

Media Release



Local Government Auditor's Report 2023

Northern Ireland's Local Government Auditor has today (Friday 15 December 2023) published a report summarising the findings of her audits of local councils during 2020-21 and 2021-22.

Colette Kane's report highlights the impact of the COVID-19 pandemic on both council finances and operations. It notes that, in 2020-21, total local government income exceeded total expenditure for the first time since the formation of the new council structures in 2015. This was mostly a consequence of the pandemic response, which saw both a reduction in expenditure levels by councils, and significant (but short-term) additional financial support to councils from central government. However, in 2021-22, while expenditure levels remained lower than pre-pandemic, a drop in income meant that the local government sector was again in a position of overall expenditure (£1.07 billion) exceeding income (£1.056 billion).

The report also notes that, during 2020-21 and 2021-22, the value of repayments made by councils against their existing debt was greater than the value of new borrowing. As a result, the value of outstanding debt across councils fell by £99.3 million (17%) over the two-year period, although there was significant variance between councils in terms of both overall levels of debts and levels of expenditure used to service this debt. There was also an increase in the value of useable reserves held by councils, from £266 million at the end of 2019-20 to £462.8 million at the end of 2021-22.

The report acknowledges the economic environment has changed significantly since 2021-22. Factors such as inflation and the rising cost of living have left the local government sector facing uncertainty over future funding levels and expenditure pressures.

Local Government Auditor Colette Kane commented:

"Councils must always balance the cost of delivering services with the level of income they are able to generate. In the current economic environment, this is difficult. Decisions that have potentially significant medium and long-term implications are having to be made with little clarity about how those implications can or will be managed in future. We have already seen several councils raising domestic rates in response to these challenges."

"A clearer picture of councils' financial position will emerge from the audit of the 2022-23 financial statements and I will have more to say on this in my next report. However, it is clear that robust financial planning is more essential than ever. I have highlighted a number of important considerations for councils moving forward. These include how best to utilise existing reserves to maximise

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value for ratepayers or, conversely, how to build financial resilience where levels of reserves deplete due to a reduction in income."

"The adaptability and flexibility displayed by the local government sector in responding to the pandemic will continue to be needed if councils are to innovate and embrace change and new opportunities."

Some of the other findings noted in the 2023 report include:

- During 2020-21, there was a significant increase in the value of suspected frauds reported by councils (£92,000, versus £5,000 in 2019-20). The value of suspected frauds then fell significantly during 2021-22 to a value more consistent although still slightly higher than the value in 2019-20 at £9,400.
- Staff costs continue to account for slightly less than 40 per cent of total expenditure, with the rate at individual councils tending to be relatively close to this general rate.
- Following a notable reduction in staff absence levels during 2020-21, the post pandemic work scape saw councils record their highest average sickness percentage against the previous five years (an average of 15.8 days in 21-22)

The Local Government Auditor's 2024 report, summarising findings from audit work during 2022-23, is expected to publish by Spring 2024.

ENDS

Notes for Editors

1. The results of work undertaken by the Local Government Auditor are reported to the Members of Local Councils and local government bodies. Her report on each set of accounts is published with the accounts by the audited body. She also provides an Annual Audit Letter to each body, which is also published by the audited body. In addition, a summary of her key findings at each local council in relation to the improvement audits and assessments will be published in her Annual Improvement Reports.
2. Due to the significant impact of Covid-19 on council operations and financial management in 2020-21, the Local Government Auditor did not publish a report in respect of this financial year. This report provides a perspective on local councils, based upon the findings of the various audits conducted across the 2020-21 and 2021-22 financial years. As a result the report highlights the immediate and significant impact that Covid-19 had on council operations and financial management during 2020-21, whilst also documenting the return to a more normal mode of operation during 2021-22.
3. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on Friday 10 December 2023.

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4. Background briefing can be obtained from the Northern Ireland Audit Office by contacting Michael Heery (028 9025 4348).



Northern Ireland
Audit Office

Local Government Auditor Report 2023

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15 December 2023



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This report has been prepared under Article 4 of the Local Government (Northern Ireland) Order 2005.

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.

Colette Kane
Local Government Auditor

Northern Ireland Audit Office
15 December 2023

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Foreword

Foreword

1. The Department for Communities (the Department), with the consent of the Comptroller and Auditor General for Northern Ireland (the C&AG), designated me as the Local Government Auditor in March 2021. As Local Government Auditor it is my responsibility to provide an opinion on the financial statements of the 11 councils in Northern Ireland. I am also required to prepare an annual report on the exercise of my functions.
2. Due to the significant impact of Covid-19 on council operations and financial management in 2020-21, I did not publish a report in respect of that financial year. This report provides my perspective on local councils, based upon the findings of the various audits I have conducted across the 2020-21 and 2021-22 financial years. As a result my report highlights the immediate and significant impact that Covid-19 had on council operations and financial management during 2020-21, whilst also documenting the return to a more normal mode of operation during 2021-22.
3. **Part One** of my report details the financial performance of councils, using figures from their audited financial statements and comparing these against previous years to highlight trends. The major theme of this section of the report is the pervasive financial impact that Covid-19 had on councils during 2020-21, and the extent to which recovery is evident in the figures relating to 2021-22.
4. **Part Two** of my report identifies the key governance issues and themes that have emerged from my audit work over the last two years. This includes my annual audit of councils' financial statements, as well as a number of other audit activities I have carried out during the same period. These other activities include the publication of a Value for Money (VfM) report on the planning system in Northern Ireland, and the completion of an Extraordinary Audit of Causeway Coast and Glens Borough Council.
5. **Part Three** highlights a number of strategic challenges and opportunities that councils face and which will require appropriate attention to ensure they operate effectively and efficiently in the coming years. Such issues include the management of those Region and City Deals which are being rolled out across Northern Ireland, and the need for careful financial management to support long-term financial recovery and sustainability for councils in the challenging economic context they currently find themselves in.
6. I would like to thank elected members, Chief Executives and staff of the 11 councils and other local government bodies I have audited for the assistance they have provided to audit staff over the last two years. I also wish to thank those members of staff in the NIAO who assisted me in the performance of the Local Government Auditor's function.

Colette Kane

Local Government Auditor

Part One:

Financial Performance

Financial Performance

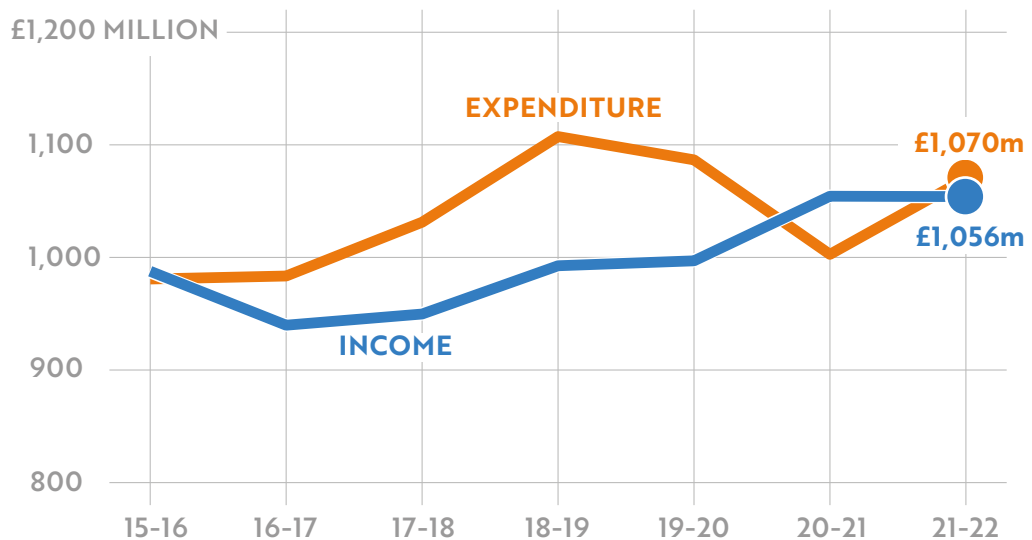
1.1 This section of the report provides a summary of financial performance issues for the local government sector as a whole over 2020-21 and 2021-22 financial years.

Overall income and expenditure trends

1.2 Between 2015-16 and 2019-20 annual expenditure incurred by councils consistently exceeded annual income. The extent of this gap increased year on year, reaching a peak in 2018-19. Whilst the annual deficit fell slightly in 2019-20, there was still a significant gap between the overall amount of income generated by local government bodies and the amount they spent each year (see **Figure 1** and **Appendix 1**).

1.3 This trend was interrupted in 2020-21, as the Covid-19 pandemic dramatically impacted how councils functioned. A significant reduction in activity decreased overall expenditure levels across the local government sector as a whole compared to preceding years. Meanwhile, local government also experienced a short-term increase in income, mainly due to significant financial support being provided by central government in response to the pandemic. This meant that income was higher than expenditure for the first time since the establishment of the new council structures in 2015. In 2021-22 expenditure levels remained depressed compared to their pre-pandemic level. However, a drop in income meant that the local government sector was again in a position of its overall expenditure exceeding its income.

Figure 1. Income exceeded expenditure across local government during 2020-21



NOTE

Previous years' figures restated using HMT deflators at December 2022

Source: Councils' audited financial statements

Income

- 1.4** Councils have three main sources of income: district rates, services fees and charges, and central government grants. District rates typically account for around two thirds of income, and services fees and charges around one quarter. The remaining ten per cent of income consists of grants made by central government to local government for a variety of purposes.
- 1.5** During 2020-21, the income generated by councils from district rates and service fees and charges remained relatively stable in real terms compared to previous years. However, the value of central government grants increased significantly as central government sought to assist councils manage immediate and emerging longer-term economic issues that had either been imposed or compounded by the pandemic (see **Figure 2** and **Appendix 2**). During 2021-22, overall income fell slightly compared to 2020-21 but the income generated from central government grants remained relatively high compared to preceding years.

