherency of arrangements to develop skills in Northern Ireland

- 4.16** As part of our engagement throughout this report, we issued a survey to selected stakeholders, who were primarily industry bodies, employer representative bodies, or FE and HE education providers, to inform our understanding of current perspectives of the skills system in Northern Ireland. Our survey also offered bodies the opportunity to set out what improvements they would like to see in the skills system.
- 4.17** Whilst half of respondents (50 per cent) to our survey felt that arrangements to develop skills have improved since the launch of the Skills Strategy, they continued to express concerns as to the clarity and coherency of those arrangements. The majority of respondents (63 per cent) did not agree that there is clarity on the roles and responsibilities across government for developing skills in Northern Ireland, with remaining responses mostly neutral and only a small proportion agreeing that there is clarity. Most respondents



(75 per cent) disagreed that there is a coherent approach to the policies, initiatives, and interventions for developing skills to address identified skills need.

- 4.18** Common issues reported by stakeholders in response to our survey included:
- Difficulties persist in the supply of skills and experience.
  - There is underfunding of skills provision and also challenges caused by single year budgets.
  - Businesses find the skills landscape confusing to navigate.
  - Delivery of skills provision is fragmented.
  - There is a lack of a coherent approach to skills interventions both across government departments and within individual departments.
- 4.19** Stakeholders also included suggestions for improvements to the skills landscape in response to our survey, with recurring suggestions including:
- more effective co-ordination in both strategy and delivery across the whole of government;
  - greater involvement of, and co-ordination with, industry in skills policy and on the content of initiatives;
  - multi-year dedicated funding for skills; and
  - establishing a user-friendly portal which could act as one central information point for employers and individuals to access details on skills needs, job vacancies, training opportunities and other skills related matters.
- 4.20** Similar concerns were also raised following widespread consultation by the Institute of Directors which highlighted that businesses in Northern Ireland continue to face significant recruitment and skills challenges and its members were frustrated by *"the weak and disjointed skills and education system that hampers plans for business growth"*.

## Conclusion

- 4.21** The need to strengthen the governance of skills policies in Northern Ireland and the importance of a whole of government approach has been repeatedly highlighted and whilst there appears to have been good intentions in this regard in the development of the current Skills Strategy, that intention has not been realised, and there remains a perception amongst stakeholders that the approach to developing skills in Northern Ireland lacks clarity and coherency. Addressing the skills challenges facing Northern Ireland requires all stakeholders to work together. Weaknesses in the arrangements to support a coherent approach to developing skills must be addressed.



### Recommendation 5

**DfE must review, streamline and clarify the governance and oversight arrangements for skills in Northern Ireland and ensure that the skills system can be more easily navigated by stakeholders. It should clearly set out the roles and responsibilities of the different bodies in the skills system and eradicate unnecessary overlap. This review should clarify how these bodies will successfully interact with each other to establish a coherent and effective approach to address existing skills shortages and future skills needs in Northern Ireland.**

# Appendices

## Appendix One: Summary of the findings and recommendations from key evaluations and reports which were used to inform the Skills Strategy (paragraph 1.6)

In addition to the data included in the Skills Barometer and the Employer Skills Survey (see **Part Two** of this report), the Skills Strategy, and in particular the strategic goals, policy objectives and themes of lifelong learning and governance, were informed by the outcomes and evaluation of Success through Skills – Transforming Futures (the previous skills strategy in Northern Ireland), The OECD Skills Strategy Northern Ireland, and a July 2019 report The Strategic Integration Of Skills & Innovation Policy In Northern Ireland: An International Small Economy Perspective prepared by the Landfall Group on behalf of DfE.

### Success through Skills – Transforming Futures

*Success through Skills – Transforming Futures*, was the previous skills strategy in Northern Ireland. It was launched in May 2011 and included four strategic goals to be achieved by the end of 2020. Three of the strategic goals aimed to upskill the working population at Level 2, Level 3, and Levels 4-8 (see **Figure 2**) from baselines set in 2008. The fourth strategic goal aimed to increase the proportion of graduates qualifying from courses at Northern Ireland's higher education institutions in science, technology, engineering, and mathematics (STEM) subjects, with an emphasis on physical and biological sciences, mathematical and computer science, engineering and technology (narrow STEM).

In February 2020, DfE published an evaluation of *Success through Skills – Transforming Futures*. The evaluation showed that by mid-2019, using the latest available data at that time, two strategic goals were achieved: the upskilling of Levels 4-8 qualifications and the proportion of narrow STEM graduates. Whilst significant progress had been made on the other two strategic goals (upskilling the workforce with Level 2 and Level 3 qualifications) they were not achieved. The evaluation concluded that overall, there was clear evidence that the strategy had a lasting impact with the introduction of qualifications such as Higher Level Apprenticeships, along with other actions resulting in a skills landscape that was profoundly different to when the strategy was launched.

The evaluation of the strategy highlighted a number of issues including:

- There was not wider buy-in from across government and the Executive for the strategy.
- There was a lack of clarity as to how the individual actions included in the strategy would lead to the scale of upskilling that would be required to achieve the strategic goals.
- Government expectations sometimes contradicted business needs.
- Small businesses were not sufficiently consulted during the development of the strategy.
- There needed to be a refocus towards vocational education and training (particularly at Levels 3 and 4) and also leadership and management skills provision.
- The insufficient supply of STEM graduates at Levels 6 and above was a critical challenge.

The evaluation included thirteen recommendations for consideration in the development and implementation of the next skills strategy for Northern Ireland. These recommendations covered a wide range of areas; including: recommendations that the next skills strategy should take a whole of government approach and be endorsed by the Executive; the strategy should be launched alongside a flexible implementation with periodic reporting of performance; and creating a culture of lifelong learning will be essential in a future skills strategy.

## The OECD Skills Strategy Northern Ireland

In 2020, the OECD Skills Strategy Northern Ireland provided Northern Ireland with tailored findings and recommendations on its skills performance. It commented that significant progress had been made in Northern Ireland to strengthen its skills and economic performance, but the COVID-19 pandemic had the potential to reverse much of that positive performance.

It also highlighted persistent challenges which remained including:

- high rates of economic inactivity;
- productivity rate below the UK average;
- skill levels of adults below those in many other OECD countries;
- employees not using skills to full potential; and
- poor governance arrangements across policy areas and levels of government.

The report made 65 recommendations across four areas:

- reducing skills imbalances;
- creating a culture of lifelong learning in Northern Ireland;
- transforming workplaces to make better use of skills in Northern Ireland; and
- strengthening the governance of skills policies in Northern Ireland.

## The Strategic Integration of Skills & Innovation Policy in Northern Ireland: An International Small Economy Perspective

This report provided an assessment of the current skills and innovation policy approach, specific priorities for improvements in skills policy and in innovation policy, and options for strengthening the strategic integration of skills policy and of innovation policy.

It noted that *"high quality institutions are central to effective strategic integration of skills and innovation policy (and also across other policy domains). Without high quality decision-making and accountability structures, it is difficult to make sustained progress..."* It highlighted that *"leadership and governance is required to deliver on an integrated, whole of government agenda, because of the number of relevant organisations and initiatives."* One department (DfE) taking on the lead role was noted as a positive move in terms of supporting greater policy coordination, but the report concluded more could be done.

## Appendix 2: Study Scope and Methodology (paragraph 1.14)

### The scope of our report

Given DfE's responsibility for leading on skills policy in Northern Ireland, this report has focused on its activities in this area. However, there are aspects in the development of skills that overlap with the Department of Education (DE) and its responsibility for compulsory education. DE is responsible for setting policy, strategy and for the central administration of education and related services in Northern Ireland. The wider DE group, including the Department and its arm's length bodies, are responsible for early childhood, primary and secondary level education, special education and the youth service, and are also responsible for careers education in school settings (whilst DfE remains responsible for the Careers Service in the school setting).

As such, the report considers the joint working between DfE and DE specifically on the development of a policy and framework for the 14-19 age group, when young people face significant milestones and make important decisions about what, how, and where to study, or whether they will leave education and training.

The main elements of our review methodology were as follows:

- We interviewed staff from DfE and DE.
- We attended and observed a meeting of the Skills Council and met with the Chair of the Skills Council.
- We reviewed published and unpublished documents from a range of bodies.
- We invited stakeholders, primarily industry bodies, employer representative bodies, FE and HE education providers to respond to a consultation exercise through a survey. Most questions in the survey were multiple choice questions with a standard five option range of responses available: Strongly Disagree; Disagree; Neither Agree nor Disagree; Agree; and Strongly Agree. Our survey also included two free-form questions giving respondents the opportunity to identify issues with current skills arrangements affecting their organisation or member bodies and suggestions for improvements they would like to see in the skills system. Whilst the survey only issued to a small number of bodies, responses that were received provided useful insight into stakeholder perspectives.

We did not undertake a detailed review of the performance measures and evaluations for each of the skills programmes provided by DfE.

# NIAO Reports: 2023 and 2024

## NIAO Reports 2023 and 2024

Title	Date Published
<b>2023</b>	
Planning Fraud Risks	01 March 2023
Public Procurement in Northern Ireland	25 April 2023
Ministerial Directions in Northern Ireland	27 April 2023
Pre-school Vaccinations in Northern Ireland	05 May 2023
Mental Health Services in Northern Ireland	23 May 2023
Reducing Adult Reoffending in Northern Ireland	13 June 2023
Innovation and Risk Management - A Good Practice Guide for the Public Sector	27 June 2023
Developing the Northern Ireland Food Animal Information System	28 June 2023
School Governance - A Good Practice Guide	04 July 2023
The Judicial Review Process in Northern Ireland	04 July 2023
Overview of the NI Executive's response to the COVID-19 pandemic (3rd Report)	27 July 2023
Continuous Improvement Arrangements in Policing	10 August 2023
Approaches to Achieving Net Zero Across the UK - Report by the four Auditors General of the UK	15 September 2023
Tackling Waiting Lists	10 October 2023
Local Government Auditor's Report 2023	15 December 2023
Comptroller and Auditor General's Report on Financial Audit Findings 2023 - Central Government	20 December 2023
<b>2024</b>	
Tackling the Public Health Impacts of Smoking and Vaping	30 January 2024
Major Capital Projects: Follow-up Report	27 February 2024
Child Poverty in Northern Ireland	12 March 2024
Access to General Practice in Northern Ireland	20 March 2024
Water Quality in Northern Ireland's Rivers and Lakes	25 March 2024
Funding water infrastructure in Northern Ireland	27 March 2024
Budgeting and Accountability	24 May 2024
Review of Waste Management	05 July 2024
Continuous Improvement Arrangements in Policing	05 July 2024
Public Bodies' Response to Misrepresented Soil Analysis	05 July 2024



Northern Ireland  
**Audit Office**

**Independence and excellence in  
audit to improve public services**





# Public Bodies' Response to Misrepresented Soil Analysis

Report by the Comptroller  
and Auditor General and the  
Local Government Auditor

---

Published  
05 July 2024



**For further information about the  
Northern Ireland Audit Office:**

Northern Ireland Audit Office  
106 University Street  
Belfast, BT7 1EU

028 9025 1000  
[info@niauditoffice.gov.uk](mailto:info@niauditoffice.gov.uk)  
[www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)

© Northern Ireland  
Audit Office 2024

This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of the Order, and Article 26 (1) of the Local Government (Northern Ireland) Order 2005.

The Comptroller and Auditor General is the head of the Northern Ireland Audit Office. She, and the Northern Ireland Audit Office are totally independent of Government. She certifies the accounts of all Government Departments and a wide range of other public sector bodies; and she has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

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

**Dorinnia Carville**  
Comptroller and Auditor General

05 July 2024

**Colette Kane**  
Local Government Auditor

05 July 2024

# Contents

	<b>List of Abbreviations</b>	<b>5</b>
	<b>Key Facts</b>	<b>6</b>
	<b>Executive Summary</b>	<b>7</b>
<b>Part One</b>	<b>Background and Introduction</b>	<b>19</b>
<b>Part Two</b>	<b>Responses from NI Public Bodies</b>	<b>25</b>
<b>Part Three</b>	<b>Findings and Recommendations</b>	<b>33</b>
<b>Part Four</b>	<b>Conclusions</b>	<b>43</b>
<b>Appendix 1</b>	<b>Number of Misrepresented Planning Applications by Council Area</b>	<b>46</b>
<b>Appendix 2</b>	<b>Making Partnerships Work: Self-Assessment Checklist</b>	<b>47</b>
<b>NIAO Reports 2023 and 2024</b>		<b>49</b>

# List of Abbreviations

<b>AFBI</b>	Agri-Food and Biosciences Institute
<b>DAERA</b>	Department of Agriculture, Environment and Rural Affairs
<b>DfI</b>	Department for Infrastructure
<b>FBIS</b>	Farm Business Improvement Scheme Package of measures aimed at improving the competitiveness and sustainability of the farming sector.
<b>IPPC Directive</b>	Integrated Pollution Prevention and Control Directive
<b>NIEA</b>	Northern Ireland Environment Agency
<b>NMPs</b>	Nutrient Management Plans Essential tool for agricultural planning applicants. Nutrient management planning matches nutrient inputs (fertilisers and organic manures) to crop demand.
<b>PSNI</b>	Police Service of Northern Ireland
<b>SES</b>	Shared Environmental Service A shared service established in 2015 to support councils to carry out Habitats Regulations Assessments for their planning functions.
<b>SNHS</b>	Soil Nutrient Health Scheme
<b>SOLACE</b>	Society of Local Authority Chief Executives

# Key Facts



**108**

agricultural planning applications affected



**around 3,500**

false soil sample results



**9 out of 11**

councils affected

# Executive Summary

## Background

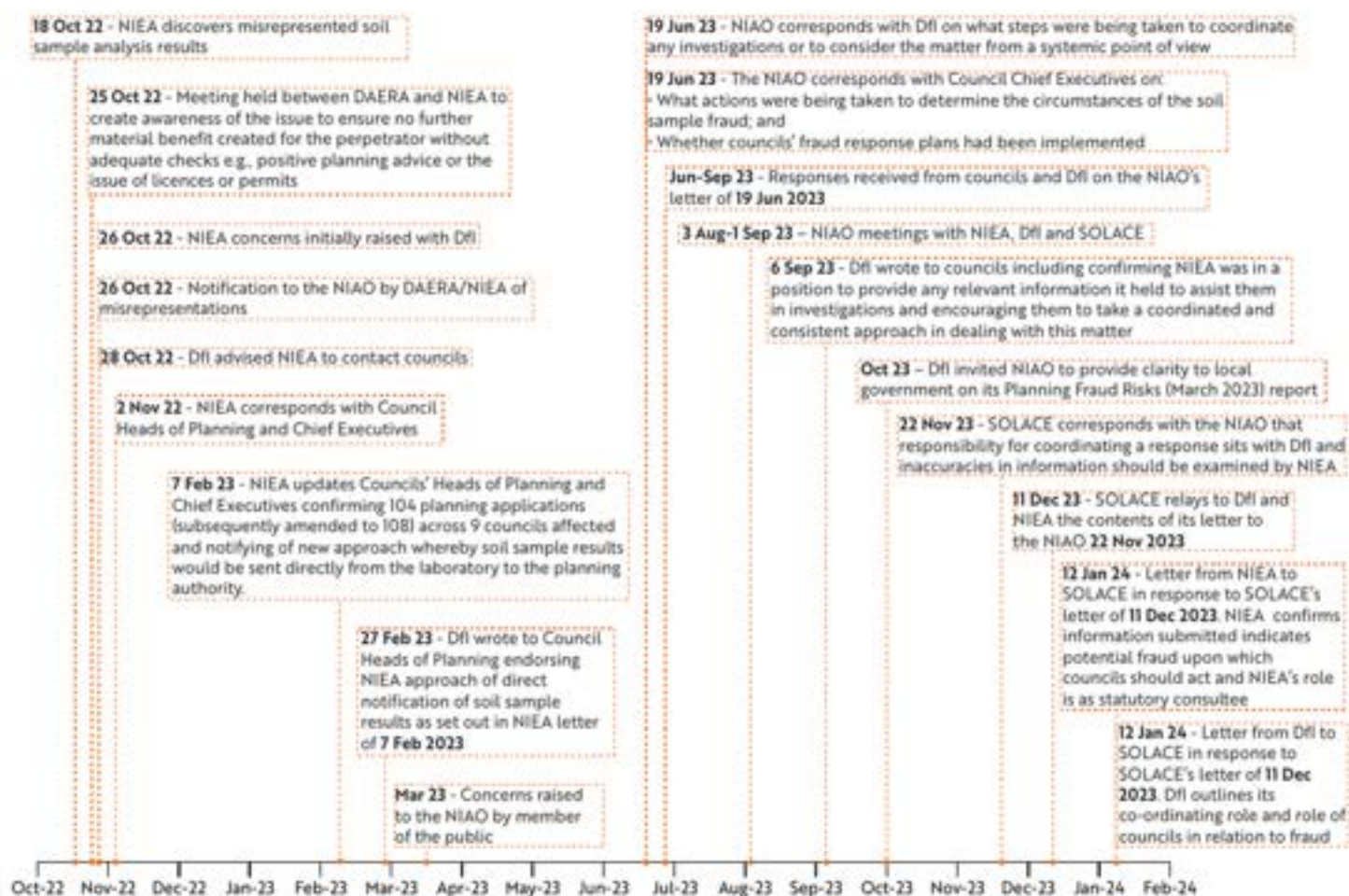
1. Certain agricultural practices including intensive farming and the development of anaerobic digestion facilities can have a potentially negative impact on the environment due to the spreading of nutrient rich material on farmland, such as slurry. As a result, there are strict regulatory requirements around establishing or developing the infrastructure associated with these activities. One of these requirements is for applicants to obtain planning permission.
2. In Northern Ireland, the Planning Act (NI) 2011 (the Planning Act) established a two-tier structure for the delivery of planning functions in Northern Ireland (NI). The Department for Infrastructure (DfI) has a central strategic role in the planning system and has responsibility for preparing planning regional policy and legislation, as well as monitoring and reporting on the performance of councils' delivery of planning functions. In addition, DfI makes planning decisions in respect of a small number of regionally significant and called-in applications. Councils' role includes determining the vast majority of planning applications, investigating alleged breaches of planning control and determining what action should be taken. DAERA also has an input to the planning system in NI, with its executive agency, the NI Environment Agency (NIEA), being a statutory consultee to the local planning authorities. Relevant bodies' responsibilities for planning in NI are summarised in **Figure 2**.
3. The submission of a Nutrient Management Plan (NMP) is required as part of the application to the relevant council for certain agricultural planning permissions. The NMP allows planning applicants to demonstrate that they have assessed the land spreading aspect of their development proposals and have identified an environmentally sustainable outlet or can deal with nutrient rich material, including digestate and manures, without creating environmental harm.
4. NIEA has responsibility for protection of the environment and for promotion of environmentally sustainable development. NIEA fulfils the statutory consultee role in the planning process on behalf of DAERA and provides expert advice and guidance, on areas within its responsibility, to support councils on planning matters.
5. In addition, in cases where a proposal for intensive farming exceeds certain thresholds, as well as obtaining planning permission from the local council, applicants must obtain environmental authorisation in the form of permits or licenses from NIEA. The NMP is again a key consideration in the decision to award the authorisation.
6. A significant element of the NMP is a report on an analysis of the soil upon which the farming activities are to take place. The soil sample analysis results provide information about nutrients in the soil and help to show the extent to which fields can absorb material such as slurry, so that it won't run off into streams and rivers. Such agricultural run-off has been identified as the main contributing factor for the growth of toxic blue-green algae blooms which significantly affected Lough Neagh and other waterways in Northern Ireland in recent years. The soil samples taken are analysed by a laboratory whose reports are submitted as part of the NMP.
7. NMPs are therefore an essential tool to satisfy environmental regulations and fulfil agricultural planning requirements.



## Introduction

8. On 18 October 2022, NIEA first became aware that misrepresented soil sample analysis results had been submitted to them for environmental authorisations and in support of planning applications. NIEA discovered that laboratory reports on soil sample results were either fabricated in their entirety or had been changed prior to submission without the analysing laboratory's knowledge. By 2 November 2022, NIEA had notified relevant stakeholders including its parent department DAERA, DfI, the NIAO and local councils.
9. One hundred and eight planning applications for agricultural developments in Northern Ireland have been concluded to be affected across nine of the eleven councils, encompassing a total of 3,461 false soil sample results dating back to at least 2015. **Appendix 1** shows the number of misrepresented planning applications by council area. Also affected are 19 applications for environmental authorisations and 10 applications for funding under the Farm Business Improvement Scheme (FBIS).
10. In March 2023, a member of the public raised concerns with the NIAO over the handling of this case by NI public bodies. In particular, whilst acknowledging that NIEA had initiated an investigation into the applications for environmental authorisations, the person raising the concern highlighted significant frustration that there appeared to be a lack of ownership or acknowledgment of the fact that there was a separate potential planning fraud issue that required to be investigated. This was despite the relevant bodies being alerted to the issue five months previously from October 2022. In our opinion, the misrepresented soil samples should have been recognised by councils as potential planning fraud when notified by NIEA. The person raising the concern advised that despite having engaged in multiple communications with public bodies, there was no ongoing active investigation into potentially fraudulent planning applications associated with this case.
11. The NIAO subsequently began its enquiries into the concerns raised by the member of the public. The NIAO held several meetings and had communications with various officials within NIEA, DfI, councils and SOLACE (Society of Local Authority Chief Executives). This report explores the appropriateness of the response of the relevant NI public bodies, specifically DfI, councils and NIEA, following the discovery of misrepresented soil sample analysis results.
12. From the NIAO enquiries undertaken, it was established that the timeline of events took place as set out in **Figure 1** below.

