



Statement of Accounts

for the year ended
31 March 2020



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Narrative Report

Introduction

It is the purpose of this report to explain, in an easily understandable way, the Council's financial position and performance during 2019/20 and aims to set this financial performance in the context of the Council's overall strategic objectives and its performance in delivering its services.

The Council's financial performance for the year ended 31 March 2020 is as set out in the Comprehensive Income and Expenditure Statement and the financial position as at the 31 March 2020 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 2019/20 (the Code) and the Department for Communities Accounts Direction, Circular LG 03/20 dated 17 February 2020.

The financial statements follows approved accounting standards and are necessarily technical in parts.

1. The Council's vision and ambitions

As an organisation we aspire to meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond.

Our ambitions are outlined in the Corporate Plan 2019-2030, which was updated and approved in June 2019, sets out how we work with our local communities and partners to achieve them and deliver our vision:

"A progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition."

The Council's ambitions reflect our responsibilities to provide resilient and reliable leadership, to improve our environment and encourage and support economic growth and prosperity. We want to engage, empower and connect with local communities, improve the lifestyles of our residents and use new and innovative ways of connecting with and listening to our residents and visitors to ensure we are making a positive difference in the Borough. These ambitions are underpinned by a connected and enabled community, a culture of high performance and by ensuring the highest standard of governance.

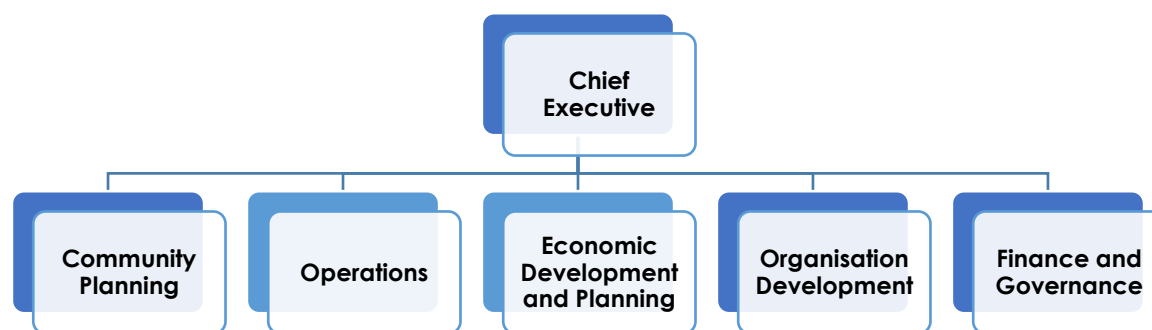
1.1. Information about the Council

The Council's financial statements concentrate on the reporting of the financial position of the Council in relation to a particular year. This report provides an overview on how the financial performance relates to the Council's strategic objectives and performance. More detailed information on the Council's priorities, strategy and performance for the services it delivers can be found in documents such as the Corporate Plan, Corporate Improvement Plan and Annual Report of Performance which are available on the Council's website www.antrimandnewtownabbey.gov.uk.

2. Organisation and Corporate Governance

2.1 Organisation

The Council is led by 40 Councillors and operationally the Council is divided into five directorates, as detailed below:



The Council's Senior Management Team, known as the Corporate Leadership Team, is made up of the Chief Executive and the five departmental Directors. Working closely with the Chief Executive is the Borough Lawyer and Head of Legal Services.

The Borough of Antrim and Newtownabbey covers 274 square miles and has a population of 143,991 people. Bounded by Lough Neagh in the west and Belfast Lough in the east, the Borough is divided into 7 District Electoral Areas (DEAs).

The Council delivers over 90 different services and employs 616 employees (Full Time Equivalent).

2.2 Corporate Governance

Like any organisation, the Council's corporate governance arrangements are a key factor in ensuring that it can achieve its strategic objectives and secure economy, efficiency and effectiveness in delivering its services.

The Council is required to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with the Code of Governance, which in turn is consistent with good governance principles contained within the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The Annual Governance Statement includes how the effectiveness of governance arrangements have been monitored and evaluated in the year and on any planned changes in the coming period. The process of preparing this annual governance statement has in itself provided assurance regarding the effectiveness of the Council's governance and internal control framework.

The Annual Governance Statement for 2019/20 is included in these financial statements and outlines the governance and risks issues facing the Council.

3. The Council's financial performance and position

3.1 What is included in the Statement of Accounts?

The Statement of Accounts features four main statements reporting on the Council's core activities:

- The Comprehensive Income and Expenditure Statement (CI&E)
- The Movement in Reserves Statement
- the Balance Sheet
- the Cash Flow Statement

The CI&E Statement sets out the Council's financial performance for the year and shows the annual income and expenditure on the basis of proper accounting standards and practice. However, there are statutory arrangements in place which mean that the amount which is chargeable to a Council's general reserves for the year is different from its net income or expenditure for the year. These statutory arrangements are largely designed to change the timing over which items of income or expenditure must be paid for through council taxation, to ensure greater fairness for local ratepayers.

The Movement in Reserves Statement sets out how the impact of the Council's net CI&E Statement for the year is distributed across its Usable and Unusable Reserves.

The Balance Sheet sets out the Council's financial position at the end of the year, showing the value of the assets and liabilities which make up the Council's overall reserves, sometimes known as its Net Worth.

The Cash Flow Statement sets out how the Council's income and expenditure for the year has been reflected in cash flows to, and from, the Council.

Each of the main statements are followed by notes, which give more information on the main figures included in the statements. These include a note called the Expenditure and Funding Analysis, which aims to show the differences, at a department level, between the net expenditure chargeable to general reserves and the net expenditure on a proper accounting basis as it appears in the income and expenditure account.

3.2. Financial performance for the year

The following summary of the financial performance of the Council covers:

- financial performance for the year
- financial position at the end of the year
- cash flows during the year

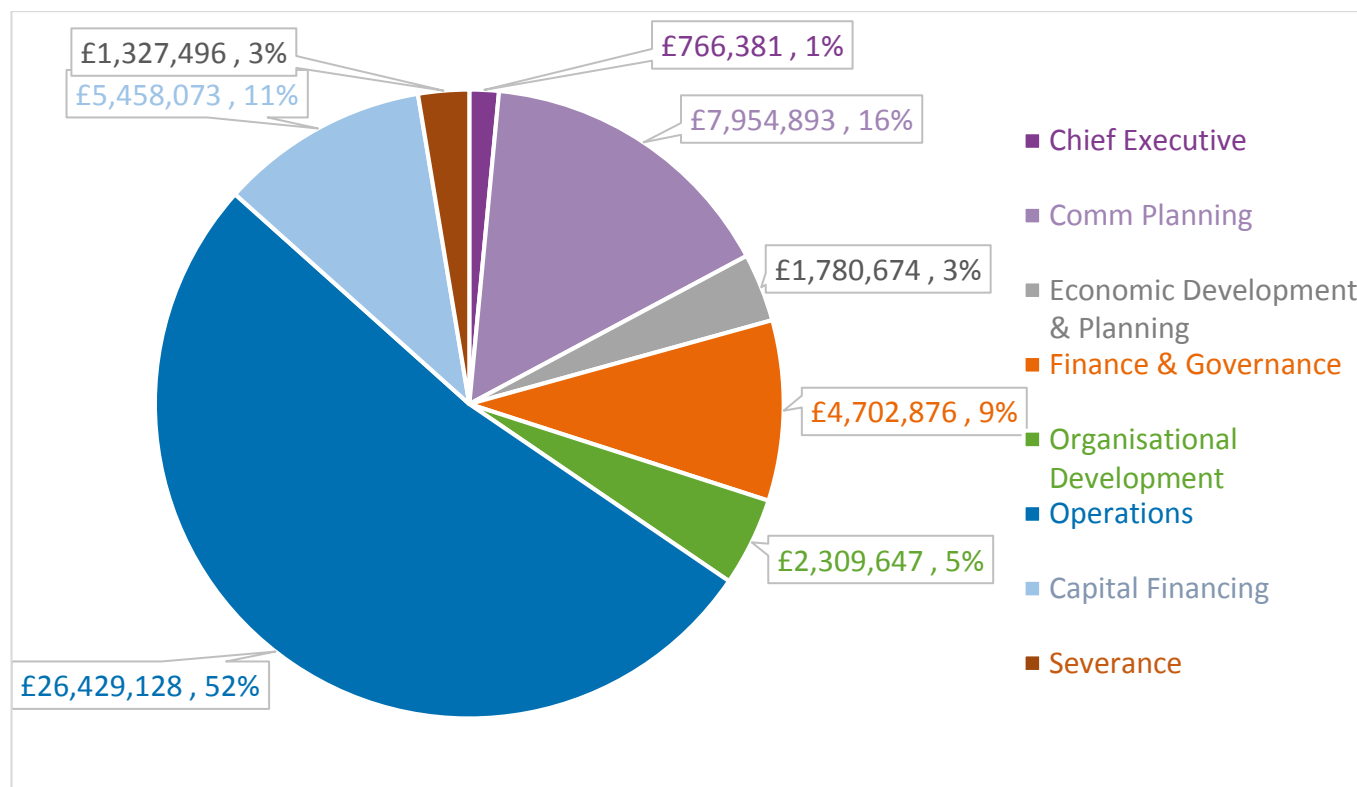
As noted above, the Council is required to produce its CI&E Statement on the basis of Generally Accepted Accounting Practices, but the net income or expenditure which affects the General Fund Reserves is then adjusted by certain statutory items. The Council sets its budget for the year on the basis of the amounts chargeable to the General Fund Reserve.

Overall, the Council recorded a decrease in its General Fund Reserve of £1.36m against a budgeted decrease of £0.70m.

The Net Cost of Services for the year chargeable to the General Fund Reserve was £50.73m against a budget of £50.6m, with External Funding being £49.37m against a budget of £49.9m. Other income from fees and charges credited to the General Fund totalled £14.2m.

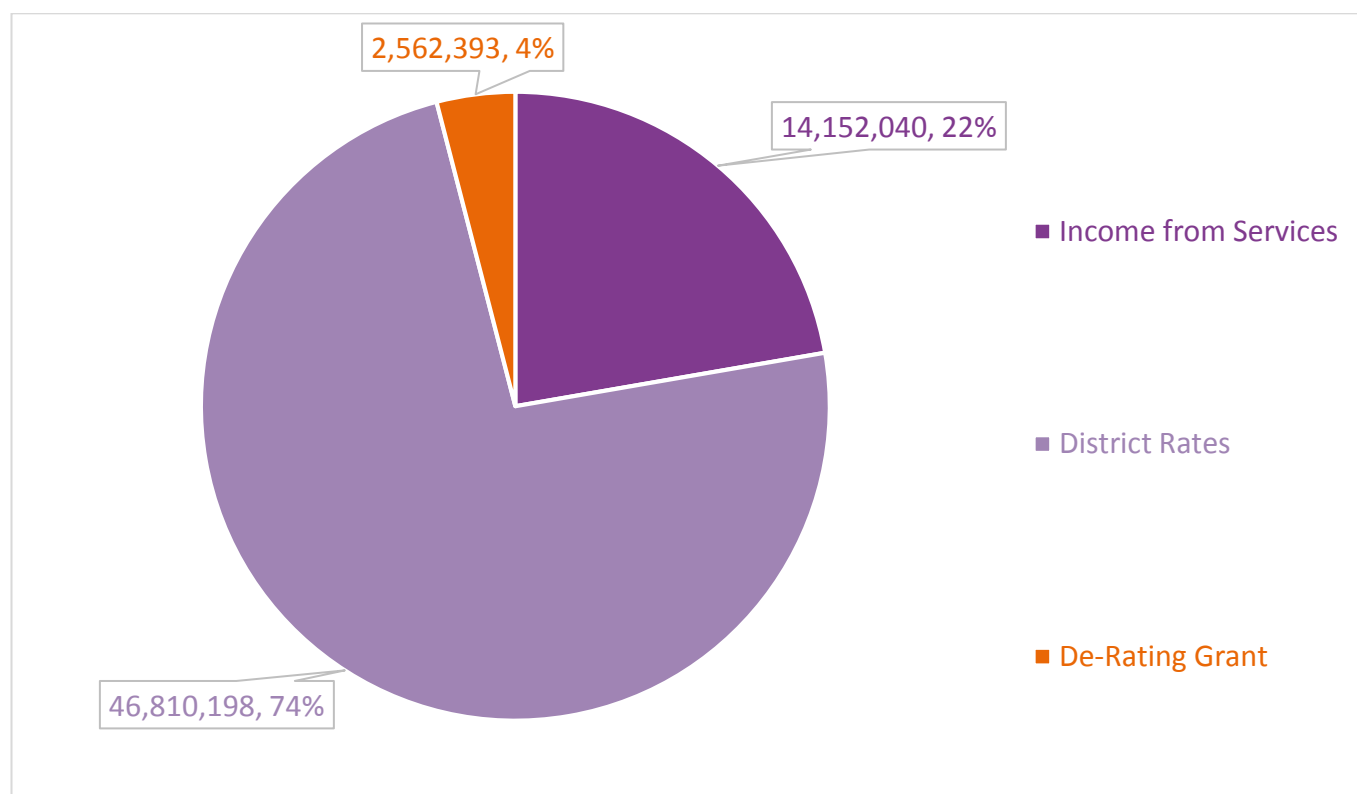
The pie chart below shows the net expenditure chargeable to the General Fund, allocated between the Council's Departments, Capital Financing and Other as set out in Note 2 – Expenditure and Funding Analysis.

Other, includes interest payable in respect of borrowings, contributions to reserves and capitalisation of approved revenue expenditure.



The Council accounted for severance costs, included within Organisational Development above, totalling £1.33m during the year and obtained a Capitalisation Direction from the Department for Communities to capitalise £1.30m of this, allowing the Council to spread this cost over the next four years.

The pie chart below shows external funding and income from Council services.



A successful appeal by a large ratepayer has resulted in a repayment of rates of £1.265k, however income from other ratepayers is £746k favourable. The overall result is an estimated clawback of £519k in the District Rates Finalisation for the year. The De-Rated Grant Finalisation indicates a clawback of £24k for the year.

During the year the Council transferred £1.13m from reserves built up in anticipation of the large rates appeal being successful. As a result the balance of the Rates Appeals reserve is now zero.

The Council has also identified a number of Strategic Projects being developed which would greatly benefit its residents and businesses in the future and has made a contribution of £327k to the Strategic Projects Reserve. The balance on this reserve is now £1,256k.

The table below shows financial performance against budget for the year:

	Annual Budget (£)	Actual Net Cost (£)	Variance (£)
Capital Financing	8,762,210	5,458,073	(3,304,137)
Chief Executive	1,115,131	766,381	(348,750)
Community Planning	7,904,607	7,954,893	50,286
Economic Development and Planning	1,729,454	1,780,674	51,220
Organisational Development	2,045,177	2,309,647	264,470
Finance and Governance	4,680,527	4,702,876	22,349
Operations	24,379,118	26,429,128	2,050,010
Severance	0	1,327,496	1,327,496
Net Cost of Services	50,616,224	50,729,168	112,944
External Funding	(49,916,224)	(49,372,591)	543,633
(Surplus) or Deficit for the Year	700,000	1,356,577	656,577

The figures above have been adjusted from those in the CI&E Statement to reflect the differences required between the accounting basis and funding basis under regulations, the adjustments between directorates are shown in the Expenditure and Funding Analysis in Note 2. Severance costs are included within Organisational Development in Note 2.

Whilst there were underspends within some areas, the largest overspends during the year arose within Waste, Arts & Culture and Parks Services. The volume of waste collected during the year was higher than budgeted, the Arts & Culture events programme was expanded and Parks works across the Borough was larger than originally anticipated.

Financial position as at 31st March 2020

As identified in the CI&E Statement, the Council's assets, net of liabilities, has decreased by £8.8million and now stand at £92.3million. Whilst the movement in the General Fund Reserve has decreased by £1.4m the Council's balance sheet also contains other transactions, mainly relating to capital, which impact on the Council's financial standing.

The following section analyses the main issues impacting on the Council's balance sheet as at 31 March 2020:

£8.7million was spent on capital investment during 2019/20. The main items were:

Asset	£'000
Vehicles / Mobile Plant	2,161
Gateway Centre	1,891
ICT Projects	325
Leisure Centre Projects	1,784
Play Parks	815
Parks/Environmental Improvement Schemes/Cemeteries	1,192
Others	501
Overall total	8,669

There was an overdrawn cash position at the year-end of £216k due to the timing of cash flows: however there was an average investment balance during the year of £3.1million; earning interest of £20k per annum at an average rate of 0.65%.

Borrowings at the year-end totalled £55.9 million, an increase of £6.2 million. Since the merger in April 2015, borrowings have decreased by £4.5 million overall.

Debtors decreased by £1.4 million mainly due to a decrease in the recognition of capital and revenue grants, VAT due and the rates finalisation on the back of both domestic and non-domestic growth within the Borough.

Short-term liabilities including creditors and provisions due at the year end showed a small decrease. This was mainly due to a decrease in provisions relating to the Council's voluntary severance scheme and employee matters and an increase in short term creditors, mainly due to an increase in capital accruals and amounts due to be deducted from the rates finalisation due to a rates appeal.

Other Long Term Liabilities – the Council's share of the Net Pension Liability – showed an increase of £9.9m from last year. This allows for the potential liability from the recent developments from the McCloud judgement and developments relating to GMP Indexation and Equalisation.

Additional contributions and transfers were made to various reserves to smooth the impact to the ratepayer of future projects and liabilities and to maintain a level of reserves consistent with Council's risk profile and ongoing cash requirement. The level of General Fund Reserve at 31 March 2020 of £5.9 million is consistent with the Council's Reserve Policy.

Cash flows during the year

The Cash Flow Statement sets out how the financial position has been reflected in cash movements during the year. There has been an increase in the level of cash and cash equivalents held by the Council during the year. In terms of treasury management and financing activities, the Council continues its approach of funding a proportion of its borrowing requirement from short term borrowing, and of using short term investments to maximise the benefits of short term cash surpluses during the year.

4. Strategic Objectives and Performance

The Council's strategic objectives are set out in the Corporate Plan, which can be accessed via the Council's website at www.antrimandnewtownabbey.gov.uk. The Corporate Plan explains the priorities and proposed performance measures for the period 2019-2030.

