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Councillor Steven Callaghan QPM,
Mayor
Causeway Coast and Glens Borough Council
Civic Headquarters
66 Portstewart Road
Coleraine
BT52 1EY

Via email: mayorsoffice@causewaycoastandglens.gov.uk

Dear Mr Mayor,

CAUSEWAY COAST AND GLENS COUNCIL – EXTRAORDINARY AUDIT – NEXT STEPS

I am writing in response to the Council letter to me, dated 4th April 2023 from your predecessor, Councillor Ivor Wallace, advising me of the Council's approach to implementation of the recommendations arising from the publication of the Extraordinary Audit report. The letter also sought my views on monitoring implementation progress.



I was pleased to note from Councillor Ivor Wallace's letter that at the Special Council Meeting held on 27 March 2023 to consider the independent review reports available to the Council at that time, Council unanimously accepted the recommendations and resolved to set up an implementation oversight panel and sought a representative from this Department to join this panel.

Now that all recommendations listed in the Local Government Auditor's report have been completed, I have considered this request carefully and have decided that it would not be appropriate for me to nominate a representative for this panel. Instead, I am requesting that you send me quarterly progress reports on the work undertaken by the oversight panel. I am content that Departmental officials continue to work with council officers and offer any assistance where it is both practicable and permissible. I also think it would be useful if I met with yourself and the Chair of the oversight panel to discuss progress and any emerging issues.

In advance of the meeting I would be grateful if you could confirm how the Council intends to establish the Members' Oversight Committee and which senior officer will service that Committee.

In terms of the Department's responsibilities, the Department is primarily responsible for setting the administrative and financial framework within which District Councils operate. It also sets the governance (both democratic and corporate) and accountability framework. The Department has a range of intervention powers available to it, primarily set out in the Local Government Act (NI) 2014 and the Local Government (NI) Order 2005. These are listed at **Appendix 1**.

At this stage, having identified the range of options available, I consider Council should be given the opportunity to demonstrate clear implementation of all the recommendations



arising from the various completed independent reports and any reports on these issues still to be completed before I conclude on what, if any, further intervention is required.

I want to take this opportunity to emphasise that if the Council fail to adequately address the issues raised, within a suitable time frame, I will not hesitate to initiate further interventions, including a further follow up Audit by the Local Government Auditor to evaluate the extent to which the Council has achieved implementation of the recommendations. As regards a suitable timeframe, I would expect all the recommendations to be implemented by **30 October 2024**.

I believe it would be helpful for the Council to consider the appointment of an Independent Oversight Implementation Advisor to Chair an Oversight Steering Group to take forward the actions and ensure implementation of all the recommendations.

I would also recommend that one of the first outputs from this group should be a robust action plan with specific actions, targets, lead owner and timeframe for completion together with an indication of how the Council propose to measure the success of such actions.

I look forward to hearing from you.

Yours sincerely,

COLUM BOYLE
PERMANENT SECRETARY

Enc - Appendix 1 – List of Intervention Powers



Appendix 1

Powers of intervention

Supervision of councils by NI departments - Part 14 Local Government Act (NI) 2014	
Section 104	<p>Power of any Northern Ireland department to direct council to make reports etc.</p> <p>Any NI department may direct a council to – make to that department such report and returns; and give to that department such information with respect to the exercise of the council’s functions, as is specified in the direction. (Under the Interpretation Act (NI) 1954, function is defined as including “jurisdictions, powers and duties”).</p>
Section 105	<p>Inquiries and investigations</p> <p>Any NI department may cause such local and other inquiries to be held and such investigations to be made as that department thinks expedient for the purposes of the 2014 Act or in connection with the administration of any statutory provision relating to the functions of a council or any committee/sub-committee of a council. Schedule AI to the Interpretation Act 1954 applies to the conducting of such an inquiry/investigation.</p>
Section 106	<p>Power of any Northern Ireland department to intervene in case of default by council</p> <p>This section applies where an NI department - after causing a local or other inquiry to be held or an investigation made under s105 – is satisfied that a council has failed to discharge any if its functions.</p>