## Figure 1: Timeline of Events



## Findings and Recommendations



### Finding 1

**There was a lack of effective collaboration between NI public bodies in response to notification of potential planning fraud.**

13. NIEA took proactive steps when it established in October 2022 that some results in soil sample reports it had received had been falsified. NIEA checked with the reporting laboratory the validity of all soil sample reports submitted for planning applications dating back to 2015 and identified that there were 108 misrepresented cases, affecting nine of NI's eleven councils and encompassing almost 3,500 individual soil sample analyses.
14. In addition to NIEA, the other key stakeholders potentially affected were DAERA, DfI and councils, and NIEA had given a high-level assessment of the position to them by 2 November 2022, only a few weeks after the situation was confirmed by NIEA. NIEA subsequently undertook a review of past and current planning applications and on 7 February 2023, it passed its findings to the local council planning authorities. Each council was given specific information in terms of the number of cases affecting that council. DfI established that it had not been the determining planning authority for any of the 108 cases identified by NIEA.

15. **Subsequent to this, collaboration between some of the key planning bodies was extremely poor.** We found that there is a lack of clarity around responsibility for undertaking investigations into potential agricultural planning fraud in NI and no organisation appeared to be willing to step forward to ensure a co-ordinated and consistent approach across the planning system.
16. When NIEA wrote to Council Chief Executives and Heads of Planning on 7 February 2023, they provided a listing to each individual council of affected applications in each council area. NIEA told the NIAO that they subsequently made their position very clear that any investigation into the 108 planning applications was outside NIEA's remit as a statutory consultee and therefore was a matter for councils. This was clarified in a meeting between the NIAO and SOLACE on 1 September 2023 and specifically noted in NIEA's letter on 12 January 2024 to SOLACE. However, a number of councils advised that prior to these communications they were unaware that NIEA would not be carrying out the investigations on their behalf.
17. What followed the early notifications was a series of communications for over a year between DfI, councils, NIEA and SOLACE, on councils' behalf, the net result of which was that disagreement remained around which organisation should take responsibility for thoroughly and rigorously investigating the possible planning fraud aspect of this case. For that reason, a number of the planning authorities did not initially launch an investigation into potential planning fraud. In addition, there was insufficient focus on ensuring that a consistent and collaborative approach was adopted across councils. This reluctance to act was despite a concerned member of the public pressing for action and the direct intervention of the NIAO.
18. In a meeting with DfI in August 2023, the NIAO highlighted the beneficial roles that DfI could play in firstly promoting a consistent and co-ordinated approach by all affected councils, and secondly by acting as a point of co-ordination between councils and Police Service of Northern Ireland (PSNI) in relation to any criminal investigations. The response from DfI was that it had worked closely with NIEA to ensure that systemic control measures were put in place (to help prevent this from happening again in the planning application process), communicating with councils and reinforcing messages from NIEA, and encouraging councils, as the responsible planning authorities for their respective applications, to continue to engage with NIEA on this matter for any undetermined applications, as well as those which had previously been determined.
19. In response to the NIAO's concerns about an inconsistent approach being taken by councils to the potential fraud issue, DfI acknowledged the importance of this matter and re-iterated the role that DfI had played, appropriate to its remit, and that it was content to continue to facilitate or assist with providing information to councils. However, it clarified that with regards to the individual council investigations, this was a matter for those councils which have their own internal governance and fraud arrangements. DfI advised that, whilst it has an oversight role in relation to the planning system in Northern Ireland, its interest in exercising these powers is not to interfere with a council's right and responsibility to take its own decisions.

20. **It is concerning that DfI, the department with responsibility for oversight of the NI planning system, considered it inappropriate to get more directly involved to ensure that all nine affected councils had initiated an investigation into potential planning fraud. Furthermore, it is disappointing that it was unwilling to act as a regional point of co-ordination between the affected councils and PSNI.** Taking these actions would have ensured a consistent sector-wide approach. Indeed, DfI instead suggested that the NIAO should itself pursue this objective of securing a consistent, sector-wide approach to the issue and suggested that the NIAO should contact SOLACE in that regard. The NIAO notes that SOLACE is a voluntary organisation with no authority or accountability for oversight of planning matters in NI.
21. The relative perspectives of the various bodies are succinctly summarised in a series of communications between NIEA, DfI and SOLACE (on councils' behalf) in December 2023 and January 2024 which note the following:
- SOLACE, on behalf of councils, stated that responsibility for co-ordinating a response across the sector should rest with DfI and not with SOLACE, that councils should continue to co-operate with NIEA and should co-operate fully with the PSNI investigation;
  - DfI responded that it had written to councils in February 2023 and strongly encouraged affected councils to take a co-ordinated and consistent approach;
  - councils stated that any further investigation of inaccuracies in the soil sample reports should be undertaken by NIEA; and
  - NIEA replied by reiterating that it is for councils to act upon information that indicates potentially fraudulent planning applications and NIEA's role is as a statutory consultee.
22. **Many of the issues we highlight in this report are not new.** In the NIAO report 'Planning in Northern Ireland' published in February 2022, the 'urgent need for improved joined up working between organisations delivering the planning system' was noted. We recommended that all statutory bodies involved in the planning system should play their part and fully commit to a shared and collaborative approach going forward.
23. The Public Accounts Committee report on Planning in Northern Ireland, published in March 2022, commented as follows:

*'The operation of the planning system is one of the worst examples of silo-working within the public sector...there is fragmentation at all levels – between central and local government, within statutory consultees, amongst the local councils and even the Department [DfI] itself appears to operate in functional silos...there is an urgent need for a radical cultural change in the way in which central and local governments interact. If the planning service is to improve, the Department and councils must start to collaborate as equal partners. This will require a concerted effort from all those involved to work in a more productive way.'*

24. Our investigations during the current review found that much more could have been done as regards a shared or collaborative approach to the issues arising from misrepresented soil sampling analysis results, and full commitment to an overarching or co-ordinated response was lacking.
25. Whilst DfI told the NIAO that **work is ongoing to implement the actions in the March 2022 PAC report, our findings indicate that the comments made in that report in relation to silo working and fragmentation have still not been adequately addressed.**



## Finding 2

**There was a failure by councils to initiate an investigation of potential planning fraud on a timely basis.**

26. Less than half of the nine affected councils confirmed that they had initiated their fraud response plans at the time of responding to the NIAO's June 2023 letter, despite being alerted to the issue by NIEA on 7 February 2023.
27. It appears that some councils did not initially commence fraud investigations as they believed it was the responsibility of NIEA and it would only be for councils to investigate if there had been a breach of planning conditions.
28. One council, in correspondence in May 2023 to a member of the public who raised concerns, noted that NIEA notifications contained no specific reference to fraud. The correspondence to the councils from NIEA in February 2023 stated that the soil sample results were misrepresented. Therefore, this should have been sufficient for the Council to have considered the matter as potential planning fraud.
29. The NIAO report on Planning Fraud Risks issued in March 2023 noted that 'the planning system is susceptible to potential fraud and corruption. For example: ...planning applicants may make false or misleading statements in planning applications or provide false supporting documentation...'
30. We therefore find it alarming and a matter of great concern that any council could consider the submission of falsified information in an application for planning permission to be anything other than potential fraud, especially since that exact scenario was highlighted as an example of potential fraud in the NIAO Planning Fraud Risks report in 2023.
31. One council stated that the matter didn't fall within the remit of its Fraud Policy as there was no evidence to suggest the allegations related to or involved a council employee. This raises a question around the adequacy of this council's fraud policy if limited to internal fraud, or alternatively to officers' understanding of the scope of the policy if it is intended to apply more broadly.



## Finding 3

**Lessons were not learned from a similar case in 2021.**

32. In 2021, the Republic of Ireland's agri-food agency, Teagasc, discovered that a number of poultry farming planning applications in Northern Ireland were supported by falsified documents purporting to come from them. These documents claimed that manure generated by animals housed in new sheds to be erected in NI would be exported to the Republic of Ireland. These documents were vital to satisfy NI's environmental regulations and therefore critical in ensuring that planning permissions would gain approval.
33. DfI was notified of the issue and subsequently wrote to councils advising them to consider the impact of potentially false Teagasc information in respect of planning decisions granted or in the process of consideration. Councils were also advised that any future letters purportedly from Teagasc were to be checked directly with Teagasc to establish their authenticity.
34. Councils appeared to believe that tracing animal waste exports fell under DAERA's responsibility for waste and some councils treated the issue only as a breach of planning conditions rather than as potential planning fraud.
35. There are direct comparisons between the 2021 case and the current case. It appears that lessons were not learned from the 2021 incident. Had the advice of DfI to check the authenticity of the Teagasc reports been considered more widely, then the weaknesses exploited in the current case may have been discovered at an earlier point. It is concerning that insufficiently robust action in 2021 may have contributed to a continuation of the issues identified in this report.



#### Finding 4

**Ineffective controls failed to prevent or detect on a timely basis the reporting of false soil analysis results.**

36. When the circumstances of the current case came to light, to strengthen controls, NIEA introduced changes in the process for application for planning permission and for environmental authorisations. The changes were endorsed by DfI. They included a requirement for planning applicants to request the testing laboratory to submit the results of their soil sample testing directly to the relevant council. Previously, soil sample analysis results were sent by the analysing laboratory back to the applicant or his/her planning agent who would then submit the results to the planning authorities.
37. However, whilst this was a positive development, there is still a significant control weakness in these new arrangements. Even with the direct submission of soil sample results by the laboratory, there still exists the risk that soil sample results could be manipulated by samples being extracted from locations other than those for which planning permission is being sought.
38. A verification retest of one set of samples was undertaken by NIEA as a pilot. The results of the retest by NIEA showed significantly higher levels of polluting nutrients than those stated on the laboratory reports that had been submitted. Therefore, the current process would not appear to provide adequate assurance that fraudulent results submitted in future will be detected. We are advised that a business case has been developed for additional resource to implement this retest control on a wider scale going forward.

39. The misrepresentation of soil testing results has potential implications for applications for funding to the Farm Business Improvement Scheme (FBIS). DAERA has confirmed that, following discovery of the submission of fraudulent soil analysis results, a pre-payment condition has been placed in the Letter of Offer for successful funding applications and this requires evidence from the planning authority that the claimant's planning application is still valid at claim stage. Although this is another positive addition, the applicant can simply resubmit new soil sample results and, so long as the planning authority accepts them, they can proceed to apply for the grant, ignoring the fact that potentially fraudulent soil sample reports had initially been submitted.
40. In April 2022, the Soil Nutrient Health Scheme (SNHS) was launched. The SNHS is a four-year, comprehensive regional soil sampling and analysis programme aimed at testing the soil in all 700,000 fields used for farming in NI. The SNHS is being rolled out on a zonal basis, with all 4 zones to be completed by 2026. The scheme has yet to be rolled out to Zones 3 and 4, covering the North East and North West of Northern Ireland. Currently, NIEA does not have access to soil sampling results from the SNHS scheme unless the soil analysis reports are voluntarily included by the applicant in a planning application.
41. The introduction of this scheme, if it is used in planning applications that include a Nutrient Management Plan, could help to reduce the risk of submission of fraudulent soil analysis reports occurring or remaining undetected in the future. We note the uptake for the scheme has been high so far, although its use in future planning applications is to be confirmed.



## Finding 5

**Potentially more effective arrangements for minimising the impact of excessive levels of nutrients are in place in England.**

42. A member of the public raised concerns with NIAO about the current soil sample testing arrangements in Northern Ireland, contending that there are approaches in operation in some situations in other areas of the UK that are more effective than the current NMP approach in NI for dealing with diffuse pollution loading from agricultural practices.
43. An example referenced was the arrangements in place in England to protect designated sites under the Conservation of Habitats and Species Regulations 2017. These arrangements adopt a "nutrient neutrality" approach which ensures that the amount of nutrient pollution entering rivers does not increase because of a new development. Where pollution levels exceed prescribed levels on Habitats Sites, local planning authorities cannot grant permission for new development to take place, unless they can be satisfied that it will not cause further harm to the natural environment (i.e. they are nutrient neutral).
44. The member of the public raising these concerns believes that adopting similar regulations in NI would provide additional protection to the environment.

## Recommendations

### More Effective Collaboration

45. As recommended in the NIAO February 2022 report on Planning in Northern Ireland, we would reiterate that **all statutory bodies involved in the planning system should play their part and fully commit to a shared and collaborative approach going forward**. This will necessitate working as equal partners.
46. The NIAO April 2019 report entitled Making Partnerships Work states that 'central and local government working collaboratively...adds value to public services'. **We would recommend that all bodies involved in the planning system in NI review the self-assessment checklist contained in that report and, as a matter of urgency, develop a protocol that clarifies the roles and responsibilities of all stakeholders and ensures effective collaboration**. For ease of reference, the checklist has been included in **Appendix 2** of this report.

### Planning fraud investigations

47. We recommend that councils review the scope of their fraud policies, procedures and response plans to ensure that any alleged submission of misrepresented or falsified information in planning applications is treated as potential fraud and investigated accordingly.
48. Councils should ensure that all officers involved in the planning process understand the scope of their organisation's fraud policy and response plan, as well as their role in identifying indicators of planning fraud and dealing with allegations of potential fraud should they arise.
49. Whilst we understand that primary responsibility for taking any action under the Planning Act in relation to previously determined applications rests with individual councils, we recommend that DfI should take a more active role in ensuring that a consistent and co-ordinated approach is taken by councils where sector-wide potential planning fraud issues arise in future. This might not necessarily involve DfI leading the investigations, but DfI should as a minimum seek confirmation that each council has formally considered whether the specific circumstances in its council area merit further investigation in accordance with the council's fraud response plan. Furthermore, it would be appropriate for DfI to seek further explanations from councils in the event that some councils initiate an investigation and others do not.
50. DfI should put arrangements in place to nominate a point of contact to act as a liaison between councils and PSNI as a means of securing an efficient and effective outcome in future cases of sector-wide potential planning fraud.
51. DfI should co-ordinate sector-wide training and awareness sessions as a means of promoting greater consistency in this area.



## Learning the lessons

52. **We recommend that DfI and councils, with the support of NIEA, should initiate a full review of the circumstances surrounding the 2021 case, together with the current issues highlighted in this report.** The aim of this review should be to establish whether there are any further actions required or issues of a similar nature that might as yet remain undiscovered.
53. **DfI should ensure that any relevant lessons identified from the above review are disseminated to all planning authorities and it should subsequently seek assurances from councils regarding implementation of measures to ensure that any future misrepresentations in the planning system are discovered and investigated at an early stage.**

## More effective controls

54. **We recommend that independent substantive retesting of reported soil analysis results should be undertaken at a level that will provide adequate assurance over the integrity of all soil analysis reports submitted in future,** as part of either agricultural planning applications or agricultural authorisations. **We recommend that NIEA should carry out this independent sample testing.**
55. **We recommend that there is an accelerated roll out of sample testing for Zones 3 and 4 under the Soil Nutrient Health Scheme.**
56. **We recommend that councils and other public bodies involved in the planning process refamiliarise themselves with the NIAO March 2023 report on Planning Fraud Risks and ensure that, so far as possible, the mitigating controls recommended therein are put in place as a matter of urgency.**

## Additional environmental protection

57. **We recommend that DAERA and DfI jointly review existing planning regulations and determine whether they are sufficient to protect the environment from the impact of diffuse pollution. This review should also consider other potentially more effective approaches such as the "nutrient neutrality" approach adopted for protected Habitats Sites in England.**

## Conclusions

- 58.** Subsequent to the initial contact from DAERA in October 2022 in relation to potential fraud, the NIAO was alerted by a member of the public to the fact that a number of public bodies were reluctant to take ownership of the need to investigate whether issues discovered by NIEA constituted potential planning fraud. Frustration was expressed that one public body seemed to be passing responsibility to another and as a result, potential planning fraud was going unchecked. More importantly, the concern was raised that ongoing damage was potentially being done to the environment as a result of a lack of compliance with planning regulations.
- 59.** The NIAO undertook a review and found that collaboration was poor between a number of the bodies involved, with a lack of clarity about specific roles and responsibilities as regards investigation of potential planning permission fraud for agricultural developments. We discovered evidence that some of the issues we investigated were not new and that lessons appeared not to have been learned from a number of relevant reports previously issued by the NIAO and the NI Assembly's Public Accounts Committee.
- 60.** We noted that some positive measures were taken on discovery of the issue in order to improve the controls in operation around the planning permission application process. However, we identified that there are still inherent weaknesses in the current arrangements that require to be addressed. We are somewhat assured that there are arrangements in place to address some of these weaknesses, although an acceleration of the implementation timelines would be beneficial. We have made a number of recommendations in our report to assist in further addressing the issues raised.
- 61.** We were disappointed that more proactive steps were not taken, despite the concerns being raised by a member of the public and the direct and repeated intervention of the NIAO. It is essential that the planning system commands public confidence and in our view that confidence has been undermined as a result of the response to this issue by the NI public sector generally.

**Part One:**

# **Background and Introduction**

## Planning responsibilities in Northern Ireland

- 1.1 In Northern Ireland, responsibility for planning is shared between DfI and the eleven local councils as planning authorities.
- 1.2 The respective roles of DfI and local government district councils in the Northern Ireland planning system are set out in legislation and reflect the intention of the NI Executive to create a two-tier planning system in 2015, transferring the majority of planning functions to the newly formed councils. Local councils have responsibility for a significant number of planning functions and are autonomous political authorities, outside the direct control of DfI.
- 1.3 This report focuses mainly on the potential planning fraud aspect as a result of the submission of misrepresented information in support of planning permission applications to councils. DfI has confirmed to the NIAO that it was not the determining authority for any of the planning permission decisions referred to in this report. The determining authority was one of the councils in each of the cases. Councils are responsible for investigating alleged fraud in respect of any of their functions, under their own anti-fraud and governance policies, procedures and response plans.
- 1.4 Consideration of any action under the Planning Act in respect of previously determined planning applications which may have been affected by misrepresented information, is a matter for the planning authority which took the decision(s) in the first instance, in this case, the councils.
- 1.5 Relevant powers available under the Planning Act in such circumstances are discretionary and a matter for the relevant planning authority, if considered 'expedient'. The use of such powers is therefore a consideration by the relevant planning authority, taking into account the individual circumstances of each case, having regard to the local development plan and any other material considerations including the proper planning of the area within its district, amenity interests and the wider public interest generally.
- 1.6 Notwithstanding the above, DfI, in its oversight role, works to support local planning authorities in addressing systemic issues and seeks to promote consistency in approach in line with regional objectives and policies.
- 1.7 DAERA's planning responsibilities include advice, with NIEA, an Executive Agency within DAERA, being a statutory consultee to the local planning authorities.
- 1.8 **Figure 2** summarises the responsibilities of each of these bodies.

**Figure 2: Responsibilities for planning in Northern Ireland**



## Background

- 1.9** There are strict regulatory requirements around establishing or developing the infrastructure associated with intense farming activities and anaerobic digestion facilities. One of these requirements is for applicants to obtain planning permission from their local council. In addition, in cases where a proposal for intensive farming, for example of pigs or poultry, exceeds certain thresholds, as well as obtaining planning permission from the local council, applicants must obtain environmental authorisations from NIEA.
- 1.10** These agricultural planning applications require the submission of supporting information that demonstrates the environmental impacts of the development or proposal from the spreading of nutrient rich material, such as slurry, on farmland. For each field (no larger than 4 hectares) where digestate, manure, slurry or litter is to be applied, a Nutrient Management Plan (NMP) is required. DAERA publishes guidance on the information required in an NMP, full detail of which can be found on [their website](#).
- 1.11** NIEA began requesting NMPs in 2015 to assist in the consideration of planning applications and environmental authorisations, and their potential impact on the environment. NMPs can be subject to review by NIEA and councils. NIEA fulfils the statutory consultee role in the planning process on behalf of DAERA and provides expert advice and guidance on areas within its responsibility, to support councils on planning matters. However, NIEA informed us that whilst it provides advice, any regulatory or enforcement action in relation to planning applications is the responsibility of the local council planning authorities.
- 1.12** An NMP should include soil sample analysis results that are less than four years old. Soil samples are taken by either the applicant or their agent on the applicant's behalf and then sent to a laboratory for analysis. Analysis results are presented on the laboratory's headed paper, using the laboratory reporting template, and are signed off by an employee from the laboratory.
- 1.13** Until recently, the process was that the results were sent back to the applicant or their agent. A copy of the laboratory results was then submitted by the applicant or their agent to the planning authority (the relevant council) as part of the planning permission process and to NIEA if environmental authorisations were required. The return of the laboratory results to the applicant or agent was a flaw in the overall system of control and, as will be highlighted later in this report, one that was exploited.
- 1.14** NMPs which include these soil sample analyses are therefore an essential tool to satisfy environmental regulations and fulfil agricultural planning requirements. They allow planning applicants to demonstrate that they have assessed the land spreading element of their development proposals and have identified an environmentally sustainable outlet or can deal with nutrient rich material including digestate and manures, without harming the environment. Failure to do so means the planning applicant has failed to demonstrate an assessment of the environmental impact of their development.