Figure 2. Council income by source

SOURCE	REAL TERMS INCOME (£ MILLION)			CHANGE vs 2019-20 BASELINE	
	19-20	20-21	21-22	20-21	21-22
District Rates	673	671	685	⊖ -0.3%	⊕ 1.8%
Charges and service fees	236	246	236	⊕ 4.2%	⊖ 0.0%
Central government grants	88	137	135	⊕ 55.7%	⊕ 53.4%
TOTAL	997	1,054	1,056	⊕ 5.6%	⊕ 5.6%

NOTE

Previous years' figures restated using HMT deflators at December 2022

Source: Councils' audited financial statements

Expenditure

- 1.6** The limitations imposed on social and economic activity during 2020-21 meant that councils either did not deliver certain services or delivered them in different or more limited ways. As a result they did not bear the full range of costs that they typically incur in a normal year. This meant that overall expenditure levels were lower in 2020-21 and 2021-22 than in the previous years (as illustrated in **Figure 1**).
- 1.7** It is difficult to meaningfully analyse the expenditure cuts that occurred during 2021-22 across local government as a whole. Councils are not required to manage and report their expenditure within a prescriptive framework. Instead, it is intended that each council's financial reporting arrangements should be tailored to the arrangements and needs of each individual council. As a result, the annual financial statements prepared by councils cannot be easily aggregated to support comparative analysis of trends across local government as a whole.

- 1.8** There is an annual process whereby councils are required to provide an analysis of expenditure against a number of common service areas to the Department for Communities. However, even within this process the bulk of expenditure incurred by councils is reported against a single non-defined reporting category ('Other Services'). Whilst it is possible to see the extent of expenditure cuts in those service areas that are differentiated as part of this process, the vast majority of expenditure cuts fell within the Other Services classification. Despite these limitations, the data that is available highlights the pervasive nature of the restrictions on activities that were imposed during 2020-21 and 2021-22, resulting in significant decreases in costs across most reported areas compared to 2019-20 (see **Figure 3** and **Appendix 3**).

Figure 3. Council expenditure by expenditure category

SOURCE	REAL TERMS EXPENDITURE (£ MILLION)			CHANGE vs 2019-20 BASELINE	
	19-20	20-21	21-22	20-21	21-22
Waste collection	118	120	119	⊖ +1.7%	⊖ +1.0%
Other cleaning	52	45	49	⬇ 13.5%	⬇ 6.8%
Economic development	36	33	41	⬇ 8.4%	⬆ 13.9%
Community services	31	26	31	⬇ 16.1%	⊖ 0%
Tourism	32	22	25	⬇ 31.3%	⬇ 22.9%
Other services	457	372	436	⬇ 18.6%	⬇ 5.6%
TOTAL	726	610	701	⬇ 16.0%	⬇ 3.4%

NOTE

Previous years' figures restated using HMT deflators at December 2022. Expenditure figures exclude depreciation costs.

Source: Returns provided by councils to the Department for Communities

Staff Costs

- 1.9** Staff costs have consistently accounted for slightly less than 40 per cent of total expenditure by councils since 2015-16, with the rate at individual councils tending to be relatively close to this general rate. Recent volatility in expenditure levels has not substantially altered the proportion of overall expenditure used on staff costs, albeit it is two percentage points lower in 2021-22 than in previous years (see **Figure 4**).

Figure 4. Staff costs

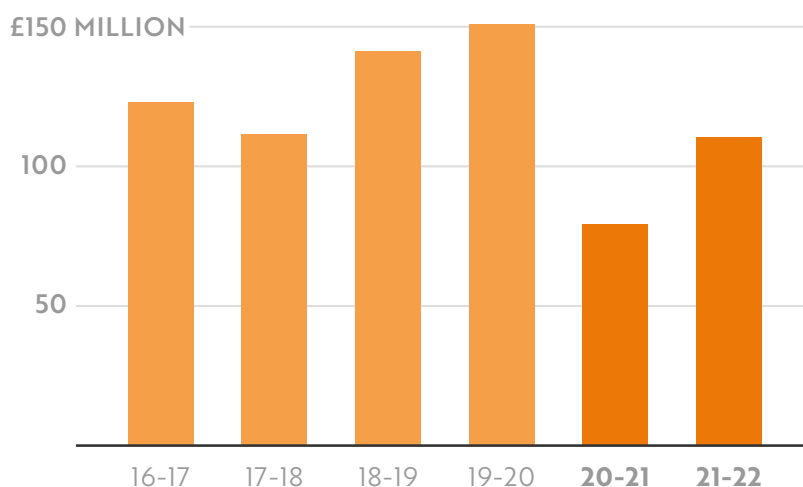
SOURCE	£ MILLION		STAFF COSTS AS % OF TOTAL
	STAFF COSTS	TOTAL EXPENDITURE	
2017-18	355	936	38%
2018-19	381	1,023	37%
2019-20	396	1,030	38%
2020-21	385	1,010	38%
2021-22	385	1,070	36%

Source: Councils' audited financial statements.

Capital expenditure

- 1.10** Capital expenditure relates to money that is used to purchase, construct or improve assets that are used by the councils to support the delivery of services over a number of years. Given that such expenditure can often relate to large-scale one-off projects, such as the construction of a new building, capital expenditure can be volatile. The identification of trends over time can be difficult due to this inherent volatility, with any given year not necessarily being comparable to preceding years.
- 1.11** It was, however, evident in the financial information provided to me by councils that there was a substantial decrease in capital expenditure by councils during 2020-21. Given the high level of economic uncertainty, and the logistical challenges imposed on capital projects by workplace restrictions and supply chain disruption, this is not unexpected.
- 1.12** Whilst there was some rebound in 2021-22, capital investment by councils as a whole was still substantially below the level of investment being made in 2018-19 and 2019-20 (see **Figure 5**). This general trend is, however, not entirely reflective of the approaches of all individual councils to capital investment, with some councils increasing their level of capital expenditure over the last two years compared to 2019-20. Full details of capital expenditure at individual council level are provided at **Appendix 4**.

Figure 5. Capital expenditure fell significantly over the last two years compared to the preceding years



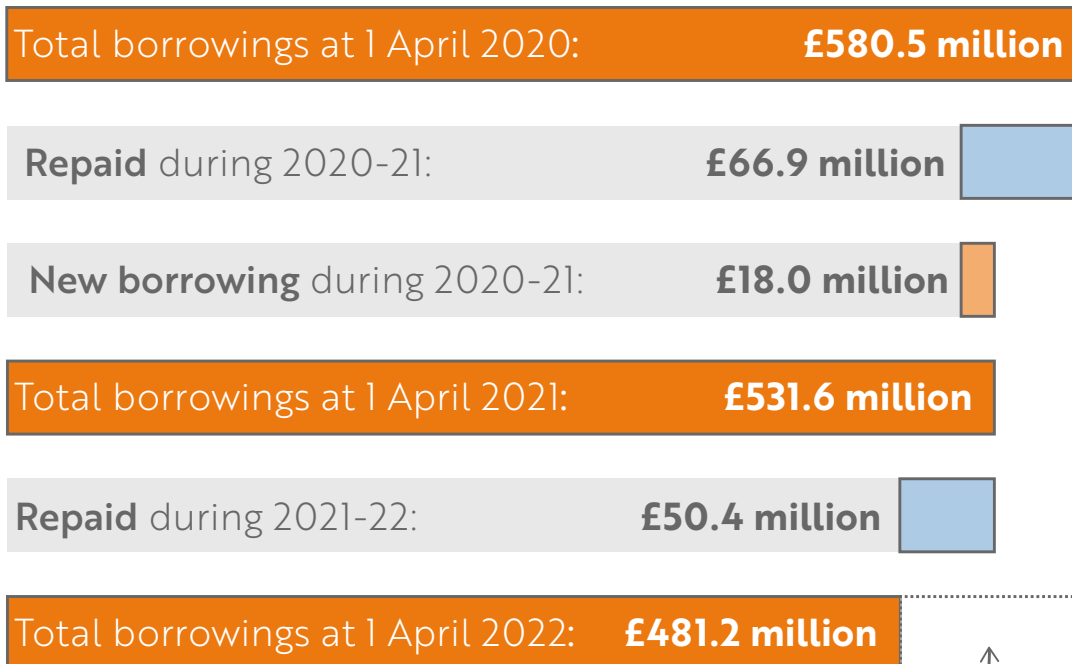
NOTE

Previous years' figures restated using HMT deflators at December 2022

Source: Councils' audited financial statements

Borrowing

- 1.13** The majority of borrowing undertaken by local government relates to loans intended to finance capital expenditure investments. As such, there is a strong relationship between capital investment levels and borrowing trends. Over the last two years, the value of repayments made by councils against existing debt has been greater than the value of any new borrowing and as a result the value of outstanding debt across councils has fallen over the last two years (see **Figure 6**). **Appendix 5** provides details of the movements on borrowing levels at each council over the last two years.

Figure 6. Overall value of borrowing by councils (2020-22)

The overall value of borrowing fell by **£99.3 million** (17%) over the last two years

Source: Councils' audited financial statements

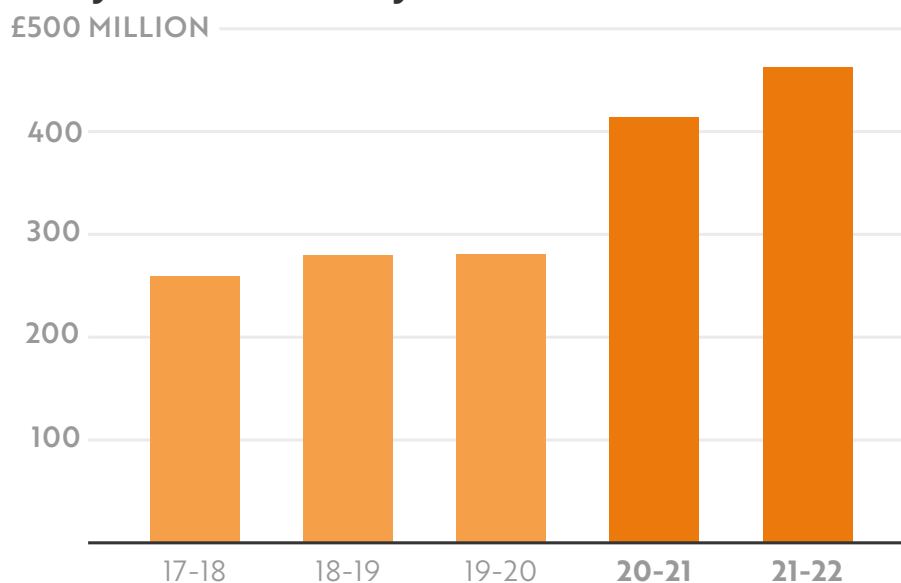
- 1.14** At each council, decisions about borrowing will be made according to individual treasury management strategies and priorities, and the economic constraints arising as a result of previous borrowing decisions. Whilst councils have significant freedom to undertake borrowing to deliver services, they are required to ensure that the costs of servicing any debt should not adversely impact on service delivery. This is an area of substantial variation between councils, with the proportion of annual expenditure used to service debt ranging from 4 per cent to 21 per cent across all councils (see **Appendix 6**).
- 1.15** Repaying borrowings is an important issue and requires careful management. In the current economic climate there is a high degree of uncertainty about future funding levels and expenditure pressures. There is a risk that the commitment of relatively large proportions of overall expenditure to the servicing of historic or new borrowing may limit financial decision-making flexibility significantly in future years.
- 1.16** Recent volatility in interest rates highlights a key risk associated with borrowing, whereby the total cost of borrowing can be highly sensitive to the timing of money being borrowed. The recent rise in interest rates means that money borrowed since that rise may impose upon councils higher costs of borrowing for potentially long periods of time than borrowing that occurred in the financial years before that rise.