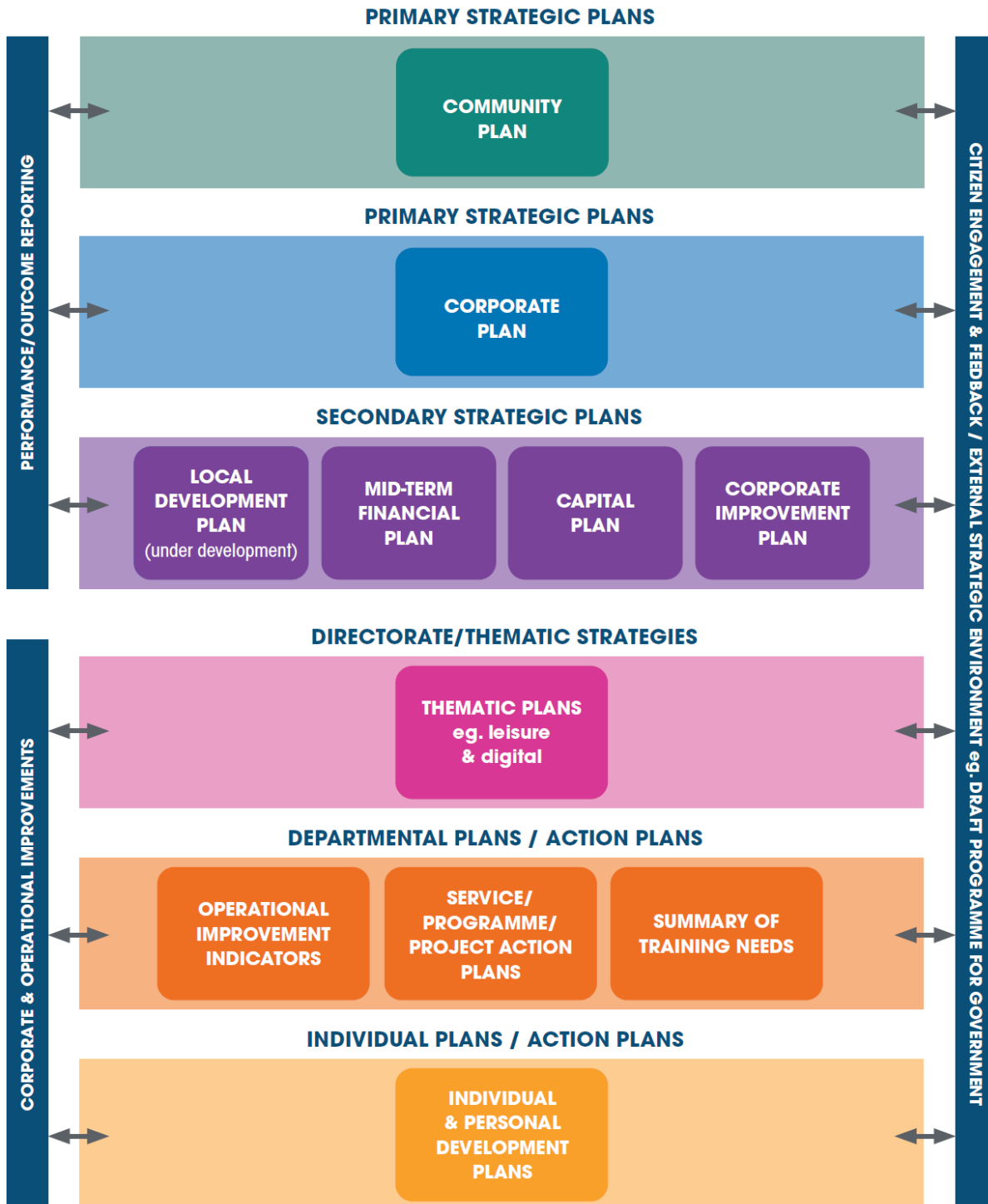
An updated version of the Corporate Plan was published in June 2019.

Central to the Council's approach to performance management and improvement is the achievement of our shared Community Planning Vision. *"Antrim and Newtownabbey is a resilient, socially responsible community where citizens enjoy a high quality of life".*

The Council's Corporate Plan and Community Plan are supported by a variety of financial, service and management plans which form part of our Strategic Performance Framework, which demonstrates how the Council's strategic objectives are cascaded throughout the organisation and takes into account the external environment.

These plans and strategies set out what the Council want to achieve, how they will deliver these and the resources needed to secure the desired outcome. See diagram below.

Strategic Performance Framework



The Council's budget was developed in conjunction with the delivery of these Plans, ensuring the Council's strategic objectives and its allocation of resources both inform and are informed by each other. This means that the annual budget and medium-term financial strategy represent the finance committed to the Council's ambitions, policies and priorities.

Performance Improvement

The Council has arrangements in place to support performance management and improvement which drive and provide assurance that the Council are delivering on its vision, shared outcomes and improvement objectives. The Council recognises that an effective approach to performance will achieve a shared understanding across the organisation about what is to be accomplished and an approach to leading and developing people, which will ensure that it is achieved.

The Council has a statutory duty under Part 12 of the Local Government Act (Northern Ireland) 2014 to set improvement objectives and have arrangements in place to secure their achievement.

During 2019/20 the Council set eight improvement objectives, detailed in the Corporate Improvement Plan 2019/20, <https://antrimandnewtownabbey.gov.uk/corporateplan>.

These objectives were set with the desire to improve services such as leisure and recycling and a determination to continue to improve the cleanliness of the Borough and achieve excellence in terms of customer satisfaction, as well as deliver capital projects that would satisfy residents, businesses and visitors. In addition, the Council endeavoured to increase staff attendance, encourage entrepreneurship and streamline processes and systems to ensure that suppliers received payments more promptly.

A number of performance targets are also set by Central Government departments, in respect of job creation, planning and waste management. The Council also identified self-imposed performance targets and measures for all Council services. Performance is reported quarterly to the Corporate Leadership Team, Audit Committee for scrutiny and review and full Council for approval.

Our annual report on the Council's performance against the Corporate Plan and the Corporate Improvement Plan will be published on the Council's website by 30 September 2020.

5. Risk Management

The most significant risks to achieving the Corporate Plan are included in the Council's corporate risk register and are reported to the Council's Corporate Leadership Team (CLT) and Audit Committee each quarter. Included within the corporate risk register are risks that may impact on the Council's delivery of services. Risks are managed in line with the Council's Risk Management Strategy.

Risk registers are also maintained at service level with significant risks escalated to CLT as required.

6. Financial Outlook

The Council has approved a Medium Term Financial Plan for 2020/21 to 2022/23 in January 2020 setting a robust overall financial framework for the Council's spending over the next three years to support delivery of the Council's corporate objectives.

The financial priorities for the Council over the three year period are as follows:

- To ensure effective and targeted procurement delivering value for money, quality services, at the lowest possible cost;
- To use our financial and physical assets in the best interests of the ratepayers;
- To ensure high standards of behaviour and prudent management of resources; and
- To report openly and clearly on our financial performance.

The Medium Term Financial Plan projects increases in costs in excess of 2% per annum over the next three years, indicating that the Council will face pressures during that period to keep rates increases to a minimum while continuing to provide high quality value for money services.

The Council has approved in principle a capital programme for the next three years totalling £27m. It is anticipated that £4m of this will be funded by external grants with the remainder being financed by revenue contributions, or borrowings, depending on the financial position of the Council at the time of the expenditure.

The budget approved in January 2020 for 2020/21 included an estimated gross spend of £66m including £14m of grants and earned income resulting in a Net Cost of Services of £52m. These budgets were deemed appropriate to deliver the level of service and facilities required by the Council.

COVID-19 & Emergency Response

On the 4 March 2020, the Emergency Plan for the Council was invoked and the Emergency Management Team met to begin to manage the impact of the pandemic on Council service delivery.

Decisions made during this period to reduce risk for the public has significantly impacted on Council finances. In addition, the Council has incurred costs specifically in relation to COVID-19.

The Council has also been involved with the Department for Communities (DfC), the Northern Health Trust, Advice NI and the local Community Groups in delivering a Community Relief scheme which sought to assist the most vulnerable in the community.

During March 2020, the Council's resources were focussed on the immediate impact of the Coronavirus outbreak. From the outset, based on government guidance the majority of the Council's staff and elected members were required to work from home, other than those staff required to continue to provide front line services such as Refuse Collection, Cemeteries and Community Support.

Financial Impact of COVID-19

There has been a significant financial impact in relation to the decisions made by the Council to maintain public safety during the emergency period and additional costs incurred to comply with government directions as a result of the pandemic.

As a result of uncertainty around the extent and the longer term impact of COVID-19 on the finances of the Council, the 2020/21 budgets were reviewed during May 2020, concentrating on maintaining essential services and the longer term potential economic impact of the pandemic. The Council is mindful that social distancing is likely to impact income streams well beyond the lock down period, for example the recovery of meaningful income levels in Leisure and Arts & Culture in this financial year is unlikely. The Medium Term Financial Plan as outlined above will be impacted by COVID-19, the impact will be highlighted as part of our review of the plan.

COVID-19 Funding

Department for Communities (DfC) activated a Scheme of Emergency Financial Assistance for COVID-19 on the 3 April 2020. This scheme continues up to the 3 October 2020. The scheme is designed to cover costs incurred from the effective date in preparing for and responding to COVID-19 related issues. This funding is claims based and will only cover additional costs incurred by the Council.

On the 3 May 2020, the Minister for Communities in Northern Ireland confirmed that Councils were eligible to apply to furlough staff through the Coronavirus Job Retention Scheme.

Applications have been submitted by the Council under this scheme of £66k to cover the period from 19th March 2020 to 31st March 2020.

On 19 May 2020, the Minister for Communities in Northern Ireland announced that the Executive was allocating £20.3m to Councils to assist them with their financial pressures up to the end of June 2020 as a result of Covid-19. This funding was to allow Councils to continue to provide essential services such as waste collection and disposal, provision of registration and cemetery services and support those in need. The Council was allocated funding of £1.9m. These funds have been accounted for in 2020/21.

DfC also released £1.5 million to Councils in March 2020 to provide Covid-19 Community Support Fund to target need and alleviate poverty by providing assistance to those at risk due to financial stress, ensuring access to food for those most in need, helping to connect those living alone or in rural and border areas that are likely to experience greater challenges in accessing services. The Council was allocated funding of £69k, £49k was accounted for in 2019/20, for grants paid to community groups.

The Department of Agriculture and Rural Affairs (DAERA) has allocated funding of £3.8m to Councils to meet the additional costs of waste collection and disposal. The allocation of funding to the Council will be applied in 2020/21.

Discussions are ongoing with Central Government Departments in relation to additional funding for the Council.

The funding outlined above is in addition to the Northern Ireland Executive absorbing the full cost of the business rates holiday. This will not impact on the Council's income.

Cash Position

As part of the Council's Treasury Management function cash flow projections are prepared on a regular and timely basis to ensure the Council has adequate cash resources. An overdraft facility and borrowing arrangements are in place to ensure the Council has adequate liquidity at all times.

The current reduction in income had an immediate impact on the Council's cash flow. In order to help with the stress on cash resources the Council's overdraft limit was increased in March 2020. Close monitoring of the impacts of funding interventions and facility closures continues to safeguard the Council's cash position.

The Council has continued to pay suppliers throughout this period with a number of specific remedies put in place to assist suppliers.

Reserves

The Council's General Fund (Useable Reserve) as at 31 March 2019 was £7.3m. In setting the Estimates for 2019/20, the Council had budgeted to apply a credit balance from reserves of £700k, the deficit for the year of £1.4m reduced, the General Fund Balance as at 31 March 2020 to £5.9m. The Council reserves policy is currently set at 9% of Gross Revenue spend of £66m (£5.9m). Use of reserves beyond this would require a change to the Council's Reserve policy.

Longer Term Financial Impact of Covid-19

At this stage, it is not possible to accurately estimate the financial impact of COVID-19. Ongoing impact into 2021/22 is expected due to a potential reduction of the rate base of and income reductions due to the potential economic downturn. These factors would result in significant rates increase required for 2021/22 unless service cost savings are identified and additional intervention funding is available to the Council.

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. Antrim and Newtownabbey Borough Council does not have material interests in such bodies and accordingly, is not required to prepare group financial statements.

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 the Council shall make arrangements for the proper administration of its financial affairs. Under this section the Council is required to designate an officer of the Council as its Chief Financial Officer. Arrangements for the proper administration of its financial affairs 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 Antrim and Newtownabbey Borough Council's Audit Committee on September 2020.

The Chief Financial Officer's Responsibilities

Under Regulation 10(2) 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 which are up-to-date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

ANNUAL GOVERNANCE STATEMENT 2019/2020

1.0 SCOPE OF RESPONSIBILITY

The 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, efficiently and effectively.

The Council also has a general duty under the Local Government Act (Northern Ireland) 2014, Part 12: Performance Improvement to make arrangements to secure continuous improvement having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency, and innovation.

In discharging this overall responsibility, the 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 is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government.

A copy of the Council's Code of Governance can be found on the Council's website or can be provided on request, and explains how the Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in relation to the publication of a statement on internal control.

2.0 PURPOSE OF THE GOVERNANCE FRAMEWORK

The Council's governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled. The framework outlines the activities through which it accounts to, engages with and leads its communities. It 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 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 Council'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 with the Council for the year ended 31 March 2020 and up to the date of approval of the financial statements.

3.0 THE GOVERNANCE FRAMEWORK

In line with the guidance provided in the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), the key elements of the systems and processes that comprise the Council's governance arrangements are summarised below.

3.1 Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users

Three core documents demonstrate the Council has developed a vision which specifies intended outcomes for the citizens and service users and are used as a basis for planning:

3.1.1 Community Plan

The **Community Plan** approved by the Council was developed through an extensive engagement and co-design process with partners, residents, local groups and organisations as well as other stakeholders. It sets out a shared vision and agreed outcomes for the area up to 2030. The successful implementation of the Plan will be marked by a demonstrable improvement in how services are delivered across our Borough and the quality of life our citizens experience.

Subsequently, the Council approved the Outcome Delivery Plan which outlines the actions which will contribute to achievement of the agreed outcomes.

The Place Shaping Forums in each of the Council's District Electoral Areas (DEAs) continue to encourage the local community and voluntary sector groups, churches, schools and sports clubs, and other organisations to participate in Community Planning in their area, thereby ensuring a local approach to the delivery of the outcomes in the Community Plan.

3.1.2 Council Corporate Plan

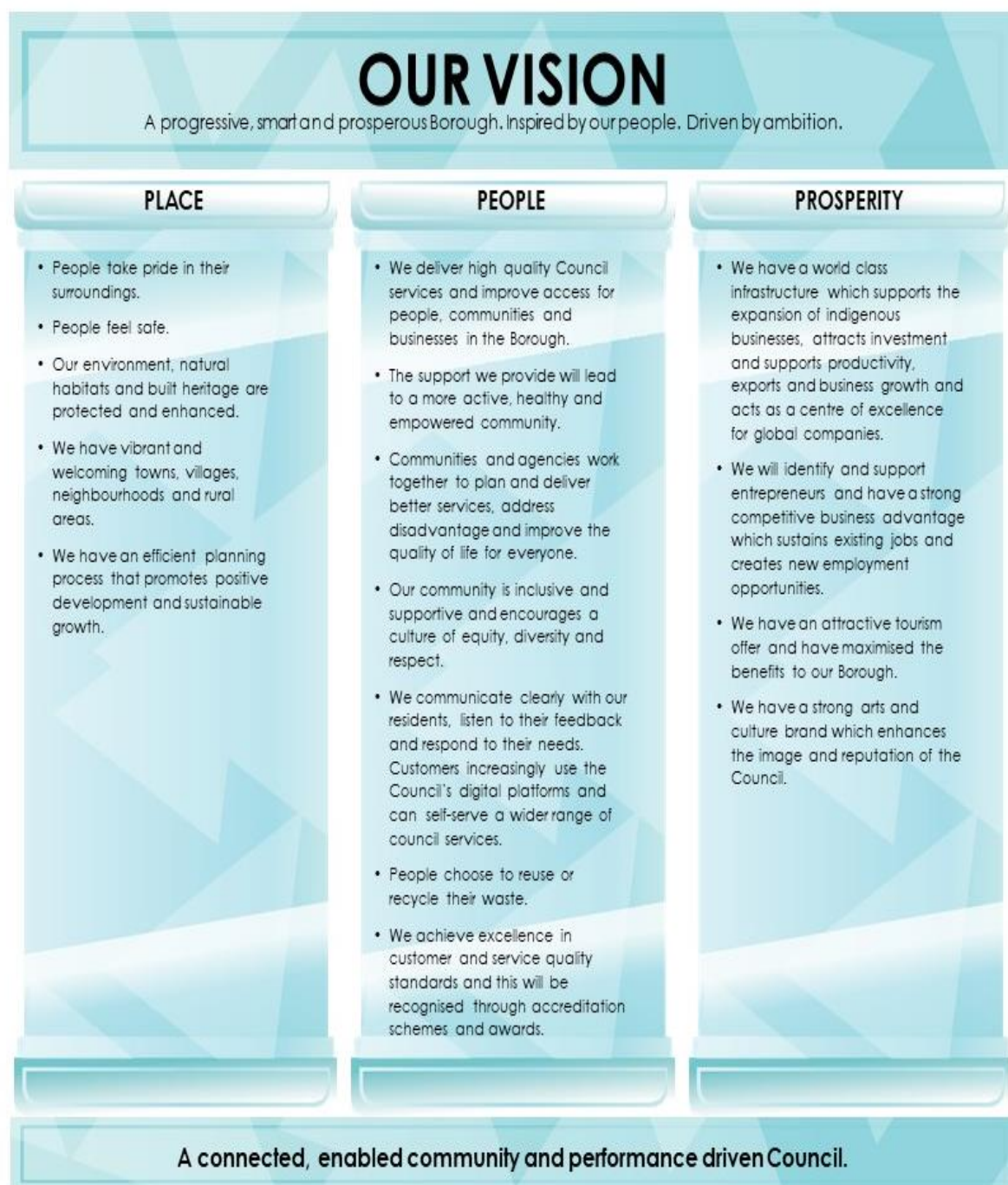
The **Council's Corporate Plan**, "Our Borough, Your Vision 2019-2030" sets out Antrim and Newtownabbey Borough Council's framework to ensure that Our Vision, Mission and Values are met.

Our vision is "A *progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition.*"

Our mission is "To *meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond.*"

Our values are "Excellence, Integrity, Commitment, and Responsibility."

The Plan reflects the Council's commitment to work innovatively, efficiently and effectively to deliver real and lasting outcomes by focusing clearly and simply on four key strategic themes of **P**lace, **P**eople, **P**rosperity, all supported by "A *connected, enabled community and P*erformance driven Council".



The Corporate Plan was reviewed within the scope of broader public policy concerning the environment, health, education, housing, economic growth, sustainable development and a shared future. The Corporate Plan, against which performance standards are set and measured, is a public statement of the Council's commitment to improve the quality of life for residents, ratepayers and visitors to the Borough.

On 8 November 2019, the Corporate Leadership Team and Elected Members participated in a Corporate Planning Workshop which provided an opportunity to set the strategic direction and agree the outcomes for the incoming year and inclusion in the Corporate Improvement Plan 2020/21.