## Introduction

- 1.15** According to information published on the [DAERA website](#) in 2018, only 18 per cent of soils analysed in Northern Ireland are at optimum fertility for pH, Phosphorus and Potassium. In October 2022, an NIEA officer became suspicious of multiple soil samples with notably low Phosphorus results. The NIEA officer contacted the analysing laboratory in England to cross check soil sample records and discovered multiple misrepresentations of soil sample analysis results included in NMPs, submitted in support of agricultural planning applications and environmental authorisations for anaerobic digester plants and agricultural livestock houses. In many cases, the purported analysing laboratory had no record of the sample reference numbers presented within the NMPs. NIEA discovered that results had either been fabricated in their entirety or had been changed without the laboratory's knowledge.
- 1.16** NIEA has identified 108 planning applications for agricultural developments in Northern Ireland (both determined and those currently under consideration) that have been supported by misrepresented and, according to NIEA following examination, false and potentially fraudulent soil sample analyses. These relate to 8 anaerobic digester plant applications and 100 agricultural livestock house applications. A total of 3,461 false soil samples have been found to have been submitted in support of these planning applications dating back to 2015, when NIEA introduced the requirement for an NMP.
- 1.17** A number of the planning applications determined in 2015 had been submitted in 2012, 2013 and 2014 but were still awaiting a decision in 2015, and therefore required an NMP. **Appendix 1** sets out the number of misrepresented farm planning applications by council area.
- 1.18** Also identified were misrepresentations in 19 applications for environmental authorisations; 14 of these were on hold and five had already been granted. NIEA subsequently launched an investigation into alleged fraudulent applications for environmental authorisations relating to these cases. Based upon NIEA's review of the affected planning applications and environmental authorisations, the cumulative total of manures proposed to be spread in Northern Ireland was approximately 306,000 tonnes per annum.
- 1.19** Ten current applications for funding under the Farm Business Improvement Scheme (FBIS) were also affected. Successful applications under this Scheme have a pre-payment condition inserted into their letters of offer to ensure continued compliance with planning is evidenced at claim stage. This requires evidence from the planning authority that their planning application still holds at claim stage. DAERA confirmed that none of these applicants have received funding and it was not aware of any other planning applications impacted by misrepresented soil sample analysis results which have previously been in receipt of EU funding under the FBIS scheme.

- 1.20** In March 2023, concerns were raised with the NIAO by a member of the public over the handling of this case by NI public bodies. In particular, the person raising the concern acknowledged that NIEA had initiated an investigation into the fraudulent application for environmental authorisations but highlighted significant frustration that despite being alerted to the issue from October 2022, five months later there still appeared to be a lack of ownership or acknowledgment of the fact that there was a separate potential planning fraud issue that required to be investigated. The person raising the concern advised that as a result, at the point the matter was raised with the NIAO, despite having engaged in multiple communications with public bodies, there was no ongoing active investigation into potentially fraudulent planning applications associated with this case. However, the misrepresented soil samples should have been recognised by councils as potential planning fraud when notified by NIEA.
- 1.21** The NIAO subsequently began its enquiries into the concerns raised by the member of the public. The NIAO had a number of meetings and communications with various officials within NIEA, DfI, councils and SOLACE (Society of Local Authority Chief Executives). From the NIAO enquiries, it was established that the timeline of events took place as set out in **Figure 3**. This report explores the appropriateness of the response of a number of NI public bodies, specifically DfI, councils and NIEA, following the discovery of misrepresented soil sample analysis results.



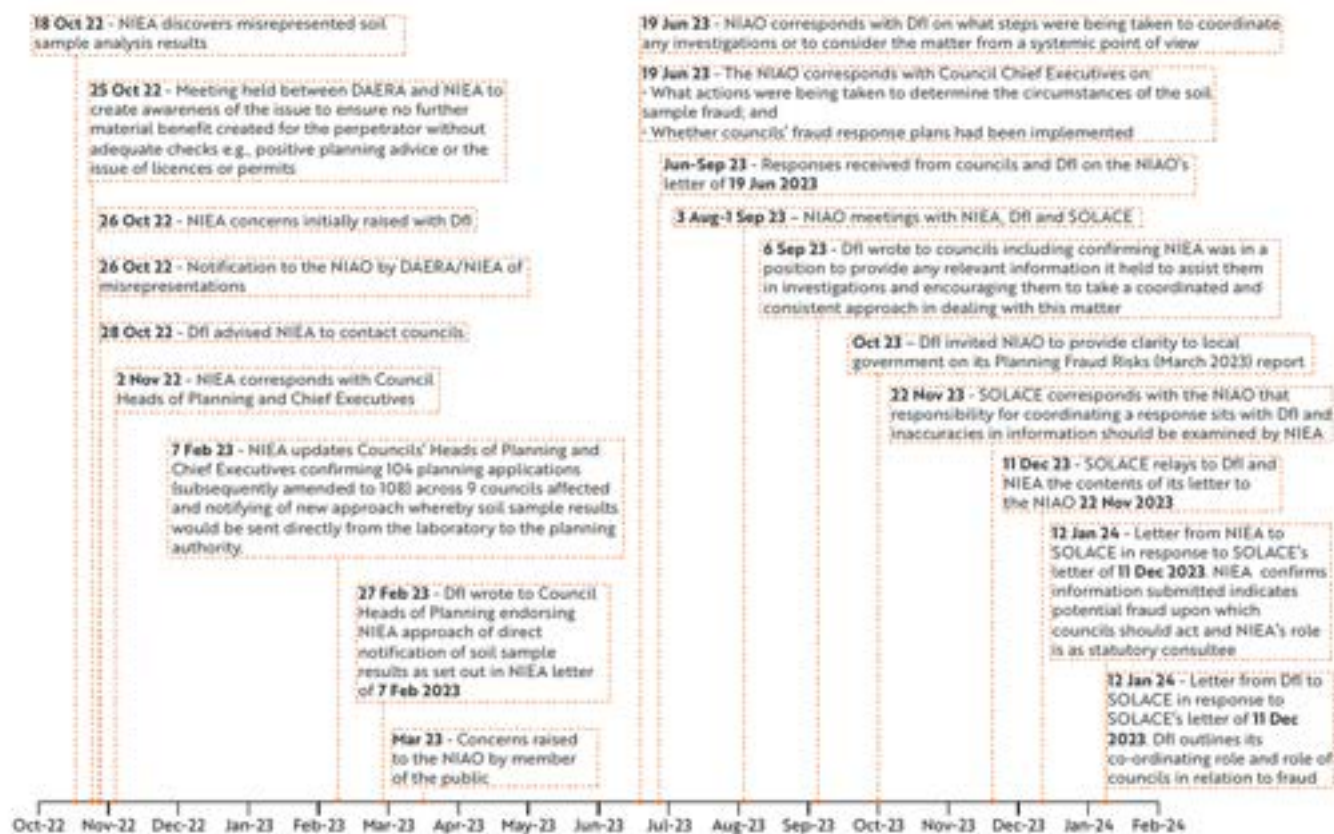
**Part Two:**

# **Responses from NI Public Bodies**

## Responses from NI Public Bodies

- 2.1 Following the discovery that soil sample results were misrepresented, the sequence of events was as shown in **Figure 3** below.

**Figure 3: Timeline of Events**



- 2.2 In the following paragraphs we set out in detail the responses provided by NIEA, DfI and councils.

## NIEA response

- 2.3 DAERA has a role in providing 'environmental advice for planning' and its Executive Agency, NIEA, is responsible for promoting 'environmentally sustainable development'.

- 2.4** NIEA told the NIAO that it was not directly involved in all 108 planning applications as their responsibility extends only to environmental authorisations, i.e. the granting of licences or permits in certain cases such as under the Integrated Pollution Prevention and Control (IPPC) Directive. This applies to many industrial sectors, including the intensive farming of pigs and poultry. Under the IPPC Directive, intensive pig and poultry units over specified thresholds must obtain a permit to operate. The thresholds are as follows:
- Poultry: 40,000 bird places; and
  - Pigs: 750 sows or 2,000 production pigs over 30kg.
- NIEA's responsibility therefore includes issuing licences or permits as part of larger agricultural planning applications where required. It also operates as a statutory consultee in the planning process.
- 2.5** NIEA initially raised concerns with its parent Department, DAERA, following the discovery of the misrepresentations on 18 October 2022. Following a meeting on 25 October 2022 between NIEA and DAERA, NIEA raised concerns with DfI the following day and corresponded with Council Heads of Planning and Chief Executives on 2 November 2022 to make them aware of the issue. NIEA also brought the matter to the attention of interested parties including the Shared Environmental Service (SES), established to support councils across Northern Ireland to carry out their habitats regulations assessments for their planning functions, and the Planning Appeals Commission, an independent body which deals with a range of land use planning issues and related matters.
- 2.6** NIEA also alerted DAERA Governance Branch who then informed the NIAO and the Department of Finance Group Fraud Investigation Service.
- 2.7** Having alerted Council Heads of Planning to this issue in November 2022, NIEA then undertook detailed preliminary checking with the laboratory that had purportedly provided the soil sample analysis reports. The purpose was to check the validity of the laboratory reports provided, to be able to provide councils with specific details of any misrepresented soil sample reports submitted as part of planning applications to those councils.
- 2.8** NIEA contacted each council individually on 7 February 2023 confirming the number of planning applications supported by false soil sample results for that council. NIEA told the NIAO that it later advised councils clearly that any investigation into the 108 planning applications was outside NIEA's remit as a statutory consultee and therefore was a matter for councils. This was clarified in a meeting between the NIAO and SOLACE on 1 September 2023 and specifically noted in NIEA's letter on 12 January 2024 to SOLACE. As a statutory consultee to the planning process, NIEA's responsibility is to provide planning authorities with advice and guidance.
- 2.9** NIEA informed the NIAO that it has launched criminal investigations into misrepresented soil sample analysis reports that have been submitted to it in support of environmental authorisation applications. Application for environmental authorisations is an entirely separate process from planning applications. The investigations into environmental authorisation applications do not extend to the 108 affected planning applications as NIEA has no investigative, regulatory or enforcement powers in relation to the planning process. The legislation which NIEA applies, in relation to environmental authorisations, includes the offence of submitting false or misleading statements or false entries. These offences are accompanied by significant penalties, including fines and potential imprisonment.

- 2.10** NIEA confirmed that responsibility for investigation of potential planning fraud rests with local councils. NIEA advised that the first step of any council investigation would be to seek information from NIEA on each individual case within the council area. NIEA would then provide councils with information held on each of the planning cases. This would provide each council with case specific evidence that false soil sample analysis results have been submitted in support of each of the identified planning applications. NIEA advised that councils should then decide whether this information indicated that a criminal offence had potentially been committed under the Fraud Act and initiate actions in accordance with their fraud response plans. This could then result in councils referring the matter to the PSNI.
- 2.11** On 11 December 2023, SOLACE, the Society of Local Authority Chief Executives, included in correspondence to NIEA (and DfI), its letter to the NIAO from 22 November 2023 which noted that inaccuracies in information should be examined by NIEA, and proposed that a meeting be organised between itself, DfI and SOLACE. On 12 January 2024, NIEA in response wrote to SOLACE, confirming that its examination of the soil sample analysis reports submitted in support of 108 planning applications, across 9 council areas, resulted in the conclusion that the submitted information was false and would indicate potential fraud. NIEA confirmed that, while it viewed the information on the Planning Portal in its role as statutory consultee, it was not the recipient of the information. As such, it had carried out preliminary checks with the laboratories and had alerted councils to the specific issues affecting each of them individually in February 2023. This was to enable councils to implement their governance and anti-fraud policies and procedures. NIEA noted that it would continue to support councils on the matter upon request, and in its role as a statutory consultee. NIEA referred to the Permanent Secretaries Group / SOLACE meeting in mid-February 2024, at which DAERA was represented, and invited SOLACE to raise this as an agenda item. NIEA advised that it also offered to attend a meeting with SOLACE and DfI on the issue.
- 2.12** NIEA stated that there were 14 live applications for environmental authorisations (licences and permits) which were affected by misrepresented soil sample analysis reports and NIEA placed determination of these on hold, pending further investigation. For the five environmental authorisations already granted (waste management exemptions for land spreading of digestate), which have been identified by NIEA as containing misrepresentations, Departmental Solicitor's Office advice has been sought on the appropriate action to be taken.
- 2.13** The NIAO has also been advised that an NIEA Investigation Team has been established within its Environmental Crime Unit and criminal investigations are ongoing, focused on the misrepresented results submitted in support of applications for environmental licences and permits.
- 2.14** An NIEA Oversight Group has been established on this issue, which includes representatives from all its affected areas, including NIEA Environmental Crime Unit investigators.

## Dfl response

**2.15** On 26 October 2022, NIEA notified concerns relating to the misrepresented soil samples to Dfl as the Department responsible for strategic oversight and performance monitoring of the planning system in NI. Dfl reviewed all 108 applications and established that it was not the determining authority for any of the cases identified by NIEA. Dfl subsequently advised NIEA to contact all relevant councils directly to bring the issue to their attention as the determining planning authorities.

**2.16** Although none of the applications were managed by Dfl as the determining planning authority (all managed by councils), the NIAO wrote to Dfl on 19 June 2023 to establish what steps were being taken to co-ordinate council investigations or to consider the matter from a systemic point of view. Dfl advised us as follows:

*'Whilst Dfl has an oversight role in relation to the planning system in Northern Ireland, its interest in exercising these powers is not to interfere with a council's right and responsibility to take its own decisions, but for the purpose of considering the exercise of its strategic planning functions and the achievement of regional planning objectives. The Department is not responsible for investigating allegations of fraud, irregularity and misconduct within councils. Councils have responsibility for their own governance and audit arrangements as autonomous organisations.'*

**2.17** Dfl asked for the findings to be shared from the NIAO's request to councils of the same date on action taken and regarding the implementation of council fraud response plans.

**2.18** Dfl highlighted that its co-ordinating role and actions to date can be summarised as follows:

- In late October 2022 NIEA advised Dfl that it had recently become aware that fabricated soil sample analysis results had been submitted in support of planning applications for anaerobic digester plants and agricultural livestock houses going back a number of years. Dfl carried out a desk-top review confirming that it was not the decision-maker in any of these applications and that all the impacted cases were within local government (council) jurisdiction.
- The then Chief Planner immediately responded to NIEA advising that it should urgently write to Heads of Planning in relevant councils bringing this to their attention and to re-consult NIEA on any relevant undetermined applications. Councils were also advised that they may wish to investigate previously determined planning applications.
- Dfl wrote again to all councils on 27 February 2023 to endorse the additional control measures in the development management process advocated by NIEA (the statutory nature conservation advisor and consultee in relation to this issue). The Department also encouraged councils (as the responsible planning authorities for their respective applications) to continue to engage with NIEA for any undetermined applications, as well as those which may have previously been determined (in order to decide if there was a material impact on any planning permission granted and consider any appropriate action). The Department advised that it was for the local planning authorities to consider and decide what action to take in relation to previously determined applications, depending on the individual circumstances of each case (and taking advice from NIEA, Shared Environmental Service etc.).

- DfI wrote to councils on 6 September 2023 confirming, following further engagement with the NIAO and NIEA, that NIEA was in a position to provide any relevant information it held in relation to the identified cases to assist the councils in any investigations they may be taking, or considering taking, in relation to cases of alleged fraudulent activity or breach of planning control. The letter also reinforced the advice in its previous letter that any relevant application being made to a council and any associated NMP should meet the revised controls proposed by NIEA. It also encouraged the affected councils to take, in so far as possible and appropriate, a coordinated and consistent approach to dealing with this matter in relation to governance, fraud policies and procedures as well as in terms of the exercise of any powers under the Planning Act regarding previously determined applications.
- In October 2023, following further engagement with the councils on this issue at the Strategic Planning Group (SPG), DfI informed the NIAO that local government required clarity in relation to its published report on Planning Fraud Risks (March 2023) and invited it to attend the next SPG meeting in January 2024 to discuss issues around fraud in planning. The NIAO accepted the invitation to attend the January SPG meeting to address the general issue of planning fraud.

- 2.19** On 12 January 2024 DfI wrote to SOLACE outlining the communication and co-ordination role DfI had performed in relation to this matter; and also set out the importance of differentiating between the issues of potential fraud and potential implications for a council's planning decisions.
- 2.20** The NIAO met with DfI on 16 August 2023 and highlighted the importance of a consistent and co-ordinated approach across the sector. Discussion highlighted the fact that councils would require the support of PSNI to pursue any potential criminal investigations through the courts. The NIAO suggested that DfI could play an important role in ensuring PSNI was clear that this was a province-wide issue affecting nine of our eleven council areas, thereby increasing the likelihood of PSNI prioritisation of this issue for a police investigation. The NIAO also suggested that DfI was ideally placed to ensure consistency and co-ordination across councils as well as between councils and PSNI.
- 2.21** DfI advised the NIAO that it was not DfI's role to undertake the actions suggested but DfI agreed to write to councils encouraging a co-ordinated approach. DfI suggested that if the NIAO wished to promote a co-ordinated approach, it might wish to take the matter up with the Society of Local Authority Chief Executives (SOLACE). The NIAO notes that SOLACE is a group established to share ideas and best practice across the eleven councils in NI. However, SOLACE carries no status as regards oversight of the actions of its members in relation to planning matters.
- 2.22** We find DfI's responses to be disappointing. DfI has a strategic role in relation to oversight of the planning system in NI and as such carries the authority and gravitas to encourage and support a consistent, collaborative and efficient approach across the planning system. We believe an opportunity was missed by DfI in this regard.

## Local Government/Councils' response

- 2.23** On 2 November 2022, councils were notified of NIEA's initial concerns regarding 'irregularities in soil sample analysis results included in Nutrient Management Plans'. NIEA recommended re-consultation with both NIEA and the Shared Environmental Service (SES) on any un-determined planning 'applications for Anaerobic Digester Plants or agricultural livestock houses, involving the land spreading of digestate or manures'. It was advised that some applications would have already been determined.
- 2.24** On 7 February 2023, NIEA wrote to councils confirming the number of affected applications across nine councils where they had confirmation from the testing laboratory that soil sample analysis reports had been falsified. Two of the eleven councils were unaffected, Belfast City Council as well as Ards and North Down Borough Council.
- 2.25** Councils' responsibilities include 'planning enforcement – investigating alleged breaches of planning control and determining what action should be taken'. The NIAO wrote to councils on 19 June 2023 to ascertain what action was being taken by them in relation to the concerns highlighted by NIEA and whether individual fraud response plans had been implemented.
- 2.26** It is clear from the replies that the nine affected councils responded differently when they were alerted to this issue by NIEA and treated the matter with varying levels of seriousness.
- 2.27** Several councils confirmed to the NIAO in their initial responses that investigations or reviews had commenced, but no further detail was given. In determined cases, enforcement was stated to be underway or being considered. Planning conditions were being reviewed by some councils to consider enforcement and for live cases, some councils referred to the new requirement issued by NIEA for direct submission of soil sample results, resubmission of soil sample results and some cases being held.
- 2.28** A recurring theme highlighted by councils' initial responses was that there was no clear direction from NIEA and several councils commented that NIEA findings had not been shared with them. NIEA however highlighted in their letter to SOLACE on 12 January 2024 that they had alerted councils to the issue and informed them of the 108 planning applications in several pieces of correspondence since discovery of the issue on 18 October 2022. NIEA first raised this with Council Heads of Planning and Chief Executives in correspondence dated 2 November 2022. A list of affected applications identified in each council area was provided directly to individual councils as a council specific annex to NIEA's 7 February 2023 letter.
- 2.29** Some councils noted that they were liaising with NIEA on the matter. One council wrote to NIEA to confirm whether NIEA considered fraudulent activity had occurred and if it had been reported to PSNI. NIEA advised that council in July 2023 that it had initiated a criminal investigation but that it was limited to those results submitted in support of environmental authorisation applications, as this is within NIEA's legislative remit. NIEA confirmed that the scope of its investigation did not include planning applications and highlighted that any investigation into breaches of planning legislation, or potential planning fraud, was a matter primarily for councils as the planning authorities.

- 2.30** However, in response to the NIAO's June 2023 letter seeking confirmation of their action, only four councils confirmed that they had initiated their fraud response plans at that time.
- 2.31** At the time of compiling this report, only five councils had requested detailed information from NIEA (Armagh City, Banbridge and Craigavon Borough Council; Antrim and Newtownabbey Borough Council; Causeway Coast and Glens Borough Council; Derry City and Strabane District Council; and Mid Ulster District Council). Four of these five councils (Antrim and Newtownabbey Borough Council; Causeway Coast and Glens Borough Council; Derry City and Strabane District Council and Mid Ulster District Council) plus one further council (Mid and East Antrim Borough Council) had made referrals to the PSNI and these are being dealt with by the PSNI's Economic Crime Branch.
- 2.32** We find the lack of action by some affected councils to be concerning, even after prompting by the NIAO. It appears that some councils failed to instigate adequate investigations into the potential planning frauds, believing that NIEA were investigating and would act.
- 2.33** SOLACE acts as the professional voice for local government. However, as noted earlier in this report, it carries no status as regards oversight of the actions of its members in relation to planning matters. Following a meeting with the NIAO on 1 September 2023, SOLACE issued a letter of behalf of councils to the NIAO on 22 November 2023. SOLACE advised as follows:
- 'It seems obvious that the responsibility for co-ordinating a response to a Northern Ireland wide issue impacting the vast majority of councils should lie with the body with responsibility for the oversight of planning, namely DfI. It is impossible for councils at this stage, in their role as planning authorities, to determine whether any inaccuracies in information are as a result of human error, contamination or deliberate or reckless behaviour. This is very much a matter which the NIEA would need to examine and consider, and councils would have to rely on their expertise in this regard.'*
- 2.34** Further to this, SOLACE wrote to DfI and NIEA on 11 December 2023 to confirm that they had advised the NIAO that the responsibility for co-ordinating a response to the matter sat with DfI and that any inaccuracies in the information held should be examined by NIEA. SOLACE proposed a meeting in early 2024 between DfI, NIEA and themselves to have a collaborative discussion and agree the next steps.