Reserves

1.17 Council reserves consist of two main types of reserve: usable and unusable. Usable reserves are cash balances that councils may hold and are free to use to fund expenditure or reduce local taxation, subject to a statutory requirement to maintain a prudent level. Unusable reserves are balances held by councils that are not available for use. Typically, such balances relate to unrealised accounting gains or losses (for example when the value of capital assets increases as a result of indexation or revaluation). Such balances only become usable once the balance is realised (for example, when a revalued asset is sold).

1.18 The level of usable reserves held by councils increased across both 2020-21 and 2021-22 (see **Figure 7** and **Appendix 7**). Managing reserves over the medium-term is one of CIPFA's key pillars of financial resilience in local government. In accordance with the Act, councils must ensure that they have clear and robust plans in place for using these reserves in a way that delivers maximum value for rate payers. Conversely where the level of usable reserves reduces as a result of pressures on funding, councils must ensure they are able to demonstrate financial resilience through good financial planning.

Figure 7. The value of usable reserves held by councils has increased significantly over the last two years



NOTE

Previous years' figures restated using HMT deflators at December 2022

Source: Councils' audited financial statements

“Councils are to be commended for the adaptability and flexibility they demonstrated through 2020-21 and 2021-22. It is important, however, that...the willingness to innovate and embrace change that was demonstrated over the last years is not lost.”

Northern Ireland Audit Office

Part Two:

Governance issues

Governance issues

- 2.1** Over the last two years my staff have worked alongside staff in councils to complete the statutory audits I am responsible for undertaking, as well as specific investigations in respect of emerging high-profile issues. My oversight of this work enables me to identify and report on the key issues affecting council performance that have been identified during the course of this work.

Annual audit activity

I have identified some areas where councils have not effectively implemented adequate arrangements to ensure efficiency, effectiveness and economy

- 2.2** The Local Government (Northern Ireland) Order 2005 requires me to be satisfied each year that local government bodies have appropriate arrangements in place to ensure they achieve economy, efficiency and effectiveness (value for money) in their use of resources:
- **Economy** – careful management of resources, keeping costs as low as possible whilst meeting appropriate standards and objectives;
 - **Efficiency** – obtaining an optimal relationship between the resources used and the outputs/impacts achieved; and
 - **Effectiveness** – achieving alignment between intended and actual outcomes.
- 2.3** To fulfil this requirement, I require councils to complete an annual questionnaire detailing the arrangements they have in place, and to provide supporting documentation to provide evidence of the processes and procedures they have in place, in respect of a wide range of corporate activities: financial planning and reporting; IT security; procurement policy and procedures; risk management; and governance arrangements.
- 2.4** The reviews I have conducted over the last two years have identified seven instances where I considered councils should make improvements to the arrangements they had in place. These issues primarily related to the absence of fully up to date suites of policies across all councils. There were a number of policies some of which originated from legacy councils, that required review and updating (see **Figure 8**).

Figure 8

Council	Key Issues Identified
Antrim and Newtownabbey	<p>The Council was continuing to apply attendance management policies that were in place in respective legacy councils, resulting in differing arrangements within the council.</p> <p>A number of other policies were either absent or due for review, including a number of HR policies and an Asset Management Strategy.</p>
Ards and North Down	<p>The Council's ICT system was not ISO 27001 accredited.</p> <p>Not all policies were up-to-date and reflective of actual working practice within the Council, and a number of important policies were absent or had not been formally agreed by Council. These included a Succession Planning Policy, a Business Continuity Plan, and a Reserves Policy.</p>
Armagh City, Banbridge and Craigavon	<p>There were a number of policies in use that were in place in respective legacy councils resulting in different arrangements being used in different parts of the Council (e.g. flexible working, overtime, maternity, Raising Concerns Policy).</p>
Causeway Coast and Glens	<p>The contracts register had not been updated since 2019, and did not include details of all contracts. Furthermore, due to the secondment of a member of staff, there was no officer responsible for procurement during 2019-20.</p> <p>The Business Continuity Plan had not been fully tested to ensure key functions (finance and payroll) could operate from an alternative site should the Coleraine office be unavailable, and a number of other strategies and policies were out of date or absent.</p> <p>The Council's information security arrangements were not ISO 27001 compliant.</p>
Mid and East Antrim	<p>A number of policies and procedures were due to be reviewed and updated, including the Grievance Policy, Procurement Policy and IT Policy.</p>

2.5 Given these findings I consider it important to take this opportunity to remind all local government bodies of their duties in respect of ensuring they have proper arrangements to ensure good governance and use of resources in place.

My review of Annual Governance Statements highlighted that local government bodies have faced a number of common challenges

2.6 Every year my staff audit the financial statements prepared by local government bodies. This work involves auditing the financial statements prepared by councils and reviewing the Annual Governance Statement that each body prepares and includes within the annual report that accompanies the financial statements.

2.7 This Statement is a key document by which local government bodies communicate to rate payers, elected members and other stakeholders the key risks that the body is subject to and which may impair its ability to deliver on its objectives, as well as the actions the body has taken to mitigate these risks.

- 2.8** Each body is free to determine the content of its own Annual Governance Statement with the objective that each organisation should avail of this flexibility to ensure that the statement it produces provides meaningful commentary about the particular context in which it is operating.
- 2.9** It is, however, the case that many of the key issues or challenges that local government bodies face are common, and it is to be expected that there is a substantial degree of overlap in terms of the risks which are identified and the responses which can be applied by those responsible for managing the bodies.
- 2.10** Unsurprisingly the Annual Governance Statements that have been prepared over the last two years have been heavily influenced by the pandemic and more recent issues in the economy. In 2020-21, the most commonly identified issue amongst councils was the need to effectively manage the reserves that had been accrued as a result of the financial support offered by central government in response to the pandemic. In 2021-22 the key issue, cited by all councils, was the risk posed by inflation and related economic pressures.
- 2.11** There have been a number of other emerging issues reported in the Statements. In particular, eight councils identified cyber security as meriting inclusion in 2020-21, and this increased to ten councils in 2021-22. In 2021-22, risks associated with the delivery of City and Region Growth Deals were identified by three councils. The issues surrounding these Deals are discussed in more detail in Part Three.
- 2.12** It is important that the Annual Governance Statement reflects the full range of challenges that councils face. It is only by doing so that they can present to the reader a clear understanding of these and the actions being taken in response.
- 2.13** Issues relating to procurement are regularly identified in my financial audit reports. I am also aware procurement is an area where councils, in common with central government bodies, face a significant challenge in ensuring they have adequate capacity and capability amongst their staff. I would therefore encourage councils to consider in future whether there are issues relating to procurement that would be appropriate for including within Governance Statements.
- 2.14** Given the common nature of many of the key challenges that local government bodies face, I welcome the fact that forums exist to support discussion and collaboration in responding to these issues. In particular, SOLACE NI – the Society of Local Authority Chief Executives – has an important role to play in facilitating this collaboration and dialogue. I encourage local government bodies to continue to find collaborative, cost-effective solutions to common problems.

I have made a number of recommendations intended to assist councils improve their adherence to the performance improvement framework

- 2.15** The Local Government Act (NI) 2014 imposes upon councils a statutory responsibility to make arrangements for, and report on, continuous improvement in their functions or services. Improvement should be more than gains in service output or efficiency, or the internal effectiveness of an organisation. The activity should enhance the sustainable quality of life and environment for rate payers and communities. The framework also places a statutory responsibility on me to conduct an 'improvement audit and assessment' each year and report my findings.

- 2.16** The performance improvement framework intended to deliver on this requirement was phased in from 2015-16 and became fully operational in 2017-18. Within this framework I am required to assess and report on whether each council:
- discharged its duties in relation to improvement planning;
 - published the required improvement information;
 - acted in accordance with guidance issued by the Department in relation to those duties; and
 - was likely to comply with legislative requirements for performance improvement.
- 2.17** In accordance with The Local Government (Meetings and Performance) Act (Northern Ireland) 2021, the requirement to publish an improvement plan for 2020-21 was set aside due to the pandemic. As a result, in my audit of the arrangements for 2020-21, I was unable to consider the reporting of outcomes against self-imposed objectives that would normally have been set out in that plan.
- 2.18** Given the wider context, there were significantly fewer recommendations for improvement in my review of plans for the 2020-21 year, compared to my subsequent reviews of the plans established for the 2021-22 and 2022-23 years (see **Figure 9**).
- 2.19** All councils met their key performance improvement responsibilities for publishing a self-assessment report during the year and a performance improvement plan for 2021-22 and for 2022-23. Given the impact of the pandemic on council services at the time, however, I was unable to conclude on an assessment of whether the councils were likely to fully achieve their performance improvement responsibilities in these years. As part of my review of the plans councils have established for the 2023-24 year, which is ongoing at the time this report is being written, I will recommence making an assessment on whether councils are likely to meet their performance responsibilities in forthcoming years.
- 2.20** Despite the disruption caused over the last three years, I note that the requirement for councils to adhere to Performance Improvement legislation has been in place for seven years. It is my view that it is now appropriate to consider the overall effectiveness of these requirements and what impact they have had. It is my intention to work with councils and the Department in seeking to take this issue forward.