[3.1.3 Corporate Improvement Plan 2018/19](#)

The Corporate Improvement Plan 2018/19 was subject to audit by the Northern Ireland Audit Office with the Local Government Auditor publishing a report to the Council and the Department of Communities in November 2019 under Section 95 of the Local Government (Northern Ireland) Act 2014. This confirmed that the audit and assessment work on the Council's performance improvement arrangements were concluded and that no issues were identified requiring a formal recommendation under the Act.

An Annual Performance Improvement Report was publicly published in March 2020 by the Local Government Auditor which stated that they were "satisfied that the Council has discharged its statutory performance improvement reporting duties, and that it has acted in accordance with the legislation and guidance". The report also added that "The Council delivered measurable improvements to its services in 2018/19. Sufficient evidence was available to demonstrate a track record of improvement across a number of years."

[3.1.4 Corporate Improvement Plan 2019/20](#)

During 2019/20 the Council identified eight improvement objectives and these were set out in the Council's Corporate Improvement Plan 2019/20. The improvement objectives identified areas of work where the Council aimed to make a significant difference to services and outcomes. In addition, the Plan included the seven statutory indicators and standards that were set by Central Government Departments for Planning Services, Economic Development and Waste Management – as defined in the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015 and a range of self-imposed improvement objectives across all service areas.

The outcomes associated with delivery of the Corporate Improvement Plan 2019/20 were reported to both the Audit Committee and Council over the course of the year

For 2019/20 a Strategic Planning Framework was included in the Corporate Improvement Plan 2019/20. This illustrated how performance is measured and managed at all levels within the organisation. The framework linked directly to the corporate planning processes in place. It demonstrated how strategic objectives within the Community Plan, Corporate Plan and Corporate Improvement Plan are cascaded through Directorate, Service and ultimately individual employee work objectives.

[3.1.5 Draft Corporate Improvement Plan 2020/21](#)

The Council identified six areas for improvement which are aligned with the Community Plan and the Council's Corporate Plan and are set out in the Draft Corporate Improvement Plan 2020/21. The Plan also included the seven statutory indicators and standards that were set by Central Government Departments for Planning Services, Economic Development and Waste Management and a range of self-imposed improvement objectives across all service areas.

In March 2020, the Council initiated a twelve-week public consultation to derive feedback.

With the onset of the COVID-19 pandemic the Department for Communities has confirmed that there is no requirement for the Council to publish the Corporate Improvement Plan 2020/21.

[3.2 Reviewing the Council's vision and its implications for the Council's governance arrangements](#)

A holistic approach to planning and performance management is in place, through the implementation of a performance management cycle. During 2019/20, quarterly progress

reports were presented to the Corporate Leadership Team, the Audit Committee and the Council in relation to the completion of the corporate improvement objectives and self-imposed improvement indicators. Any underperforming areas are reported to the appropriate Committee with an accompanying action plan from the relevant Head of Service/Director.

3.3 Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with Council's objectives and for ensuring that they represent the best use of resources

Central to the Council's performance improvement framework is the Council's commitment to delivering on the agreed outcomes and achieving the vision and mission, by ensuring:

- Goals are prioritised and resources are allocated effectively;
- Services and outcomes are delivered for local people;
- Staff are motivated and individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision;
- That significant risks to the achievement of objectives are identified and managed;
- There is early warning of, and rectification of, poor performance;
- That the Council and its partners achieve what it sets out to do; and
- There is a strong evidence base for improved decision making and the efficient use of resources.

A number of internal performance management processes exist which support the performance management culture:

- The Corporate Leadership Team (CLT) meets fortnightly and comprises the Chief Executive and the Directors. Minutes from these meetings are available for officer action and information. Other staff may attend the meetings as appropriate when specific areas of responsibility are being considered and meetings are held at various Council venues with openness, transparency, communication and engagement in mind;
- Bi-monthly meetings with CLT and the Senior Management Team have progressed the change/transformation and performance agenda;
- A Personal Review and Development process is in place across the organisation, which focuses an individual's performance against agreed objectives, and identifies any learning and development opportunities;
- Quarterly reports are brought to CLT, Committee and Council in respect of the completion of corporate improvement objectives and self-imposed indicators and targets for all service areas. In addition, operational improvement indicators and targets for all service areas are reported quarterly to CLT. This allows both the leadership team and Elected Members to measure performance and review progress towards the achievement of the agreed outcomes;
- Corporate Planning Workshop involving Elected Members and key staff takes place annually. This is an opportunity for Members to assess progress both in terms of service delivery and financial planning;
- The Council has an established culture of learning and development and this supports and drives a culture of both improvement and efficiency;
- Culture change is being driven through an employee engagement programme entitled 'Engage and Deliver';

- Customer satisfaction with key services has been measured throughout the year, for example, street cleansing, overall customer satisfaction, theatre satisfaction etc. This information is used to improve the delivery of services;
- Financial management information is reported on a monthly basis to Members through the Policy and Governance Committee, the Corporate Leadership Team and all budget holders. A balanced budget was approved at the start of the financial year incorporating capital project forecasting and reserve requirements. The budget explicitly relates to the allocation of financial resources towards the achievement of Council's objectives and priorities;
- Prudential Indicators are set each year to ensure that capital investments plans are affordable, prudent and sustainable. Likewise, a Treasury Management Strategy is agreed by Members so that Treasury Management decisions operate within a clear framework and in accordance with good practice. Financial performance is supplemented by operating performance e.g. recycling rates or creditors days, absence days;
- The Council uses a variety of organisation development models to drive an ongoing programme of improvement, productivity and efficiency. These include Investors in People; Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change, transformation and/or improve specific operations; and
- In September 2019 the Council published an annual report of performance, highlighting how the Council has performed in relation to the 2019-30 Corporate Plan and 2018/19 Corporate Improvement Plan.

In 2019/20, the Council achieved 89% customer satisfaction with overall customer services. During the year, work was undertaken to develop and deliver a customer centred strategy to further improve the standards across Council services, with a particular focus on developing digital solutions that enables customer excellence.

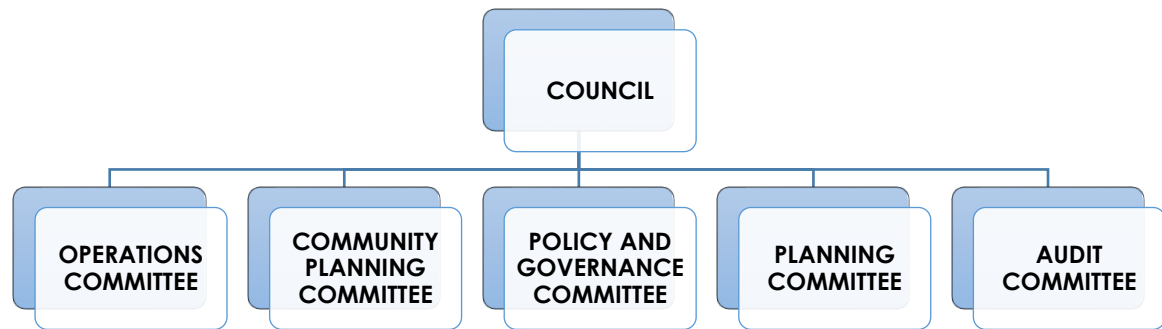
3.4 [Defining and documenting the roles and responsibilities of members and management, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication](#)

The Council's Constitution details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution up to date. The Constitution was reviewed and approved by Council in May 2019.

The Constitution was further updated and approved by Council on 26 May 2020, to amend the Scheme of Delegation in relation to Environmental Health Officers to facilitate powers given to the Council under the Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2020.

The Council is committed to setting and securing the highest standards in decision making and the Scheme of Delegation provides the framework for the powers delegated to Committees of Council and to Senior Officers within the Council. The Council operates a committee system, under which committees report to the Council as a whole, as illustrated below.

This committee system was in operation for the 2019/20 year, with the exception of Full Council meeting in March 2020. In response to the Coronavirus pandemic, the Council through Group Leaders approved the Delegation of Decision Making Powers to the Chief Executive on 20 March 2020, while Committees were not operating. This delegation of powers was in place until the end of April 2020 when (virtual) Committees / Council meetings resumed under the Interim Protocol for Remote Council Meetings during COVID-19.



Each Committee is responsible for determining policy within its own area within agreed terms of reference delegated from the Council.

Information is provided to and from Council by way of reports prepared by officers with recommendations when appropriate, and minutes prepared by Member Services in attendance. Council and Committee agendas, minutes and audios are published on the Council website in line with Standing Orders. All staff have a direct link to these via the intranet providing easy access to decisions.

Directors' Personal Assistants are responsible for the tracking of decisions and associated actions across a series of meetings following Council meetings.

The Council's Internal Audit function performs reviews of systems and controls across all departments of the Council and provides management with an opinion on the controls of the areas that it reviews. The Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance based on the internal audit activity within the year.

The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies.

The Audit Committee is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, scrutiny, assurance and reporting arrangements that underpin good governance and financial standards. This Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance. Further details of the Council's Audit Committee and its core functions are contained within the Audit Committee's Terms of Reference developed in line with the CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2018.

Officer roles are clearly defined in their job descriptions within approved staff structures.

[3.5 Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff](#)

The roles and responsibilities of Elected Members and Officers and the processes to govern the conduct of the Council's business are defined in the Council's Constitution encompassing procedural Standing Orders, Scheme of Delegation and Financial Regulations which are regularly reviewed and revised where appropriate.

Codes of Conduct are in place for, and define the high ethical values and standards of behaviour expected from, Elected Members and staff to make sure that public business is conducted with fairness and integrity. Both the Code of Conduct for Council Members and the Code of Conduct for staff are published on the Council's intranet and website.

Tailored and practical mandatory Code of Conduct training for all staff was delivered in June 2018. New staff are provided training through their Induction Programme. Member training on their Code of Conduct was previously delivered in September 2017 and was refreshed throughout 2019/20 through the Member Development Programme. New Members, co-opted to Council during 2019/20, were provided training when they joined.

Detailed guidance notes are provided to Members including notes regarding the declaration and registration of pecuniary and non-pecuniary interests. Practical examples are also given of the consequences of non-compliance with the Code. All staff are provided with a short guide to understanding the Code of Conduct and are provided with the opportunity to attend training.

Staff are also encouraged to use the Council's app i-Connect, which provides easy access to relevant employment information.

3.6 [Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality](#)

Council's Standing Orders, which include the protocol for the operation of the Antrim and Newtownabbey Planning Committee and its delegated powers, were adopted in June 2015. The Standing Orders and Planning Protocol were reviewed and approved by Council in May 2019.

In response to the COVID-19 pandemic, the Standing Orders were amended and agreed at a Special Council meeting on 14 May 2020, to add a Protocol for Remote Council Meetings, in line with the Local Government (Coronavirus) (Flexibility of District Council meetings) Regulations (Northern Ireland) 2020.

The Standing Orders were further amended and agreed by Council on 26 May 2020 to include a Protocol for Remote Planning Committee meetings.

Council's Scheme of Delegation provides the framework and guidance for the powers delegated to Committees of Council and to Senior Officers within the Council. The Scheme of Delegation can be found on the Council's website or can be provided on request.

Good data quality is required by the Council to plan, make its key decisions, and deploy its resources for smooth operational performance. Council continues to endeavour to ensure data is accurate, valid, reliable, timely, relevant and complete. Training has been provided to all Heads of Service, as Information Asset Owners, highlighting awareness of the importance of data quality and their associated responsibilities. Information Governance is specifically included as a section within the interim and annual Internal Control Checklist completed by Heads of Service to feed into the Annual Assurance Statement.

3.7 [Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability](#)

The Council undertook a review of its Risk Management arrangements during 2018/19 which included the procurement of new Risk Management software, the review and cleanse of risk registers and the review and update of the Risk Management Strategy and Procedures.

The Council's Policy and Governance Committee approved the revised Risk Management Strategy in March 2019. Governance and Internal Audit teams facilitated the development and implementation of this Strategy, and have promoted a culture in which risk management is embedded in all Council activities through the production of Corporate and Service Risk Registers. Risk management priorities have been established within the Council and responsibility assigned to appropriate individuals.

The Risk Management Strategy is due to be reviewed by the end of 2020/21.

The Council's risk registers were formally reviewed and updated on a quarterly basis with reviews being completed for the periods ending June, September, December and March, with further updates, as considered necessary, in the intervening periods.

During audit engagements, internal audit review risk registers and controls cited to mitigate the identified risks. Internal audit recommend actions to management where those actions will strengthen the system of governance, risk management and control.

Throughout the year Heads of Service and Directors, by way of written statements, have given assurances that risks are being managed in accordance with the procedures laid down in the approved strategy and that action planning has been performed with responsibilities assigned for mitigating action. Corporate level risks have also been managed in the same manner and are reported to the Audit Committee at each meeting.

At the year end, the Council identified 16 risks at a Corporate level which require monitoring and review by the Corporate Leadership Team.

As a consequence of COVID-19, it was agreed to temporarily suspend this Corporate Risk Register at the beginning of 2020/21, and create a new register incorporating the significant risks that were being faced by the Council and which the Council will continue to face.

3.8 Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Council is committed to the prevention of fraud and the promotion of an anti-fraud culture. The Council operates a zero tolerance attitude to fraud and corruption, whether from internal or external sources. The Council expects staff and individuals/organisations that it deals with, to act with honesty and integrity, to safeguard the public resources and to report all suspicions of fraud and corruption.

The Council has in place an Anti-Fraud and Corruption Policy which provides details of the anti-fraud and corruption roles and responsibilities of officers at all levels throughout the Council. It also provides detailed guidance on fraud prevention, detection and investigation as well as a guideline for reporting suspicions of fraud or corruption.

Sitting alongside the Anti-Fraud and Corruption Policy, is the Fraud Response Plan. The Fraud Response Plan enables the Council to ensure that where instances of fraud are suspected, they are appropriately and adequately investigated, in a consistent manner, in line with the relevant legislation and best practice.

The Fraud Response Plan also defines the authority levels and responsibilities for action and the reporting lines to be followed in the event of suspected fraud, theft or other irregularity. It also provides detailed guidance for planning and undertaking a formal investigation.

The Council also has in place an Anti-Bribery Policy which sets out the Council's commitment to the prevention, deterrence and detection of bribery. It also provides a framework to enable employees to understand and implement arrangements enabling compliance with the Policy and to identify and effectively report potential breaches.

To provide employees with the confidence to come forward with concerns regarding potential fraud and corruption, the Council has developed a Whistleblowing Policy which sets out the importance of whistleblowing to the Council in the provision of information in relation to

wrongdoing and improper conduct of public business, while ensuring those who provide this information are protected from reprisal through the Policy and Legislation.

The Council recognises whistleblowing as an important source of information that may highlight serious risks and potential fraud or corruption. Employees who are prepared to speak up about malpractice, risk, abuse or wrongdoing are recognised as one of the most important sources of information for the Council. The Policy details the assurances provided to anyone who wishes to raise concerns.

Each of the above Policies are reviewed and updated in line with changes in relevant legislation and / or best practice. The Policies were revised, updated and approved in March/April 2019. The Policies are due to be reviewed by the end of 2020/21.

Fraud and whistleblowing investigations are reported quarterly to the Audit Committee as a standing Agenda item.

3.9 Ensuring effective management of change and transformation

The Council considers that there has been effective management of change and transformation, evidenced by the successful management of the transition to the new Council. In addition, effective governance arrangements are in place to manage ongoing change and transformation e.g. Council / Committee meetings; Group Leaders meetings; fortnightly Corporate Leadership Team meetings, bi-monthly joint Corporate Leadership Team and Senior Management Team meeting and bi-monthly Senior Leadership Team meetings.

The Council's aim is to be a digitally enabled organisation, taking advantage of technology to change the way we do things, transform access to services and reduce costs. The Council has invested in a Digital Platform and digital projects are managed through the Digital Governance Structure, with minutes going to the Corporate Leadership Team. Projects included: the launch of a new corporate website, the launch of the ANBorough app for residents, installation of new telephone system and an increase in the number of services delivered digitally to 37, in addition to 24 digital processes and 11 digital content channels.

The Council works closely with individuals and communities, to deliver re-shaped and redesigned services, which deliver outcomes and services for residents and customers, for example leisure and waste and recycling management. The Council recognises that change is ongoing and will continue to work collaboratively with the community planning partners and other stakeholders to be a dynamic and agile organisation with the capacity to improve.

The change agenda is supported by an organisational initiative entitled 'Engage and Deliver' which was launched in 2016 and includes the roll-out of engagement, innovation and capacity building initiatives for all Council employees, which supports the management of change.

Employee engagement was measured through staff surveys and other initiatives such as the employee app i-Connect, regular monthly staff meetings, Team Briefs and departmental employee engagement. Employee engagement has increased from 40% satisfaction in 2015 to 85% in 2019.

3.10 Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and, where they do not, explain why and how they deliver the same impact

The Council's financial management arrangements conform to the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) as

set out in Delivering Good Governance in Local Government: Framework (April 2016), with the exception that the Chief Financial Officer does not hold a professional accounting qualification. Local regulations do not require the Chief Financial Officer to be professionally qualified. The roles of the Chief Financial Officer and Chief Executive are not separated within the Council. The Chief Financial Officer is supported, notably by the Director of Finance and Governance, who holds a professional accountancy qualification, along with other suitably qualified and experienced staff within the Finance function.

3.11 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council has a proactive approach to ensuring compliance in this area, thereby ensuring the protection of public finances, safeguarding assets, and delivering services effectively and sustainably. The Council's system of internal control is based on a framework of approved standing orders and financial regulations; regular management information; administrative procedures (including segregation of duties); management supervision; and accountability. There are clearly defined guidelines for capital expenditure, procurement, human resources management and contract management.

A Risk Management Strategy is in place setting a priority for the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Council endeavours to ensure that all parties who may impact on the above directly or indirectly are aware of their responsibilities under current legislation that the Council is governed by, including but not limited to, Health and Safety Legislation, Equality Legislation, and Data Protection.

Professional legal advice on the discharge of Council functions is provided to the Council by the Borough Lawyer and Head of Legal Services, with support provided as necessary via contracted external legal support services.

The Internal Audit service through its independent and objective review, appraisal and reporting on the adequacy of the internal controls, assists in ensuring compliance with relevant laws and regulations, internal policies and the lawfulness of expenditure. (See Section 4.4 for further information on Internal Audit.)

3.12 Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact

The CIPFA Statement on the Role of the Head of Internal Audit (2010) sets out the principles that define the core activities and behaviours that are expected of this role in public service organisations and the organisational arrangements needed to support them.