**Part Three:**

# **Findings and Recommendations**

## Findings and Recommendations



### Finding 1

**There was a lack of effective collaboration between NI public bodies in response to notification of potential planning fraud.**

- 3.1 NIEA responded positively when its staff initially established in October 2022 that some results in the soil sample reports it had received had been falsified. It quickly informed its parent Department, DAERA, and realising that this issue could also have a significant impact on planning permission applications, the following day it alerted DfI, given that DfI is the government department in NI with overall oversight responsibility for planning. Subsequently, DfI advised NIEA to alert local councils, given councils' role as the primary planning authorities.
- 3.2 Accordingly, on 2 November 2022, NIEA wrote to all Council Chief Executives and Heads of Planning and informed them of its finding that misrepresented soil sample results had been submitted to councils as part of planning permission applications. NIEA advised that it would update councils in due course with further information in this regard.
- 3.3 NIEA then proceeded to check with the reporting laboratory the validity of all soil sample reports submitted for planning applications dating back to 2015. NIEA ultimately identified that there were 108 misrepresented cases, affecting nine of NI's eleven councils and encompassing almost 3,500 individual soil sample analyses. On 7 February 2023, NIEA wrote to each individual council, outlining the number of planning applications affected in each council area.
- 3.4 Therefore, NIEA took proactive steps when this matter came to light. All the key stakeholders had been alerted to the position by NIEA within a few weeks of it being confirmed. NIEA undertook a review of past and current planning applications and each council was given specific information in terms of the number of cases affecting that council on 7 February 2023. DfI established at this point that it had not been a determining planning authority for any of the cases identified by NIEA.
- 3.5 **Subsequent to this, collaboration between some of the key planning bodies was extremely poor.**
- 3.6 When NIEA wrote to Council Chief Executives and Heads of Planning on 7 February 2023, it provided a listing to each individual council of affected applications in each council area.
- 3.7 In March 2023, a member of the public raised a concern with NIAO. The person raising the concern told us that when an update was sought from each of the nine councils on what action was being taken to investigate the potential planning fraud, the response was that it was a matter for NIEA to take forward. The person raising the concern told us that, having contacted NIEA, it confirmed that NIEA has no remit in relation to planning enforcement and that any planning fraud investigation is the responsibility of local councils. The member of the public raising the concern expressed dismay that none of the NI public bodies seemed to be interested in tackling this significant potential planning fraud issue.

- 3.8** In June 2023, the NIAO formally wrote to Council Chief Executives to establish what actions councils were taking to determine the circumstances around the cases of potential planning fraud as highlighted by NIEA.
- 3.9** Over the summer of 2023, the NIAO received a variety of responses from councils. Whilst there were some differences in approach, none of the councils had taken any meaningful steps to proactively and robustly investigate the potential that they had received falsified soil sample reports as part of planning permission applications.
- 3.10** NIEA told the NIAO that they made their position very clear that any investigation into the 108 planning applications was outside NIEA's remit as a statutory consultee and therefore was a matter for councils. This was clarified in a meeting between the NIAO and SOLACE on 1 September 2023. This was also specifically noted in NIEA's letter on 12 January 2024 to SOLACE. However, a number of councils claim that prior to these communications they were unaware that NIEA would not be carrying out the investigations on their behalf. Initially therefore, there appeared to be a lack of clarity around who was responsible for undertaking the investigations into potential agricultural planning fraud.
- 3.11** The NIAO also wrote to DfI in June 2023 to ascertain what actions DfI was taking to co-ordinate any council investigations or to consider the matter from a systemic point of view. The NIAO followed this up in a meeting with DfI in August 2023 where the NIAO highlighted the beneficial roles that DfI could play in firstly ensuring a consistent and co-ordinated approach by all affected councils, and secondly by acting as a point of co-ordination between councils and PSNI in relation to any criminal investigations.
- 3.12** **The response from DfI was that it was not its responsibility to undertake a co-ordinating role across councils in relation to local government planning fraud investigations and suggested that this role would be more appropriate for the NIAO and we should contact SOLACE in relation to securing such a role.** DfI contended that it had played an appropriate oversight role and highlighted that, whilst DfI has an oversight role in relation to the planning system in Northern Ireland, its interest in exercising these powers is not to interfere with a council's right and responsibility to take its own decisions.
- 3.13** **It is concerning that the department with responsibility for oversight of the NI planning system considered that it was not its role to get more directly involved to ensure a consistent sector-wide response.** In fact, DfI stated that it was for the NIAO to pursue the possibility of a co-ordinating role with SOLACE in relation to councils' response to potential planning fraud across NI. The NIAO notes that SOLACE is a voluntary organisation with no authority or accountability for oversight of planning matters in NI.
- 3.14** Communication between NIEA, DfI and SOLACE (on councils' behalf) in December 2023 and January 2024 notes the following:
- SOLACE, on behalf of councils, stated that responsibility for co-ordinating a response across the sector should rest with DfI and not with SOLACE and councils should continue to cooperate with NIEA and should cooperate fully with the PSNI investigation.
  - DfI responded that it had written to councils in February 2023 and strongly encouraged affected councils to take a co-ordinated and consistent approach.
  - Councils stated that any further investigation of inaccuracies in the soil sample reports should be undertaken by NIEA.
  - NIEA replied by reiterating that it is for councils to act upon information that indicates potentially fraudulent planning applications and NIEA's role is as a statutory consultee.

- 3.15** We found that there is a lack of clarity around responsibility for undertaking investigation into potential agricultural planning fraud in NI and none of the organisations appears to be willing to step forward to ensure a co-ordinated and consistent approach across the planning system.
- 3.16** An NIAO report published in February 2022 entitled Planning in Northern Ireland noted the 'urgent need for improved joined up working between organisations delivering the planning system'. It commented on the identification of 'significant silo working within the planning system' which is 'not currently operating as a single, joined-up system' and warned that the 'system doesn't deliver for...the environment'.
- 3.17** The Public Accounts Committee report on Planning in Northern Ireland published in March 2022, commented as follows
- 'The operation of the planning system is one of the worst examples of silo-working within the public sector...there is fragmentation at all levels – between central and local government, within statutory consultees, amongst the local councils and even the Department [DfI] itself appears to operate in functional silos...there is an urgent need for a radical cultural change in the way in which central and local governments interact. If the planning service is to improve, the Department and councils must start to collaborate as equal partners. This will require a concerted effort from all those involved to work in a more productive way.'*
- 3.18** Whilst DfI told the NIAO that work to implement the actions in the March 2022 PAC report is ongoing, **the findings from our current review would indicate that the comments made in that report in relation to silo working and fragmentation have still not been adequately addressed.**

## Recommendations

- 3.19** As recommended in the NIAO February 2022 report on Planning in Northern Ireland, we would reiterate that all statutory bodies involved in the planning system should play their part and fully commit to a shared and collaborative approach going forward. This will necessitate working as equal partners.
- 3.20** The NIAO April 2019 report entitled Making Partnerships Work states that 'central and local government working collaboratively...adds value to public services'. We would recommend that all bodies involved in the planning system in NI review the self-assessment checklist contained in that report and develop a protocol that clarifies the roles and responsibilities of all stakeholders and ensures effective collaboration in relation to planning matters. For ease of reference, the checklist has been included in **Appendix 2**.



## Finding 2

**There was a failure by councils to initiate an investigation of potential planning fraud on a timely basis.**

- 3.21** Less than half of the nine affected councils confirmed that they had initiated their fraud response plans at the time of responding to the NIAO's June 2023 letter. It appears that some councils did not initially commence fraud investigations as they believed it was the responsibility of NIEA and it would only be for councils to investigate if there had been a breach of planning conditions.
- 3.22** SOLACE in its letter to the NIAO on 22 November 2023 confirmed that 'councils should continue to co-operate with NIEA, and if NIEA's investigation reveals evidence of suspected fraud, this is a matter we would expect the NIEA to report to the police...councils do not have the experience, resources or statutory powers to investigate or prosecute fraudulent behaviour and would ordinarily, as a matter of course, defer to the police in this regard.'
- 3.23** One council in its initial response to the NIAO found there to be no breach of planning conditions attached to the permission. Council correspondence in May 2023 to a member of the public who raised concerns with the council noted that NIEA notifications contained no specific reference to fraud. The correspondence to the councils from NIEA in February 2023 stated that the soil sample results were misrepresented and therefore this should have been sufficient for the Council to have considered the matter as potential planning fraud.
- 3.24** One council stated that the matter didn't fall within the remit of its Fraud Policy as there was no evidence to suggest the allegations related to or involved a council employee. This raises a question around the adequacy of this council's fraud policy if limited to internal fraud, or alternatively to officers' understanding of the scope of the policy if it is intended to apply more broadly.
- 3.25** The NIAO report on Planning Fraud Risks issued in March 2023 notes that 'the planning system is susceptible to potential fraud and corruption. For example: ...planning applicants may make false or misleading statements in planning applications or provide false supporting documentation...'
- 3.26** We find it alarming and a matter of great concern that some councils did not consider the submission of falsified information in an application for planning permission to be potential fraud, especially since that exact scenario was highlighted as an example of potential fraud in the NIAO Planning Fraud Risks report in 2023.

## Recommendations

- 3.27** We recommend that councils review the scope of their fraud policies, procedures and response plans to ensure that any alleged submission of misrepresented or falsified information in planning applications is treated as potential fraud and investigated accordingly.
- 3.28** Councils should ensure that all officers involved in the planning process understand the scope of their organisation's fraud policy and response plan, as well as their role in identifying indicators of planning fraud and dealing with allegations of potential fraud should they arise.

- 3.29** Whilst we understand that primary responsibility for taking any action under the Planning Act in relation to previously determined applications rests with individual councils, we recommend that DfI should take a more active role in ensuring that a consistent and co-ordinated approach is taken by councils where sector-wide potential planning fraud issues arise in future. This might not necessarily involve DfI leading the investigations, but DfI should as a minimum seek confirmation that each council has formally considered whether the specific circumstances in its council area merit further investigation under the council's fraud response plan. Furthermore, it would be appropriate for DfI to seek further explanations from councils in the event that some councils initiate an investigation and others do not.
- 3.30** DfI should put arrangements in place to nominate a point of contact to act as a liaison between councils and PSNI as a means of securing an efficient and effective outcome in future cases of sector-wide potential planning fraud.
- 3.31** DfI should co-ordinate sector-wide training and awareness sessions as a means of promoting greater consistency in this area.



### Finding 3

#### Lessons were not learned from a similar case in 2021.

- 3.32** Following an alert by a member of the public, an internal investigation was launched in 2021 by Teagasc (the Republic of Ireland's agri-food agency) into several poultry farm planning applications from Northern Ireland. The investigation found that in 23 cases, documents purporting to be issued on Teagasc's behalf were either completely falsified or altered without its knowledge or consent.
- 3.33** Animal waste produces harmful emissions such as ammonia. Due to the already high levels of this gas in Northern Ireland, the majority of which is linked to agriculture (97% according to [DAERA's website](#)), farmers have increasingly looked for other ways to dispose of poultry litter, such as the export of waste to farmers in the Republic of Ireland. Evidence such as documents from Teagasc, which claim that manure generated by animals housed in new sheds erected in NI would be exported to the Republic of Ireland, are vital to satisfy NI's environmental regulations and therefore ensure that planning permissions can gain approval.
- 3.34** DAERA and NIEA were alerted to the Teagasc investigation in 2021, and they notified DfI, who in turn wrote to councils advising them to consider the impact of potentially false Teagasc information in respect of planning decisions granted or in the process of consideration. Councils were also advised that any future letters purportedly from Teagasc were to be checked directly with Teagasc to establish their authenticity.
- 3.35** Councils appeared to believe that tracing animal waste exports fell under DAERA's responsibility for waste and some councils treated the issue only as a breach of planning conditions rather than as potential planning fraud.
- 3.36** It is concerning that insufficiently robust action by public bodies in 2021 may have contributed to a continuation of the issues identified in this report. It appears that lessons were not learned from the 2021 incident, and a similar failure to take responsibility and lack of collaboration following discovery of the current case is noted. Had appropriate action been taken at the time of the 2021 discovery, the issue may have been resolved at an earlier point, thereby protecting the environment from further damage.

## Recommendations

- 3.37** We recommend that DfI and councils, with the support of NIEA, should initiate a full review of the circumstances surrounding the 2021 case, together with the current issues highlighted in this report. The aim of this review should be to establish whether there are any further actions required or issues of a similar nature that might as yet remain undiscovered.
- 3.38** DfI should ensure that any relevant lessons identified from the above review are disseminated to all planning authorities and it should subsequently seek assurances from councils regarding implementation of measures to ensure that any future misrepresentations in the planning system are discovered and investigated at an early stage.



### Finding 4

**Ineffective controls failed to prevent or detect on a timely basis the reporting of false soil analysis results.**

- 3.39** NIEA's letter to councils on 7 February 2023 contained a link to the new Nutrient Management Plan (NMP) requirements. The letter explained a change to the information management process NIEA was introducing in relation to laboratory soil sample results. Previously, soil sample analysis results were sent by the analysing laboratory back to the applicant or his/her planning agent who would then submit the results to the planning authorities. Given that evidence had come to light of tampering with the laboratory results on a large scale before submission to the planning authority, NIEA was introducing new arrangements to address this gap. These new arrangements required the applicant to instruct the analysing laboratory to send the soil sample results, together with a covering email, directly to the planning authority for upload to the Planning Portal. DfI wrote to all council Heads of Planning in late February 2023 endorsing the new NIEA approach.
- 3.40** Under the new arrangements, soil sample submissions must now include details of the name and organisation, if relevant, of the person who took the samples plus a signed declaration from them that the samples were taken from the identified fields. The signed declaration should include the contact details for the sampler, including email address and telephone number.
- 3.41** However, there is still a significant control weakness in these new arrangements. Even with the direct submission of soil sample results by the laboratory, there still exists the risk that soil sample results could be manipulated by samples being extracted from locations other than those for which planning permission is being sought.
- 3.42** A recent addition to DAERA's guidance for NMPs since discovery of the misrepresentations is that NIEA, upon review of analysis results presented as part of a planning application or environmental authorisation, may undertake audit sampling of a selected number of fields to verify the results presented, with a suitable date to be arranged with the applicant or their agent. As can be seen from **Appendix 1**, the 108 misrepresented soil sample results in planning applications were found to be widespread across Northern Ireland. They dated back to 2015 when the requirement to submit soil sample analyses came into force. Had sample testing been undertaken on a widespread basis, it may have helped to prevent and detect some of these misrepresentations. Previously, the potential for NIEA to sample a select number of fields was not explicitly stated.

- 3.43** Following notification by NIEA of false soil sample results to councils, some applicants voluntarily resubmitted soil samples to progress their planning application. NIEA carried out a verification sample of one case as a pilot to establish if independent verification of submitted samples was required. The results showed significantly higher levels of polluting nutrients than those stated on the laboratory reports. Despite this discovery, routine retesting of submitted soil sample analysis results was not introduced due to resourcing pressures.
- 3.44** It appears that there is a control gap in the process in that council consultation with NIEA does not incorporate a check on the validity of the soil sample analysis results reported by the laboratory. Therefore, the current process does not provide adequate assurance that fraudulent results submitted in future will be detected. NIEA advised us that a business case has been developed for additional resource to implement this control on a wider scale going forward. NIEA also informed us that DAERA has cautioned that this will be subject to budgetary availability.
- 3.45** On receipt of planning applications, councils check that the information to support the planning application is complete and includes all relevant supporting information. Once all the information required is confirmed by councils, consultations with NIEA are carried out on the application as required. Where NMPs containing soil sample analysis results are submitted in support of planning applications, this can sometimes result in additional planning conditions being attached to planning permission approvals. This is likely to explain why some councils have been noted in this report to have concluded that misrepresentations did not involve a breach of planning control, given there were no conditions attached to permissions relating to soil sample analysis levels or results.
- 3.46** The misrepresentation of soil testing results has potential implications for applications for funding to Tier 2 Tranche 2 of the Farm Business Improvement Scheme (FBIS). DAERA has confirmed that, following discovery of the submission of fraudulent soil analysis results, a special pre-payment condition has now been placed in the Letter of Offer for successful applications for funding to the FBIS scheme, to ensure continued compliance with planning requirements is evidenced at claim stage. This requires evidence from the planning authority that the claimant's planning application is still valid at claim stage, to ensure that EU funds are protected. Although this is a positive addition, the applicant could simply resubmit new soil sample results and, so long as the planning authority accepts them, they can apply for the grant, ignoring the fact that potentially fraudulent soil sample reports had initially been submitted.
- 3.47** In April 2022, the Soil Nutrient Health Scheme (SNHS) was launched. The SNHS is a four-year, comprehensive regional soil sampling and analysis programme. DAERA is funding the €45 million scheme, managed by the Agri-Food and Biosciences Institute (AFBI) with the objective of testing all, or the vast majority of, fields (c. 700,000) used for farming in Northern Ireland. Soil samples are taken at no cost to the applicant by a soil sample collection contractor and analysis is carried out by a soil analysis contractor, both working under the direction of AFBI. Analysis is carried out at a laboratory fully accredited to national analytical standards. Results may also be used for new support schemes. The SNHS is being rolled out on a zonal basis with all zones to be completed by 2026. Zone sampling is scheduled as follows:
- Zone 1 – 2022/23: County Down and parts of Counties Armagh and Antrim – more than 132,700 fields sampled and analysed by the beginning of September 2023. There was a 91% uptake in the scheme.



- Zone 2 – 2023/24: South Tyrone, west of County Armagh and all of County Fermanagh – as of January 2024, approximately 50,000 fields sampled. Final registration of c. 190,000 fields representing 92% of declared fields and registered farm businesses.
- Zone 3 – 2024/25: North West – registration between 24 June 2024 and 31 August 2024.
- Zone 4 – 2025/26: North East – not yet opened.

**3.48** Currently, NIEA does not have access to soil sampling results from the SNHS scheme unless the soil analysis reports are voluntarily included by the applicant in a planning application. The introduction of this scheme, if it is used in planning applications that include an NMP, might help to reduce the risk of fraudulent submission of soil analysis reports occurring or remaining undetected in the future. We note the uptake for the scheme has been high so far, although its use in future planning applications is to be confirmed.

**3.49** The NIAO March 2023 report on Planning Fraud Risks notes that 'Planning authorities need to be alive to the potential risks from third parties and have controls in place to mitigate those risks'. Self-assessment checklists included in the report can be completed and reviewed/updated periodically to provide a degree of assurance in relation to exposure to planning fraud risks. As an example, suggested mitigating controls to the risk of applicants providing false documentation in support of a planning application are as follows:

- Planning officials/statutory consultees should take reasonable steps to verify that official documents provided in support of planning applications are genuine, e.g. on official headed paper and properly signed.
- Planning authorities' planning application documentation should require the applicant to sign a declaration that all evidence provided in support of the application is authentic, accurate and truthful.
- Planning authorities should consider whether any sanctions might be imposed against those submitting false documentation in support of planning applications.

## Recommendations

**3.50** We recommend that independent substantive retesting of reported soil analysis results should be undertaken at a level that will provide adequate assurance over the integrity of all soil analysis reports submitted in future, as part of either agricultural planning applications or agricultural authorisations. We recommend that NIEA should carry out this independent sample testing.

**3.51** We recommend that there is an accelerated roll out of sample testing for Zones 3 and 4 under the Soil Nutrient Health Scheme.

**3.52** We recommend that councils and other public bodies involved in the planning process refamiliarise themselves with the NIAO March 2023 report on Planning Fraud Risks and ensure that, so far as possible, the mitigating controls recommended therein are put in place as a matter of urgency.



## Finding 5

### Potentially more effective arrangements for minimising the impact of excessive levels of nutrients are in place in England.

- 3.53** A member of the public raised concerns with the NIAO about the current soil sample testing arrangements in Northern Ireland. Inappropriate spreading of digestate or manures can have negative impacts upon the natural environment, specifically water quality and air quality. Soil sample analysis is a key component of the NMP approach adopted in NI and this helps to demonstrate that fields can absorb material such as slurry, so that it won't run off into streams and rivers. Such agricultural run-off has been identified as the main contributing factor for the growth of toxic blue-green algae blooms which were prevalent in Lough Neagh and other waterways in NI in recent years.
- 3.54** The member of the public has drawn attention to more effective approaches in operation in some situations in other areas of the UK, contending that these alternative approaches are more effective than the current NMP approach in dealing with diffuse pollution loading from agricultural practices in NI.
- 3.55** One example of an alternative approach is the aim of "nutrient neutrality" and this is adopted by Natural England in relation to certain sites that are protected under the Conservation of Habitats and Species Regulations 2017, including areas of ecological importance such as Special Areas of Conservation and Special Protection Areas.
- 3.56** Natural England is an executive non-departmental public body sponsored by the UK Department for the Environment, Food and Rural Affairs (Defra) and is the Government's adviser for the natural environment in England. Across England, a number of water dependent Habitats Sites (protected sites) were reported to be in 'unfavourable condition' due to excess nitrogen and / or phosphorous and, to prevent further damage to habitats and wildlife, new regulations, incorporating Natural England's nutrient neutrality advice, were introduced in 2022. As a result, for protected sites, the regulations in England are now such that 'any development plans or projects that cannot rule out additional nutrient impacts would likely fail an appropriate assessment under the Habitats Regulations.'
- 3.57** An [Environment Agency report](#) in 2021 noted that agriculture is the dominant source of nitrate in water (about 70% of total inputs). Natural England's advice issued in 2022 centred on nutrient neutrality, a strategic approach to migration, designed to enable local planning authorities in England to grant development permissions without harming Habitats Sites through elevated nutrient levels. The need to carefully consider the nutrient impact of any new plans or projects on internationally protected Habitats Sites was highlighted. Nutrient neutrality advice given by Natural England ensures that the amount of nutrient pollution entering rivers does not increase because of a new development. Where pollution levels are exceeded above prescribed levels on Habitats Sites, and the advice is in place, local planning authorities cannot grant permission for new development to take place, unless they can be satisfied that it will not cause further harm to the natural environment (i.e. they are nutrient neutral).
- 3.58** The advice provided falls under Natural England's statutory duties and is part of a co-ordinated cross-departmental response by government in England, supported by Defra and the Department for Levelling Up, Housing and Communities.