Figure 9. Summary of proposals for improvement made to each council during the Performance Improvement Audits

No statutory recommendations were made for any of the councils for any of the years reported below.

Council	2020-21	2021-22	2022-23
Antrim and Newtownabbey	-	2	1
Ards and North Down	-	5	3
Armagh City, Banbridge and Craigavon	-	1	1
Belfast	-	1	1
Causeway Coast and Glens	-	3	1
Derry City and Strabane	-	2	1
Fermanagh and Omagh	1	-	-
Lisburn and Castlereagh	-	2	-
Mid and East Antrim	-	1	1
Mid Ulster	1	-	-
Newry, Mourne and Down	-	2	3
Total	2	19	12

Source: Northern Ireland Audit Office

Additional audit activities

Review of the planning system in Northern Ireland

- 2.21** Planning has been an area of consistent high levels of public interest in Northern Ireland. In February 2022, the Comptroller and Auditor General and I published a report on the [Planning System in Northern Ireland](#). This report concluded that the planning system was not working efficiently and was, in many aspects, failing to deliver effectively for the economy, communities or the environment.
- 2.22** In particular, the report highlighted how current arrangements were dependent upon local and central government bodies working together effectively to deliver a single coherent system for service users, and this was not always achieved.
- 2.23** The report identified a number of issues that were related to parts of the planning process that are primarily the responsibility of local government to deliver. These included the significant delays that had been experienced in the development of Local Development Plans, significant variances in practices and decision-making approaches amongst councils and inconsistent application of best practice.

2.24 The report supported an Inquiry by the Public Accounts Committee, which published a report making a number of recommendations, many of which require the Department for Infrastructure and Councils to work together. I intend to review the progress that has been made against these recommendations in my next Local Government Auditor's Report. Councils and those involved in the delivery of planning services should be aware that since our original report, the NIAO has published a short guide intended to raise awareness about the potential for fraud within the planning system.

Extraordinary audit of Causeway Coast and Glens Borough Council

2.25 On 30 November 2020 the Minister for Communities directed me, under Article 22 of the Local Government (Northern Ireland) Order 2005¹, to undertake an extraordinary audit of the accounts of Causeway Coast and Glens Borough Council, concentrating on asset management policies and procedures, particularly in relation to asset disposals and easements.

2.26 I completed this audit and my findings were published on 7 July 2022. My review highlighted two cases where a number of significant governance failings were evident. These are Ballyreagh Road, Portstewart in which an easement for a hotel was signed for £1 in June 2016 and Castleroe Road, Coleraine where disposal of an asset and development of a hotel was granted to a charity for £5,000 in October 2016. I found there was a case that both had been granted unlawfully. Other failings identified in both cases included:

- a failure to demonstrate that best price was obtained;
- inadequate information presented by senior council officers to Committees and Council to enable them to make informed decisions;
- inadequate records kept of key matters; and
- the conduct of some senior council officers falling well short of expected standards.

2.27 I made a total of eight recommendations intended to support the council in addressing the findings I identified. The Council accepted the report and its recommendations and is currently working with the Department for Communities on implementing these. I will review and report on progress against these accordingly.

Mid and East Antrim 2021-22 Financial Audit

2.28 The audit of the Council's financial statements for the 2021-22 year were subject to significant delays, and the financial statements were not certified until late December 2022. There were a number of reasons for this including:

- the absence of key finance staff during our audit fieldwork;
- delays in responding to our requests for documentation; and
- the extent of additional audit testing necessitated by issues highlighted in ongoing and completed investigations.







¹ This article permits the Department to direct the Local Government Auditor to hold an extraordinary audit of the accounts of any local government body. An extraordinary audit is an audit which looks at a specific set of activities.

- 2.29** My audit identified a number of significant weaknesses in the Council's procurement and contract management practices including:
- Poor control over the monitoring and approval of Direct Award Contracts (DAC). DACs should only be used on an exceptional basis but I found that there were a total of 94 DACs during the 2021-22 financial year.
 - Business cases were not always carried out by the Council on a consistent basis. Business cases are an essential part of good procurement as they not only provide a basis for the approval of expenditure but also consider whether the proposed expenditure provides value for money.
 - Weaknesses in the completion of the Council's contracts database. The contracts database, if kept properly, should ensure the identification of contract end dates so that timely procurement can be commenced.
- 2.30** My audit also identified issues relating to the introduction of a new Finance IT system during 2021-22, including a lack of documentation relating to how this project was managed.
- 2.31** I made a number of recommendations which are being addressed by the Council and I would hope to see measurable improvements during the audit of the 2022-23 financial statements.

Asset management good practice

- 2.32** Local government bodies are responsible for the maintenance and management of a large asset base worth over £2.5 billion (see **Figure 10**). In the current economic climate it is likely councils will experience new pressures to consolidate, replace and maintain these assets. Given their value, it is essential that councils have appropriate asset management practices in place to ensure this pressure is managed sustainably.

Figure 10. Value of assets held by councils by asset type as at 31 March 2022

ASSET TYPE	NET BOOK VALUE	
Buildings	£1,922m	
Land	£391m	
Vehicle, plant & equipment	£132m	
PPE Under Construction	£94m	
Community assets	£65m	
Other	£132m	
Total	£2,737m	

Source: Councils' audited financial statements

- 2.33** In partnership with the Strategic Investment Board, I have produced a good practice document in this area for local government in Northern Ireland, issued October 2021: [A strategic approach to the use of public sector assets – A good practice guide for local government in Northern Ireland](#). This guide expands upon the existing and established principles of good asset management and provides officials working in local government bodies with tools that should support them in effective management of the assets that local government bodies are responsible for, in a way that best meets the needs of citizens in Northern Ireland.
- 2.34** I continue to promote the principles and practices within this guide and emphasise the need for all local government bodies to make the best and most efficient use of the assets they hold.

Other matters

The disruption imposed by the pandemic increased the risk of fraud for councils

- 2.35** The NIAO Best Practice Guide, [managing fraud risk in a changing environment](#), was released in November 2015, in response to the general presumption that the risk of frauds being perpetrated against organisations is heightened at times of significant change or crisis. As an organisation adapts how it is working to respond to external change or crisis there is the potential that its risk management practices and controls do not keep pace with change. This can create new areas of vulnerability where frauds that would otherwise be detected or prevented are not as easily identified.
- 2.36** Consistent with this presumption, the value of suspected frauds reported by councils to me during 2020-21 (£92,000) was significantly higher than the value of suspected frauds reporting during 2019-20 (£5,000). The value of suspected frauds then fell significantly during 2021-22 to a value more consistent although still slightly higher than the value in 2019-20, at £9,400.
- 2.37** However, it is not clear whether these figures represent the full extent of attempted frauds perpetrated against councils. Under Managing Public Money NI, all Central Government bodies are obliged to report any actual, suspected or attempted fraud to both the Comptroller and Auditor General and the Department of Finance. There is no similar reporting requirement in relation to the local government sector.
- 2.38** In 2016, councils agreed that they would, on a voluntary basis, report frauds to the Local Government Auditor on the same basis and using the same proforma used by central government bodies. However, compliance with this agreement has been inconsistent across local government. Since 2016, one council has not reported any suspected frauds to me, and three councils have reported only two cases each.

I would recommend that councils continue to inform me of suspected and actual frauds as this information can be used to strengthen the whole local government sector

- 2.39** More generally, it is critical that councils continue to be alert to ongoing risks to internal controls and effectively guard against fraud. There are a number of resources available that should assist councils in ensuring that they are achieving this. In particular the NIAO has recently produced guides on managing the risk of [insider fraud](#) (i.e. frauds perpetrated by individuals within an organisation) and frauds relating to the [administration of planning applications](#). These follow on from three other guides published during 2021 and 2022 which focus on fraud risks in respect of [Covid-19](#), [procurement](#) and [grant funding](#).

It is essential that councils have effective arrangements to support individuals raising concerns

- 2.40** Effective arrangements for raising concerns are an essential element of good governance. Such arrangements ensure that there are means by which concerns about how an organisation is operating can be heard and investigated. Where wrongdoing exists, those responsible must be held to account, mistakes must be remedied, and lessons must be learnt.
- 2.41** All councils are required to have procedures in place to deal promptly and robustly with any concerns raised directly with an individual council. These procedures must ensure that those raising concerns are supported and protected from any form of detriment or victimisation.
- 2.42** In June 2020, NIAO published a good practice guide on raising concerns. The guide encourages organisations to put in place effective arrangements for receiving concerns from the wider public and ensuring that they are properly considered and appropriately acted upon. The guide also suggests organisations appoint a speak-up guardian or raising concerns champion who can be a source of advice and support for staff and a key resource for connecting the organisation to service users and the wider public.
- 2.43** I noted in my review of the various council Governance Statements that ‘Whistleblower’ is still a commonly used term within local government. The term whistleblower can have negative connotations and perceptions of a culture of hostility that can act as a barrier to individuals deciding to raise concerns about a particular issue.
- 2.44** Raising concerns should be seen as a normal, positive part of everyday business, central in a culture of transparency and this should be reflected in the wording used by councils.