	<p>The relevant department may make an order declaring that the council is in default and directing the council, for the purposes of remedying the default, to take such action, within such period, as is specified in the order.</p> <p>If the direction is not complied with the relevant department may by order empower an officer of the Department to exercise or procure the exercise of, the function in question.</p> <p>Any costs incurred by the relevant department, or its officer, are initially defrayed as expenses of the relevant department but these must be re-paid by the council.</p>
Section 107	<p>International obligations</p> <p>This section provides any NI department with powers of direction in respect of international obligations. If a department considers that</p> <ul style="list-style-type: none">• any action proposed to be taken by a council would be incompatible with any international obligations, that department may direct that the proposed action must not be taken.• any action capable of being taken by a council is required for the purpose of giving effect to any international obligations, that department may direct that the action shall be taken.

Performance Improvement – Part 12 of the Local Government Act (NI) 2014	
Sections 98 and 99	Section 98 permits the Department to direct the Local Government Auditor (after consultation with the Auditor) to conduct an inspection of compliance (ie a special inspection) of a



	<p>council in respect of the requirements of Part 12 (Performance Improvement) of the 2014 Act.</p> <p>The Local Government Auditor is required to produce a report for each special inspection carried out and must mention in the report if they believe as a result of the special inspection that the council is failing to comply with the Performance Improvement requirements. The Auditor may also recommend that the Department uses its direction powers in section 100.</p> <p>Section 98 also permits the Local Government Auditor to initiate a special inspection. The Local Government Auditor (after consultation with the Department) may conduct an inspection of compliance of a council where they believe that a relevant council may fail to comply with the Performance Improvement provisions set out in Part 12 of the 2014 Act.</p>
Section 100	<p>This section contains powers for this Department or any relevant department to intervene in and direct a council which is failing, or is at risk of failing, to comply with the Performance Improvement requirements in Part 12 of the 2014 Act. The section also sets out the options open to departments.</p> <p>Where this Department is satisfied that the council is failing or likely to fail with the requirements of Performance Improvement, the Department may direct a council to-</p> <ul style="list-style-type: none">• prepare or amend an improvement plan or to follow specified procedures in relation to such a plan;• carry out a review of its exercise of specified functions;• enter into specified arrangements with another council;• set specified improvement objectives for itself.



	<p>This section also provides powers for any relevant department to direct that:</p> <ul style="list-style-type: none">• a specified function of the council must be exercised by that department for a period specified in the direction or for as long as that department considers appropriate; and• the council must comply with any instructions of that department in relation to the exercise of that function and provide the department with such assistance as is required.
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Audit powers – Local Government (NI) Order 2005	
Article 22	<p><u>Local extraordinary audits and inspections</u></p> <p>The Department may at any time direct the local government auditor to hold an extraordinary audit of the accounts of a local government body and that an extraordinary audit may be held after 3 days' notice in writing given to the body whose accounts are to be audited.</p>
Article 26	<p><u>Studies for improving economy, efficiency and effectiveness</u></p> <p>The Local Government Auditor shall, if required by the Department or the chief local government auditor, undertake comparative and other studies designed to enable them to make recommendations for improving economy, efficiency and effectiveness in the provision of services by councils</p>

Other considerations	
Judicial Review	The Department could consider applying for a judicial review of the Council.



<p>NI Local Government Code of Conduct for Councillors (“the Councillors’ Code of Conduct”)</p>	<p>The Department could consider whether any actions by councillors should be referred in writing to the NI Local Government Commissioner for Standards under the Councillors’ Code of Conduct on the grounds that they have failed to comply or may have failed to comply with the Councillors’ Code of Conduct issued under section 53 of the 2014 Act.</p>
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