## Recommendations

- 3.59** We recommend that DAERA and DfI jointly review existing planning regulations and determine whether they are sufficient to protect the environment from the impact of diffuse pollution. This review should also consider other potentially more effective approaches such as the "nutrient neutrality" approach adopted for protected Habitats Sites in England.

# Part Four: Conclusions

## Conclusions

- 4.1** The NIAO was alerted by a member of the public to the fact that a number of public bodies were reluctant to take ownership of the need to investigate whether issues discovered by NIEA constituted potential planning fraud. Frustration was expressed that one public body seemed to be passing responsibility to another and as a result, potential planning fraud was going unchecked. More importantly, concern was raised that ongoing damage was potentially being done to the environment as a result of a lack of compliance with planning regulations.
- 4.2** The NIAO undertook a review and found that collaboration was poor between the various planning authorities involved, with a lack of clarity about specific roles and responsibilities as regards investigation of potential planning permission fraud for agricultural developments. We discovered evidence that some of the issues we investigated were not new and that lessons appeared not to have been learned from a number of relevant reports previously issued by the NIAO and the NI Assembly's Public Accounts Committee.
- 4.3** We noted that some positive measures were taken on discovery of the issue in order to improve the controls in operation around the planning permission application process. However, we identified that there are still inherent weaknesses in the current arrangements that require to be addressed. We are somewhat assured that there are arrangements in place to address some of these weaknesses, although an acceleration of the implementation timelines would be beneficial. We have made a number of recommendations in our report to assist in further addressing the issues raised.
- 4.4** We were disappointed that more proactive steps were not taken, despite the concerns being raised by a member of the public and the direct and repeated intervention of the NIAO. It is essential that the planning system commands public confidence and in our view that confidence has been undermined as a result of the response of the public sector generally.

# Appendices

## Appendix 1: Number of Misrepresented Planning Applications by Council Area



## Appendix 2: Making Partnerships Work: Self-Assessment Checklist

This self-assessment checklist will help public bodies develop better practice, procedures and protocols for effective collaboration.

Developing effective collaboration self-assessment		In place?
<b>Understand the cross-entity environment</b>		
1	Entities have worked together to understand the common goals and drivers for any proposed collaboration.	<input type="checkbox"/>
2	Entities have established and mutually agreed that a collaborative arrangement is likely to present advantages over a single entity approach.	<input type="checkbox"/>
<b>Promote cross-entity performance and accountability</b>		
3	Entities have discussed and agreed on a clear purpose, a coordinated strategy and shared and visible lines of accountability.	<input type="checkbox"/>
4	Each party's expectations, responsibilities and functions have been identified, agreed, understood and documented, including arrangements for funding, monitoring progress and performance reporting.	<input type="checkbox"/>
<b>Establish clear roles, responsibilities and governance arrangements</b>		
5	The parties have agreed and documented accountability arrangements in three dimensions: (i) horizontal accountability obligations among the partners (ii) vertical accountability within each entity to its governing or oversight body (iii) collective accountability of all partners to an overall governing body.	<input type="checkbox"/>
6	Appropriate consideration has been given (and action taken) to appointing a lead entity and/or management committee to oversee and drive the partnership and monitor outcomes.	<input type="checkbox"/>
7	Appropriate consideration has been given towards establishing formal dispute resolution mechanisms in order to deal effectively with any differences that arise during the course of the partnership.	<input type="checkbox"/>
<b>Work towards a shared objective or outcome, while managing shared risks</b>		
8	The desired objective or outcome of the collaboration has been agreed and clearly documented.	<input type="checkbox"/>
9	Funding and accountability arrangements have been discussed, agreed and clearly documented, with a focus on ensuring transparent and appropriate expenditure of public funds.	<input type="checkbox"/>
10	Risks associated with collaboration - including shared risks - have been identified, considered and fairly allocated, and agreement has been reached and documented on how risks will be managed and reported on.	<input type="checkbox"/>





# NIAO Reports: 2023 and 2024

## NIAO Reports 2023 and 2024

<b>Title</b>	<b>Date Published</b>
<b>2023</b>	
Planning Fraud Risks	01 March 2023
Public Procurement in Northern Ireland	25 April 2023
Ministerial Directions in Northern Ireland	27 April 2023
Pre-school Vaccinations in Northern Ireland	05 May 2023
Mental Health Services in Northern Ireland	23 May 2023
Reducing Adult Reoffending in Northern Ireland	13 June 2023
Innovation and Risk Management - A Good Practice Guide for the Public Sector	27 June 2023
Developing the Northern Ireland Food Animal Information System	28 June 2023
School Governance - A Good Practice Guide	04 July 2023
The Judicial Review Process in Northern Ireland	04 July 2023
Overview of the NI Executive's response to the COVID-19 pandemic (3rd Report)	27 July 2023
Continuous Improvement Arrangements in Policing	10 August 2023
Approaches to Achieving Net Zero Across the UK - Report by the four Auditors General of the UK	15 September 2023
Tackling Waiting Lists	10 October 2023
Local Government Auditor's Report 2023	15 December 2023
Comptroller and Auditor General's Report on Financial Audit Findings 2023 - Central Government	20 December 2023
<b>2024</b>	
Tackling the Public Health Impacts of Smoking and Vaping	30 January 2024
Major Capital Projects: Follow-up Report	27 February 2024
Child Poverty in Northern Ireland	12 March 2024
Access to General Practice in Northern Ireland	20 March 2024
Water Quality in Northern Ireland's Rivers and Lakes	21 March 2024
Funding water infrastructure in Northern Ireland	27 March 2024
Budgeting and Accountability	24 May 2024



Northern Ireland  
**Audit Office**

**Independence and excellence in  
audit to improve public services**



Northern Ireland  
**Audit Office**

# Review of Waste Management in Northern Ireland

Report by the Comptroller  
and Auditor General

---

Published  
05 July 2024

**For further information about the  
Northern Ireland Audit Office:**

Northern Ireland Audit Office  
106 University Street  
Belfast, BT7 1EU

028 9025 1000  
[info@niauditoffice.gov.uk](mailto:info@niauditoffice.gov.uk)  
[www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk)

© Northern Ireland  
Audit Office 2024

This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of the Order.

The Comptroller and Auditor General is the head of the Northern Ireland Audit Office. She, and the Northern Ireland Audit Office are totally independent of Government. She certifies the accounts of all government departments and a wide range of other public sector bodies; and she has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

**Dorinnia Carville**

Comptroller and Auditor General

*Northern Ireland Audit Office*

*05 July 2024*

# Contents

	<b>List of Abbreviations</b>	<b>5</b>
	<b>Key Facts</b>	<b>6</b>
	<b>Executive Summary</b>	<b>7</b>
<b>Part One</b>	<b>Why waste management matters?</b>	<b>13</b>
	Background	14
<b>Part Two</b>	<b>Overview of Waste Management Framework in Northern Ireland</b>	<b>17</b>
	Background	18
	Legislation	19
	Local Councils	20
	Waste Representative Bodies	21
	Waste Management Strategies	23
	Waste Management Plan for Northern Ireland (WMPNI) 2019	23
	Waste Prevention Programmes for Northern Ireland	24
<b>Part Three</b>	<b>Performance and Achievements within Waste Management</b>	<b>25</b>
	Council Performance against Waste Targets	26
	Export of Waste	30
	Waste to Landfill in Northern Ireland in the Last Five Years	33
	Waste Crime in Northern Ireland	35
<b>Part Four</b>	<b>Future Challenges for Waste Management</b>	<b>37</b>
	Waste Data	39
	Producer Responsibility Obligations	39
	Landfill Capacity	40
	Net Zero	41
	Waste Infrastructure	41
<b>NIAO Reports 2023 and 2024</b>		<b>43</b>

# List of Abbreviations

<b>BLACMW</b>	Biodegradable Local Authority Collected Municipal Waste
<b>BMW</b>	Biodegradable Municipal Waste
<b>CCC</b>	Climate Change Committee
<b>CDE</b>	Construction, Demolition and Excavation Waste
<b>CEP</b>	Circular Economy Package
<b>C&amp;I</b>	Construction and Industrial Waste
<b>DoH</b>	Department of Health
<b>EEE</b>	Electrical and Electronic Equipment
<b>EfW</b>	Energy from Waste
<b>EPR</b>	Extended Producer Responsibility
<b>DAERA</b>	Department of Agriculture, Environment and Rural Affairs
<b>LAC</b>	Local Authority Collected
<b>LACMW</b>	Local Authority Collected Municipal Waste
<b>LACW</b>	Local Authority Collected Waste
<b>MBT</b>	Mechanical Biological Treatment
<b>NIEA</b>	Northern Ireland Environment Agency
<b>NILAS</b>	Northern Ireland Landfill Allowance Scheme
<b>NISRA</b>	Northern Ireland Statistics and Research Agency
<b>RDF</b>	Refuse Derived Fuel
<b>SRF</b>	Solid Recovered Fuel
<b>rWFD</b>	Revised Waste Management Framework Directive
<b>WEEE</b>	Waste Electrical and Electronic Equipment
<b>WMPNI</b>	Waste Management Plan for Northern Ireland
<b>WRAP</b>	The Waste and Resources Action Programme
<b>WTN</b>	Waste Transfer Note
<b>WTS</b>	Waste Transfer Station



# Key Facts



Councils spent approximately £170 million on waste management in 2021-22



Northern Ireland's next Waste Management Strategy is due to be published by DAERA in 2024



Northern Ireland has the second highest Waste from Households (WfH) recycling rate (48.4%) in the UK, compared to Wales (56.7%), England (44.1%), Scotland (41.7%)



Northern Ireland first met its 2020 EU target to recycle at least 50% of waste from households in 2019



Northern Ireland has a target to reach Net Zero by 2050



In Northern Ireland:

Approximately 7.7 million tonnes of waste is generated annually

Almost 1 million tonnes of household and commercial waste collected by councils in 2022-23

Approximately 65% of the total waste generated is Construction, Demolition and Excavation Waste

# Executive Summary

## Scope of the Report

The purpose of this report is to provide an overview of the waste management system in Northern Ireland, evaluating its current state, identifying key challenges, successes, and recommendations. By analysing the existing waste management infrastructure, regulatory framework and targets, this report aims to shed light on the progress made in the region and offer insight into how waste management practices could be improved.

This report aims to provide a fact-based analysis of waste management in Northern Ireland, offering recommendations to assist in the movement towards creating a circular economy that maximises resource efficiency and minimises waste generation.

## Key Findings

### DAERA has not produced a Waste Management Strategy since 2013.

1. An updated strategy was due to be published at the end of 2023 but is now expected to be published in 2024. DAERA held stakeholder engagement events in September and December 2022 to discuss the development of its new Waste Management Strategy. It is likely to contain a renewed focus on the importance of waste prevention and set new targets for the various types of waste.
2. DAERA's last Waste Management Strategy was published in 2013. It set out the policy framework until 2020, building on the core principles of a previous 2006 strategy. DAERA published the closure report for the 2013 strategy in June 2022. Of the 27 actions and 17 targets included in the report, 22 were achieved, 10 were achieved beyond the target date, 4 were superseded or alternative actions taken, 3 were partially achieved, 4 were not achieved but improvements made and 1 was not achieved.
3. DAERA also published a Waste Management Plan for Northern Ireland in 2019 fulfilling the EU requirement that each state should establish such a document. However, this is a high-level document which does not act as a substitute for a Waste Management Strategy.
4. DAERA advised that due to resourcing constraints it had to pause work on the new Waste Management Strategy. Publication is delayed until 2024, with an exact date yet to be determined. A new Waste Management Strategy, with updated and clear targets, is important for all stakeholders in Northern Ireland. Achievements have been made against targets for some types of waste in recent years and this momentum needs to be sustained.



### Recommendation 1

**An updated strategy should be finalised and published by DAERA as soon as possible. The strategy should provide clear focus on future requirements to ensure that DAERA and other stakeholders are making timely, cost and resource effective decisions. The longer that a strategy is delayed the longer there is a sense of uncertainty for all stakeholders. We recommend that DAERA ensures that the waste targets set within the strategy are in line with other environmental targets, such as achieving net zero greenhouse gases by 2050.**

## There is an absence of long-term plans to prioritise waste prevention and to ensure that performance against waste prevention targets can be tracked.

5. Waste prevention is the preferred method of waste management which avoids generating waste in the first place. This is mainly achieved through measures addressing product design, packaging reduction and lifestyle changes that minimise waste production.
6. Councils have been collectively successful in meeting their recycling and landfill targets over recent years, although performance between councils has differed. Recycling rates steadily increased up to 2019-20, in 2020-21 there was a levelling off and then a slight decline in 2021-22. The quarterly provisional statistics for municipal waste for July – September 2023 show an increasing trend in recycling rates and bring Northern Ireland's waste from household figures back up to pre-Covid levels (50.7 per cent).
7. The first Waste Prevention Programme for Northern Ireland was published in 2013 and proposed thirteen waste prevention actions. An updated programme was issued in 2019 which incorporated ongoing actions from the 2013 document and included twenty-two actions for DAERA. The waste prevention actions in the 2019 programme are not quantitative nor are they accompanied by indicators of performance to ensure all the relevant stakeholders are meeting their waste prevention targets.
8. A successful action from the 2013 programme was the Single Use Carrier Bags Charge Regulations (Northern Ireland) 2013. The subsequent 2019 programme noted that since implementation of this legislation, the levy had removed approximately 1 billion single use plastic carrier bags from circulation.



### Recommendation 2

**We recommend that DAERA continues to prioritise waste prevention within a new Strategy by setting clear and measurable targets for all stakeholders, as per the Waste Hierarchy.**

## DAERA, working with stakeholders, should ensure that Northern Ireland has sufficient infrastructure to process waste in line with future prevention, reuse, and recycling targets.

9. The Circular Economy Package (CEP) sets new targets for DAERA, including recycling 65 per cent of municipal waste and to landfill no more than 10 per cent of municipal waste annually by 2035. The circular economy refers to the continual use of resources and the minimisation of waste. It is anticipated that DAERA's updated Waste Management Strategy will outline how future targets are to be met. In addition, there is a requirement from the Climate Change Act (Northern Ireland) 2022 to recycle at least 70 per cent of all waste by 2030.
10. Currently, there is only one energy from waste (EfW) plant in Northern Ireland, operated by a private sector provider in Belfast Harbour Estate. The plant can combust just under 160,000 tonnes of refuse-derived fuel annually. Refuse-derived fuel is created by processing different types of waste. Whilst EfW is considered environmentally preferable to landfill, it is still a carbon intensive process, and only waste that cannot be reused or recycled should be used in this process, in line with the waste hierarchy.

11. NIEA currently regulates a total of 47 anaerobic digestion facilities in Northern Ireland; waste and farm fed licenses (42) and Pollution Prevention and Control (PPC) Permits (5). Waste-fed anaerobic digestors used municipal, commercial, and industrial waste as feedstock. Most of the biogas generated is used for on-site combined heat and power and the surplus electricity is sold for export.
12. A recent project proposed developing a £240 million energy from waste (EfW) plant and recycling facility at Hightown Quarry in County Antrim (Becon, 2023). This has been subject to legal proceedings for almost a decade but in May 2023, the high court quashed the most recent decision to deny planning approval for building the plant. Planning approval will now, again, be considered by the Department for Infrastructure. The facility could provide substantial additional processing capacity for local black bin waste (an anticipated 250,000 tonnes annually).



### Recommendation 3

**We recommend that DAERA works to ensure that the pathway to meeting future environmental targets is facilitated by the development of appropriate infrastructure, through engagement with waste and environmental experts and stakeholders.**

## Just over 990,000 tonnes of waste was recorded as having been exported from Northern Ireland in 2023, including waste from councils and businesses.

13. Local councils primarily export waste for recycling and energy recovery, via contracted waste processors. In 2021-22 and 2022-23 they exported relatively limited waste for landfill (6,653 tonnes and 6,803 tonnes respectively), all to Great Britain.
14. Waste is exported for various reasons. It can cost less than processing waste locally, it can assist councils in meeting their recycling targets, and it can reduce reliance on domestic landfill. There are benefits in exporting waste to countries where demand for it is high, as they have the necessary facilities and capacity for recycling and energy recovery.
15. However, Northern Ireland also often exports waste to other countries for recycling and energy recovery due to insufficient available local infrastructure to process it. Waste destined for international recycling or energy recovery should follow the requirements of the 1013/2006 Waste Shipment Regulations. As local targets to reduce landfill are increased, sufficient solutions must be in place to process waste in the most economic and environmentally friendly manner. Furthermore, exporting waste to countries which process and financially benefit from the waste, represents a potential loss of revenue for Northern Ireland.
16. Waste exported for recycling and energy recovery is included in the figures used by councils to meet their targets, meaning there are risks that Northern Ireland could become too heavily reliant on other countries to meet future recycling and landfill targets. Should any future restrictions be introduced on exporting waste or if costs were to increase prohibitively, Northern Ireland would have to find alternative options for both dealing with the additional waste and meeting legislative targets.



## Recommendation 4

We recommend that DAERA examines alternative options from exporting waste to ensure that Northern Ireland has contingency plans in place for dealing with this waste in the future, other than by landfill.

### **NIEA does not have a statutory requirement to track the capacities of Northern Ireland landfill sites, and this presents challenges for accurately forecasting adequate levels of supply.**

17. All legal landfill sites in Northern Ireland are regulated by NIEA via the provision of an authorisation. Each site has a limited capacity. The total waste sent to landfill in 2022-23 was 1.29 million tonnes. The Circular Economy Package includes a municipal waste cap on landfill of 10 per cent per annum by 2035. Until successful waste prevention measures are in place, meeting the required reductions in landfill usage will be challenging. It is also necessary to ensure adequate landfill capacity is available to accommodate the required landfill waste disposal levels within waste management targets. NIEA is unsighted on current and future landfill capacity. A 2017 report by WDR & RT Taggart, estimates that landfill capacity in Northern Ireland will run out in 2028.



## Recommendation 5

We recommend that projected landfill capacities are determined by NIEA to facilitate future planning and inform waste management policy and strategy.

### **Incomplete data for specific types of waste, such as Commercial and Industrial (C&I) waste and Construction, Demolition and Excavation (CDE) waste, present challenges for effective environmental and economic forecasting.**

18. Household waste accounts for approximately 86 to 90 per cent of total waste collected by councils. The remaining per cent is made up of C&I waste. Local Authority Collected Municipal Waste (LACMW) or council collected waste data is collated by NISRA and DAERA, who report key outcomes quarterly and annually. However, there is insufficiently robust data for C&I waste not collected by councils and all CDE waste, which represents approximately 65 per cent of total waste in Northern Ireland. This presents DAERA and NIEA with significant challenges in assessing performance against C&I and CDE waste targets.
19. These information gaps are a UK-wide problem. The UK government (through Defra) is in the process of introducing a mandatory centralised digital waste tracking system to support the regulation of waste, which will track the amount, type, and ultimate destination of waste. DAERA, along with the relevant departments from the devolved nations, was consulted on system requirements. Defra has a budget of £9.5 million for the system and anticipates that it will be operational by April 2025. In a June 2023 report the National Audit Office noted that the introduction of the system faces similar challenges to other digital projects generally within the public sector, including skills gaps, insufficient planning, and potential to go over budget and timescales.
20. The tracking system's objective is to both improve data and to deter criminality in the waste sector.



## Recommendation 6

We recommend that throughout this wider process of making improvements to waste data, DAERA engages with Defra to ensure that Northern Ireland waste management requirements are met.

**The cost of managing waste is considerable. All bodies involved should consider what options are available to promote collaborative working, improve cost effectiveness and standardise service delivery.**

21. We understand Councils are actively considering how best to deliver more cost effective and consistent waste management services. In our view the establishment of a single delivery body for waste management services is one option that could be explored. A single delivery body holds the potential for significant benefits. It could streamline operations, promoting efficiency and cost effectiveness. A single approach could foster greater coordination across the region, offering consistency that would improve service quality and delivery. A centralised approach to waste management might also benefit more widely allowing for innovative solutions that might be economically feasible to pursue and achieve targets.



## Recommendation 7

We recommend that DAERA work with the Councils and other stakeholders to ensure that the consideration of waste management solutions align to the Waste Management Strategy.

**There are a significant number of waste management groups, with various roles and responsibilities, which will add a level of complexity, when attempting to implement the Waste Management Strategy.**

22. It is important that all groups are working collaboratively to promote efficient and effective delivery of waste management. By its nature waste management is complex, so it becomes even more imperative that it is clear to all stakeholders the roles and the responsibilities of each body or group, the frequency of their meetings, and that there is access to the meeting minutes. When the roles and responsibilities are clear, performance can be more effectively monitored, and areas of improvement highlighted more readily. Simplified structures, setting out key roles, responsibilities, and deliverables, with clear lines of reporting and involving key stakeholders could enhance the quality and timeliness of decision making and oversight.