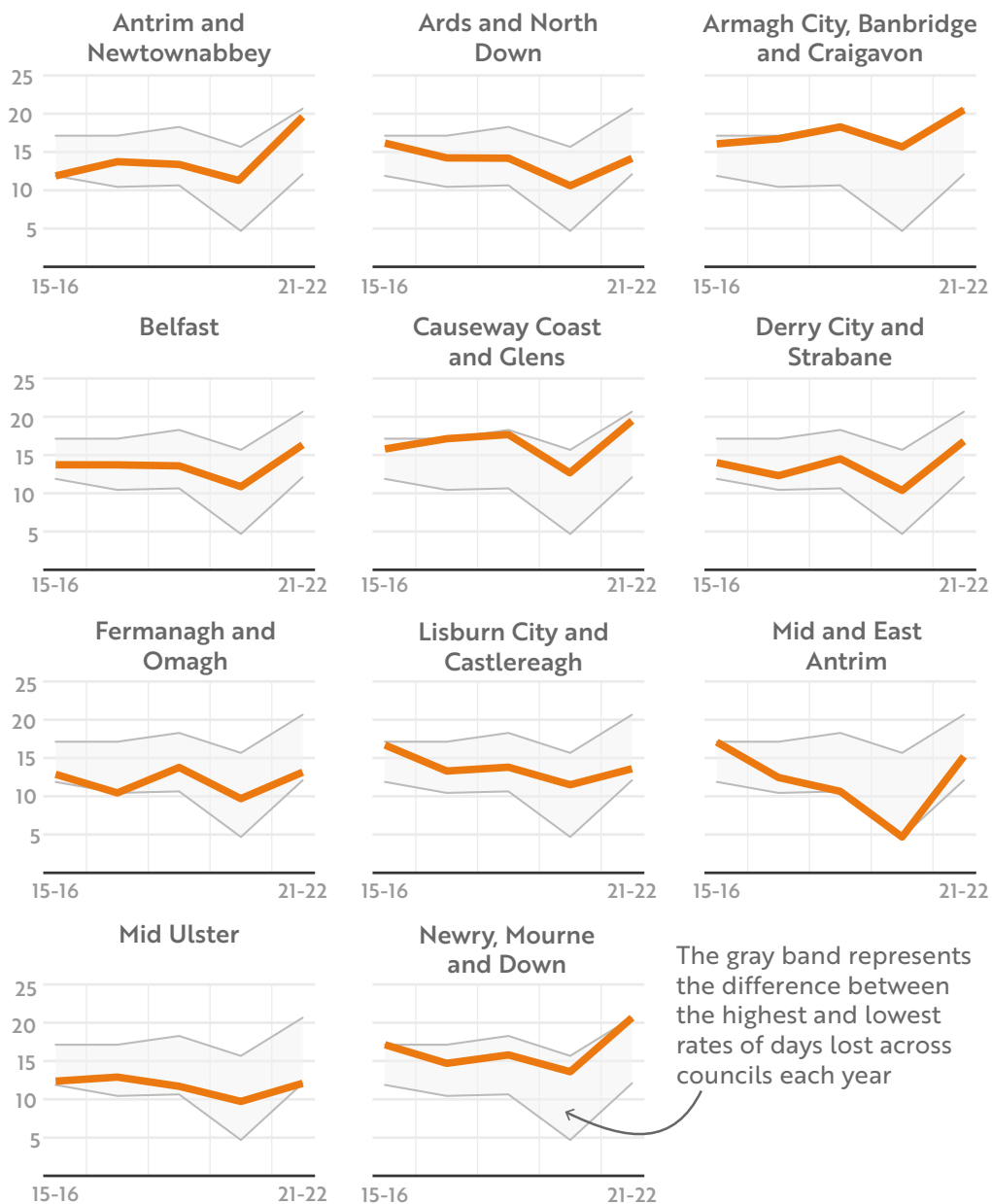
I encourage all councils to review the effectiveness of their Raising Concerns policies, and the language used within them, to satisfy themselves that their arrangements are effective in guaranteeing the protection of those who would raise concerns about an issue

- 2.45** As the Local Government Auditor within the NIAO, I am a prescribed person to whom protected disclosures can be made, under the Public Interest Disclosure (NI) Order 1998. The NIAO website provides contact details for those wishing to raise a concern with me.
- 2.46** I consider a number of possible actions when dealing with concerns. I determine how best to deal with a particular issue through an evaluation of the issues raised, considering a range of factors including: professional judgment; audit experience; whether there is a “public interest” element to the issue; and whether the concerns indicate serious impropriety, irregularity or value for money issues. My response may range from discussing the issues with the audited body, to carrying out a full audit investigation and including relevant comments in my audit reports. I am not required to undertake investigations on behalf of individuals. During 2020-21, a total of 19 concerns were raised with me and all cases have been closed. In 2021-22, a total of 14 concerns were raised. Nine of these have now been closed with no significant findings. The remaining five open cases continue to be monitored.

Managing attendance

2.47 In November 2020, I published a good practice guide on Managing Attendance in Central and Local Government which provides an overview of sickness absence across central and local government in Northern Ireland and sets out key principles for managing attendance that are consistent across the public sector. In all councils, absence levels reduced during the pandemic to their lowest over five years. However this trend was reversed as we entered the post pandemic work scape and councils recorded their highest average sickness percentage against the previous five years (see **Figure 11** and **Appendix 8**). I continue to emphasise the importance of closely monitoring and actively managing sickness absence levels.

Figure 11. Number of days lost to sickness absence per year

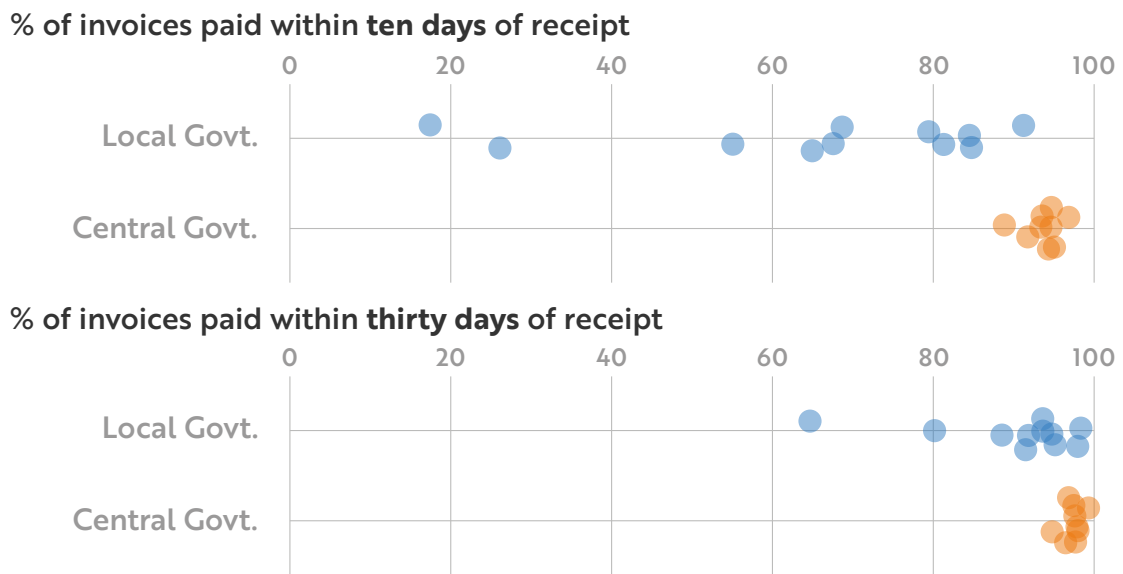


Source: Councils' Annual Audit Letters

Prompt payment

- 2.48** Within central government it is Executive policy that departments should aim to pay at least 90 per cent of valid invoices within 10 days of receipt, and 95 per cent within 30 days. Local Government Circular LG 19/2016 states that the local government bodies should aim to pay their suppliers promptly, but does not set a similar 10 day target.
- 2.49** Prompt payment of invoices by public authorities is important as the late payment of invoices is a key issue for businesses that supply government, especially small businesses, and can have significant impacts upon their cash flows and ability to trade. This importance is heightened in periods with a high degree of economic uncertainty.
- 2.50** Whilst most councils' performance is consistent with the requirements of LG 19/2016, council performance is significantly worse than the performance of central government bodies in respect of the payment of invoices within ten days of receipt (see **Figure 12** and **Appendix 9**). Given the challenges that many of their suppliers are likely to be facing in the current economic climate, I consider it appropriate that councils should seek to improve their performance in this area.

Figure 12. Local government prompt payment performance still lags behind the performance of central government departments



Source: Department for Communities and Department of Finance

Part Three:

Challenges and Opportunities

Challenges and Opportunities

Local government bodies should seek to ensure they sustain the innovation and agility they have exhibited in recent years

- 3.1** The Covid-19 pandemic and associated public health measures applied during 2020-21 and 2021-22 meant that councils had to continually adapt how they worked and provided services. In my 2021 Report, I highlighted a number of examples of councils responding to the crisis in innovative, collaborative ways to ensure they continued to provide services to their local communities.
- 3.2** Councils are to be commended for the adaptability and flexibility they demonstrated through 2020-21 and 2021-22. It is important, however, that as the urgency of finding new ways of working diminishes and a more regular pattern of life is re-established, the willingness to innovate and embrace change that was demonstrated over the last years is not lost.
- 3.3** An important aspect of the administrative response of councils to the pandemic was the adoption of new technologies. It is likely, and desirable, that councils should continue to strive to ensure emergent technologies are used to their fullest extent to support efficiency and effectiveness in council operations. It is also important that councils ensure that the introduction of new technologies and tools does not act as a barrier to interaction or effective engagement with those in their community who may not be as comfortable using technology as others.
- 3.4** Councils must also be mindful that the greater incorporation of new technologies and ways of working can potentially expose councils to greater or entirely new risks in relation to data security and fraud. There is a need for councils to ensure that they have access to appropriate levels of skills and expertise to enable them to effectively identify and manage any such issues.
- 3.5** The NIAO has recently published a good practice guide on Risk and Innovation which I would commend to councils.

It is important that newly elected members in 2023 are given appropriate training to enable them to be effective members of council

- 3.6** The recent local government elections have resulted in the election of a number of new councillors across Northern Ireland. It is important that all councils ensure that newly elected members are provided with the foundation of a strong induction and ongoing development programme to enable them to quickly become effective in their role.
- 3.7** Such programmes should provide new members with the key standards and frameworks within which they should operate. These include the NI Local Government Code of Conduct for Councillors and the Principles of Public Life. They should also ensure councillors have an adequate understanding of the role of the council and the committees, as well as an overview of the individual council's key strategies, financial and governance issues and risks.