The Council's assurance arrangements conform with the governance arrangements of the CIPFA Statement on the Role of the Head of Internal Audit (2010), as follows:

Core activities and behaviours:

- The Head of Internal Audit champions best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on response to emerging risks and proposed developments.
- The Head of Internal Audit provides an objective and evidenced-based opinion on all aspects of governance, risk management and internal control.

To perform this role the Head of Internal Audit:

- Is a member of the Senior Management Team with regular and open engagement across the organisation, particularly with the Chief Executive, the Corporate Leadership Team and the Audit Committee.
- Leads and directs the internal audit service that is appropriately resourced and fit for purpose.
- Is professionally qualified (Member of the Association of Chartered Certified Accountants) and is suitably experienced.

3.13 Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities

The Audit Committee is a formally constituted Committee of the Council and is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, scrutiny, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of Antrim and Newtownabbey Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.

It also oversees Internal Audit and considers the reports and recommendations of external audit, helping to ensure efficient and effective assurance arrangements are in place.

The core functions of the Audit Committee are summarised in a Terms of Reference (updated in June 2019), which describe the arrangements in place to enable it to operate independently, robustly and effectively.

The Council's Audit Committee consists of six Members of the Council plus an Independent Member. The Committee met four times in the financial year 2019/20.

As part of the year end procedures, the Audit Committee has undertaken a review of its effectiveness.

In addition, the Audit Committee reports to Full Council, outlining its activities throughout the year and how it has discharged its responsibilities as set out in the Audit Committee Terms of Reference.

It is the Committee's view that for 2019/20, it has discharged its responsibilities in full, although it has developed an action plan to further support the development of this key Committee.

3.14 Whistleblowing, receiving and investigating complaints from the public

The Council has a Whistleblowing Policy which was reviewed and updated in March 2019. The Policy is due for review by the end of 2020/21.

The Council is committed to carrying out business fairly, honestly and openly and has a zero tolerance towards bribery. The Council expects full compliance with the requirements of the Bribery Act 2010 from Members, Employees, Agents, Partners, Suppliers and Groups or Individuals applying for, or in receipt of, grant aid. It is committed to developing, implementing and maintaining effective procedures and controls to prevent any occurrence of fraud and corruption.

The aim of the Whistleblowing arrangements is to act as a deterrent to malpractice; encourage openness; and promote transparency and to underpin the Council's approach to risk management.

The Council's Whistleblowing Policy is provided to all new employees as part of the induction process.

The Council is committed to dealing with all complaints fairly and impartially. The complaints procedure is available in electronic format via the Council website or is available hard copy on request.

In 2019/20, the Council undertook a number of customer satisfaction surveys, through the Council's Borough Life magazine, face to face surveys and email surveys. Based on 22 surveys, a total of 1,132 responses were received, with 1,006 stating Satisfied / Very Satisfied, equates to 89% customer satisfaction with overall Council services.

During 2019/20, a review was undertaken to develop and deliver a customer centred strategy to further improve the standards across Council services, with a particular focus on developing digital solutions that enables customer excellence. A report on the new Customer Services Strategy for the Council will be presented in due course.

3.15 Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The Council was externally recognised for a culture of investment in Member Development by achieving Charter Status in December 2015, the first year of the new Council. Subsequently in April 2019, the Council achieved the highest award when it was awarded Charter Level Two (formerly Charter Plus).

The Council also has a Members' Professional Development Policy to support and evaluate Member development activities.

The Council collate Member Development needs on an ongoing basis via the quarterly Member Development Working Group, working in partnership with the Northern Ireland Local Government Association (NILGA).

All Members undertake a formal induction programme on commencement of a new Council term. This includes standing orders, equality, health and safety, and media training. Members complete IT training and attend conferences as nominated representatives of the Council. The induction programme has been reviewed and tailored for the needs of the new Members following the May 2019 Election.

All Council staff are required to complete an annual Personal Review and Development Plan (PRDP). The purpose of the PRDP is to provide feedback to staff on their role and progress against their objectives but also to identify training needs for the coming year. Senior Officer development is also supported by the Council's Continuous Development Scheme and Part Time Study Policy.

The Council's innovative i-Lead Development Portfolio for middle management and team leader level continued in 2019/20, and received a 91% satisfaction rating, including the i-Lead Programme for Heads of Service.

A development programme was also established for the Head of Service Group. Based on Head of Service feedback, SOLACE UK designed a number of workshops to the Group during 2020/21.

3.16 Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Communication and Engagement Strategy outlines how the Council communicates, consults and engages to support the delivery of the Corporate Improvement Plan. The Council's consultation schedule lists all planned priority engagement.

Consultation survey outcomes are used to support service improvements and new capital scheme development. Structured consultations are carried out using an online system - Citizen Space, hard copy questionnaires through Borough Life, information sessions, focus groups and workshops, all of which facilitate a range of opportunities for our stakeholders to provide suggestions and feedback.

Engagement on Social Media has become increasingly more important in providing instant, informal, feedback on issues, queries and complaints. The Council has 24,178 followers on Facebook, 9,064 on Twitter and 3,045 on Instagram.

The Council continues to explore ways to digitalise services and use online technology and social media to enhance communication with their citizens. The Council uses microsites for a number of prominent Council events including Spinning Yarns, Antrim Live, and Enchanted Winter Gardens. The Council also acquired the site for Garden Show Ireland, although this event was cancelled due to COVID-19. The Citizen App was launched during the year and work will continue to improve and expand the services available on this platform.

The Council also introduced a Live Chat function onto the website enhancing choice and flexibility for customers seeking information.

3.17 Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council has facilitated the Community Planning process, through the Community Planning Partnership, involving 12 statutory partners and 3 support partners who are key public sector providers operating throughout the Borough. The Partnership is responsible for implementing the "Love Living Here" Community Plan (launched in 2016) to bring partners and communities together to realise the potential of our Borough.

The Council has sought to focus on service delivery to ensure effective meaningful outcomes are achieved in line with the key priorities of the Community Plan which comprises 4 Outcomes and a Wildly Important Goal:

1. Our citizens enjoy good health and wellbeing;
2. Our citizens live in connected, safe, clean and vibrant places;
3. Our citizens benefit from economic prosperity;
4. Our citizens achieve their full potential; and
5. Wildly Important Goal - Our Vulnerable people are supported.

In addition, the Council has sought to engage with key organisations to lobby and make representations on a range of service issues relative to the effectiveness of delivery of public services in the Borough.

3.18 *Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements*

The Local Government Act (NI) 2014 provides the Council with a general power of competence, enabling it to take any action it considered appropriate provided the action was not prohibited by any other legislation.

Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their district. This power has not been used to date by the Council.

The Council has responsibility to initiate, maintain, facilitate and participate in community planning. It has put in place processes to ensure effective governance of the Community Planning Partnership for the Borough including terms of reference for the Partnership and an agreed core set of values and principles. These principles include: equality; sustainability; connectivity; opportunity; inclusivity; vitality; capability; and compassion.

In December 2019, the Community Planning Partnership adopted a new structure which was further reviewed and updated in March 2020. The new structure will aid the delivery of the Community Plan by reducing the number of meetings, focusing each Outcome Delivery Group on a specific set of actions and allowing for more involvement from the Elected Members.

Reports on the process and progress in relation to Community Planning are reported regularly to the Council's Community Planning and Regeneration Committee which has responsibility for oversight of the Community Planning function.

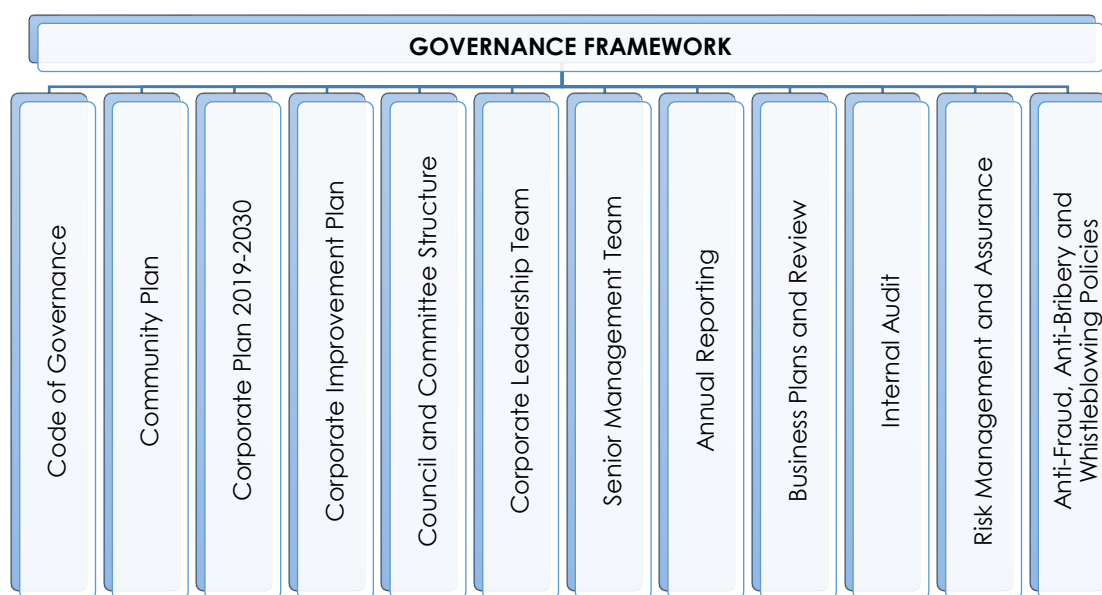
4.0 **REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and also by comments made by the external auditors.

The Governance roles and responsibilities of the Council's Committee structure, the Council's Leadership Team, the Audit Committee, and Internal Audit are described within this Statement.

The Council's System of Internal Control (Governance Framework) is underpinned by compliance with governing legislative and regulatory requirements, commitment from the Corporate Leadership Team, the Corporate Plan, Financial Procedures, oversight functions including an Audit Committee, regular and timely management information, administrative procedures, whistle blowing procedures, management supervision, delegation and accountability and a commitment to staff development and performance management.

The following 'elements' make up the Council's internal control environment.



The Council has conducted a Review of the Effectiveness of the System of Internal Control in place within the Council in 2019/20, in accordance with Regulation 4(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The results of this review, along with the Internal Audit Annual Report were reported to the Audit Committee in June 2020 to assess the effectiveness of the system of internal control and the consideration of the draft Annual Governance Statement and the draft Statement of Accounts. The final Annual Governance Statement and Statement of Accounts will be approved by the Audit Committee in September 2020.

From the work undertaken by management, Governance and Internal Audit throughout the year, it is considered that key systems are operating soundly.

The following outlines the process that has been applied in maintaining and reviewing the effectiveness of the governance framework, including some comments on the role of:

4.1 Elected 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 are appointed by d'Hondt. All Committee places are appointed through the Quota Greatest Remainder method. Both are set out within the Local Government Act (NI) 2014.

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

4.2 [The Corporate Leadership Team](#)

The Chief Executive leads the Council's Corporate Leadership Team to collectively have involvement in, and oversight of, the processes involved in maintaining and reviewing the effectiveness of the governance framework.

In doing so, the Corporate Leadership Team regularly reviews:

- Full Council and Committee Actions
- Corporate Risk Register
- Corporate Health and Safety
- Internal and External Audit Reports
- New and revised Council Policies
- Human Resources Permissions
- Performance Improvement Plan
- Business Cases
- Council Performance against the priorities set within the Corporate Plan
- Procurement Actions
- Financial Reporting
- Cyber Security
- Working Group Minutes
- Legal Issues
- Complaints
- Freedom of Information Request
- Prompt Payments Information
- Staff Absence Statistics

4.3 [The Audit Committee](#)

The Audit Committee is comprised of six Elected Members and one Independent Member, with the Committee meeting four times during 2019/20.

Senior officers, including the Chief Executive, Director of Finance and Governance, Director of Organisation Development, Head of Internal Audit and Head of Performance and Transformation attended the Audit Committee meetings. Other Heads of Service attend as appropriate. Representatives from the Northern Ireland Audit Office also routinely attended.

During the year, the Audit Committee approved the Internal Audit Plan 2019/20 and considered the findings of internal audit reviews throughout the year, including the follow up of agreed actions coming out of those reviews. The Audit Committee also received and reviewed the external audit reports, namely the Annual Audit Letter and Report to Those Charged with Governance 2018/19, the Local Government Auditor's Report 2019 and the Audit Strategy for 2019/20.

The Audit Committee also considered the risk management arrangements in place within the Council and routinely reviewed the Corporate Risk Register, specifically the changes that have been made to risk scoring of Corporate risks.

The Audit Committee completed its annual review of effectiveness on 4 February 2020 by using the self-assessment checklist provided by the CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2018.

The Audit Committee was satisfied that it had discharged its responsibilities in full as set out in the Audit Committee's Terms of Reference. The Audit Committee proposed a number of actions to enhance its overall performance and these actions have been agreed and will be implemented during 2020/21.

4.4 [Internal audit](#)

The mission of Internal Audit is *"to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight"*. The requirement for Internal Audit is set out in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, which state: *"a local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time"*.

The Internal Audit function is organisationally independent.

It is management's responsibility to ensure that a system of internal control is in operation within the Council and that policies and procedures are in place to monitor the continuing effectiveness of that system.

It is Internal Audit's responsibility to independently and objectively review, appraise and report on the adequacy of the internal controls as a contribution to the proper economic, efficient and effective use of resources.

The Head of Internal Audit's opinion for 2019/20 is reported in the 2019/20 Internal Audit Annual Report.

The opinion provided was as follows:

*"Based on the work completed, Internal Audit is providing a **Satisfactory** level of assurance.*

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives."

4.5 [Other explicit review/assurance mechanisms](#)

Up to 31 March 2020, the Council undertook or was subject to, a number of external reviews or accreditations. The following provides details of some of the more significant reviews, accreditations and awards obtained throughout the year, to provide additional assurance in respect to the Council's Governance arrangements:

- Unqualified external audit opinion in respect to 2018/19 statement of accounts
- External audit of the Council's Performance Improvement – no significant findings
- Environmental Management Quality Standards
- Green Flag awards
- Accreditations / awards
 - CIPRide Award for Best use of social media, Best use of content and Best use of influence relations for the #iRecycleRight Campaign
 - Northern Ireland Social Media Awards – runner up Best Influencer blogger campaign of the year: iRecycleRight and shortlisted in the Social Media In-House Team of the Year and Best Social Media Campaign in the Public Sector

- Best Kept Ireland Awards
- Britain in Bloom
- Ulster in Bloom
- Food Safety Team, Chartered Institute of Environmental Health Excellence Awards
- CIPD - Shortlisted for:
 - o Best Health & Wellbeing Initiative: Engage and Deliver
 - o Best Learning and Development Initiative (public/third sector): iLead Leadership Portfolio
- Public Services People Managers Association – Rising Star Award
- NI Tourism Award for Authentic NI Experience of the Year - Antrim Castle Gardens
- Fields in Trust – Best NI Park – Antrim Castle Gardens
- V36 won Belfast Live “Belfast Loves” – public’s favourite park North Belfast
- Plant and Civil Engineer Construction, Quarry and Recycling Awards:
 - o Newpark Household Recycling Centre won
 - o O'Neill Road Recycling Centre shortlisted
- NI Environmental Benchmarking Survey – Platinum winner
- Quest Accreditation in two of our leisure centres
- Accessible (formerly Disabled Go) Accreditation
- Autism Impact Award
- APSE UK shortlisted for:
 - o Best Service Team: Sports, Leisure and Cultural Service
 - o Best Service Team of the Year: Environmental Health, Trading Standards and Regulatory Service
 - o Best Health and Well-Being Initiative
 - o Best Workforce Initiative
- Local Government Awards Northern Ireland shortlisted for:
 - o Best Local Authority Service Team: New Leisure Strategy
 - o Employee of the Year
 - o Best Initiative by a Councillor / Councillor Group: ‘Health and Happiness at the Heart of Borough Life’

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

5.0 SIGNIFICANT GOVERNANCE ISSUES

Significant governance issues are identified through the review of the Corporate Risk Register, internal / external audit reports, a review of the Directors Assurance Statements and consideration of significant events / issues.

The following has been raised as a significant governance issue for the Council:

Council's Response to COVID-19

Towards the end of the 2019/20 financial year, the Council initiated its Emergency Response Plan as a result of the COVID-19 pandemic and in compliance with the Government guidelines.

This has had a significant impact on Council services, not only from a delivery point of view, but also in terms of resourcing and dealing with the wider community and stakeholder concerns.

Not only have the effects of the pandemic been felt during the latter part of the year, but it is envisaged that the repercussions will impact on the Council continuing into the 2020/21 financial year.

The significant issues arising that the Council is and will be managing include:

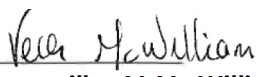
- Failure to meet the expectations of ratepayers within current financial constraints
- Restoration of the financial health of the Council
- Disruption to service delivery which may lead to Statutory Performance targets not being achieved
- Requirement to tailor service delivery according to Council requirements
- Budget restrictions impacting on services
- Reduction in cash flow / income generation impacting on the ability to maintain payments to suppliers and staff
- Ongoing discussions with suppliers re: contractual issues in light of Government guidance
- Customer satisfaction concerns
- Impact on the Health and Wellbeing of Elected Members and Staff

The Council propose to manage these issues through strategically working with the Chief Executive, Elected Members, Directors and Central Government Departments to restore the financial health and governance of the Council.

Any other factors that may impact on the delivery of Council services going forward are identified through the Risk Management process as outlined in Section 3.7 and are included in the Corporate Risk Register.

Antrim and Newtownabbey Borough Council propose over the coming year to continue to take steps to further enhance the Council's governance arrangements.


Jacqui Dixon
Chief Executive
01 December 2020


Councillor V McWilliam
Chairperson of Audit Committee
09 December 2020

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2020

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 2019 were issued by the Department for Communities on 6 March 2019 (Circular LG 07/2019). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Antrim and Newtownabbey Borough Council had 40 councillors in 2019/20.

Independent Member

G Nesbitt is an Independent Member on the Audit Committee, their role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. A payment of £300 is paid per meeting and attendance at training and other workshops associated with the Audit Committee.

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 Council Leadership Team.

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

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

Allowances Paid to Councillors

The total amount paid to Councillors by way of allowances in 2019/20, 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 1a: Total Allowances paid to councillors in 2019/20 (audited information)

Allowance	2019/20		2018/19	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	602,112	53	589,978	44
Special Responsibility Allowance	49,343	29	46,807	29
Chairperson/Deputy Mayor Allowance	13,797	2	13,526	2
Vice Chairperson/ Deputy Mayor Allowance	9,021	2	8,844	2
Mileage Allowance	14,534	34	21,367	36
Public Transport and Other Travel Incidentals	211	3	1,599	5
Subsistence	36	2	245	17
Courses/ Conferences Visits (registration & joining fees)	6,008	17	4,776	-
Dependents' Carers Allowance	430	1	-	-
TOTAL ALLOWANCES	695,492	-	687,142	

At the May 2019 Local Government Elections 12 new Councillors were elected and 28 Councillors re-elected. One Councillor left their post and a replacement was co-opted from within the relevant party. The total number of Councillors did not exceed 40 at any point during the year.