## Recommendation 8

There are a significant number of waste management groups, with various roles and responsibilities. These organisations should work collaboratively, to avoid adding a level of complexity, when attempting to implement the Waste Management Strategy.

**Part One:**

# **Why waste management matters?**



## Background

1.1 Waste management is a critical aspect of modern society, and its effective implementation is essential for environmental sustainability and public health. Waste management involves the collection, treatment, disposal, and recycling of various waste generated by both residential and industrial activities. Optimising waste management practices is crucial to making more efficient use of resources, minimising the negative impact on the environment, and creating a more sustainable future.

1.2 The 2008 European Waste Framework Directive provided an overarching framework for all member states in relation to waste management, essentially setting out what waste is and how it should be managed. The Waste Framework Directive defined waste management as:

***'The collection, transport, recovery and disposal of waste, including the supervision of such operations and the aftercare of disposal sites and including actions taken as a dealer or broker.'***

The Waste Framework Directive represented an initial move towards a circular economy where products and materials are recovered and regenerated rather than disposed of. It identified the Waste Hierarchy (Figure 1) as representing best practice in waste legislation and policy.

Figure 1. Waste Hierarchy



SOURCE: Directive 2008/98/EC on waste (Waste Management Plan for Northern Ireland 2019)

- 1.3** The waste management hierarchy is a concept that outlines the preferred order of waste management practices, with the most desirable option at the top:
1. **Waste Prevention:** the best approach is to avoid generating waste in the first place through addressing product design, packaging reduction, and lifestyle changes that minimise waste production.
  2. **Reuse:** if waste cannot be prevented the next step is to find ways to reuse items or materials to extend their lifespan, including through repairing, refurbishing, or donating items for further use.
  3. **Recycling:** recycling involves processing waste materials to create new products. It helps conserve resources and reduces the need for extracting raw materials, lessening the environmental impact.
  4. **Recovery:** When recycling is not feasible or efficient, certain waste materials can be converted into energy through processes such as waste to energy incineration or anaerobic digestion.
  5. **Disposal:** Landfilling or incineration without energy recovery should be the last resort for waste that cannot be prevented, reused, recycled, or recovered. Proper disposal practices are essential to minimise environmental harm and potential risks to human health.

“Optimising waste management practices is crucial to making more efficient use of resources, minimising the negative impact on the environment, and creating a more sustainable future.”

**Northern Ireland Audit Office**

**Part Two:**

# **Overview of Waste Management Framework in Northern Ireland**

## Background

**2.1** Estimates indicate that Northern Ireland generates around 7.7 million tonnes of waste annually. The total volume of waste generated can only be estimated because robust data is not currently gathered for the majority of waste generated in Northern Ireland. Waste is categorised based on its source and its composition and includes those below.

**Construction, Demolition and Excavation (CDE) Waste** is waste from any building works, demolition, and development, including road planning and maintenance. This waste covers materials such as concrete, bricks, wood, glass, metals and plastics. NIEA estimates that around 5 million tonnes of CDE waste is generated annually, representing 65 per cent of the total for NI.

**Commercial and Industrial (C&I) Waste** refers to waste created from commercial activity or generated by manufacturing or various industrial processes. An estimated 1.1 million tonnes of C&I waste is generated annually (14 per cent of the total). C&I waste includes some non-household waste collected and processed by local councils.

**Household Waste** is primarily collected and processed by local councils. Approximately 0.8 million tonnes of household waste is generated annually (10.5 per cent of total waste generated).

**Other Waste** represents waste from forestry, fishing, agriculture and mining and various other waste sources. An estimated 0.8 million tonnes is generated each year (around 10.5 per cent of the total waste).

**2.2** Figure 2 sets out the estimated quantities of waste across the four categories to try to understand the overall picture in Northern Ireland. The only robust data available is for the household figure of 0.8 million tonnes; the remaining figures are estimates drawn from various reports and from the NIEA. It should be noted that some of this data is now fifteen years old and may not be representative of the picture today.

**Figure 2: Waste Estimates for Northern Ireland**



Source: estimates obtained from various sources such as WRAP Study 'Northern Ireland Commercial and Industrial (C&I) Waste Estimates 2009', Waste Management Plan for Northern Ireland 2019, (CDE estimates) and NIEA Control and Data Management.

- 2.3** **Local Authority Collected Municipal Waste (LACMW)** is the household and C&I waste collected by local councils. Detailed and robust data is gathered and reported on the quantities collected, processed and the manner of disposal (recycled, used for energy recovery, or sent to landfill.) This is published quarterly and annually and is publicly assessable via the DAERA website. [Northern Ireland local authority collected municipal waste management statistics | Department of Agriculture, Environment and Rural Affairs \(daera-ni.gov.uk\)](https://www.daera-ni.gov.uk/northern-ireland-local-authority-collected-municipal-waste-management-statistics)
- 2.4** Since 2006-07, the LACMW data indicates that household waste accounted for between 86 and 90 per cent of total waste collected by councils; the remainder is C&I waste. Local councils collect around one million tonnes of waste annually.
- 2.5** The eleven local councils spent approximately €170 million in 2021-22 on the collection, processing and disposal of waste.
- 2.6** The type of data collected for LACMW is not collected for the various other categories of waste such as C&I and CDE. This is due to limitations in the availability and accuracy of this type of data across the whole of the UK. This presents challenges for DAERA in setting targets around prevention, processing and measuring progress against those targets. It also means that DAERA is poorly sighted on how around 80 per cent of waste is managed in Northern Ireland. This limits its ability to forecast trends in waste generation, processing, and disposal in Northern Ireland.

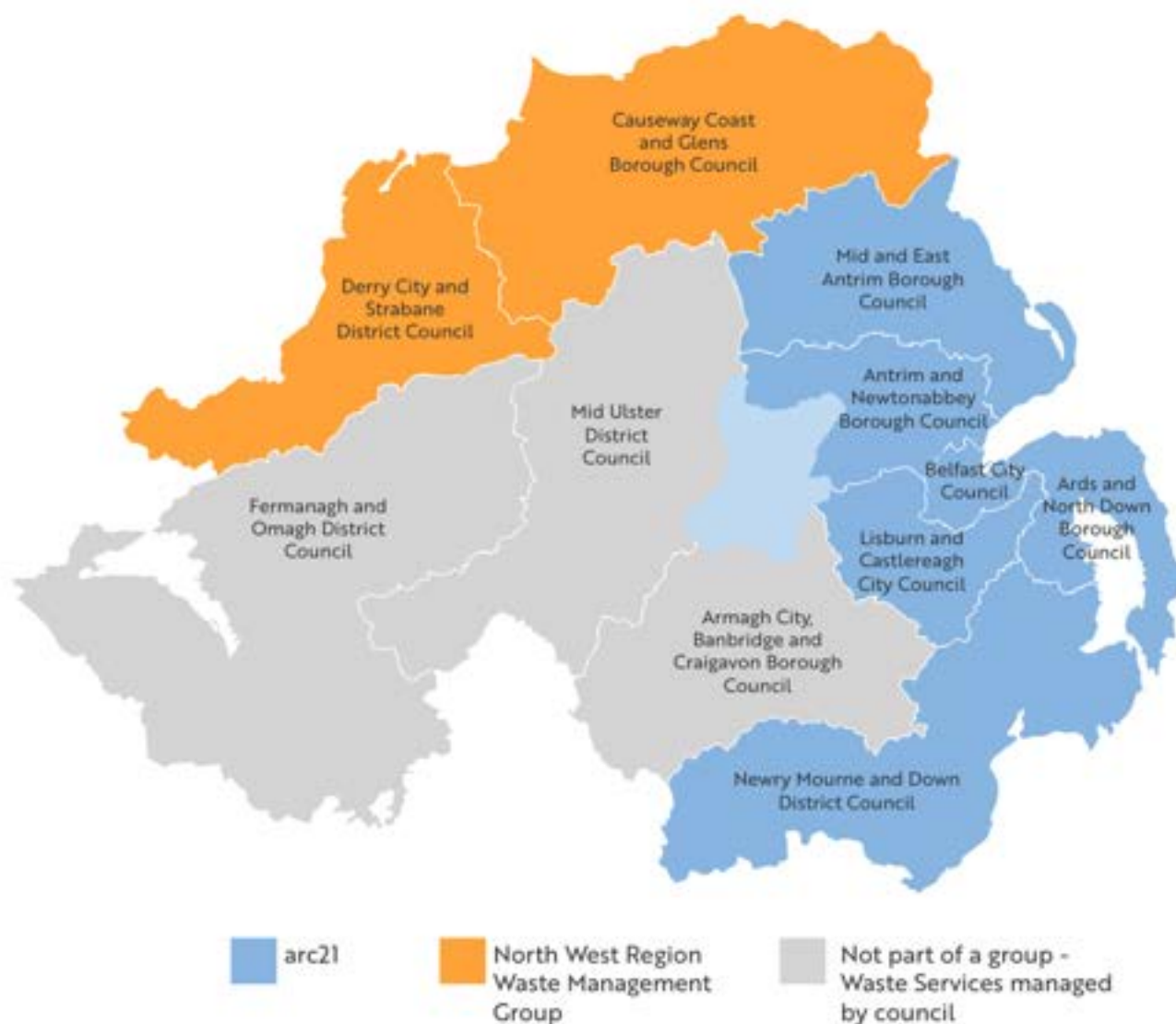
## Legislation

- 2.7** DAERA is responsible for making legislation and implementing waste management policy. The Northern Ireland Environment Agency (NIEA), an Executive Agency within DAERA, regulates waste facilities and activities. The local councils have operational responsibility for the collection and processing of municipal waste which includes both household waste and some C&I waste.
- 2.8** The Waste and Contaminated Land (Northern Ireland) Order 1997 provides the basis for DAERA and the NIEA's legislative responsibility for regulation of the waste management system. The EU Directive 2008-09 (the Waste Framework Directive) was implemented for Northern Ireland by the Waste Regulations (Northern Ireland) 2011 using power in the Waste and Contaminated Land Order and Section 2(2) of the now repealed European Communities Act 1972. The 2011 Regulations also updated the Waste and Contaminated Land Order to reflect additional obligations of the Waste Framework Directive. The Order, either initially or following amendments over the years, has provided the powers to introduce measures intended to increase control of the processing and handling of waste, including Waste Management Licensing, Duty of Care, Registration of Carriers, Special Waste and Producer Responsibility. The Waste Management Licensing Regulations (Northern Ireland) 2003 set out the framework for Waste Management Exemptions.
- 2.9** The Controlled Waste and Duty of Care Regulations (Northern Ireland) 2013 replaced the Controlled Waste Regulations 2002. They clarify how waste is classified and identify the types of household waste for which collection charges may be made. Under these regulations, waste holders and transporters have a duty of care to carry, produce and retain waste transfer notes; the regulations set out what information should be included on waste transfer notes.

## Local Councils

- 2.10** Eight of the eleven councils are represented by two Waste Management Groups, with three councils managing their waste responsibilities independently (Figure 3). The Waste Management Groups support the affiliated councils in developing and delivering waste management infrastructure and strategies.

**Figure 3: Waste Management Groups for Local Councils**



- 2.11** Established in 2003, arc21 represents six councils and is a contracting authority which procures services, infrastructure and auxiliary supplies for its affiliated councils. Its decision-making forum comprises 18 elected members, three from each council. The North West Region Waste Management Group is a voluntary coalition of two councils that aims to provide community and civic leadership in providing improved waste management services.
- 2.12** A single delivery model for all councils is one option that could be further considered in the context of waste management. Thorough cost, benefit, and risk analysis and in-depth consultation with the councils would be required before it could be determined if a single delivery model representing the eleven councils would be preferable to the current way of working.

## Waste Representative Bodies

**2.13** In addition to the main statutory stakeholders, a significant number of groups, boards, forums and partnerships also have roles in the oversight and implementation of the Northern Ireland Waste Management Strategy:

*Government Waste Working Group* – Responsible for reviewing the implementation of the Waste Management Strategy and reporting to the Minister. Membership includes representation from DAERA, NIEA, councils, SIB, and Northern Ireland Waste Management Groups.

*DAERA Waste Strategy Executive Board (DWSEB)* – a DAERA group, responsible for monitoring and reviewing the Waste Management Strategy. This Board allows DAERA to consider the performance of the Waste Management Strategy against strategic and political drivers, objectives, and outcomes.

*The Council Waste Forum (CWF)* – A collaboration group with representation from all 11 councils to strategically review waste governance arrangements for Northern Ireland councils. It was established in 2018 and its principal function is "to promote and deliver collaboration between the eleven councils on all matters relating to Waste Management and Environmental Cleansing."

*Strategic Waste Partnership Board (SWPB)* – Responsible for providing oversight of action plans for central and local government and managing municipal waste. Membership includes DAERA, council, and SIB.

*Waste Co-ordination Group (WCG)* – A non-executive advisory group providing a forum to discuss the operational and policy issues relevant to the statutory responsibilities of public sector waste.

**2.14** We consider that all stakeholders would benefit from clearer articulation of the roles and responsibilities of these various groups. A more simplified structure, setting out key roles, responsibilities and deliverables, with clear lines of reporting and involving key stakeholders, could enhance the quality and timeliness of decision-making and improve oversight. This could coincide with the development and publication of the new Waste Management Strategy.



**Figure 4: Timeline of Waste Management Strategies**



## Waste Management Strategies

- 2.15** As Figure 4 shows, three Waste Management Strategies have been published in Northern Ireland to date; 'The Waste Management Strategy for Northern Ireland' was published in 2000, 'Towards Resource Management' was published in March 2006 and 'Delivering Resource Efficiency' was published in 2013.
- 2.16** 'Towards Resource Management' (2006) focused on waste and resource management, rather than emphasising prevention, preparing for reuse, and recycling.
- 2.17** The Waste Management Strategy, 'Delivering Resource Efficiency' (2013) set out the policy framework until 2020. It was built on the core principles of the 2006 Strategy but placed renewed emphasis on the Waste Hierarchy (Figure 1) and on waste prevention.
- 2.18** DAERA published the closure report of the 2013 Strategy, 'Delivering Resource Efficiency' in June 2022. The report details the outcome of the 27 waste-related actions and 17 targets. More detail is provided in Part Four.
- 2.19** The closure report represents the starting point for DAERA's work to develop a new Waste Management Strategy. As part of that process, DAERA held stakeholder events on 29 September and 13 December 2022 and was due to publish the Waste Management Strategy towards the end of 2023. Due to resourcing, DAERA had to stop work on the new strategy and the publication has been delayed until 2024, with an exact date to be confirmed by the Department.

## Waste Management Plan for Northern Ireland (WMPNI) 2019

- 2.20** Published in 2019, the Waste Management Plan for Northern Ireland (WMPNI) fulfilled an EU Directive requirement for member states to establish one or more waste management plans. This Directive requires member states to evaluate their waste management plans and waste prevention programmes every six years.
- 2.21** The WMPNI is a higher level document than the Waste Management Strategies. It analyses the current waste management situation and evaluates how the objectives and provisions of the EU Directive will be implemented. The plan's key aim is to set Northern Ireland's intentions to work towards a sustainable and circular economy, with particular focus on using the waste hierarchy to achieve sustainable waste management. However, the plan is a limited document in nature, as it mainly reflects proposals from the most recent Waste Management Strategy and other Waste Management Plans (including those compiled by arc 21 and the North West Region Waste Management Group) and does not introduce new policies or proposals for changing how waste is managed in Northern Ireland.
- 2.22** The WMPNI includes a chapter on the Current Waste Management Situation in Northern Ireland and a chapter on Waste Arisings. It recognises that action is required by householders, local councils, businesses, and consumers. However, as it does not propose any new plans or measures to further improve local waste management or make it more sustainable, it is important that the updated Waste Management Strategy, which is under development, is published as soon as possible.

## Waste Prevention Programmes for Northern Ireland

- 2.23** The Waste Framework Directive requirement to produce a Waste Prevention programme was transposed into the Waste Regulations (Northern Ireland) 2011. The Department of the Environment published Northern Ireland's first Waste Prevention programme in 2013, 'The Road to Zero Waste'. This programme proposed 13 waste prevention actions.
- 2.24** DAERA published a second Waste Prevention programme in 2019, 'Stopping Waste in its Tracks'. This programme aimed to build on 'The Road to Zero Waste' and maintain the emphasis on "the downward trend in waste arisings by decoupling economic growth from the environmental impacts associated with waste generation."
- 2.25** The 2019 programme includes twenty-two actions for DAERA. Unlike the actions detailed in the 2019 Waste Management Plan, the waste prevention programme actions do not include a means to measure performance, such as a date by which they are to be achieved.



### Key Points

**The previous Waste Management Strategy expired in 2020. Strategic direction is required over the future of waste management in Northern Ireland. It is important that the new strategy robustly addresses how further improvements can be achieved for waste prevention, increasing reuse, recycling and recovery, and continuing to reduce reliance on landfill.**

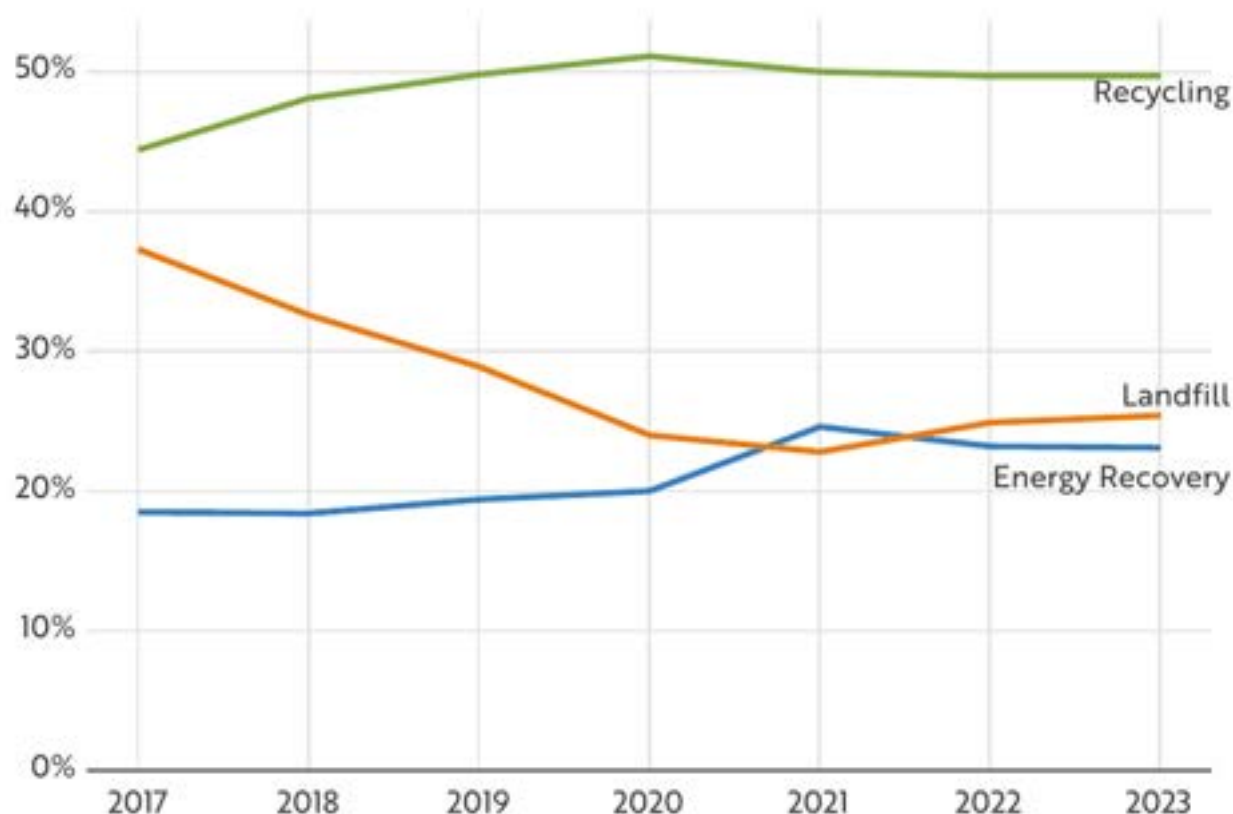
# Part Three: Performance and Achievements within Waste Management

- 3.1** The 2013 Waste Management Strategy contained 17 targets and 27 actions across seven themes (total of 44 targets and actions):
- Waste Prevention – 1 target and 2 actions
  - Preparing for Re-use – no specific targets or actions
  - Recycling – 14 targets and 9 actions
  - Other Recovery – 7 actions
  - Disposal – 2 targets and 4 actions
  - Better Regulation and Enforcement – 4 actions
  - Communication and Education – 1 action
- 3.2** The June 2022 closure Report for the 2013 strategy, Closure Report Northern Ireland Waste Management Strategy 2013 | Department of Agriculture, Environment and Rural Affairs (daera-ni.gov.uk), recorded that 22 (50 per cent), of the actions and targets were achieved; 10 (23 per cent) were achieved beyond the target date; 4 (9 per cent) were superseded, or alternative action taken; 3 (7 per cent) were partially achieved; and 4 (9 per cent) were not achieved but improvements were made. Only one action was recorded as not achieved.
- 3.3** In relation to recycling targets, the recycling rate of 60 per cent of locally collected municipal waste was not achieved, but improvements were made, with the 50 per cent target for household waste being met. Locally collected municipal waste is a mix of household and Commercial and Industrial (C&I) waste, household waste is waste collected by councils from domestic properties.
- 3.4** Some of the actions recorded as achieved beyond the target date include DAERA issuing comprehensive guidance on separate collections by April 2014. It is recorded that the EU guidance was sufficient and issued to councils in November 2015.
- 3.5** The one action recorded as not achieved was to reach an overall energy recovery rate of 79 per cent and overall recycling rate of 72.7 per cent of packaging by 2017. Energy recovery is the process of converting waste into energy, such as incineration. (In 2017, the UK recycling rate for packaging waste was 63.9 per cent and the EU rate was 67.5 per cent.)
- 3.6** For some of the actions and outcomes, additional information is limited, in particular for those marked as 'not achieved but improvements made'. The closure report acknowledges that having multiple targets within one action or target makes monitoring the performance more difficult. It suggests that in the next Waste Management Strategy, actions and targets should be separated to facilitate assessment.
- 3.7** Details of all the actions and their outcomes are set out in Appendix I.