- 3.8** Given its key role in council governance processes, specific training on the role and purpose of the Audit and Risk Committee is key. I have recently delivered training to Audit and Risk Committee members through the Northern Ireland Local Government Association (NILGA). Attendees found this very useful in ensuring an understanding as to the purpose of the committee and obtaining an awareness of relevant guidance relating to how members should perform their role.
- 3.9** It may also be useful for new members to meet with council officials from key business areas to facilitate operational understanding. There is also a need to ensure new members are aware of their obligations in respect of the timely and accurate declaration of any interests they may have outside of council that may be perceived to impact upon their role.
- 3.10** The training of new members offers an opportunity for councils to provide refresher training for any existing members who may feel it would benefit them. NILGA delivers support for the induction, training and development of councillors and combines this with a councillor development charter. Nine of the 11 councils have achieved the charter, with four achieving Chartered Level Two (formally known as Chartered Plus).

It is likely councils will continue to operate in a complex and challenging financial environment in the coming years

- 3.11** Councils must always carefully balance the cost of delivering services with the level of income they are able to generate. In the current environment this is difficult, and economic decisions that have potentially significant medium and long-term implications are having to be made with little clarity about how those implications can or will be managed in future.
- 3.12** I have noted during the last year the significant challenge councils have faced when seeking to negotiate and agree pay settlements with staff. This has resulted in industrial action which has affected service delivery in some councils. The challenge of managing this issue is likely to be one councils have to deal with for some years. It will require careful consideration and engagement to achieve sustainable solutions. Councils might benefit from working collaboratively on this to ensure a consistency of approach.

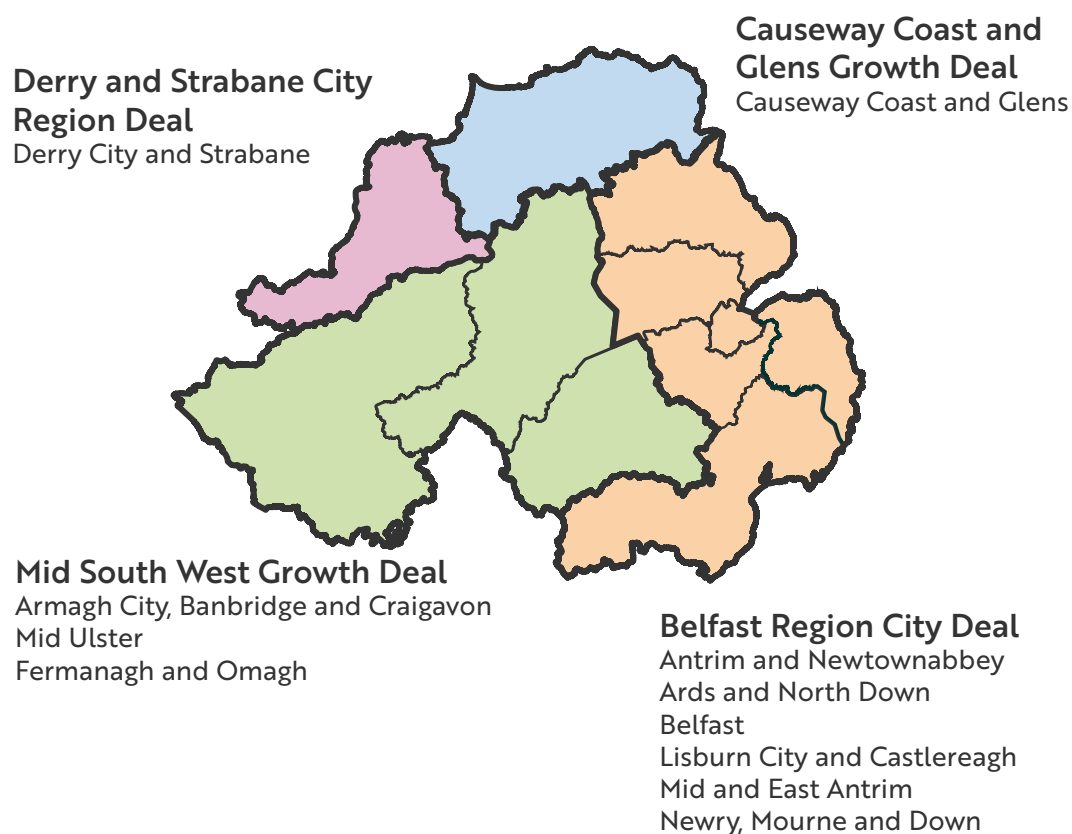
It is important that councils ensure they use the grants they have received over the last two years effectively and efficiently

- 3.13** In Section 1 of this report I noted the significant additional financial support provided to local government by central government over the last two years. Specifically, a total of £102 million in ring-fenced funding was provided by the Department for Communities through 2020-21 and 2021-22 to help alleviate the impact of exceptional losses incurred by councils during these years.
- 3.14** In October 2022, the Department announced that the £33 million of these funds that at that point had not been used by councils were no longer ring-fenced. They could therefore be used more generally to support ongoing economic recovery within the challenging wider economic climate.
- 3.15** It is important that councils use this funding effectively and ensure that the additional monies which they have received are used to deliver benefits for rate payers and support economic recovery.

City and Growth Deals are intended to support infrastructure investment that will lead to improved productivity, employment and economic growth across Northern Ireland

- 3.16** City Region and Growth Deals are collaborations between central government, local government and other statutory and non-statutory partner organisations to deliver significant new infrastructure investment within a particular area. Such arrangements have been used in Great Britain for some years, with 20 such deals in place.
- 3.17** In March 2019 it was announced that new deals would be established in Northern Ireland. These deals would cover the entire country, but would be split into four different council groupings (see **Figure 13**). These council groupings would be responsible for developing investment plans across their area, and for effectively managing and governing the delivery of those projects within the terms of their deal.

Figure 13. City and Growth Deals



Source: NIAO

- 3.18** Each council group would be provided with financial support, on a match funding basis from the NI Executive and UK Government, to enable it to deliver on its investment plans. In addition to local and central government monies, the cost of certain projects may also be met with additional contributions by universities, further education institutions, and private sector organisations.

- 3.19** At the time of writing, two City Deals have been agreed and work is ongoing on finalising the remaining two:
- **Belfast City Region Deal:** Signed on December 15 2021, this agreement provides for a total investment of £850 million over a 15-year period. As of March 2023, a total of 11 business cases have received approval, and seven Contracts for Funding have been signed, with funding now being allocated.
 - **Derry and Strabane City Region Deal:** This deal was launched on February 24 2021, and provides an investment package of £250 million. Despite challenges posed by inflation, all preliminary business cases are currently in the final stages of development, with the intention of finalising the financial deal in the spring of 2024.
 - **Mid, South and West Growth Deal:** The three MSW Councils have collectively allocated resources to support the Growth Deal and have been actively engaged in efforts to secure a signed Heads of Terms Agreement, with a revised target date set for autumn 2024. In February 2022, a Business Innovation Programme (BIP) was introduced, funded through the UK Community Renewal Fund. The BIP encompasses three distinct components, namely Productivity and Innovation Awareness Training, a Business Innovation Strategy Development Scheme, and a Business Leadership and Technical Advisory Vouchers Scheme.
 - **Causeway Coast and Glens Growth Deal:** The Causeway Coast and Glens Growth Deal is a single council initiative that is expected to deliver £72 million in central government funding. Causeway Coast and Glens has set a target date for spring 2024 for the signing of Heads of Terms. Outline Business Cases have been developed as of October 2023, with £8.8 million remaining unallocated.
- 3.20** In addition to Growth Deals, there have been other significant schemes have been established, intended to support local investment across Northern Ireland. In May 2020 the Finance Minister also announced the City/Growth deals Complementary Fund, which was intended to provide up to £100 million to support investment in infrastructure that could demonstrate the potential to enhance the benefits being delivered through schemes being pursued under the main City Deals.
- 3.21** A significant proportion of this fund - £52.1 million – has already been allocated, mainly to support projects related to the Belfast Region City Deal. A decision on the use of the remaining part of the fund has not yet been made.
- 3.22** The Executive announced in May 2020 that Derry City and Strabane region would have access to an exclusive £110 million Future Fund. This fund, provided by the UK Government and the Executive, is intended to support the relevant councils to implement measures focused on addressing social and physical deprivation, providing local skills and jobs opportunities, and to assist the local university make itself more accessible and favourable for students and investors. The Future Fund was announced in advance of the Complementary Fund, and as Derry City and Strabane had received the support from the Future Fund, they were unable to apply for support from the Complementary Fund.
- 3.23** There is a strong sense that initial optimism about the impact these various investment plans could have has been tempered by concerns about the financial viability of initial plans. Significant increases in the cost of construction, materials and energy have made the projects initially planned significantly more expensive than would have been forecast.

- 3.24** In June 2020 the Assembly Research and Information Service produced a briefing paper on City and Growth Deals. The paper highlights that Growth Deals are often seen as a way to promote private sector investment in a region. However, the paper highlights a number of factors that impact on the success of Growth Deals in terms of appropriately sharing risk between the private and public sectors. These include ensuring there is strong local governance and leadership, the development of a robust evidence base to support investment decision-making, the availability of private sector match funding, and the ability to align investment with wider regional economic strategies. Effective planning and good governance is essential to ensuring that the funding that is available is used to maximum effect to benefit citizens in Northern Ireland. I will continue to observe how City and Growth deals progress from planning to delivery across Northern Ireland.

There continues to be a need to properly review the financial impacts of council restructuring in 2015

- 3.25** As part of the plans that underpinned the restructuring of council areas, it was intended that there would be a review of the efficiency savings that had been achieved by the changes made in 2020. Whilst the Department intended to complete a review of local government in 2019-20, this was initially delayed to 2020-21. The outbreak of Covid-19 in early 2020 resulted in a further postponement of this until 2021-22.
- 3.26** This review has now been carried out and the draft report is being considered by the Department and SOLACE (Society of Local Authority Chief Executives and Senior Managers). I will consider the report when it is published to decide if further analysis is required.

The framework used to measure the effectiveness of local government performance is evolving

- 3.27** The Local Government Act 2014 granted the Department the power to establish a number of performance indicators against which the performance of each council could be measured. These powers were intended to make it possible to assess the extent to which each council was meeting the duty of performance improvement conferred upon it by the Act.
- 3.28** In 2015 the Department established such indicators in relation to three key performance areas: economic development, waste management, and planning (see **Figure 14**). Each year, data is collected about each councils' performance against each indicator, and allows for comparison of council performance against the target performance level as well as relative council performance.
- 3.29** Following the transfer of functions to local government in April 2015, performance against the economic development indicator was linked to the jobs targets that had been included in the 2011-15 Programme for Government. This Programme had set a target of the creation of 6,500 local jobs over the life of the Programme, equating to around 1,625 per year which were allocated across each council area. These targets have remained in place since then.