Details of the allowances paid to individual Councillors in 2019/20 are published on the Council website at:

www.antrimandnewtownabbey.gov.uk/council/your-councillors/councillors-allowances-expenses

Table 1b: Total Allowances paid to independent member in 2019/20 (audited information)

Allowance	2019/20		2018/19	
	Total Allowances £	Number of Independent Members receiving the Allowance	Total Allowances £	Number of Independent Members receiving the Allowance
Independent Member Allowance	1,800	1	2,400	1
TOTAL ALLOWANCES	1,800		2,400	

Remuneration of Senior Employees

The remuneration of senior employees covers the Council Leadership Team. The following table provides details of the remuneration paid to senior employees in 2019/20:

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

Officers	2019/20				2018/19			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000
J Dixon	115-120		5.0	120-125	115-120	0	4.0	120-125
M McAlister	90-95		1.5	90-95	90-95	0	1.2	90-95
G Girvan	85-90		1.8	85-90	80-85	0	1.3	85-90
A McCooke	85-90		3.4	85-90	80-85	0	1.2	85-90
S Cole (started July 2018)	85-90		4.7	90-95	60-65 (80-85)	0	2.9	65-70 (85-90)
N Harkness (started Sept 2018)	80-85		1.8	85-90	45-50 (75-80)	0	0.3	45-50 (80-85)

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

Table 3: Relationship between the remuneration of the highest paid member of the Council Leadership Team and the median remuneration of the Council's workforce (audited information)

	2019/20 £'000	2018/19 £'000
Salary Band of Highest Paid member of the Council Leadership Team	115-120	115-120
Median Total Remuneration	21.93	23.24
Ratio	5.38	5.05

The banded remuneration of the highest paid member of the Council Leadership Team in the financial year 2019/20 was £115k - £120k (2018/19 £115-£120k). This was 5.38 times the median remuneration of the workforce, which was £21,930 (2018/19 5.05 times, £23,240). The Council has seen an increase in the number of part-time staff during the past financial year. Accordingly there has been reduction in the median salary paid to staff.

In 2019/20, no employees received remuneration in excess of the highest paid member of the Council Leadership 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. There were no bonus payments made during 2019/20.

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.

The Chief Executive participates in the Council's car leasing scheme. The cost of this scheme to the Council is equivalent to the Essential User allowance paid to all designated users. However, the latter is taxed at source through payroll and the car leasing scheme by submitting a return (P11D) to HM Revenue & Customs at the end of the tax year.

Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2019/20, 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 2019/20 (audited information)

Severance Package Cost Band	2019/20				2018/19 Restated *			
	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	4	4	48	0	5	5	76
£20,001 - £40,000	0	8	8	236	0	7	7	188
£40,001 - £60,000	0	2	2	83	0	2	2	85
£60,001 - £80,000	0	9	9	639	0	8	8	557
£80,001 - £100,000	0	2	2	181	0	1	1	97
£100,001 - £150,000	0	0	0	0	0	5	5	561
£150,001 - £200,000	0	0	0	0	0	0	0	0
Total	0	25	25	1187	0	28	28	1564

Redundancy and other departure costs have been paid in accordance with the RPA Staff Severance Scheme for Local Government, agreed between the Employers' and Trade Union Side of the Local Government Reform Joint Forum (Joint Forum) and underpinned by the Local Government Reorganisation (Compensation for Loss of Employment) Regulations (NI) 2015. The table above shows the total cost of exit packages agreed and accounted for in 2019/20 and 2018/19.

*2018/19 was re-stated to reflect the total cost of exit packages agreed in year.

Pension Benefits

The Northern Ireland Local Government Officers' Pension Fund, which is a funded defined benefit pension scheme, 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, pension scheme 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 pension scheme 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 2019, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,800	5.5%
2	£14,801 - £22,600	5.8%
3	£22,601 - £37,700	6.5%
4	£37,701 - £45,700	6.8%
5	£45,701 - £90,400	8.5%
6	More than £90,400	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 2016 was carried out in 2016/17 and set the employer contribution rates for the 3 years commencing 1 April 2017 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2017 - 31 March 2018	18% + 2% deficit contribution
1 April 2018 - 31 March 2019	19% + 2% deficit contribution
1 April 2019 - 31 March 2020	20% + 2% deficit contribution

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 2019/20 was £127,249 (2018/2019 £115,403).

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 2019/20 (audited information)

Officers	Accrued Pension at pension age as at 31/3/20 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/20 £'000	CETV at 31/3/19 £'000	Real increase in CETV £'000
J Dixon	40-45 and lump sum 70-75	0-2.5 and lump sum (0-2.5)	788	764	6
M McAlister	15-20 and lump sum 0-5	0-2.5 and lump sum (0-2.5)	242	212	16
G Girvan	25-30 and lump sum 30-35	0-2.5 and lump sum 0-2.5	486	443	28
A McCooke	25-30 and lump sum 30-35	0-2.5 and lump sum 0-2.5	450	411	24
S Cole (started July 2018)	35-40 and lump sum 50-55	2.5-5 and lump sum 0-2.5	650	524	110
N Harkness (started Sept 2018)	35-40 and lump sum 50-55	2.5-5 and lump sum 0-2.5	801	727	54

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a pension scheme member at a particular point in time. The benefits valued are the pension scheme 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 pension scheme 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.


Jacqui Dixon
Chief Executive

01 December 2020

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that:

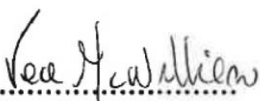
- (a) the Statement of Accounts for the year ended 31 March 2020 on pages 46 to 111 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 50 to 66.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.


.....
Jacqui Dixon
Chief Financial Officer

Date: 01 December 2020

COUNCIL APPROVAL OF STATEMENT OF ACCOUNTS

These accounts were approved by resolution of the Antrim and Newtownabbey Borough Council Audit Committee on 09 December 2020.


.....
Councillor V McWilliam
Chairperson of Audit Committee

Date: 09 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL

Opinion on financial statements

I have audited the financial statements of Antrim and Newtownabbey Borough Council for the year ended 31 March 2020 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2020 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Antrim and Newtownabbey Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- Antrim and Newtownabbey Borough Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Antrim and Newtownabbey Borough Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Antrim and Newtownabbey Borough Council's ability to continue to adopt the going concern basis.

Other Information

The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2020 is consistent with the financial statements.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

This report is made solely to the Members of Antrim and Newtownabbey Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
 - the Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20;
 - does not comply with proper practices specified by the Department for Communities;
 - is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Certificate

I certify that I have completed the audit of accounts of Antrim and Newtownabbey Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Pamela McCreedy
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

21 December 2020

Movement in Reserves Statement for the year ended 31 March 2020

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
Balance as at 1 April 2018	6,998,410	2,896,017	456,087	10,350,514	90,106,395	100,456,909
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(4,512,864)	-	-	(4,512,864)	-	(4,512,864)
Other Comprehensive Income and Expenditure	-	-	-	-	5,131,418	5,131,418
Total Comprehensive Income and Expenditure	(4,512,864)	-	-	(4,512,864)	5,131,418	618,554
Adjustments between accounting basis & funding under regulations	5,327,172	1,153,482	16,275	6,496,929	(6,496,929)	-
Net increase before transfers to Statutory and Other Reserves	814,308	1,153,482	16,275	1,984,065	(1,365,511)	618,554
Transfers to / from Statutory and Other Reserves	(472,114)	472,114	-	-	-	-
Increase/ Decrease in year	342,194	1,625,596	16,275	1,984,065	(1,365,511)	618,554
Balance as at 31 March 2019	7,340,604	4,521,613	472,362	12,334,579	88,740,884	101,075,463
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(7,774,838)	-	-	(7,774,838)	-	(7,774,838)
Other Comprehensive Income and Expenditure	-	-	-	-	(1,018,115)	(1,018,115)
Total Comprehensive Income and Expenditure	(7,774,838)	-	-	(7,774,838)	(1,018,115)	(8,792,953)
Adjustments between accounting basis & funding under regulations	5,644,334	(439,622)	349,491	5,554,203	(5,554,203)	-
Net increase before transfers to Statutory and Other Reserves	(2,130,504)	(439,622)	349,491	(2,220,635)	(6,572,318)	(8,792,953)
Transfers to / from Statutory and Other Reserves	773,927	(773,927)	-	-	-	-
Increase/ Decrease in year	(1,356,577)	(1,213,549)	349,491	(2,220,635)	(6,572,318)	(8,792,953)
Balance as at 31 March 2020	5,984,027	3,308,064	821,853	10,113,944	82,168,566	92,282,510

Comprehensive Income and Expenditure Statement for the year ended 31 March 2020

		2019/20			2018/19		
Service Expenditure	Notes	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Chief Executive	2	956,117	(126,900)	829,217	477,850	(120,471)	357,379
Community Planning	2	13,874,295	(4,382,548)	9,491,747	13,012,437	(3,641,831)	9,370,606
Economic Development and Planning	2	4,255,525	(2,269,513)	1,986,012	3,702,530	(3,055,556)	646,974
Organisational Development	2	2,722,411	(157,156)	2,565,255	2,537,883	(159,751)	2,378,132
Finance and Governance	2	5,773,824	(26,039)	5,747,785	8,670,156	(18,470)	8,651,686
Operations	2	40,372,019	(7,110,085)	33,261,934	37,242,040	(6,847,930)	30,394,110
Cost of Services on Continuing Operations		67,954,191	(14,072,241)	53,881,950	65,642,896	(13,844,009)	51,798,887
Other Operating Expenditure/Income	8	447,903	(357,676)	90,227	48,529	(16,275)	32,254
Financing and Investment Income and Expenditure	9	3,444,084	(50,874)	3,393,210	3,493,819	(54,055)	3,439,764
Net Operating Expenditure		71,846,178	(14,480,791)	57,365,387	69,185,244	(13,914,339)	55,270,905
Taxation and Non-Specific Grant Income	10	-	(49,590,549)	(49,590,549)	-	(50,758,041)	(50,758,041)
(Surplus)/Deficit on the Provision of Services		71,846,178	(64,071,340)	7,774,838	69,185,244	(64,672,380)	4,512,864
(Surplus)/Deficit on revaluation of non-current assets	11			(3,759,260)			(1,566,480)
Impairment losses on non-current assets charged to the Revaluation Reserve	11			-			-
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets				-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	21			4,777,375			(3,564,938)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures			-	-			-
Other Comprehensive Income and Expenditure				1,018,115			(5,131,418)
Total Comprehensive Income and Expenditure				8,792,953			(618,554)

Balance Sheet as at 31 March 2020

	Note	31st March 2020	31st March 2019
		£	£
Fixed Assets	11	196,849,668	189,276,998
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	15	-	-
LONG TERM ASSETS		196,849,668	189,276,998
Short Term Investments	16	-	-
Inventories	14	338,770	310,520
Short Term Debtors	15	5,759,449	7,174,632
Cash and Cash Equivalents	25	-	-
Assets Held for Sale	11	145,000	-
CURRENT ASSETS		6,243,219	7,485,152
Bank Overdraft	25	216,234	1,243,248
Short Term Borrowing	17	10,801,813	8,234,114
Short Term Creditors	18	7,546,826	6,312,150
Provisions	19	708,108	1,892,167
CURRENT LIABILITIES		19,272,981	17,681,679
Long Term Creditors	18	-	-
Provisions	19	281,554	301,108
Long Term Borrowing	17	45,177,842	41,501,900
Other Long Term Liabilities	21	46,078,000	36,202,000
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
LONG TERM LIABILITIES		91,537,396	78,005,008
NET ASSETS		92,282,510	101,075,463
USABLE RESERVES			
Capital Receipts Reserve	26	821,853	472,362
Capital Grants Unapplied Account	26	713,860	1,153,482
Capital Fund	26	-	-
Renewal and Repairs Fund	26	554,985	716,133
Other Balances and Reserves	26	2,039,219	2,651,998
General Fund	26	5,984,027	7,340,604
		10,113,944	12,334,579
UNUSABLE RESERVES			
Capital Adjustment Account	26	86,015,176	84,182,812
Financial Instruments Adjustment Account	26	-	-
Revaluation Reserve	26	42,595,840	41,064,022
Available for Sale Financial Instruments Reserve	26	-	-
Financial Instruments Revaluation Reserve	26	-	-
Pensions Reserve	26	(46,078,000)	(36,202,000)
Capital Receipts Deferred Account	26	-	-
Accumulated Absences Account	26	(364,450)	(303,950)
		82,168,566	88,740,884
NET WORTH		92,282,510	101,075,463

Cash Flow Statement for the year ended 31 March 2020

	Note	2019/20	2018/19
		£	£
Net Deficit on the provision of services		(7,774,838)	(4,512,864)
Adjustment for non-cash movements	25	9,859,577	9,089,211
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(575,634)	(1,231,983)
Net cash flows from operating activities	25	1,509,105	3,344,364
Cash flows from Investing Activities	25	(6,725,732)	(5,770,449)
Net Cash flows from Financing Activities	25	6,243,641	(1,501,218)
Net increase or decrease in cash and cash equivalents		1,027,014	(3,927,303)
Cash and cash equivalents at the beginning of the reporting period		(1,243,248)	2,684,055
Cash and cash equivalents at the end of the reporting period		(216,234)	(1,243,248)

NOTES TO THE FINANCIAL STATEMENTS

1A Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020. 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 2019/20, 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 2019/20 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- 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 payable on borrowings and receivable on investments is accounted for 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) Provision for Job Evaluation

The Council makes provision for the costs of meeting liabilities for job evaluations by staff as required.

iii) 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 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 include bank overdrafts that are repayable on demand as they form an integral part of the Council's cash management.

iv) 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.

v) 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.

vi) Employee Benefits

Short-term employee benefits

Short-term employee benefits payable during employment, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, 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 earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

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 and are charged on an accruals basis to the relevant service in the CI&E Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers.

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. 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.

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 – ie 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 rate of return on a high quality corporate bond of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx index of AA rate corporate bonds).

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

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

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

Within the Cost of Services

•**Current Service Cost** – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.

•**Past Service Cost** – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

•**Any Gains or Losses on Settlement** – arising where the council enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

Within Financing and Investment Income and Expenditure

•**Net Interest on the Net Defined Benefit Liability (Asset)** – the change in the net defined benefit liability (asset) that arises from the passage of time.

Within Other Comprehensive Income and Expenditure

•**The Return on Plan Assets** – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). 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 present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

•**Any change in the Effect of the Asset Ceiling** – excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

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, appropriations are made 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.

Northern Ireland Civil Service Pension Scheme

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The schemes provide 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.

vii) 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 financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues their 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.

viii) Exceptional Items

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

ix) 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 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.

x) Financial Instruments

Financial Liabilities

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 CI&E 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 the Council's borrowings, the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CI&E Statement is the amount payable for the year according to the loan agreement.

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 measured at amortised cost.

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 CI&E 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.

When soft loans are made (loans at less than market value), a loss is recorded in the CI&E Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CI&E Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices - the market price
- other instruments with fixed and determinable payments - discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CI&E Statement.

xi) 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 CI&E Statement.

xii) 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 CI&E 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 acquired using 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 CI&E Statement.

Where capital grants are credited to the CI&E 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.

xiii) 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).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

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 Cost of Services on Continuing Operations in the CI&E 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 Cost of Services on Continuing Operations in the CI&E 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 CI&E 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 the Capital Receipts Reserve.

xiv) Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-In, First-Out (FIFO) costing formula.

xv) 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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length.

Investment 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 CI&E 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 CI&E 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.

xvi) Landfill Allowance Schemes

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.

xvii) Leases

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

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

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

The Council as Lessee

Finance Lease:

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

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the CI&E Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

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 provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a debt principle repaid in the District 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 CI&E Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CI&E 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 charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- finance income (credited to the Financing and Investment income and Expenditure line in the CI&E Statement).

The gain credited to the CI&E Statement on disposal is not permitted by statute to increase the General Fund Balance and will be 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 charge for the acquisition of the interest in the property is used to write down the lease asset (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 fixed 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.

Operating Leases

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 CI&E 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.

xviii) 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. Depreciation is not charged on Assets Held for Sale. Additional policy detail is required where a council is carrying a disposal group as an Asset Held for Sale.

If assets no longer meet the criteria to be classified as 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 decommissioned i.e. 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 CI&E 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 in excess of £5,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can only then be used for new capital investment or to repay borrowings.

The written-off value of disposals is not a charge against District Rates, as the cost of fixed 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.

xix) Overheads and Support Services

Support services are operated, managed and reported as separate segments they are not apportioned across services but instead reported separately in their own right in the CI&E Statement. Under the Council's current reporting structure, such costs predominantly fall within Community Planning, Finance and Governance and Organisational Development.

xx) 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.

The following are de minimis levels for each asset type i.e. assets costing less than these amounts are not capitalised:

Community Assets	£5,000
Plant and Equipment	£5,000
Information Technology	£ 500

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- 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
- 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.

Capital receipts from the disposal of assets are treated in accordance with the provisions of the Local Government Finance Act (Northern Ireland) 2011. Capital receipts must be used to fund capital expenditure or repay debt subject to the de minimis level set out in the relevant regulations (currently £5,000). Receipts less than the de minimis level are treated as revenue.

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 CI&E 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 CI&E 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:

- infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair 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 CI&E 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 2007 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 as follows:

- 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), with any excess charged to the service line in the CI&E Statement.
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the CI&E 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.

The same accounting treatment is applied to revaluation losses as a result of a general fall in asset prices across the board as opposed to a consumption of economic benefit specific to an asset as is in the case of impairment losses.

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:

- buildings - straight line allocation over the estimated useful life of the asset as directed by the valuer
- vehicles – 25% reducing balance
- plant and equipment - straight line allocation over the estimated useful life of the asset, typically 5-10 years
- information technology - straight line allocation over 4 years

Componentisation

Where a 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. Componentisation is only applicable to larger value land and buildings or equipment assets.

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.

Council land and buildings were revalued at 31 March 2020 by Land and Property Services in accordance with the RICS Valuation Professional Standards 8th Edition, on the assumption that the Council will continue to be in occupation.

xxi) 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 are held by this Council in pursuit of our overall objectives in relation to the maintenance of heritage.

Heritage Assets are managed by the Council's Museums and Heritage Service, whose aim is to collect, preserve and interpret the history of the Borough of Antrim and Newtownabbey and to provide accessible and enjoyable public services and programmes relevant to a diverse needs and interests.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council's Heritage Assets comprise property with historic significance, art, sculptures, artefacts and civic regalia.