## Council Performance against Waste Targets

- 3.8** The eleven local councils in Northern Ireland collect and process approximately one million tonnes of Local Authority Collected Municipal Waste (LACMW) annually. Figure 5 shows the percentage rates of this waste that is recycled, used for energy recovery, and sent to landfill between 2016 and 2023.

**Figure 5: Percentage Rates of LAC Municipal Waste in Northern Ireland 2017-23**



Source: Northern Ireland Local Authority Collected Municipal Waste Management Statistics

- 3.9** Councils are required to report on local authority collected waste on a quarterly basis via the Waste Data Flow system. This system was developed in 2004 to replace various waste questionnaires that had to be completed by local authorities, with a single data set. The data is publicly accessible and enables government to track progress against targets, [WasteDataFlow Waste Management](#).
- 3.10** The LAC Municipal Waste Data, as collected by NISRA and DAERA, shows local councils collected 0.97 million tonnes of municipal waste in 2022-23, with 49.7 per cent of this sent for recycling. In that year, council collected waste sent to landfill amounted to 23.1 per cent and 25.4 per cent was sent for energy recovery. Energy recovery figures as reported are derived from waste sent for recovery via incineration and gasification. Just over 120,000 tonnes of biodegradable waste was sent to landfill during 2022-23, a decline from 140,000 tonnes in 2021-22.
- 3.11** Household waste accounted for 87.1 per cent of all waste collected by councils. For this type of waste only, the recycling rate was 50.7 per cent, and the landfill rate was 22.4 per cent. The LAC Municipal Waste Data does not record data for energy recovery specifically for household waste; the figure given accounts for the amount of waste sent for energy recovery from all sources.

- 3.12** The total quantity of local authority collected (LAC) municipal waste arisings is a key performance indicator which is also used to monitor performance under the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015. It enables stakeholders to track annual increases in the volume of municipal waste, to assess key metrics around recycling, energy recovery and ongoing reliance on landfill, and to inform future waste management planning.
- 3.13** Total waste arisings fell from 1.06 million tonnes in 2006-07 to a low of 910,000 in 2012-13, a 14.1 per cent decrease. Since then, total arisings showed a generally increasing trend, until 2022-23 when waste arisings decreased by 6.1 per cent to 970,000 tonnes.

### Council Performance against Recycling Targets for Municipal Waste

- 3.14** Northern Ireland's target was to prepare for reuse or recycle 50 per cent of household waste by 2020. This target was met by councils, but only narrowly, with a recycling rate of 51.9 per cent in 2019-20, 50.9 per cent in 2020-21, 50.1 per cent in 2021-22 and 50.7 per cent in 2022-23.
- 3.15** Achieving the required recycling rate of 50 per cent for household waste by 2020 represents important progress by local councils. Challenges lie ahead for the councils as they aim to achieve the further increases that will be necessary to meet the new requirements that have been set, including a rate of 55 per cent of municipal recycling by 2025 and a requirement to achieve at least 70 per cent by 2030.

### Council Performance against Landfill Targets for Municipal Waste

- 3.16** The Northern Ireland Landfill Allowance Scheme (NILAS) was introduced in 2005 and translated the Landfill Directive Targets into annual allowances for each council. The most recent statutory landfill targets for councils was an overall annual limit of 220,000 tonnes of biodegradable local authority collected municipal waste by 2020.
- 3.17** The 2013 Waste Management Strategy set landfill targets of no more than 429,000 tonnes of biodegradable municipal waste (BMW) and 220,000 tonnes of biodegradable locally collected municipal waste. These targets were recorded as achieved in the Waste Management Strategy's closure report. Figure 5 shows how the percentage of council collected waste sent to landfill has reduced very significantly across the three main categories since 2006-07.
- 3.18** In 2022-23, a total of 225,000 tonnes of waste was sent by councils to landfill, representing a 12.8 per cent decrease from 257,900 tonnes in 2021-22. The landfill rate for 2022-23 was 23.1 per cent.
- 3.19** The landfill rate for household waste fell to its lowest value in 2020-21 at 22.4 per cent. It then increased slightly to 24.7 per cent in 2021-22 but has fallen again to 22.4 per cent in 2022-23. These general trends of a reduced reliance on landfill are positive.
- 3.20** The Food Waste Regulations (Northern Ireland) 2015 provided for the separate collection of food waste and required councils to provide households with food waste containers which will have contributed to the falling landfill rates. The Landfill Tax for household waste is a key incentive for councils to reduce landfill. This is charged on waste disposed at landfill sites and is paid to HMRC. Currently, a lower tax (£3.25 per tonne) applies to less polluting materials and a standard rate (£102.10 per tonne) is levied on all other material disposed of at authorised sites.

- 3.21** The achievements to date in meeting previous targets is a solid basis on which to move forward but the introduction of new targets, including further reductions in landfill rates, will be challenging. Together with other stakeholders, the councils will need to set out a strategic plan for meeting these.
- 3.22** Importantly, there is also a lack of clarity over how much landfill capacity remains in Northern Ireland. A 2017 report by WDR & RT Taggart, (commissioned by the Tullyvar Joint Committee (Mid Ulster District Council with Fermanagh & Omagh District Council) as part of the decision-making process regarding the future of the Tullyvar Landfill Site which remains 'mothballed') predicted that Northern Ireland would run out of landfill by 2028. NIEA does not have a statutory obligation to collate the landfill capacities for authorised operational landfill sites. At a time when the volume of waste generated is increasing, this presents challenges in accurately forecasting whether adequate future landfill capacity will be available to support waste management needs in Northern Ireland, and in assessing future planning for infrastructure required to support greater recycling and energy recovery. It also emphasises the importance of more robust strategies for waste prevention. We consider that landfill capacity within Northern Ireland needs to be formally and regularly estimated to inform future planning and target setting for landfill rates for local authority collected municipal waste.

## Council Energy Recovery Rates for Municipal Waste

- 3.23** Energy Recovery is a form of resource recovery in which the organic fraction of waste is converted into some form of usable energy. This can be achieved by incineration, gasification, pyrolysis (a process of thermal decomposition of materials at elevated temperatures, it can be used to convert biomass into bio-oil, biochar and syngas), valorisation and anaerobic digestion.
- 3.24** Most energy recovery comes from mixed residual waste, which is collected from kerbsides and from civic amenity sites by councils and processed into refuse derived fuel. Some also comes from specific types of waste, mainly wood, and includes items collected from civic amenity sites such as furniture, carpets, and mattresses. Figure 5 shows how the percentage of waste collected by councils and sent for energy recovery has increased notably between 2006-07 and 2022-23.
- 3.25** Figure 5 does not include energy recovery from anaerobic digestion as DAERA and NISRA account for these tonnages separately. This is because most council collected waste undergoing anaerobic digestion in Northern Ireland ends up as compost.
- 3.26** Before 2009-10, virtually no waste was sent for energy recovery in Northern Ireland but by 2020-21, the energy recovery rate had increased to 24.6 per cent. In 2022-23, almost 250,000 tonnes of waste was sent by councils for energy recovery which produced an energy recovery rate of 25.4 per cent. This was higher than the 2021-22 rate of 23.2 per cent, with just over 240,000 tonnes sent by councils for energy recovery. Whilst energy recovery is a carbon intensive process, for the majority of waste streams, it is still environmentally preferable to use this method instead of landfill, for waste that cannot be reused or recycled, in accordance with the waste hierarchy. It is important that Northern Ireland has suitable infrastructure and waste management practices in place to ensure that only waste that cannot be reused or recycled is sent for energy recovery.

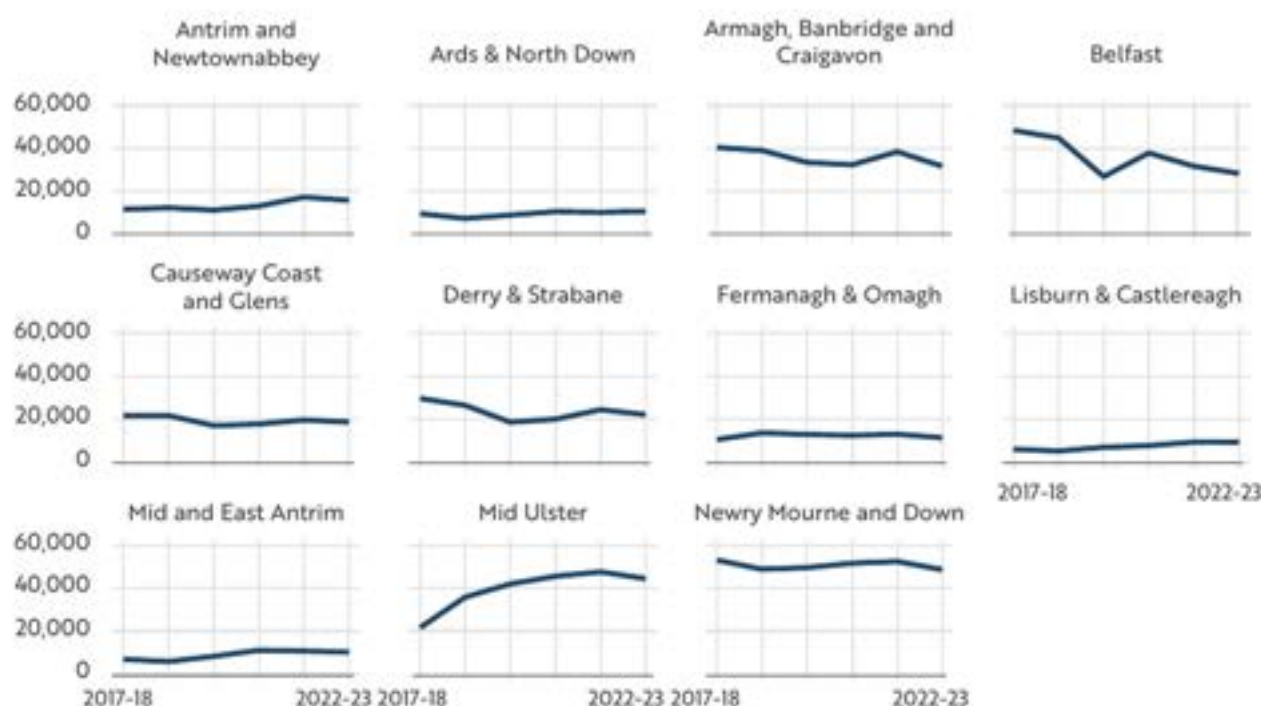


## Export of Waste

**3.27** Waste is exported for various reasons. It can cost less to export than to process locally, it can assist the exporting country meet their recycling targets, and it can reduce reliance on domestic landfill. Exporting waste can also be economically advantageous to countries which have a high demand for it and have the necessary recycling or energy recovery facilities and capacity. As stated in 3.26 above, energy recovery is environmentally preferable to landfill.

**3.28** As Figure 6 shows, the total waste exported by the 11 local councils increased by 6 per cent, from 259,000 tonnes to 275,000 tonnes, between 2017-18 and 2021-22. In 2022-23, the total waste exported decreased to 250,000. During this period, reported levels increased at six of the councils but reduced at the other five. In 2022-23, the volume of waste exported varied from 9,300 tonnes (Lisburn and Castlereagh) to 48,000 tonnes (Newry, Mourne and Down). This illustrates the variable reliance of individual councils on exporting to achieve their waste management targets. Positively, councils export waste primarily for recycling and for energy recovery. In 2022-23, they only collectively exported 6,800 tonnes of waste for landfill, all to Great Britain.

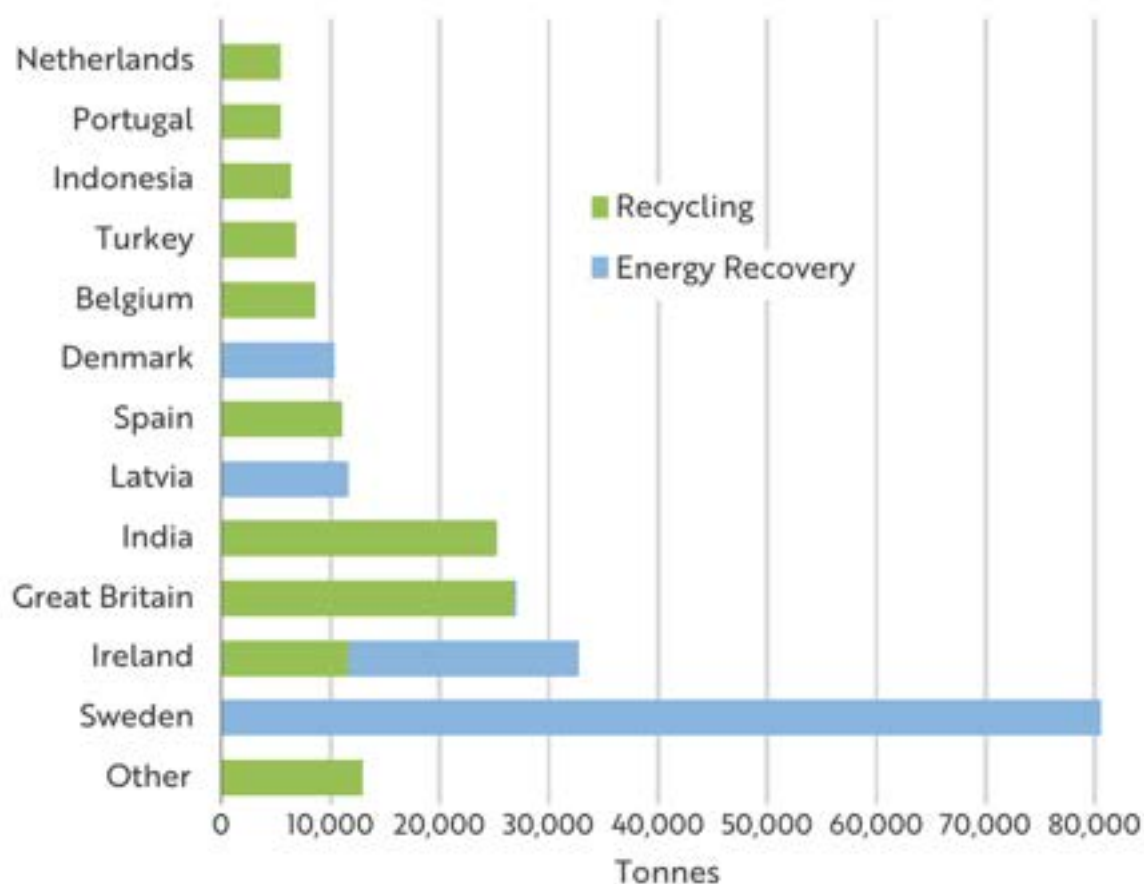
**Figure 6: Total Amount of Waste Exported by Councils 2017-2023**



**3.29** In 2022-23, the 11 councils exported just over 123,000 tonnes of waste for energy recovery to six countries, including over 80,000 tonnes exported to Sweden and 20,000 tonnes to Ireland. In that year, almost 121,000 tonnes was also exported for recycling to twenty-two countries. This included 26,800 tonnes exported to Great Britain, and 25,300 tonnes exported to India (Figure 7).

- 3.30** As well as lower costs, Northern Ireland exports waste to other countries for recycling and energy recovery due to insufficient local infrastructure to process it. There are economic and environmental costs associated with shipping waste around the world, but it is difficult to quantify the extent of this for council waste exported from Northern Ireland. Waste exported from Northern Ireland for recycling and energy recovery follows the requirement of the 1013/2006 Waste Shipment regulations, and there is a low rate of waste repatriation for exports of waste. As targets to further reduce landfill are set, stakeholders will need to plan to ensure that sufficient local infrastructure is in place to process waste in an economic and environmentally friendly manner, or reliance on exporting will likely continue to increase.
- 3.31** The Department has advised that there is also a significant amount of waste imported from England, Scotland, and Wales to Northern Ireland for processing, which can put pressure on the Northern Irish waste infrastructure.
- 3.32** Waste that has been exported for recycling and energy recovery is included in the figures used by councils to meet their targets. There are risks attached to Northern Ireland's reliance on other countries to meet future recycling and landfill targets. Should there be any restrictions in the future on the exporting of waste or introduction of prohibitively high costs, Northern Ireland would have to find alternative options for dealing with waste to meet targets.
- 3.33** In addition to local councils, businesses in Northern Ireland also export waste. International waste exports and imports are referred to as 'Waste Shipments'. The process for exporting and importing waste is referred to as the Transfrontier Shipment of Waste (TFS). Waste shipments are subject to TFS regulatory controls that depend on whether the waste is being sent for recovery or disposal, the type of the waste, the status of the dispatch and the destination of countries. Written permission from NIEA is required before specific waste shipments can be moved to or from Northern Ireland. These shipments are referred to as notifiable waste shipments. The notification fees paid to NIEA for notifiable waste exported in 2023 were £78,000, the notification fees for imported and exported waste were £504,000.
- 3.34** In 2023 NIEA recorded that 998,000 tonnes of TFS waste was exported, including notifiable waste and green list waste. The transport of green list waste does not require written permission from NIEA but those responsible for transporting must comply with TFS requirements.

**Figure 7: Destination of Waste Exported by Councils for Recycling and Energy Recovery 2022-23**



**3.35** Council collected waste only represents approximately 13 per cent of the total waste generated in Northern Ireland. Total waste figures for Northern Ireland can only be estimated due to the challenges around the availability of many types of waste data. Performance against targets for the local authority collected municipal waste can be measured, as robust and validated data is gathered by DAERA and NISRA. However, the ability to forecast, assess performance and manage waste for the other approximately 87 per cent of waste is more difficult, due to the lack of data.

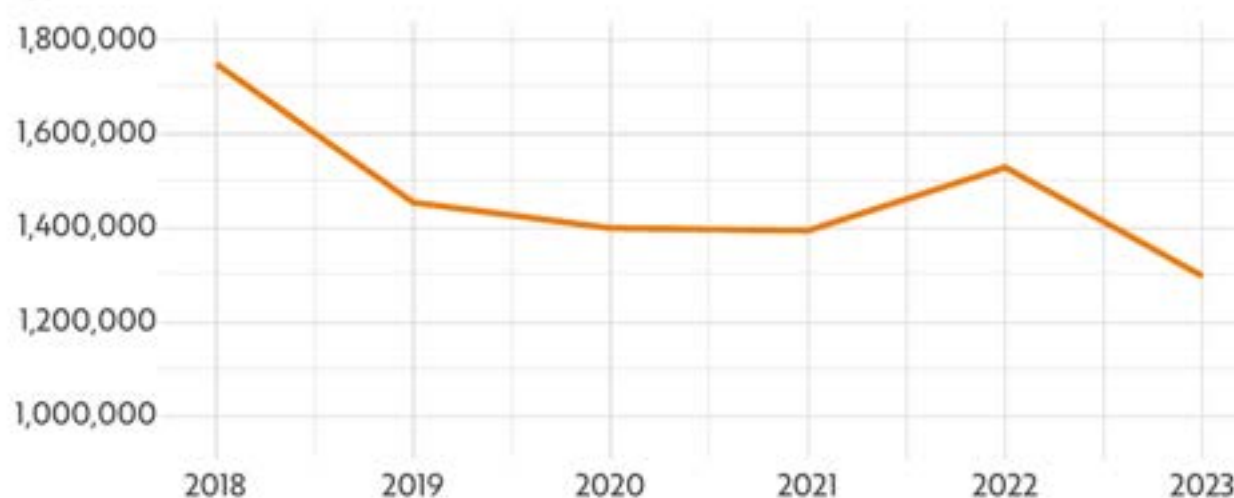
**3.36** The 2019 Waste Management Plan for Northern Ireland estimated that Northern Ireland recycled or recovered 79.4 per cent of non-hazardous CDE waste, which accounts for around 65 per cent of waste arisings in Northern Ireland. This exceeds the C&D recycling or recovery target of 70 per cent by 2020, as set by the 2013 Waste Management Strategy, but it is based on estimates, as more robust data is required to confirm outcomes.

**3.37** Stakeholders have long recognised the difficulties around collecting data for specific waste streams. This problem is not specific to Northern Ireland. The UK government is currently in the process of introducing a mandatory UK-wide digital waste tracking system. This aims to support effective regulation of waste (including addressing waste crime), to track how waste produced in the UK is being managed and disposed of and to move towards a more circular economy. As a partner in the project, DAERA is involved in its development. DAERA is working with Defra towards a launch date of April 2025 for waste tracking in Northern Ireland. The timely introduction of this system would help address longstanding and important information gaps.