Figure 14. Key Local Government Performance Targets

Economic Development

ED1: The number of jobs promoted through business start-up activity

Planning

P1: The average processing time of major planning application

P2: The average processing time of local planning applications

P3: The percentage of enforcement cases processed within 39 weeks

Waste management

W1: The percentage of household waste collected by district councils that is sent for recycling (including waste prepared for re-use)

W2: The amount (tonnage) of biodegradable local authority collected municipal waste that is landfilled

W3: The amount (tonnage) of local authority collected municipal waste arisings

3.30 In 2018, an impartial review of job creation targets, commissioned by councils, recommended a new rationale for setting such targets within council areas. In response to this assessment, councils corresponded with the Department for the Economy (DfE), suggesting revisions to the target figures for each respective area. As a result of this correspondence, the DfE has requested amendments to its performance indicators and associated standards, as initially outlined in the 2015 order. The Department for Communities (DfC) has conducted consultations regarding the proposed amendments, and there is consensus among councils on the need to change. Prior to implementation of these modifications, approval is required by the currently inactive Northern Ireland Assembly.

Local government bodies will be required to respond to developments in respect of sustainability and climate change

- 3.31** It is likely that implementation of the recent Climate Change Act (the Act) will also have an impact upon local government's performance objectives and responsibilities in respect of sustainability.
- 3.32** For example, the Act has established a target that 70 per cent of all waste is recycled by 2030. It is currently unclear the extent to which the existing recycling targets applied to local government will be sufficient to support this overall objective.
- 3.33** I note that all councils have begun to address the issue of climate change and sustainability but are at varying stages of progress. A number of councils are seeking support through working in partnership with local authorities in other parts of the United Kingdom. For example, four councils are members of APSE Energy. This is a partnership which brings together councils from across the UK to share information, ideas, resources, best practice and to support local energy projects.
- 3.34** Locally, seven councils have asked NILGOSC to take more action on climate change and continue divesting from fossil fuels. Seven of the 11 councils are also working alongside SIB and DAERA to create a carbon off-set fund to support the development and delivery of a Net Zero pipeline as well as help to deliver against targets in the Energy Strategy and the Green Growth Strategy.

- 3.35** There are also a number of local initiatives being taken forward by individual councils:
- Derry City and Strabane Council, for example, have in the past taken part in the EMERGREEN project aimed at helping remote communities become greener through use of improved technology and have their own Biodiversity Officer.
 - In November 2021 Fermanagh and Omagh District Council became the first to launch a Climate Change and Sustainable Development action plan. The plan commits the council to becoming net zero in its operations by 2040, a full ten years earlier than the 2050 target set by the climate bill.
 - Belfast City Council is also a member of several different groups UK Cities Climate Investment Commission, Place Based Climate Action Network and has recently signed a statement of intent to collaborate on Net Zero initiatives with four local authorities: Liverpool City Region, Greater Manchester Combined Authority and Dublin. This demonstrates that collaborative efforts do not need to be confined to Northern Ireland.

3.36 This is important but challenging work. Effectively achieving their sustainability objectives will require significant investment, and is an area subject to increasing audit attention. I note that Audit Wales has published a paper which makes five 'calls for action' to assist public bodies logically confront the systems which need to be in place to transition to net zero and I would recommend that councils review this paper. Additionally, the Northern Ireland Audit Office has recently collaborated with other State Audit Institutions in the United Kingdom (UK) on a joint review of the UK and devolved governments' legislation, policy, strategy, governance and monitoring arrangements, relevant to achieving net zero GHG emissions. Within Northern Ireland specifically, the NIAO is due to publish a strategic review of waste management arrangements in Northern Ireland, which involves both central and local government bodies. I encourage councils to collaborate on sustainability and net zero goals and I will continue to monitor and report on progress.

Appendices

Appendix 1: Overall Council Income and Expenditure (2015-16 to 2021-22)

Figures for income and expenditure have been calculated based on the income and expenditure disclosed by councils in their financial statements. Within Figure 1, these figures have been restated using HMT deflators at December 2022.

Nominal Income and Expenditure

£ MILLION			
YEAR	INCOME	EXPENDITURE	DIFFERENCE
2015-16	864	858	6
2016-17	839	878	-39
2017-18	862	936	-74
2018-19	917	1,023	-106
2019-20	945	1,030	-85
2020-21	1,061	1,010	51
2021-22	1,056	1,070	-14

Appendix 2: Council Income by Type

Figure for income categories have been calculated using the figures presented in councils' financial statements. Within Figure 2 these figures have been restated using HMT deflators at December 2022.

Overall Income by Council

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	64.1	68.9	76.0
Ards and North Down	64.4	75.8	70.1
Armagh City, Banbridge and Craigavon	98.2	111.7	106.4
Belfast	226.4	241.9	247.0
Causeway Coast and Glens	71.3	74.4	80.2
Derry City and Strabane	88.3	97.0	106.9
Fermanagh and Omagh	56.3	63.7	60.2
Lisburn City and Castlereagh	72.1	75.5	72.5
Mid and East Antrim	69.4	83.7	78.0
Mid Ulster	59.8	76.8	70.7
Newry, Mourne and Down	75.0	91.7	88.4
Total	945.1	1,061.1	1,056.4

Individual council District Rates Income

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	46.8	49.6	50.3
Ards and North Down	48.9	52.8	54.4
Armagh City, Banbridge and Craigavon	65.5	69.3	70.7
Belfast	156.0	161.1	165.4
Causeway Coast and Glens	43.7	47.8	49.8
Derry City and Strabane	56.4	59.1	59.9
Fermanagh and Omagh	35.3	36.9	37.5
Lisburn City and Castlereagh	46.8	49.0	50.2
Mid and East Antrim	48.2	52.6	49.7
Mid Ulster	36.1	39.4	39.2
Newry, Mourne and Down	54.8	57.6	58.7
Total	638.5	675.3	685.7

Individual council Central Government Grants

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	2.8	6.8	8.6
Ards and North Down	3.5	15.3	5.4
Armagh City, Banbridge and Craigavon	8.9	25.1	9.3
Belfast	11.3	12.0	14.3
Causeway Coast and Glens	9.8	7.7	21.6
Derry City and Strabane	11.2	9.3	26.4
Fermanagh and Omagh	7.1	15.1	7.4
Lisburn City and Castlereagh	4.0	3.8	3.2
Mid and East Antrim	5.6	12.9	10.4
Mid Ulster	12.0	12.7	17.0
Newry, Mourne and Down	6.9	17.3	11.2
Total	83.0	138.0	134.6

Individual council Charges, Service Fees and Other Income

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	14.5	12.6	17.2
Ards and North Down	11.9	7.6	10.3
Armagh City, Banbridge and Craigavon	23.8	17.4	26.4
Belfast	59.1	68.9	67.4
Causeway Coast and Glens	17.8	18.8	8.8
Derry City and Strabane	20.6	28.6	20.6
Fermanagh and Omagh	13.9	11.6	15.4
Lisburn City and Castlereagh	21.4	22.6	19.2
Mid and East Antrim	15.6	18.2	18.0
Mid Ulster	11.7	24.7	14.5
Newry, Mourne and Down	13.3	16.8	18.5
Total	223.6	247.9	236.1

Appendix 3: Council Expenditure Analysis Rates Support Grant Proforma

Council expenditure by category has been derived from the returns submitted by individual councils to the Department for Communities (Rates Support Grant), and excludes depreciation. It therefore does not directly reconcile to the expenditure figures disclosed in Figure 1 and Appendix 1. Within Figure 2 these figures have been restated using HMT deflators at December 2022. It should be noted that figures for 2020-21 include grant income adjustment.

Waste collection expenditure

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	15.1	14.1	14.6
Ards and North Down	6.5	6.7	5.6
Armagh City, Banbridge and Craigavon	12.0	11.8	15.0
Belfast	19.2	19.0	19.7
Causeway Coast and Glens	4.8	3.8	4.2
Derry City and Strabane	6.8	7.1	7.5
Fermanagh and Omagh	5.4	5.5	6.5
Lisburn City and Castlereagh	3.7	4.4	4.9
Mid and East Antrim	14.1	15.9	15.3
Mid Ulster	6.9	7.6	7.8
Newry, Mourne and Down	17.3	16.7	18.0
Total	111.7	112.7	119.1

Other cleaning

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	3.3	2.8	2.8
Ards and North Down	1.9	1.3	3.0
Armagh City, Banbridge and Craigavon	2.7	2.3	2.4
Belfast	19.6	16.6	15.5
Causeway Coast and Glens	2.6	2.3	2.9
Derry City and Strabane	4.5	4.1	5.4
Fermanagh and Omagh	2.5	2.4	2.7
Lisburn City and Castlereagh	1.9	2.4	2.6
Mid and East Antrim	3.1	3.2	3.6
Mid Ulster	3.6	3.8	4.2
Newry, Mourne and Down	3.9	3.7	4.2
Total	49.7	45.0	49.4

Economic Development

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	1.6	-0.3	1.3
Ards and North Down	1.0	0.9	1.1
Armagh City, Banbridge and Craigavon	2.7	2.4	3.3
Belfast	9.0	8.9	9.3
Causeway Coast and Glens	1.7	1.1	1.3
Derry City and Strabane	4.9	5.5	5.3
Fermanagh and Omagh	0.7	1.0	6.3
Lisburn City and Castlereagh	2.3	2.0	3.9
Mid and East Antrim	4.3	3.9	2.2
Mid Ulster	3.2	3.0	3.4
Newry, Mourne and Down	2.3	4.5	3.5
Total	33.8	32.9	40.8

Community Services

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	2.5	2.1	2.5
Ards and North Down	1.4	0.8	1.9
Armagh City, Banbridge and Craigavon	1.7	1.5	1.6
Belfast	6.7	7.0	7.0
Causeway Coast and Glens	1.6	1.0	1.6
Derry City and Strabane	2.7	2.1	3.8
Fermanagh and Omagh	1.1	0.9	1.0
Lisburn City and Castlereagh	1.7	1.9	2.4
Mid and East Antrim	3.2	3.3	3.8
Mid Ulster	2.5	2.1	2.4
Newry, Mourne and Down	3.9	3.4	2.7
Total	29.0	26.0	30.6