Other

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions or insurance valuation.

Heritage Assets - General

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 policy (see note xx) Property, Plant and Equipment.

The proceeds of any disposals of Heritage Assets are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see note xviii) Disposals and Non-Current Assets Held for Sale.

xxii) 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 CI&E 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.

xxiii) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement 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 and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

xxiv) Charges to Revenue for Non-Current Assets

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year: depreciation attributable to the assets used by the relevant service, 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, amortisation of intangible fixed assets attributable to the service.

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

xxv) Revenue Expenditure Funded from Capital under Statute (REFCUS)

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 CI&E 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 (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUS may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

xxvi) Revenue Expenditure Funded from Capital under Capitalisation Direction (REFCUD)

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities (DfC) to issue capitalisation directions to the Council. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. The costs of transition associated with the Reform of Local Government were allowed for capitalisation. The Council received approval from DfC to capitalise up to £1.3m of such costs during the financial year ending 31 March 2020.

Expenditure incurred during the year that may be capitalised under a capitalisation direction has been charged as expenditure to the relevant service in the CI&E 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 (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUD may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

xxvii) Value Added Tax

VAT is included within the accounts only to the extent that it is irrecoverable.

1B Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The Code of Practice requires that the Council discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

For 2019/20, 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.

- *Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
- *Annual Improvements to IFRS Standards 2015–2017 Cycle*
- *Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.*

1C 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 judgement made in the Statement of Accounts is:

There is a degree of uncertainty about future levels of funding for local government and the Council's income streams because of the COVID-19 pandemic. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired because of the need to close facilities and reduce levels of service provision.

1D Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

It is estimated that the annual depreciation charge for buildings would increase by £289k for every year that useful lives had to be reduced. As a result of the COVID-19 pandemic the full severity of the outbreak was only just beginning to unfold at the valuation date and the property market had not had a chance to be impacted. It is extremely difficult at the present time to make any determination as to how the current situation will impact on property values. LPS will, however, be advising the Council on a regular basis throughout the current year on their view of property market trends as the real estate market opens back up for business, as information begins to be gathered, and as transactions begin to take place. A full revaluation of the Council's land and buildings is

due as at 31 March 2021 and values will be updated in line with the market information at that time.

Provisions

The Council has made provisions as set out in Note 19.

Pensions Liability

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 is engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption for funded benefits would result in a decrease in the pension liability of £3.5k.

The return on assets the Fund achieved was lower than expected, largely as a result of poor investment returns achieved in Quarter 1 due to COVID 19. As a result, this has led to a loss of £6.7M in the employer's notional asset. This compares to the gain the employer had in their notional assets as a result of positive returns the Fund achieved in the previous year. Due to the volatility within the financial markets, this item can change drastically from one year to the next.

Sundry Debtors

At 31 March 2020, the Council had a balance of sundry debtors for £1,297k (2018/19 £1,083k). A review of significant balances suggested that an allowance for doubtful debts of £157,192 (2018/19 £112,019) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

2 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (District Rates and Government Grants) 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. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2019/20			2018/19		
	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	766,381	62,836	829,217	337,782	19,597	357,379
Community Planning	7,954,893	1,536,854	9,491,747	7,848,873	1,521,733	9,370,606
Economic Development and Planning	1,780,674	205,338	1,986,012	519,539	127,435	646,974
Organisational Development	3,637,143	(1,071,888)	2,565,255	3,610,347	(1,232,215)	2,378,132
Finance and Governance	4,702,876	1,044,909	5,747,785	4,372,598	4,279,088	8,651,686
Operations	26,429,128	6,832,806	33,261,934	25,360,263	5,033,847	30,394,110
Capital Financing	5,618,151	(5,618,151)	-	5,079,111	(5,079,111)	-
Net Cost of Services	50,889,246	2,992,704	53,881,950	47,128,513	4,670,374	51,798,887
Other Income and Expenditure	(49,532,669)	3,425,557	(46,107,112)	(47,470,707)	184,684	(47,286,023)
Surplus or Deficit	1,356,577	6,418,261	7,774,838	(342,194)	4,855,058	4,512,864
Opening General Fund			7,340,604			6,998,410
Surplus/ (Deficit) on General Fund Balance in Year			(1,356,577)			342,194
Closing General Fund			5,984,027			7,340,604

2b 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 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 practices.
- 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 Pension Adjustments

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

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

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

Other Statutory Adjustments

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

For Services: this represents the removal of short-term compensated absences.

Adjustments between Funding and Accounting Basis 2019/20

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	48,209	14,627	-	62,836
Community Planning	780,794	748,443	7,617	-	1,536,854
Economic Development and Planning	12,035	180,482	12,821	-	205,338
Organisational Development	(1,314,248)	245,946	(3,586)	-	(1,071,888)
Finance and Governance	152,403	891,616	890	-	1,044,909
Operations	4,633,746	2,170,929	28,131	-	6,832,806
Capital Financing	(5,618,151)	-	-	-	(5,618,151)
Net Cost of Services	(1,353,421)	4,285,625	60,500	-	2,992,704
Other Income and Expenditure from the Expenditure and Funding Analysis	2,612,557	813,000	-	-	3,425,557
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,259,136	5,098,625	60,500	-	6,418,261

Adjustments between Funding and Accounting Basis 2018/19

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	3,220	16,081	296	-	19,597
Community Planning	1,047,469	474,251	13	-	1,521,733
Economic Development and Planning	41,778	100,439	(14,782)	-	127,435
Organisational Development	(1,506,438)	272,137	2,086	-	(1,232,215)
Finance and Governance	254,846	4,027,364	(3,122)	-	4,279,088
Operations	3,705,491	1,332,666	(4,310)	-	5,033,847
Capital Financing	(5,079,111)	-	-	-	(5,079,111)
Net Cost of Services	(1,532,745)	6,222,938	(19,819)	-	4,670,374
Other Income and Expenditure from the Expenditure and Funding Analysis	(612,316)	797,000	-	-	184,684
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(2,145,061)	7,019,938	(19,819)	-	4,855,058

2c Segmental Analysis of Income and Expenditure

The income and expenditure chargeable to the General Fund for the Council's directorates as shown in the first column of the Expenditure and Funding analysis (note 2a) is analysed below:

	2019/20									
	Revenue from External Customers	Revenue from Government Sources	Interest Revenue	Interest Expense	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & services	Minimum Revenue Provision
	£	£	£	£	£	£	£	£	£	£
Chief Executive	(126,900)	-	-	-	-	-	4,333	-	358,084	-
Community Planning	(3,292,109)	(1,080,439)	-	-	608,254	1,114,087	134,165	(35)	2,693,676	-
Economic Development and Organisational Development	(998,764)	(361,078)	-	-	-	943	53,068	-	998,891	-
	(89,871)	(67,286)	-	-	2,571	-	13,809	-	572,714	-
Finance and Governance	(24,597)	(1,442)	-	-	-	1,866	63,744	-	1,993,930	-
Operations	(6,721,147)	(406,598)	-	-	1,345,983	1,826,509	1,859,408	8,855,132	3,337,373	-
Capital Financing	-	-	-	-	-	-	-	-	-	5,618,151
Financing and Investment	-	-	(50,874)	2,631,084	-	-	-	-	-	-
Total Income Analysed on a segmental basis	(11,253,388)	(1,916,843)	(50,874)	2,631,084	1,956,808	2,943,405	2,128,527	8,855,097	9,954,668	5,618,151

	2018/19									
	Revenue from External Customers	Revenue from Government Sources	Interest Revenue	Interest Expense	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & services	Minimum Revenue Provision
	£	£	£	£	£	£	£	£	£	£
Chief Executive	(120,471)	-	-	-	-	-	2,957	-	79,849	-
Community Planning	(2,741,454)	(900,377)	-	-	563,015	838,480	148,618	35	2,685,867	-
Economic Development and Organisational Development	(1,330,122)	(796,066)	-	-	52,738	34,769	41,245	-	927,179	-
	(98,822)	(60,929)	-	-	2,304	234	14,983	-	464,736	-
Finance and Governance	(18,470)	-	-	-	-	139	68,131	-	1,644,346	-
Operations	(6,293,656)	(535,935)	-	-	1,235,237	1,818,410	1,934,573	7,978,854	2,680,395	-
Capital Financing	-	-	-	-	-	-	-	-	-	5,079,111
Financing and Investment	-	-	(54,055)	2,696,819	-	-	-	-	-	-
Total Income Analysed on a segmental basis	(10,602,995)	(2,293,307)	(54,055)	2,696,819	1,853,294	2,692,032	2,210,507	7,978,889	8,482,372	5,079,111

3 Expenditure and Income Analysed by Nature

Expenditure		2019/20		2018/19
Notes		£		£
Employee Benefits Expenses	7	25,853,020		25,758,019
Other Services Expenditure		-		-
Support Service Recharges		-		-
Depreciation, Amortisation, Impairment	11	6,828,462		6,314,649
Interest Payments	9	2,631,084		2,696,819
Gain on the Disposal of Assets	8	87,978		30,672
Other Expenditure		36,445,634		34,385,085
Total Expenditure		71,846,178		69,185,244
Income		2019/20		2018/19
Notes		£		£
Fees, Charges and other service Income		-		-
Interest and Investment Income	9	20,874		24,055
District rate income	10	46,810,198		46,969,772
Government grants and Contributions	10	2,779,096		3,171,727
Support Service Income		-		-
Other Income		14,461,172		14,506,826
Total Income		64,071,340		64,672,380
(Surplus) or Deficit on the Provision of Services		7,774,838		4,512,864

4 Adjustments between an Accounting Basis and Funding basis under Regulations

4a 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	2019/20		2018/19	
		£	£	£	£
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	(2,563,732)		(2,768,280)	
Depreciation charged in the year on non-current assets	11	6,828,462	4,264,730	6,314,649	3,546,369
Net Revenue expenditure funded from capital under statute	26b & 26g		668,610		(471,603)
Net Revenue expenditure funded from capital under direction	12		1,300,000		1,516,437
Carrying amount of non current assets sold	8	445,654		46,947	
Proceeds from the sale of PP&E, investment property and intangible assets	26	(357,676)	87,978	(16,275)	30,672
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	21		8,859,000		10,540,000
Direct revenue financing of Capital Expenditure	12,26		-		-
Capital Grants and Donated Assets Receivable and Applied in year	10		(216,703)		(599,166)
Capital Grants Receivable and Unapplied in year	10		(1,255)		(616,542)
Rates Claw-Back Reserve	26		-		-
Adjustments in relation to Short-term compensated absences	26		60,500		(19,822)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	26		-		-
Provisions Discount Rate Reserve Adjustment	26		-		-
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	26		(5,618,151)		(5,079,111)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(3,760,375)		(3,520,062)
			5,644,334		5,327,172

4b Net transfers (to) / from statutory and other reserves

		2019/20	2019/20	2018/19	2018/19
	Notes	£	£	£	£
Capital Fund					
Interest		-		-	
From Capital		-		-	
Other	26	-	-	-	-
Renewal and Repairs Fund					
Interest		-		-	
Other	26	161,148	161,148	175,327	175,327
Capital Receipts Reserve					
Interest		-		-	
Other	26	-	-	-	-
Other Funds and earmarked reserves					
Interest		-		(4,587)	
From Other funds		612,779		(642,854)	
Other	26	-	612,779	-	(647,441)
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			773,927		(472,114)

5 Cost of Services on Continuing Operations**5a 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 benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £nil during 2019/20 (£nil 2018/19).

5b External Audit Fees

The Council has incurred the following costs relating to the annual audits of its Statement of Accounts and Performance Improvement provided by the Council's external auditors.

	2019/20	2018/19
	£	£
External Audit Fees	44,700	36,000
Performance Improvement Audit	14,000	22,000
National Fraud Initiative	-	1,101
Adjustment for Previous Years	7,000	(10,500)
	65,700	48,601

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above. (2018/19 £nil).

6 Operating and Finance Leases

6a Finance leases (Council as lessor)

The Council has not leased any assets under a finance lease during 2019/20 (2018/2019 none).

6b Operating Leases (Council as lessor)

The Council, in accordance with its statutory and discretionary responsibilities, leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres;
- for economic development purposes to provide suitable affordable accommodation for small local businesses; and
- any other purposes.

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £269,000 (2018/2019 £239,411). No contingent rents were recognised.

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

	31st March 2020	31st March 2019
	£	£
Not later than 1 year	124,786	170,281
Later than 1 year and no later than 5 years	485,701	542,480
Later than 5 years	431,586	532,084
	1,042,073	1,244,845

6c Finance Leases (Council as lessee)

The Council has not leased any assets under a finance lease during 2019/20 (2018/2019 none).

6d Operating Leases (Council as lessee)

The Council has entered into a number of agreements to lease vehicles; this includes an agreement entered into for the lease of the Mayor's car.

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

	2019/20	2018/19
	£	£
Minimum lease payments	33,617	37,385
Contingent rentals	-	-
Less: Sublease payments receivable	(12,110)	(17,155)
Total	21,507	20,230

Sub-lease payments received relate to employee contributions for the use of the leased cars. The total of future minimum sub-lease payments expected to be received for the leased cars at 31 March 2020 is £12,772 (2018/19 £7,707).

The future minimum lease payments due under operating leases in future years are set out below:

	31st March 2020	31st March 2019
	£	£
Not later than 1 year	22,071	19,205
Later than 1 year and no later than 5 years	18,578	22,662
Later than 5 years	-	-
	40,649	41,867

7 Employee Costs and Members' Allowances

7a Staff Costs

Employee Costs and Member Allowances	2019/20	2018/19
Staff Costs	£	£
Salaries and Wages	20,453,262	20,104,017
Employers NIC	1,778,319	1,738,991
Employers Superannuation	3,621,439	3,915,011
Total staff costs	25,853,020	25,758,019

In addition, agency costs during the year amounted to £1,744,629 (2018/19 £1,530,095).

The Council's contribution rate to the Northern Ireland Local Government Officers' Pension Fund was 20% plus a 'Deficit Recovery Contribution' of £295,200. At the last actuarial valuation, 31 March 2019, the Funding level has increased to 113% from 96% at the previous valuation at 31 March 2016, giving a contribution rate for 2020/21 of 19.5%.

Included in the above are costs of £1,327,496 (2018/19 £1,516,437) incurred as a result of a further phase of the Council's voluntary severance scheme for staff introduced as an efficiency measure. Included in Salaries and Wages are redundancy costs of £840,274 (2018/19 £981,755) and superannuation costs of £487,222 (2018/19 £534,682).

7b Average Number of Employees - where FTE represents full time equivalent employees

Average Number of Employees	2019/20	2018/19
	FTE	FTE (Restated)
Chief Executive	4	3
Community Planning	109	112
Economic Development and Planning	47	51
Organisational Development	36	36
Finance and Governance	57	54
Operations	363	392
Total Number	616	648

Actual Number of Employees

	2019/20	2018/19
	Actual Numbers	Actual Numbers
Full-time numbers employed	599	600
Part-time numbers employed	469	219
Total Number	1,068	819

FTE for 2018/19 restated to disclose the current reporting structure.

7c Senior Employees' Remuneration

Senior Employees' Remuneration	2019/20	2018/19
	£	£
£50,001 to £60,000	14	15
£60,001 to £70,000	2	4
£70,001 to £80,000	-	-
£80,001 to £90,000	4	2
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1
Total Number	22	23

This includes both Senior (as defined in the Remuneration Report) and Other employees whose total remuneration is above £50k.

7d Members' Allowances

During the year Members' allowances (paid under Sections 31 – 34 of the Local Government Finance Act (Northern Ireland) 2011), including Employer's costs, totalled £893,591 (2018/19 £872,808) and are as follows:

	2019/20	2018/19
	£	£
Basic allowance	602,112	589,978
Mayor's & Deputy Mayor's Allowance	22,818	22,370
Special Responsibility Allowances	49,343	46,807
Dependents' carers allowance	430	-
Employer costs	177,100	167,464
Mileage	14,534	21,367
Conferences and Courses	6,008	4,776
Travel & Subsistence Costs	247	1,844
Miscellaneous Costs	20,999	18,202
Severance Payments	-	-
Total	893,591	872,808

During the year allowances of £1,800 (2018/19 £2,400) were paid to Committee Members who were not Councillors.

7e Northern Ireland Civil Service Pension Arrangements

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

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

For 2019/20, employers' contributions of £257,970 (2018/19 £192,101) were payable to the Northern Ireland Civil Service pension arrangements at one of four rates in the range 20.8% to 34.2% (2018/19 20.8% to 26.3%) of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2016 was completed by the actuary during 2018/19.

This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2019. The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners

No employees opted to open a partnership pension account - a stakeholder pension with an employer contribution (2018/19 none).

No persons retired early on ill-health grounds as such the actuarial cost for employees for the early payment of retirement benefits was £Nil. (2018/19 £nil).

8 Other Operating Income and Expenditure

8a Surplus/Deficit on Non-Current Assets (excluding Investment Properties)

	2019/20	2018/19
	£	£
Proceeds from sale	(357,676)	(16,275)
Carrying amount of non-current assets sold (excl Investment Properties)	445,654	46,947
	87,978	30,672

8b Other Operating Income/Expenditure

	2019/20	2018/19
	£	£
Income	-	-
Expenditure	2,249	1,582
	2,249	1,582

Other Operating Expenditure	2019/20	2018/19
	£	£
(Surplus) / Deficit on Non Current Assets	87,978	30,672
Other Operating (Income) / Expenditure	2,249	1,582
	90,227	32,254

9 Financing and Investment Income and Expenditure

9a Interest Payable and Similar Charges

	2019/20	2018/19
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	2,257,074	2,301,264
Commercial Loan Interest	374,010	395,555
Other interest (please specify)	-	-
	2,631,084	2,696,819

9b Interest and Investment Income

	2019/20	2018/19
	£	£
Bank Interest	20,815	23,966
Employee car loan interest	59	89
NIHE Loan interest receivable	-	-
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	20,874	24,055

9c Pensions interest cost and expected return on pensions assets

	2019/20	2018/19
	£	£
Net interest on the net defined benefit liability (asset)	813,000	797,000
	813,000	797,000

9d Surplus / (Deficit) on trading operations

There were no trading operations during 2019/20 (2018/19 none).