## Waste to Landfill in Northern Ireland in the Last Five Years

- 3.38** In 2022-23, 225,000 tonnes of council collected municipal waste was sent to landfill. In 2022-23, a total of 1.9 million tonnes of all types of waste was disposed of through landfill.
- 3.39** Waste is classified by the European Waste Catalogue (EWC) Codes. The EWC Codes comprise chapters describing waste arising from different types of activity, and bodies involved in transporting or disposing of waste are legally required to classify it using these chapters. As Figure 8 shows, the total volume of waste sent to landfill in Northern Ireland reduced from 1.74 million tonnes in 2017-18 to 1.39 million tonnes in 2021-22. However, this then increased to 1.52 million tonnes in 2021-22, before falling to 1.29 million tonnes in 2022-23. In the last five years, the type of waste which accounts for the most tonnes sent to landfill in Northern Ireland is 'Construction and Demolition Waste'.

**Figure 8: Tonnes to Landfill in Northern Ireland 2017 to 2023**



**Figure 9: Top Five Types of Waste (by EWC Chapter) sent to Landfill in Northern Ireland to nearest Tonne**

Type of Waste (EWC Chapter)	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Construction and Demolition Wastes (including excavated soil from contaminated sites)	1,060,480	795,760	774,470	818,350	907,000	800,480
Waste from Waste Management Facilities, Off-Site Wastewater Treatment Plants and the Preparation of Waste for Human Consumption and Water for Industrial Use	309,270	311,280	366,910	343,380	368,890	275,540
Municipal Wastes (Household Waste and Similar Commercial, Industrial and Institutional Wastes, including Separately Collected Fractions)	328,420	296,890	256,240	211,030	206,270	200,520
Waste From Thermal Processes	34,720	38,800	21,900	11,690	35,570	11,480
Other	8,520	7,000	6,470	6,320	6,070	6,940
<b>Total</b>	<b>1,741,410</b>	<b>1,449,730</b>	<b>1,425,990</b>	<b>1,390,770</b>	<b>1,523,800</b>	<b>1,294,960</b>

**3.40** The volume of waste sent to landfill must be considered in the context of the total amount of waste generated in Northern Ireland. Rates of prevention, reuse and recycling must increase to ensure that reliance on landfill does not start rising again in the longer term. This once again indicates the importance of effective planning by stakeholders around ensuring how best practice, advocated by the Waste Hierarchy, can be implemented through enhancing both waste prevention activities and the levels of waste recycled or recovered.

**3.41** As well as concerns around capacity, NIEA may potentially be exposed to costs associated with legal landfill sites if owners go out of business during or post operation of the site. Prior to NIEA issuing a permit for the operation of a landfill site, the operator and NIEA must agree on the financial and environmental liabilities associated with each stage of the landfill site, including post closure. This is known as Financial Provision, which is required to be assessed by NIEA at application stage but also on an annual review basis as required by the permit conditions. For landfill sites the current NIEA Financial Provision Policy allows for the following mechanisms to be accepted: escrows, bonds and renewable bonds, cash, and local authority deed agreements.

- 3.42** NIEA sought advice around 'orphaned' landfill sites from the Departmental Solicitor's Office in the Department of Finance to understand where responsibility falls in such circumstances. The issue is complex and is to be addressed on a site-specific basis. The Department is working with other sister agencies to explore the best options to address the risk of abandoned landfill sites. To date there have been no incidents of 'orphaned' landfill sites in Northern Ireland, but it is a risk that must be managed by NIEA.

## Waste Crime in Northern Ireland

- 3.43** Waste crime refers to illegal activities associated with waste management. It can include illegally dumping hazardous waste, misclassification of waste to avoid disposal fees and operating without waste authorisations. Waste crime can occur across many sectors, both public and private, with considerable environmental and economic impacts.
- 3.44** The environmental consequences of waste crime include the release of harmful substances which can contaminate ecosystems, pose risks to public health and compromise biodiversity in the long-term.
- 3.45** Waste crime imposes economic burdens, with government and local authorities incurring costs for clean-up and remediation operations. Legitimate waste management stakeholders can face unfair competition from illegal operators, creating economic distortions within the industry.
- 3.46** Effectively enforcing laws against waste crime is very challenging, in part due to the nature of illegal waste management and disposal and in part due to the limited resources available to tackle this type of criminality.
- 3.47** A recent example, which had considerable media coverage, is the illegal waste site on the Mobuoy Road in County Derry/Londonderry. The site is believed to be one of the biggest illegal waste sites in the UK or Ireland. The Mobuoy site highlights the complexity of addressing waste crime. The NIEA has carried out extensive site investigations and monitoring, completed and published a detailed quantitative risk assessment of the site. A Remediation Options Appraisal process has been completed and published. This work underpins and informs the remediation strategy for the site which has been developed in draft. The NIEA is preparing to consult on this strategy. In the meantime, a comprehensive ongoing Environmental Monitoring Programme is in place for the site.
- 3.48** The scope of this report does not include an analysis of waste crime and its impact in Northern Ireland. The NIAO intends to produce a report focusing specifically on waste crime.



## Key Points

DAERA reported that a high proportion of actions and targets from the 2013 Waste Management Strategy were achieved to some degree.

There have been welcome and notable increases in the levels of municipal waste recycled and recovered, and a reduction in reliance in landfill over the last five years. Progress has also been made in increasing the volume of waste sent for energy recovery from zero, or small quantities, before 2009-10 to almost 250,000 tonnes in 2022-23.

Councils will face challenges in meeting future targets, including a rate of 55 per cent of municipal recycling by 2025 and 70 per cent by 2030.

A lack of clarity over remaining landfill capacity in Northern Ireland creates uncertainty and challenges for forward planning.

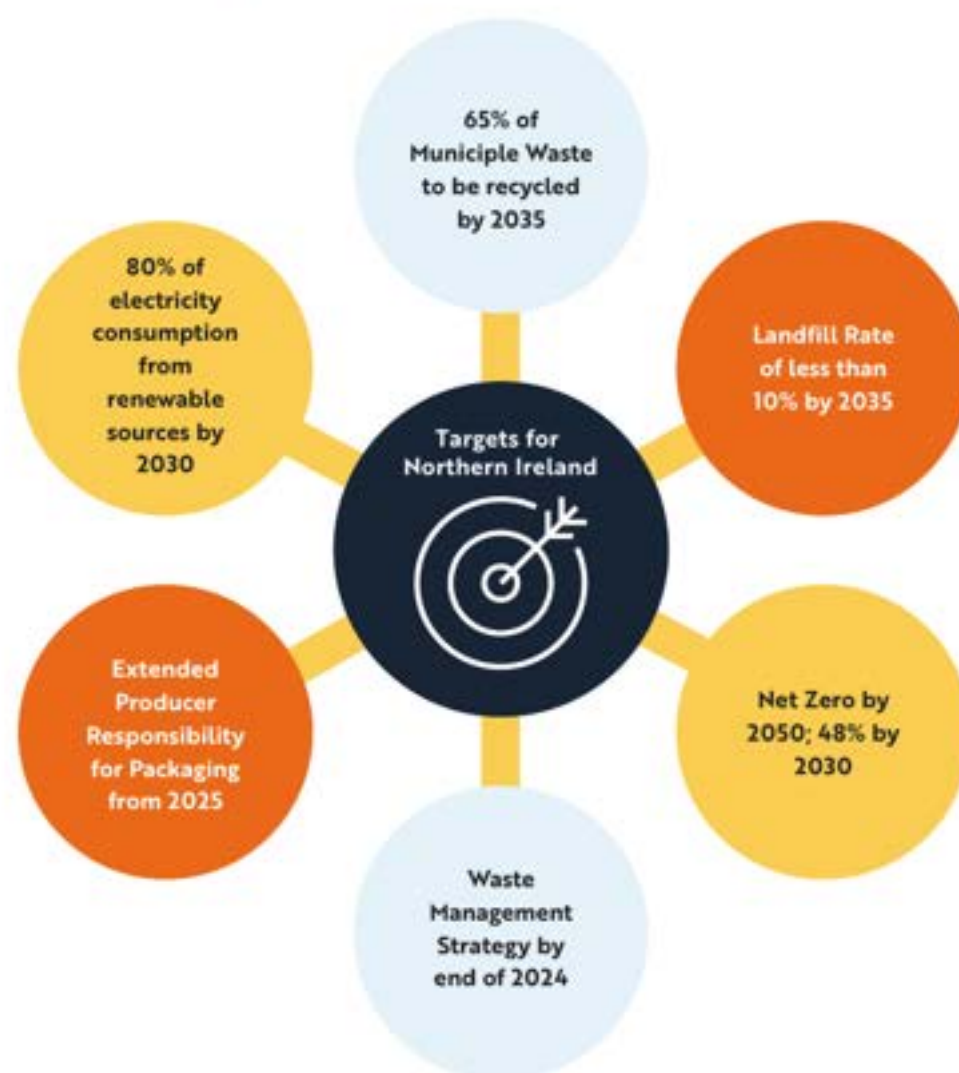
Councils export around 260,000 tonnes of waste annually and this can bring mutual benefits to Northern Ireland and other countries. However, if exporting restrictions were to be introduced or exporting costs increase prohibitively, the need for additional domestic processing capacity would arise.

Robust waste management data is only recorded for council collected waste in Northern Ireland. A mandatory UK-wide tracking system scheduled for introduction in 2025 will help address longstanding information gaps, if successfully implemented on time. An increased availability of data will improve detection of illegal waste activities and, in time, should assist government and local authorities to deter criminal waste management practices.

## Part Four:

# Future Challenges for Waste Management



**Figure 10: Future Targets for the Waste Sector in Northern Ireland**

- 4.1** Northern Ireland still has waste management targets that it must continue to meet, and other challenges it must respond to (Figure 10). With the publication of DAERA's new Waste Management Strategy, a key focus will be to outline how the current recycling targets, to recycle 65 per cent of municipal waste and the requirement to recycle at least 70 per cent of overall waste by 2030, can be achieved.
- 4.2** In terms of waste prevention, a 'Single-use Plastic Reduction Action Plan for the Government Estate' has been implemented. DAERA is also currently preparing a consultation on a Plan to Eliminate Plastic Pollution, delivering a Waste Prevention Programme and issuing targeted waste prevention grants. Waste prevention remains key in effective waste management, and it would be expected that the new Waste Management Strategy would have added focus on how to achieve waste prevention.
- 4.3** The Climate Change Act (Northern Ireland) 2022 requires that Northern Ireland publishes the carbon budgets for the first three budgetary periods by the end of December 2023, a date that was not possible to achieve in the absence of the Northern Ireland Executive. The Climate Change Act (Northern Ireland) 2022 requires that Northern Ireland must then publish a plan for each budgetary period setting out proposals and policies for meeting that carbon budget for that period.

- 4.4** The main function of the Action Plan is to deliver on the carbon budget, which provides a limit on the maximum total amount of greenhouse gas emissions which should not be exceeded for a defined budgetary period. The Action Plan will also set out how the waste sector specific targets are to be met.

## Waste Data

- 4.5** As discussed, the lack of data for approximately 87 per cent of waste generated in Northern Ireland reflects a UK-wide issue. A report published in June 2020 by WRAP (a climate change Non-Government Organisation) highlighted that "there is an urgent need for improvements in data quality especially for NHM (non-household municipal) sectors in order to enable more accurate forecasting of performance and cost, as well as understanding the relative contributions needed from each sub-sector."
- 4.6** As highlighted, the UK government is currently developing a mandatory digital waste tracking system intended to support the regulation of waste by providing a single system to track the amount, type, and ultimate destination of waste. To support implementation in Northern Ireland, Defra has allocated a budget of £9.5 million and anticipates that the system will be complete by April 2025. In a June 2023 report the NAO noted that the introduction of this system faces the same challenges as digital projects more generally within the public sector, namely skills gaps, insufficient planning, and a tendency to go over budget and timescales. These factors will need to be well managed if the system is to be delivered on time and within budget.
- 4.7** The tracking system's aim is both to improve data and to deter criminality in the waste sector. If the former objective is achieved, DAERA, NIEA and local authorities will be better placed to improve their waste forecasting capacity and plan for future challenges.

## Producer Responsibility Obligations

- 4.8** Producer Responsibility schemes require producers to take some responsibility for the environmental impacts of their products. Extended Producer Responsibility moves this even further from design to beyond the end of life of a product. The schemes can involve setting targets for recycling and waste reduction, and financial responsibility for producers. There are four established producer responsibility schemes, for packaging, batteries, waste electrical goods, and end of life vehicles. These are all being reviewed to consider extended producer responsibility; the first being advanced is packaging. The schemes are UK wide and aim to incentivise producers to act more responsibly for the environmental impact of their products.
- 4.9** The European Directive on Packaging and Packaging Waste introduced producer responsibility into the management of packing materials. The Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 1999 and 2007, and the Packing (Essential Requirements) Regulations 2015 implemented the EU Packaging and Packaging Waste Directive.
- 4.10** The Packaging Waste (Data Reporting) Regulations (Northern Ireland) 2023 bring in new data reporting obligations on packaging producers. DAERA also held a public consultation on the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024. The consultation was to gather stakeholder views on how the agreed UK policy approach has been reflected in the draft Regulations and to receive feedback on whether the Regulations create clear and operationally feasible obligations.

- 4.11** The NAO 2023 report on waste highlighted the challenges that the packaging reforms have faced. These included delays and a lack of clarity around implementation, lack of understanding as to the changes required and uncertainty around any potential benefits of the scheme. The challenges faced by Defra are similar in Northern Ireland.
- 4.12** The Deposit Return Scheme (DRS) in England, Wales and Northern Ireland will place a redeemable deposit on polyethylene terephthalate (PET) single use plastic and metal drinks containers up to three litres. The DRS will be industry led, with the companies that produce the containers funding the scheme by paying fees to the deposit management organisation to cover the costs of running the scheme. The consumers will then pay an upfront deposit at the point of purchase which can be redeemed by returning the container at a return point.
- 4.13** Defra is developing this scheme alongside DAERA and the Welsh Government. Scotland is developing a separate scheme and has set the deposit at 20p per drinks container. Defra advised that it intended to review Scotland's implementation of its DRS ahead of launching their own, but Scotland's scheme has been delayed until 2025, which is when Defra now intends to launch its scheme, a delay from 2024. There have been two consultations by Defra, DAERA and the Welsh Government on the scheme, one in 2019 and one in 2021. Defra advised that it has a "stretching target date" for commencement for DRS of 1 October 2027.
- 4.14** The NAO 2023 report notes that each stage has taken longer than expected and that the consultations on the schemes have reduced the scope of the original proposals. The report also refers to concerns among stakeholders as to whether the scheme represents value for money, in part because the containers can be recycled via council collections.
- 4.15** Lack of clarity and certainty is challenging for business, and it is for DAERA to ensure that it provides producers with all relevant information to facilitate implementation and operation of the regulations as soon as possible.

## Landfill Capacity

- 4.16** The Circular Economy Package (CEP) includes a requirement to cap the proportion of municipal waste sent to landfill in Northern Ireland to 10 per cent by 2035. It is anticipated that the new Waste Management Strategy will contain detail as to how this target will be met.
- 4.17** The total waste sent to landfill decreased from around 1.4 million tonnes annually in 2018-19 to 1.29 million tonnes in 2022-23. How much available landfill capacity remains in Northern Ireland is a challenge for the waste sector.
- 4.18** UK national and EU Member States are seeking to move away from landfilling and focus on recycling and recovery and, ideally, preventing waste. In the meantime, however, waste must be treated or disposed of and, to ensure this, accurate forecasting and planning is required. If the target of 10 per cent of municipal waste to landfill by 2035 is to be met, a 2015 Strategic Investment Report highlights that "All Residual Waste will require treatment rather than being sent directly to landfill as is currently the case. This will require significant additional infrastructure to provide necessary treatment capacity."<sup>1</sup>

<sup>1</sup> Update of the (April 2012) Analysis of the 2020 Residual Waste Infrastructure Requirements in Northern Ireland to meet EU Obligations', SIB, July 2015.

## Net Zero

- 4.19** Under the Climate Change Act (Northern Ireland) 2022, Northern Ireland is required to reach net zero greenhouse gas emissions by 2050. Waste management plays a key part in the move towards net zero by focusing on waste prevention through reusing rather than disposing of materials thereby reducing emissions through less consumption, improved recycling and recovery processes, and less transporting of waste.
- 4.20** There are concerns that the net zero target for Northern Ireland is not attainable. The Climate Change Committee (CCC), an independent statutory body established under the Climate Change Act 2008, wrote in a 2023 report that the target goes "significantly beyond their advice on what would be a fair and achievable contribution from Northern Ireland to the achievement of UK-wide Net Zero emissions." The CCC has also highlighted the lack of waste data in Northern Ireland, and its impact on assessing whether Northern Ireland is on course to meet its net zero obligations.
- 4.21** It is anticipated that there will be a renewed emphasis on waste prevention in the next Waste Management Strategy with new statutory targets in relation to recycling, reusing and disposal of waste. The Strategy should also assess whether Northern Ireland has sufficient infrastructure in place to manage waste in an economical and environmentally friendly manner, and in compliance with net zero commitments.

## Waste Infrastructure

- 4.22** DAERA has concluded that there is a need for additional waste infrastructure in Northern Ireland to process the quantities of waste that may arise in future years. Depending on the scale of waste infrastructure being developed, it is the responsibility of the relevant planning authority to determine planning permissions for such applications.
- 4.23** The only energy recovery waste plant in Northern Ireland is private sector operated, in Belfast's Harbour Estate. It can combust just under 160,000 tonnes of refuse derived fuel annually. Refuse derived fuel is created by processing different types of waste, including municipal, and is considered environmentally preferable to landfill. Kilroot has received planning permission to construct a Multi Fuel Combined Heat and Power (CHP) facility at the power station in Carrickfergus, to generate electricity through the diversion of 314,000 tonnes of non-recyclables away from landfill every year. Once constructed and operational this will significantly contribute to Northern Ireland's waste infrastructure.
- 4.24** There are thirteen waste-fed anaerobic digestion facilities in Northern Ireland, according to the Official Biogas Map, last updated in April 2023, and 58 farm-fed facilities. Waste-fed anaerobic digestors use municipal, commercial, and industrial waste as feedstock. Most of the biogas generated is used for onsite combined heat and power, with surplus electricity sold to export suppliers.
- 4.25** The proposed £240 million energy from waste (EFW) plant and additional recycling facilities at Mallusk, County Antrim could process an anticipated 250,000 tonnes of black bin waste annually (Becon – £240m waste management project for Northern Ireland councils 2023). The project has been contested for nearly ten years. In May 2023 the High Court quashed the most recent decision to deny planning approval for developing the plant. Planning approval will again be considered by the Department for Infrastructure.

- 4.26** While incineration or energy recovery is preferable to landfill, recycling and reusing waste is preferable to energy recovery (waste hierarchy.) Looking to improve Northern Ireland's capacity to reuse and recycle waste in greater quantities is in line with the Green Growth Strategy. Part of this Strategy is the promotion of the green economy and 'circular jobs.' As the draft strategy document states, "These jobs will be the result of prioritising regenerative resources, extending the lifetime of products, using waste as a resource, creating value for secondary materials and sharing knowledge on circularity. It will include jobs in repair, waste and resource management, procurement, renewable energy...and more."
- 4.27** Reviewing the waste infrastructure is an opportunity to encourage the green economy and to promote green jobs. Those responsible in Northern Ireland for waste management will have to consider what infrastructure is best required to meet the demands of waste management while also considering what options are most environmentally and economically sustainable.



## Key Points

**The new Waste Management Strategy will have to clearly articulate how future waste targets can be achieved and it is important that it is published by DAERA as soon as possible.**

**Waste prevention plans and measurable targets are required to reduce overall waste generated, along with a renewed focus on reusing and recycling.**

**In the context of a circular economy and the move towards Net Zero, the nature of waste management and disposal must be considered. The role of the waste hierarchy should be central in all decision making around waste management and its associated infrastructure, which must be developed in line with Northern Ireland's overall environmental goals and agenda.**

# NIAO Reports: 2023 and 2024

## NIAO Reports 2023 and 2024

Title	Date Published
<b>2023</b>	
Planning Fraud Risks	01 March 2023
Public Procurement in Northern Ireland	25 April 2023
Ministerial Directions in Northern Ireland	27 April 2023
Pre-school Vaccinations in Northern Ireland	05 May 2023
Mental Health Services in Northern Ireland	23 May 2023
Reducing Adult Reoffending in Northern Ireland	13 June 2023
Innovation and Risk Management - A Good Practice Guide for the Public Sector	27 June 2023
Developing the Northern Ireland Food Animal Information System	28 June 2023
School Governance - A Good Practice Guide	04 July 2023
The Judicial Review Process in Northern Ireland	04 July 2023
Overview of the NI Executive's response to the Covid-19 pandemic (3rd Report)	27 July 2023
Continuous Improvement Arrangements in Policing	10 August 2023
Approaches to Achieving Net Zero Across the UK - Report by the four Auditor Generals of the UK	15 September 2023
Tackling Waiting Lists	10 October 2023
Local Government Auditor's Report 2023	15 December 2023
Comptroller and Auditor General's Report on Financial Audit Findings 2023 - Central Government	20 December 2023
<b>2024</b>	
Tackling the Public Health Impacts of Smoking and Vaping	30 January 2024
Major Capital Projects: Follow-up Report	27 February 2024
Child Poverty in Northern Ireland	12 March 2024
Access to General Practice in Northern Ireland	20 March 2024
Water Quality in Northern Ireland's Rivers and Lakes	21 March 2024
Funding water infrastructure in Northern Ireland	27 March 2024
Budgeting and Accountability	24 May 2024



Northern Ireland  
**Audit Office**

**Independence and excellence in  
audit to improve public services**