Tourism

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	0.6	0.5	0.3
Ards and North Down	2.2	1.3	1.8
Armagh City, Banbridge and Craigavon	3.4	1.9	2.9
Belfast	5.2	4.0	5.3
Causeway Coast and Glens	1.6	0.8	0.8
Derry City and Strabane	3.9	2.8	2.3
Fermanagh and Omagh	1.2	0.9	1.4
Lisburn City and Castlereagh	1.0	0.8	1.1
Mid and East Antrim	4.9	4.5	4.8
Mid Ulster	2.3	2.2	2.3
Newry, Mourne and Down	4.1	2.6	2.5
Total	30.5	22.3	25.4

Other Services

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	23.9	16.8	21.3
Ards and North Down	35.9	32.9	39.7
Armagh City, Banbridge and Craigavon	50.1	52.6	47.3
Belfast	102.0	89.1	115.9
Causeway Coast and Glens	40.3	36.3	35.3
Derry City and Strabane	35.9	34.1	39.6
Fermanagh and Omagh	26.4	24.3	26.3
Lisburn City and Castlereagh	41.0	32.8	36.8
Mid and East Antrim	22.2	17.7	18.8
Mid Ulster	25.1	13.3	25.1
Newry, Mourne and Down	30.4	25.2	29.8
Total	433.1	375.1	435.8

Appendix 4: Council Capital Expenditure

Council capital expenditure by category has been derived from the figures disclosed in councils' financial statements. Within Figure 5 these figures have been restated using HMT deflators at December 2022.

£ MILLION						
COUNCIL	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Antrim and Newtownabbey	3.7	2.5	4.6	8.5	3.1	5.0
Ards and North Down	6.0	18.5	19.3	2.8	4.4	3.3
Armagh City, Banbridge and Craigavon	3.7	5.9	12.9	32.3	9.8	7.1
Belfast	45.4	22.0	38.8	43.9	21.6	46.9
Causeway Coast and Glens	8.9	6.2	9.1	10.1	5.3	4.1
Derry City and Strabane	6.2	13.8	7.1	8.6	6.7	10.4
Fermanagh and Omagh	12.1	3.9	5.6	5.2	10.3	10.6
Lisburn City and Castlereagh	3.0	3.7	7.2	7.9	0.5	2.1
Mid and East Antrim	4.8	5.6	4.0	8.1	7.3	8.1
Mid Ulster	3.3	2.2	5.0	9.4	7.1	6.9
Newry, Mourne and Down	12.9	17.3	16.9	6.5	4.2	5.8
Total	109.9	101.4	130.6	143.2	80.3	110.4

Appendix 5: Council Capital Expenditure

Council borrowing information derived from figures included in councils' financial statements.

COUNCIL	£ MILLION						
	OPENING BALANCE (01/04/2020)	NEW BORROWING (2020-21)	LOANS REPAID (2020-21)	OPENING BALANCE (01/04/2021)	NEW BORROWING (2021-22)	LOANS REPAID (2021-22)	CLOSING BALANCE (31/03/2022)
Antrim and Newtownabbey	56.0	0.0	10.8	45.2	0.0	2.5	42.7
Ards and North Down	81.2	6.0	14.2	73.0	0.0	6.2	66.9
Armagh City, Banbridge and Craigavon	73.0	8.0	4.5	76.5	0.0	11.5	65.0
Belfast	72.7	0.0	15.7	57.0	0.0	8.0	49.0
Causeway Coast and Glens	72.1	0.0	5.5	66.7	0.0	5.3	61.3
Derry City and Strabane	46.8	0.0	3.4	43.5	0.0	3.2	40.2
Fermanagh and Omagh	6.2	0.0	0.9	5.3	0.0	0.7	4.5
Lisburn City and Castlereagh	25.9	0.0	1.7	24.2	0.0	1.9	22.3
Mid and East Antrim	65.6	0.0	4.9	60.7	0.0	5.9	54.7
Mid Ulster	6.1	0.0	0.7	5.5	0.0	0.7	4.8
Newry, Mourne and Down	74.8	4.0	4.7	74.1	0.0	4.4	69.7
Total	580.5	18.0	66.9	531.6	0.0	50.4	481.2

Appendix 6: Borrowing repayments

Council repayment information derived from figures included in councils' financial statements.

2020-21 Repayments

COUNCIL	TOTAL EXPENDITURE	REPAYMENTS (£ MILLION)		TOTAL	% OF TOTAL EXPENDITURE		
		PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	TOTAL
Antrim and Newtownabbey	61.7	10.8	2.4	13.2	17.5	3.9	21.4
Ards and North Down	71.5	8.2	2.9	11.1	11.5	4.0	15.5
Armagh City, Banbridge and Craigavon	112.9	4.5	2.7	7.2	4.0	2.4	6.4
Belfast	243.0	15.7	1.5	17.2	6.5	0.6	7.1
Causeway Coast and Glens	75.8	5.5	2.9	8.4	7.2	3.9	11.1
Derry City and Strabane	90.1	3.4	2.1	5.5	3.7	2.3	6.0
Fermanagh and Omagh	56.8	0.9	0.3	1.2	1.6	0.6	2.2
Lisburn City and Castlereagh	70.3	1.7	2.6	4.4	2.4	3.8	6.2
Mid and East Antrim	78.9	4.9	2.7	7.6	6.2	3.4	9.6
Mid Ulster	63.8	0.7	0.2	0.9	1.0	0.4	1.4
Newry, Mourne and Down	85.8	0.7	2.2	3.0	0.8	2.6	3.4
Total	1010.6	56.9	22.7	79.6	5.6	2.2	7.8

2021-22 Repayments

COUNCIL	TOTAL EXPENDITURE	REPAYMENTS (£ MILLION)		TOTAL	% OF TOTAL EXPENDITURE		
		PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	TOTAL
Antrim and Newtownabbey	70.7	2.5	2.1	4.6	3.6	2.9	6.5
Ards and North Down	77.3	6.2	2.7	8.8	8.0	3.5	11.5
Armagh City, Banbridge and Craigavon	111.5	11.5	2.6	14.1	10.3	2.3	12.6
Belfast	253.9	8.0	1.3	9.4	3.2	0.5	3.7
Causeway Coast and Glens	80.5	5.3	2.7	8.1	6.6	3.4	10.0
Derry City and Strabane	95.0	3.2	1.9	5.2	3.4	2.0	5.4
Fermanagh and Omagh	66.1	0.7	0.3	1.0	1.1	0.4	1.5
Lisburn City and Castlereagh	79.5	1.8	3.4	5.2	2.3	4.3	6.6
Mid and East Antrim	82.0	5.9	2.5	8.4	7.2	3.0	10.2
Mid Ulster	67.4	0.7	0.2	0.9	1.0	0.3	1.3
Newry, Mourne and Down	85.7	4.4	2.1	6.5	5.2	2.4	7.6
Total	1069.6	50.4	21.8	72.1	4.7	2.0	6.7

Appendix 7: Usable Reserves

Usable reserves figures derived from figures contained in councils' financial statements. Within Figure 7 these figures have been restated using HMT deflators at December 2022.

COUNCIL	£ MILLION		
	2019-20	2020-21	2021-22
Antrim and Newtownabbey	10.1	19.6	30.4
Ards and North Down	9.0	20.0	25.0
Armagh City, Banbridge and Craigavon	26.7	40.2	47.9
Belfast	67.4	92.2	87.9
Causeway Coast and Glens	9.3	16.6	22.0
Derry City and Strabane	39.7	53.2	70.7
Fermanagh and Omagh	25.3	31.4	31.4
Lisburn City and Castlereagh	25.0	36.5	39.8
Mid and East Antrim	13.8	22.9	28.5
Mid Ulster	27.3	46.8	43.5
Newry, Mourne and Down	12.5	28.1	35.6
Total	266.0	407.6	462.8

Appendix 8: Days lost due to sickness

COUNCIL	£ MILLION				
	2017-18	2018-19	2019-20	2020-21	2021-22
Antrim and Newtownabbey	11.9	13.7	13.2	11.1	19.7
Ards and North Down	16.2	14.2	14.2	10.6	14.2
Armagh City, Banbridge and Craigavon	16.1	16.7	18.3	15.7	20.5
Belfast	13.7	13.7	13.6	10.9	16.3
Causeway Coast and Glens	15.8	17.1	17.7	12.4	19.2
Derry City and Strabane	14.0	12.3	14.5	10.4	16.8
Fermanagh and Omagh	12.9	10.4	13.8	9.7	13.1
Lisburn City and Castlereagh	16.7	13.3	13.8	11.5	13.6
Mid and East Antrim	17.1	12.5	10.6	4.7	15.2
Mid Ulster	12.4	12.9	11.7	9.7	12.1
Newry, Mourne and Down	17.1	14.7	15.8	13.6	20.7

Appendix 9: Prompt payment performance

Local Government (2021-22)

% INVOICES PAID WITHIN __ DAYS

COUNCIL	TEN	THIRTY
Antrim and Newtownabbey	65	80
Ards and North Down	84	98
Armagh City, Banbridge and Craigavon	55	95
Belfast	81	94
Causeway Coast and Glens	69	92
Derry City and Strabane	26	65
Fermanagh and Omagh	85	94
Lisburn City and Castlereagh	79	91
Mid and East Antrim	91	98
Mid Ulster	68	95
Newry, Mourne and Down	17	89

Central Government (2021-22)**% INVOICES PAID WITHIN __ DAYS**

	TEN	THIRTY
DAERA	95	98
DE	97	99
DFC	94	97
DFE	95	98
DFI	95	98
DOF	89	95
DOH	93	97
DOJ	94	98
TEO	92	96

NIAO Reports: 2023

NIAO Reports 2023

Title	Date Published
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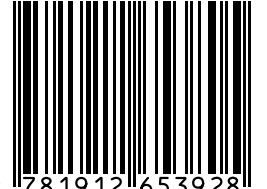
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