9e Income, Expenditure and changes in Fair Value of Investment Properties

	2019/20	2018/19
Income/Expenditure from Investment Properties:	£	£
Income including rental income	(30,000)	(30,000)
Expenditure	-	-
<i>Net income from investment properties</i>	(30,000)	(30,000)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
Changes in Fair Value of Investment Properties	-	-
	(30,000)	(30,000)

Financing and Investment Income and Expenditure Summary

Financing and Investment Income and Expenditure	2019/20			2018/19		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	2,631,084	-	2,631,084	2,696,819	-	2,696,819
Interest and Investment Income	-	(20,874)	(20,874)	-	(24,055)	(24,055)
Pensions interest cost	813,000	-	813,000	797,000	-	797,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	(30,000)	(30,000)	-	(30,000)	(30,000)
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
	3,444,084	(50,874)	3,393,210	3,493,819	(54,055)	3,439,764

10 Taxation and Non-Specific Grant Income

10a Revenue Grants

	2019/20	2018/19
	£	£
General	(2,562,393)	(2,572,561)
Other	-	-
	(2,562,393)	(2,572,561)

10b Revenue Grants-Unapplied

	2019/20	2018/19
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	-	-

10c Capital Grants and Donated Assets-Applied

	2019/20	2018/19
	£	£
Government & Other Grants - Conditions met and applied in year	(216,703)	(599,166)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(216,703)	(599,166)

10d Capital Grants-Unapplied

	2019/20	2018/19
	£	£
Government & Other Grants - Conditions met and not applied in year	(1,255)	(616,542)
Other	-	-
	(1,255)	(616,542)

10e District Rates

	2019/20	2018/19
	£	£
Current year	(46,810,198)	(46,969,772)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	(46,810,198)	(46,969,772)

Summary of Taxation and Non-specific Grant income:

Taxation and Non Specific Grant Income	2019/20	2018/19
	£	£
District Rate Income	(46,810,198)	(46,969,772)
Revenue Grants	(2,562,393)	(2,572,561)
Capital Grants and Contributions	(217,958)	(1,215,708)
	(49,590,549)	(50,758,041)

11a Fixed Assets Note – 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
£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	31,574,780	141,919,698	-	-	20,844,064	208,493	1,584,738	4,171,550	200,303,323	3,202,204	-	203,505,527
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	31,574,780	141,919,698	-	-	20,844,064	208,493	1,584,738	4,171,550	200,303,323	3,202,204	-	203,505,527
Additions	-	2,616,923	-	-	2,641,166	-	3,289,815	-	8,547,904	-	-	8,547,904
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	(125,680)	1,665,478	-	-	-	(9,521)	-	-	1,530,277	14,614	-	1,544,891
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(64,000)	(680,201)	-	-	-	-	-	-	(744,201)	-	-	(744,201)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(20,000)	-	-	-	(2,651,811)	-	-	(8,000)	(2,679,811)	-	-	(2,679,811)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	4,187,837	-	-	-	-	(4,187,837)	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	(145,000)	-	-	-	-	-	-	(145,000)	-	-	(145,000)
Balance as at 31 March 2020	31,365,100	149,564,735	-	-	20,833,419	198,972	686,716	4,163,550	206,812,492	3,216,818	-	210,029,310
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
£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	-	131,517	-	-	15,149,354	-	-	-	15,280,871	120,491	-	15,401,362
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	-	131,517	-	-	15,149,354	-	-	-	15,280,871	120,491	-	15,401,362
Depreciation Charge	-	5,569,854	-	-	1,127,996	18,250	-	-	6,716,100	55,854	-	6,771,954
Depreciation written out on Revaluation Reserve	-	(2,198,777)	-	-	-	(6,972)	-	-	(2,205,749)	(8,620)	-	(2,214,369)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,283,388)	-	-	-	(11,278)	-	-	(3,294,666)	(13,267)	-	(3,307,933)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(2,234,157)	-	-	-	(2,234,157)	-	-	(2,234,157)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	219,206	-	-	14,043,193	-	-	-	14,262,399	154,458	-	14,416,857
Balance as at 31 March 2020	31,365,100	149,345,529	-	-	6,790,226	198,972	686,716	4,163,550	192,550,093	3,062,360	-	195,612,453

11b Fixed Assets Note – Comparative Year

Long - Term Assets - Comparative Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2018	31,394,600	141,500,973	-	-	19,778,393	219,788	898,475	4,161,550	197,953,779	3,192,791	-	201,146,570
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2018	31,394,600	141,500,973	-	-	19,778,393	219,788	898,475	4,161,550	197,953,779	3,192,791	-	201,146,570
Additions	20,000	440,921	-	-	2,491,893	-	1,653,105	-	4,605,919	6,600	-	4,612,519
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	158,347	(572,414)	-	-	-	(11,295)	-	10,000	(415,362)	2,813	-	(412,549)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	1,833	(416,624)	-	-	-	-	-	-	(414,791)	-	-	(414,791)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,426,222)	-	-	-	(1,426,222)	-	-	(1,426,222)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	966,842	-	-	-	-	(966,842)	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	31,574,780	141,919,698	-	-	20,844,064	208,493	1,584,738	4,171,550	200,303,323	3,202,204	-	203,505,527
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
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2018	-	76,311	-	-	15,508,001	-	-	-	15,584,312	73,047	-	15,657,359
cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2018	-	76,311	-	-	15,508,001	-	-	-	15,584,312	73,047	-	15,657,359
Depreciation Charge	-	5,178,421	-	-	1,020,628	17,617	-	-	6,216,666	68,712	-	6,285,378
Depreciation written out on Revaluation Reserve	-	(1,964,688)	-	-	-	(6,339)	-	-	(1,971,027)	(8,002)	-	(1,979,029)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,158,527)	-	-	-	(11,278)	-	-	(3,169,805)	(13,266)	-	(3,183,071)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,379,275)	-	-	-	(1,379,275)	-	-	(1,379,275)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	131,517	-	-	15,149,354	-	-	-	15,280,871	120,491	-	15,401,362
Net Book Values												
Balance as at 31 March 2019	31,574,780	141,788,181	-	-	5,694,710	208,493	1,584,738	4,171,550	185,022,452	3,081,713	-	188,104,165
Balance as at 31 March 2020	31,574,780	146,983,324	-	-	38,485,830	208,493	1,584,738	4,171,550	223,008,715	3,323,543	-	226,332,258

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

11c Property, Plant and Equipment (PP&E)

Included within Property, Plant and Equipment are 11 car parks which transferred to the Council under Reform of Local Government. These car parks were transferred at the 1 April 2015 at the value provided by Department for Infrastructure (DfI) who last carried out a full revaluation as at 31 March 2013. A revaluation of the car parks was undertaken by Land and Property Services as at 31 March 2020. Adjustments to the value of these assets have been recorded in the Revaluation reserve or Comprehensive Income and Expenditure Statement as appropriate.

11d Fixed Assets Note – Leased Assets

There were no assets held under a finance lease by the Council during 2019/20 (2018/19 none).

11e Surplus Assets

Included in this category are assets owned by the Council which are not currently used for the provision of services and do not meet the definition of assets held for sale.

11f Heritage Assets

Included within this category of heritage assets are Sentry Hill and the Ballyfore Rath which are valued at values provided by Land and Property Services adjusted for indexation in line with DfC Guidance.

Sentry Hill is an unusually complete two storied 19th century farmhouse in the Parish of Carnmoney, County Antrim. Built around 1835, it belonged to the McKinney family, Scottish Presbyterians who came to Ireland in the 18th century. The Ballyfore Rath is a bivallate rath and is a scheduled historic monument protected by the Environment Agency.

The Council acquired The White House, a recently restored Plantation Bawn which has been situated on the northern shore of Belfast Lough for over 400 years, in 2015/16. This has been included at insurance valuation.

Art Collections

This category consists of sculptures constructed by the Council and paintings owned by the Council. The sculptures are valued at cost and the paintings are valued at insurance valuation.

The Council has various other items which meet the definition of a Heritage Asset which are all valued at insurance valuation. These items consist of artefacts on display at Sentry Hill and in the Museum at the Mill, and Civic Regalia.

Other

The collection at Sentry Hill, largely assembled by William Fee McKinney (1832 to 1917), is extraordinary in its range, quality and its very survival and comprises over 4000 items. This collection includes furniture, paintings, photographs, ceramics, an extensive collection of books, diaries, papers, records of various local organisations (such as the temperance society and church committees) along with archaeological, geological and ethnographic artefacts. Material includes; George III dining chairs, three Victorian long case clocks, a portrait of William McKinney by WJ McKenzie, a number of John Lawson paintings and a collection of toasting glasses dating back to the 1790s.

The collection at the Museum at the Mill comprises archival material (books, advertisements, newspaper articles, workers manuals, and business ledgers), photographs, tools and products such as linen threads.

The archival material includes Articles of Agreement of Partnerships, Terms and Conditions of work notices, insurance documents, newspaper articles relating to Mossley Mill and the linen industry in general in Northern Ireland, mill workers manuals, business ledgers, orders for yarn, business cards and brochures advertising the mill in the 1980s.

Photographs include those of the Campbell family, the predominant owners of the mill, a series of photographs documenting the visit of the Duke of Abercorn in 1937 to open Mossley Pavilion, and photographs of workers and machinery from the 1930s to the late 1900s.

A small selection of artefacts include samples of Henry Campbell Yarn threads and cloth, a sample book of dyed linen yarns, hand tools relating to gill spinning and thread making, a brass plaque 'Henry Campbell Yarns', a commemoration medal for workers, a workers' accident Book (1957-67), Mossley Mill House Property Book (1946 & 1947) and 19th century mill monitoring equipment.

The Council has a number of items used by the Mayor and Members of the Council at official functions, e.g. The Mayor's Chain of Office. These are valued at insurance valuation.

11g Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
Cost or Valuation			
Balance as at 1 April 2019	-	-	-
Transferred from Non-Current Assets during year	145,000	-	145,000
Balance as at 31 March 2020	145,000	-	145,000
Impairment			
Balance as at 1 April 2019	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
Balance as at 31 March 2020	-	-	-
Net Book Value			
Balance as at 31 March 2020	145,000	-	145,000
Balance as at 31 March 2019	-	-	-

The Council intends to dispose of a building that was deemed surplus to requirements. The sale is expected to take place within the next 12 months. The Council is actively seeking a buyer for the building.

11h Investment Properties

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

Investment Properties	31/03/2020	31/03/2019
	£	£
Rental Income from Investment Activities	30,000	30,000
Direct Operating expenses arising from investment properties	-	-
Net gain/(loss)	30,000	30,000

The Council held one investment property at 31 March 2020. The following table summarises the movement in the fair value of investment properties over the year:

Investment Properties	2019/20	2018/19
	£	£
Balance at start of the year	911,778	911,778
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	-	-
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	-	-
Other changes	-	-
Balance at end of the year	911,778	911,778

11i Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessment of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are given in Note 1: Accounting Policies.

During the financial year the Council purchased the Garden Show Ireland brand in anticipation of the continuation of the successful garden show held at the Council's Antrim Castle Gardens.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £56,508 charged to revenue in 2019/20 was charged to the Finance and Governance department in the Cost of Services.

Intangible Assets	2019/20	2018/19
	£	£
Balance at start of year:		
Gross carrying amounts	704,541	494,667
Accumulated amortisation	(443,486)	(414,215)
Net carrying amount at start of year	261,055	80,452
Additions	120,890	209,874
Assets reclassified as held for sale	-	-
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	(56,508)	(29,271)
Other Changes	-	-
Net carrying amount at end of year	325,437	261,055
Comprising:		
Gross carrying amounts	825,431	704,541
Accumulated amortisation	(499,994)	(443,486)
Net carrying amount at end of year	325,437	261,055

12 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, 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		2019/20	2018/19
		£	£
Opening Capital Financing Requirement		64,030,164	63,304,274
Capital Investment			
Property, Plant and Equipment	11	8,547,904	4,612,519
Investment Properties		-	-
Intangible Assets	11	120,890	209,874
Revenue Expenditure Funded from Capital under Statute	26g	601,186	224,636
Revenue Expenditure Funded from Capital under Direction	26g	1,300,000	1,516,437
Investments		-	-
Sources of Finance			
Capital Receipts	26a	(8,185)	-
Government Grants and Other Contributions	26g	(590,156)	(758,465)
Transfers from Earmarked Reserves		-	-
Assets Held for Sale		-	-
Sums set aside from Revenue:			
Direct Revenue Contributions		-	-
Minimum Revenue Provision	26g	(5,618,151)	(5,079,111)
Closing Capital Financing Requirement		68,383,652	64,030,164
Explanation of Movements in Year		2019/20	2018/19
		£	£
Increase in underlying need to borrow		4,353,488	725,890
Assets acquired under finance leases		-	-
Assets acquired under PFI/PPP contracts		-	-
Increase/(decrease) in Capital Financing Requirement		4,353,488	725,890

13 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	2,687,161	259,896	2,427,265
Other Commitments	-	-	-
Total	2,687,161	259,896	2,427,265

14 Inventories

Inventories	2019/20 £	2018/19 £
Central Stores	282,895	230,769
Goods for Resale	55,875	79,751
Total	338,770	310,520

The cost of inventories recognised as expense and included in 'services' amounted to £976,971 (2018/19 £908,833).

15 Debtors

15a Long Term Debtors

Long Term Debtors	2019/20 £	2018/19 £
Employee car loans	-	-
Other	-	-
Total Long-Term Debtors	-	-

15b Short Term Debtors

Short Term Debtors	2019/20 £	2018/19 £
Government Departments	903,494	2,081,390
Other Councils	49,358	83,050
Employee car loans	-	568
Revenue Grants	1,549,826	815,806
Capital Grants	911,862	1,896,846
Value Added Tax	1,359,753	1,274,356
Prepayments	321,058	295,039
Other	821,290	839,596
Impairment loss - Trade receivables	(157,192)	(112,019)
Total Short-Term Debtors	5,759,449	7,174,632
Total Debtors	5,759,449	7,174,632

16 Investments

There were no long or short term investments as at 31 March 2020. (2018/19 £nil). The amounts held by the Council on deposit at the 31 March 2020 are included within Cash and Cash Equivalents (see Note 25b).

17 Borrowing

17a Short Term Borrowing

Short Term Borrowing		2019/20	2018/19
		£	£
Loans re-payable within one year		10,801,813	8,234,114
Finance Lease Principal		-	-
Total Short Term Borrowing		10,801,813	8,234,114

17b Long Term Borrowing

Long Term Borrowing		2019/20	2018/19
		£	£
Between 1 and 2 years		2,509,888	2,672,414
Between 2 and 5 years		6,924,526	8,764,411
Between 5 and 10 years		8,798,584	9,069,934
In more than 10 years		26,944,844	20,995,141
Government Loans Fund		45,177,842	41,501,900
Total Borrowing		55,979,655	49,736,014

Interest rates on loans range between 0.84% and 14.125%.

The loans are analysed on a repayment basis.

18 Creditors

18a Short Term Creditors

Short Term Creditors		2019/20 £	2018/2019 Restated £
Government Departments		1,808,730	737,682
Other Councils		72,039	44,574
Remuneration due to employees		175,475	492,295
Accumulated Absences		364,450	303,950
Loan Interest Payable		459,762	507,386
Capital Creditors		545,481	163,037
Receipts in advance		582,301	785,821
Other		3,538,588	3,277,405
Total Short Term Creditors		7,546,826	6,312,150

This amount includes £582,301 (2018/2019 £785,821) of third party income.

2018/19 figures have been restated to disclose the updated categories.

18b Long Term Creditors

There were no long term creditors as at 31 March 2020 (2018/19 £nil).

18c Payment of Invoices

The default target for paying invoices, where no other terms are agreed, is 30 days. The Minister at the Department of Finance has reduced the target for the payment of invoices for central government departments to 10 days. This target is not mandatory for local government. The Council has set a target of paying 90% of invoices within 30 calendar days and 80% within 10 working days.

During the year the Council paid 26,570 invoices totalling £61.3m, inclusive of VAT (2018/19 26,723 invoices totalling £51.3m). The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2019/20 was on average 18.72 days from receipt of invoice to payment (2018/19 21.69 days).

During 2019/20 the Council paid 22,760 (86%) invoices within 30 calendar days, 18,390 (69%) of which were paid within 10 working days. 3,810 (14%) invoices were paid outside 30 days. A number of these invoices were subject to query with the supplier.

19 Provisions

Provisions						
	Balance as at 1 April 2019 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2020 £
Landfill Closure	317,776	-	-	(19,756)	-	298,020
Claims Management	210,160	120,001	(3,146)	-	-	327,015
Severance/Re-Organis	1,275,339	152,972	(1,416,419)	(11,892)	-	-
Other	390,000	-	(25,373)	-	-	364,627
Total	2,193,275	272,973	(1,444,938)	(31,648)	-	989,662
Current Provisions	1,892,167	272,973	(1,444,938)	(12,094)	-	708,108
Long Term Provisions	301,108	-	-	(19,554)	-	281,554
Total	2,193,275	272,973	(1,444,938)	(31,648)	-	989,662
Comparative Year						
	Balance as at 1 April 2018 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Restated Balance as at 31 March 2019 £
Landfill Closure	507,486	103	-	(189,813)	-	317,776
Claims Management	220,722	-	(10,562)	-	-	210,160
Severance/Re-Organis	1,176,586	1,257,309	(1,158,556)	-	-	1,275,339
Other	75,000	315,000	-	-	-	390,000
Total	1,979,794	1,572,412	(1,169,118)	(189,813)	-	2,193,275
Current Provisions	1,488,873	1,572,412	(1,169,118)	-	-	1,892,167
Long Term Provisions	490,921	-	-	(189,813)	-	301,108
Total	1,979,794	1,572,412	(1,169,118)	(189,813)	-	2,193,275

The Council has made provision for the after care costs arising from the closure of a landfill site of £298,020 (2018/19 £317,776), the reform related severance costs provision was used during the year (2018/19 £1,275,339) and costs relating to legal and special advices of £327,015 (2018/19 £210,160) in relation to on-going cases. The Council has also provided £364,627 (2018/19 £390,000) in relation to estimated costs of employee backdated holiday pay.

20 Financial Instruments

The Council has no material exposure to any of the risk types identified below in its dealings with Financial Instruments.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Authorised institutions for investments under the Council's Treasury Policy are assessed for financial strength and risk exposure. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by debtors and, as such, there is no additional estimated exposure to default and inability to collect.

Debtors of £1,139,367 included in Note 15 can be analysed, by age, as follows:

Trade debtors, inclusive of VAT, can be analysed by age as follows:		
		£
Less than three months		1,053,663
Three to six months		36,038
Six months to one year		37,930
More than one year		11,736
		1,139,367

Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 17 and 18. All trade and other payables are due for payment within one year.

Market Risk

Interest rate risk

The Council finances capital expenditure through fixed rate borrowings for a term broadly expected to match expected useful economic lives of the assets acquired. The Council is not therefore exposed to interest movements on its borrowings.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

Employee Car loans

The Council makes loans for car purchases to employees in the authority who are in posts that require them to drive regularly on the Council's business.

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance, market loans and housing and local authorities' loans at rates of interest that differ from the prevailing market rates. The fair value of these loans is £81,775,519 and are analysed as follows:

	£
Government Loans Fund	70,840,065
Market Loans	4,919,000
Local Authorities	3,009,524
Housing Authority	3,006,930
Total	81,775,519

The Council has made no loans to voluntary organisations and other external bodies at less than market rates (soft loans).

21 Retirement Benefits

21a 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.

21b 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 in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis and funding basis under regulations line, in the Movement in Reserves Statement during the year:

	Note	2019/20 £	2018/19 £
Net cost of services:			
Current service cost		7,419,000	5,911,000
Past service cost/(gain)		627,000	3,832,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		813,000	797,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		8,859,000	10,540,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(8,859,000)	(10,540,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,760,375	3,520,062
Net adjustment to General Fund		(5,098,625)	(7,019,938)

The Current service cost includes an allowance for administration expenses of £92k (2018/19 £71k).

Remeasurements recognised in Other Comprehensive Income and Expenditure

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2019/20 £	2018/19 £
Liability gains/(losses) due to change in assumptions		3,949,000	(10,252,000)
Liability gains/(losses) due to due to demographic changes		5,959,000	7,274,000
Liability experience gains/(losses) arising in the year		882,000	(93,000)
Actuarial gains/(losses) on plan assets		(16,505,000)	5,957,000
Other		937,625	678,938
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(4,777,375)	3,564,938

21c Assets and liabilities in relation to retirement benefits**Reconciliation of present value of the scheme liabilities:**

Assets and liabilities in relation to retirement benefits Reconciliation of present value of the scheme liabilities:		Note	2019/20 £	2018/19 £
Balance as at 1 April			178,537,000	163,646,000
Current service cost			7,419,000	5,911,000
Interest cost			4,247,000	4,228,000
Contributions by members			1,164,000	1,126,000
Remeasurement (gains) and losses:				
Actuarial (gains)/losses arising from changes in financial assumptions			(3,949,000)	10,252,000
Actuarial (gains)/losses arising from demographic changes			(5,959,000)	(7,274,000)
Actuarial (gains)/losses arising on liabilities from experience			(882,000)	93,000
Other (if applicable)			-	-
Past service costs/(gains)			627,000	3,832,000
Losses/(gains) on curtailments			-	-
Liabilities extinguished on settlements			-	-
Estimated unfunded benefits paid			(129,000)	(143,000)
Estimated benefits paid			(4,350,000)	(3,134,000)
Balance as at 31 March			176,725,000	178,537,000

Reconciliation of present value of the scheme assets:

Reconciliation of present value of the scheme assets:		Note	2019/20 £	2018/19 £
Balance as at 1 April			142,335,000	130,899,000
Interest Income			3,434,000	3,431,000
Contributions by members			1,164,000	1,126,000
Contributions by employer			4,569,000	4,056,000
Contributions in respect of unfunded benefits			129,000	143,000
Remeasurement gain/(loss)			(16,505,000)	5,957,000
Assets distributed on settlements			-	-
Unfunded benefits paid			(129,000)	(143,000)
Benefits paid			(4,350,000)	(3,134,000)
Balance as at 31 March			130,647,000	142,335,000

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

The actual return on scheme assets in the year was a loss of £13m (2018/19 £9.4m gain).

Fair Value of Plan Assets

Fair Value of Plan Assets	2019/20 £	2018/19 £
Equity investments	55,655,622	84,689,325
Bonds	50,560,389	33,448,725
Property	13,064,700	15,941,520
Cash	6,140,409	3,843,045
Other	5,225,880	4,412,385
	130,647,000	142,335,000

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

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

	2019/20 £	2018/19 £
Fair Value of Employer Assets	130,647,000	142,335,000
Present value of funded defined benefit obligation	(174,946,000)	(176,479,000)
Pension asset/(liability) of Funded Scheme	(44,299,000)	(34,144,000)
Present Value of unfunded defined benefit obligation	(1,779,000)	(2,058,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(46,078,000)	(36,202,000)
Amount in the Balance sheet:		
Liabilities	(176,725,000)	(178,537,000)
Assets	130,647,000	142,335,000
Net Asset/(Liability)	(46,078,000)	(36,202,000)

This includes the potential liability from the recent developments from the McCloud judgement and developments relating to GMP Indexation and Equalisation.

21d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2021

	31/03/2021 £	31/03/2021
Projected current cost	7,092,000	87.5%
Net Interest on the net defined benefit liability (asset)	1,016,000	12.5%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	8,108,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2021 is £3.8m.

21e 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 Ltd, 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 2019.

Pension scheme assumptions:		2019/20	2018/19
	%	%	
Equity investments		42.6%	59.5%
Bonds		38.7%	23.5%
Property		10.0%	11.2%
Cash		4.7%	2.7%
Other		4.0%	3.1%
Mortality assumptions:			
Longevity at 65 current pensioners:	Years		Years
Men		21.8	22.6
Women		25.0	24.9
Longevity at 65 for future pensioners:			
Men		23.2	24.3
Women		26.4	26.7
Inflation/Pension Increase Rate		2.00%	2.20%
Salary Increase Rate		3.50%	3.70%
Expected Return on Assets		0.00%	0.00%
Discount Rate		2.30%	2.40%
Pension accounts revaluation rate		2.00%	2.20%
Take-up of option to convert annual pension into retirement lump sum:			
Service to April 2009		75%	75%
Service post April 2009		75%	75%

21f 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 2020 is set out below.

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

Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	171,466,000	178,496,000
% change in the present value of the total obligation	-2.00%	2.00%
Projected service cost	6,839,000	7,353,000
Approximate % change in projected service cost	-3.60%	3.70%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	175,693,000	174,209
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	7,092,000	7,092,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	178,242,000	171,723,000
% change in the present value of the total obligation	1.90%	-1.80%
Projected service cost	7,353,000	6,839,000
Approximate % change in projected service cost	3.70%	-3.60%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	- 1 Year	+1 Year
Present value of the total obligation	180,596,000	169,350,000
% change in the present value of the total obligation	3.20%	-3.20%
Projected service cost	7,361,000	6,826,000
Approximate % change in projected service cost	3.80%	-3.80%

* 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.

21g Major categories of plan assets as percentage of total plan assets

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

	31/03/2020	31/03/2019
	%	%
Equity investments	42.60%	59.50%
Government Bonds	26.10%	16.50%
Corporate Bonds	12.60%	7.00%
Property	10.00%	11.20%
Cash	4.70%	2.70%
Other	4.00%	3.10%
Total	100.00%	100.00%

Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will provide a return in line with equities.

21h The Northern Ireland Civil Service Pension

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 March 2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

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 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. The Council had no transactions that would require the use of this account during the year (2018/2019 none).

23 Capital Grants Received in Advance

The Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income i.e. they have conditions attached to them, which will require the grant to be repaid, if those conditions are not met. The Council had no transactions that would require the use of this account during the year (2018/2019 none).

24 Contingencies

The Council had the following contingent liabilities at the 31 March 2020:

Specific

Arc 21

The arc21 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 Antrim and Newtownabbey Borough Council has agreed its 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.

Rates Appeal

Appeals by ratepayers against Land & Property Services in relation to the rateable value of properties are ongoing. The Council is not in a position to reliably estimate further outstanding liabilities that may arise if these challenge results in a decrease in the rateable value of the properties.

General

The Council has a number of other general litigious matters ongoing which are not expected to result in a material cost to the Council.

25 Other cash flow disclosures

25a 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

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2019/20	2018/19
		£	£
Depreciation	11	6,828,462	6,314,649
Impairment & downward revaluations (& non-sale derecognitions)	11	(2,563,732)	(2,768,280)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	(28,250)	(23,356)
(Increase)/Decrease in Debtors		385,026	(1,397,635)
Increase/(decrease) in impairment provision for bad debts	15	45,173	26,949
Increase/(Decrease) in Creditors		(303,757)	(118,124)
Increase/(Decrease) in Interest Creditors		(47,624)	(11,877)
Payments to NILGOSC	21	5,098,625	7,019,938
Carrying amount of non-current assets sold	8	445,654	46,947
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		-	-
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account		-	-
Contract Costs		-	-
Contract Assets		-	-
Contract Liabilities		-	-
Deferred revenue		-	-
		9,859,577	9,089,211

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	2019/20	2018/19
	£	£
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	(357,676)	(16,275)
Capital grants included in "Taxation & non-specific grant income"	(217,958)	(1,215,708)
	(575,634)	(1,231,983)

25b 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:

	2019/20	2018/19
	£	£
Cash and Bank balances	-	-
Short Term Deposits (considered to be Cash Equivalents)	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-
Bank Overdraft	(216,234)	(1,243,248)
	(216,234)	(1,243,248)

25c Cash Flow Statement-Operating Activities

Cash Flow Statement: Operating Activities	2019/20	2018/19
The cash flows from operating activities include:	£	£
Interest received	(20,815)	(23,966)
Interest paid	2,678,708	2,708,696

25d Cash flows from Investing Activities

Cash Flows from Investing Activities		2019/20	2018/19
		£	£
Purchase of PP&E, investment property and intangible assets		(8,286,350)	(5,220,553)
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		357,676	16,275
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		1,202,942	(566,171)
Other Receipts from Investing Activities		-	-
Net Cash Flows from Investing Activities		(6,725,732)	(5,770,449)

25e Cash flows from Financing Activities

Cash Flows from Financing Activities		2019/20	2018/19
		£	£
Cash Receipts from Short and Long Term Borrowing		13,000,000	4,500,000
Other Receipts from Financing Activities		-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		-	-
Repayment of Short and Long Term Borrowing		(6,756,359)	(6,001,218)
Other payments for Financing Activities		-	-
Net Cash Flows from Financing Activities		6,243,641	(1,501,218)

26 Usable and Unusable Reserves

26a 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	31/03/2020	31/03/2019
		£	£
At 1 April		472,362	456,087
Movement			
		-	-
Disposal of Non Current Assets/Capital Sales	8	357,676	16,275
Capital Receipts used to finance capital expenditure	4	(8,185)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
At 31 March		821,853	472,362

26b 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	31/03/2020	31/03/2019
		£	£
At 1 April		1,153,482	-
Movement			
Unapplied Capital Grants received in year		1,255	616,542
Unapplied Capital Grants transferred to CAA in year		(51,336)	-
Net Revenue Expenditure Funded from Capital Under Statute		(389,541)	536,940
At 31 March		713,860	1,153,482

26c Capital Fund

There have been no contributions to, or from, the Capital Fund in 2019/20 (2018/19 £nil).

26d Renewal and Repairs 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. The Council continues to operate this fund.

Renewal and Repairs Fund		Notes	31/03/2020	31/03/2019
			£	£
At 1 April			716,133	891,460
Transfers between statutory & other reserves & the General Fund		4	(161,148)	(175,327)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure		12	-	-
At 31 March			554,985	716,133
			£	£
Planned Maintenance Programme			150,000	150,000
General			404,985	566,133
Total			554,985	716,133

26e Other Balances & Reserves

Other Balances & Reserves		Notes	31/03/2020	31/03/2019
			£	£
At 1 April			2,651,998	2,004,557
Transfers between statutory & other reserves & the General Fund		4	(612,779)	647,441
Transfers between Capital Fund/Renewal & Repair Fund &		11	-	-
At 31 March			2,039,219	2,651,998
			£	£
Northern Ireland Housing Executive			783,034	877,410
Rates Appeal Reserve			-	845,590
Strategic Projects Reserve			1,256,185	928,998
Total			2,039,219	2,651,998

26f 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	31/03/2020	31/03/2019
		£	£
At 1 April		7,340,604	6,998,410
Applied Capital Grants	10, 12	(216,703)	(599,166)
Unapplied Capital Grants received in year		(1,255)	(616,542)
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	4,264,730	3,546,369
Statutory Provision for financing Capital Investment	4	(5,618,151)	(5,079,111)
Net Revenue expenditure funded from capital under statute	4, 12	668,610	(471,603)
Net Revenue expenditure funded from capital under direction	4, 12	1,300,000	1,516,437
Surplus/(Deficit) on the Provision of Services	CIES	(7,774,838)	(4,512,864)
Transfers between Statutory and Other Reserves and the General Fund	4	773,927	(472,114)
Net movements on Pension Reserve	4, 20	5,098,625	7,019,938
Disposal of Fixed Assets/Capital Sales	4, 11	87,978	30,672
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	60,500	(19,822)
Other Movements		-	-
At 31 March		5,984,027	7,340,604

26g Capital Adjustment Account

This account represents a balance between the write down of the historical cost of fixed assets due to depreciation, impairment or disposal and the accumulation of resources set aside to finance capital expenditure. The depreciation charged on asset revaluations is written off to the account. Revaluation gains, which are transferred from the revaluation reserve, for assets disposed of during the year are also charged to the account.

Capital Adjustment Account	Notes	31/03/2020	31/03/2019
		£	£
At 1 April		84,182,812	81,684,327
Applied Capital Grants	10, 12	216,703	599,166
Unapplied Capital Grants transferred to CAA in year		51,336	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(4,264,730)	(3,546,369)
Statutory Provision for financing Capital Investment	4, 12	5,618,151	5,079,111
Net Revenue expenditure funded from Capital under statute	4, 12	(279,069)	(65,337)
Net Revenue expenditure funded from Capital under	4, 12	(1,300,000)	(1,516,437)
Disposal of Fixed Assets/ Capital Sales	4, 11	(445,654)	(46,947)
Capital Receipts used to finance capital expenditure	4, 12	8,185	-
Other Movements		2,227,442	1,995,298
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	-
At 31 March		86,015,176	84,182,812

26h Financial Instruments Adjustment Account

The Council has no transactions that would require use of this account (2018/19 £nil).

26i 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	31/03/2020	31/03/2019
			£	£
At 1 April			41,064,022	41,492,840
Revaluation & Impairment		11	3,759,260	1,566,480
Movements from associates & joint ventures			-	-
Other Movements			(2,227,442)	(1,995,298)
At 31 March			42,595,840	41,064,022

26j Available-for-Sale Financial Instruments Adjustment Reserve

The Council has no transactions that would require the use of this reserve (2018/19 £nil).

26k Pension Reserve

Pension Reserve		Notes	31/03/2020	31/03/2019
			£	£
At 1 April			(36,202,000)	(32,747,000)
Net Movements on Pension Reserve		4, 21	(5,098,625)	(7,019,938)
Revaluation & Impairment		21	(4,777,375)	3,564,938
At 31 March			(46,078,000)	(36,202,000)

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

26l Capital Receipts Deferred Account

The Council has no transactions that would require use of this account (2018/19 £nil).

26m 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		31/03/2020	31/03/2019
		£	£
At 1 April		(303,950)	(323,772)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(60,500)	19,822
At 31 March		(364,450)	(303,950)

27 Significant Trading Operations

The Council does not have any significant trading operations.

28 Agency Services

The Council does not provide any agency services.

29 Joint Arrangements

The Council does not have any significant joint arrangements.

30 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part.

A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council.

Transactions with related parties 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:

Council Members

During the year the Council paid £nil (2018/19 £nil) of which £nil (2018/19 £nil) was owed by the Council to a company, partnership, trust or entity which generated a related party transaction in which a Council member had a controlling interest.

During the year the Council paid £6,584 (2018/19 £53,000) of which £nil (2018/19 £nil) was owed by the Council at year end for services provided by a member of the close family of a Council Member. During the year the Council received £2,643 (2018/19 £nil) of which £16,757 (2018/19 £nil) was outstanding in respect of a lease agreement from a member of the close family of a Council Member.

It may be noted that members' pecuniary interests, direct or indirect, which could conflict with those of the Council are open to inspection as required by Section 28 Local Government Act (Northern Ireland) 1972.

Chief Officers

For the purpose of this disclosure the term 'chief officer' has been defined as the chief executive and directors. The disclosure also covers members of the officers' close families or households. During the year the Council paid £nil for services provided by a member of the close family of a chief officer

It may also be noted that officers' pecuniary interests, direct or indirect, which could conflict with those of the Council are open to inspection as required by Section 46 of the Local Government Act (Northern Ireland) 1972.

Other

The Council nominated three councillors to the arc21 Waste Management Plan Joint Committee. The Council contributed £4,272,646 (2018/19 £4,438,745) towards procurement of goods and services and administration costs during the year of which £6,910 (2018/19 £40,559) was owed by the Council at 31 March 2020. The Council received £126,603 (2018/19 £121,315) in respect of an income share arrangement with a further £23,361 (2018/19 £32,109) outstanding at 31 March 2020.

The following related party transactions are disclosed elsewhere in the accounts:

Remuneration Report	Page 35
District Rates	Note 10e

Note 31 Events after the Reporting Period

There were no events occurring after 31 March 2020 which require adjustment to the Council's financial statements or additional disclosures.

The following event took place after 31 March 2020; the financial statements and notes have not been adjusted as this event did not affect conditions at that date.

On 17 October 2020 Mid Ulster District Council, in a group litigation action, as the lead case on behalf of Northern Ireland Councils, won a case against HM Revenue & Customs for the repayment of VAT charged to Councils on sports and leisure facilities. The quantum of this case has to be agreed between both parties.

The First-Tier Tribunal (Tax Chamber) found in favour of Mid Ulster District Council when deciding that charges paid by members of the public for access to sports and leisure facilities provided by local authorities in Northern Ireland were outside the scope of VAT and the VAT should be repaid to the Councils.

Mid Ulster District Council succeeded on its argument that it was providing the services in its capacity as a public authority acting as such; and that there were no significant distortions of competition with the private sector. Article 10 of The Recreation and Youth Service (Northern Ireland) Order 1986 places an obligation on district councils to provide facilities for recreation, social, physical and cultural activities.

The decision for Northern Ireland will potentially have far-reaching implications for all UK local authorities providing services pursuant to any statutory duties and powers which can be classified as a special legal regime.

However, pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009, any party dissatisfied with the decision has a right to apply for permission to appeal not later than 56 days after the date of this decision.

Therefore, at this stage it is too early to assess the financial impact of this decision on the Council.

Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on 21 December 2020.

32 Bequest Accounts/Mayor's Charitable Fund

The Council is responsible for the administration of three bequest funds. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

Bequest Account No 1

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income used for the maintenance of graves.

Bequest Account No 2

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income distributed to the poor of Ballyclare.

Bequest Account No 3

An amount of 3.5% War Stock was bequeathed to Antrim Rural District Council from the Moore trust.

Bequest Account balances as at:

	31 March 2020
	£
Bequest Account No 1	78
Bequest Account No 2	2,321
Bequest Account No 3	380
	2,779

Mayor's Charitable Fund

The Council is responsible for the administration of the Mayor's Charitable Fund. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

During the mayoral year the Mayor nominates a number of charities and raises funds by holding various fund-raising events.

Mayor's Charitable Fund as at:

	31 March 2020
	£
Mayor's Charitable Fund	12,018



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