

Antrim and  
Newtownabbey  
BOROUGH COUNCIL

# Statement of Accounts

For the year ended 31 March 2023

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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 2022/23 and 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 2023 is as set out in the Comprehensive Income and Expenditure Statement and the financial position as at the 31 March 2023 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 2022/23 (the Code) and the Department for Communities Accounts Direction, Circular LG 07/23 dated 31 January 2023.

The financial statements follow 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. We also recognise the necessity of blending this with the financial pressures being experienced by our residents and local businesses as a result of geopolitical events in 2022/23.

The Council is committed to ensuring that the Borough continues to develop and grow to be a place where people choose to invest, live in, work and visit.

The vision set out in our Corporate Plan remains our guiding principle, to be:

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

To realise this vision, the Council recognises it must work in collaboration with others, particularly our community planning partners under the framework of our "Love Living Here" Community Plan.

These Plans to guide us through this period of uncertainty to assist us to work towards the goals and ambitions we have already committed to.

#### **1.1. Information about the Council**

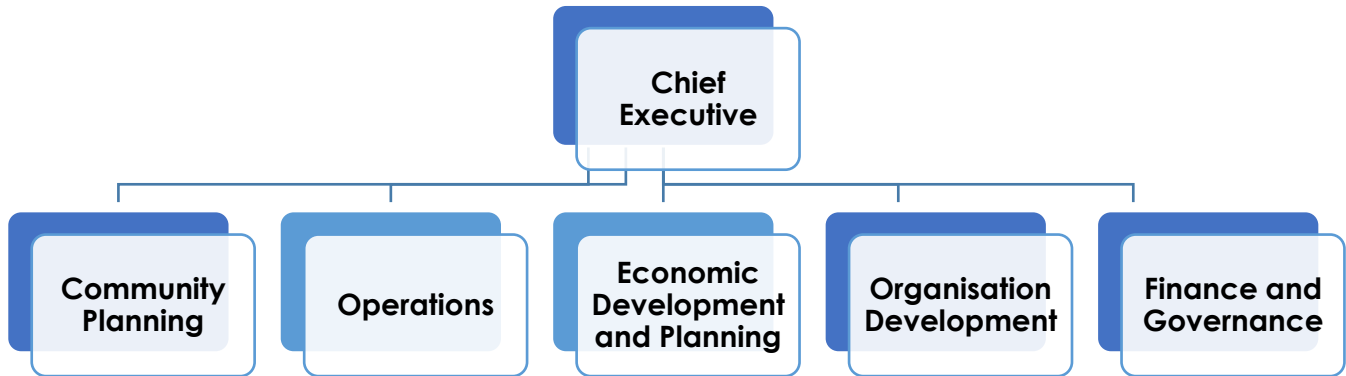
The Council's financial statements concentrate on the reporting of the financial position of the Council in relation to a particular year. This report provides an overview on how the financial performance relates to the Council's recovery. Key documents on the Council's priorities, strategy and performance for the services it delivers, can be found in the Corporate Plan, Community Plan and Recovery Plan which are available on the Council's website

<https://antrimandnewtownabbey.gov.uk/corporateplan/>

## 2. Organisation and Corporate Governance

### 2.1 Organisation

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



The Council's Senior Management Team, known as the Corporate Leadership Team, is made up of the Chief Executive and the 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 144,485 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 630 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 2022/23 is included in these financial statements and outlines the governance and risk 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 CI&E Statement.

#### **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

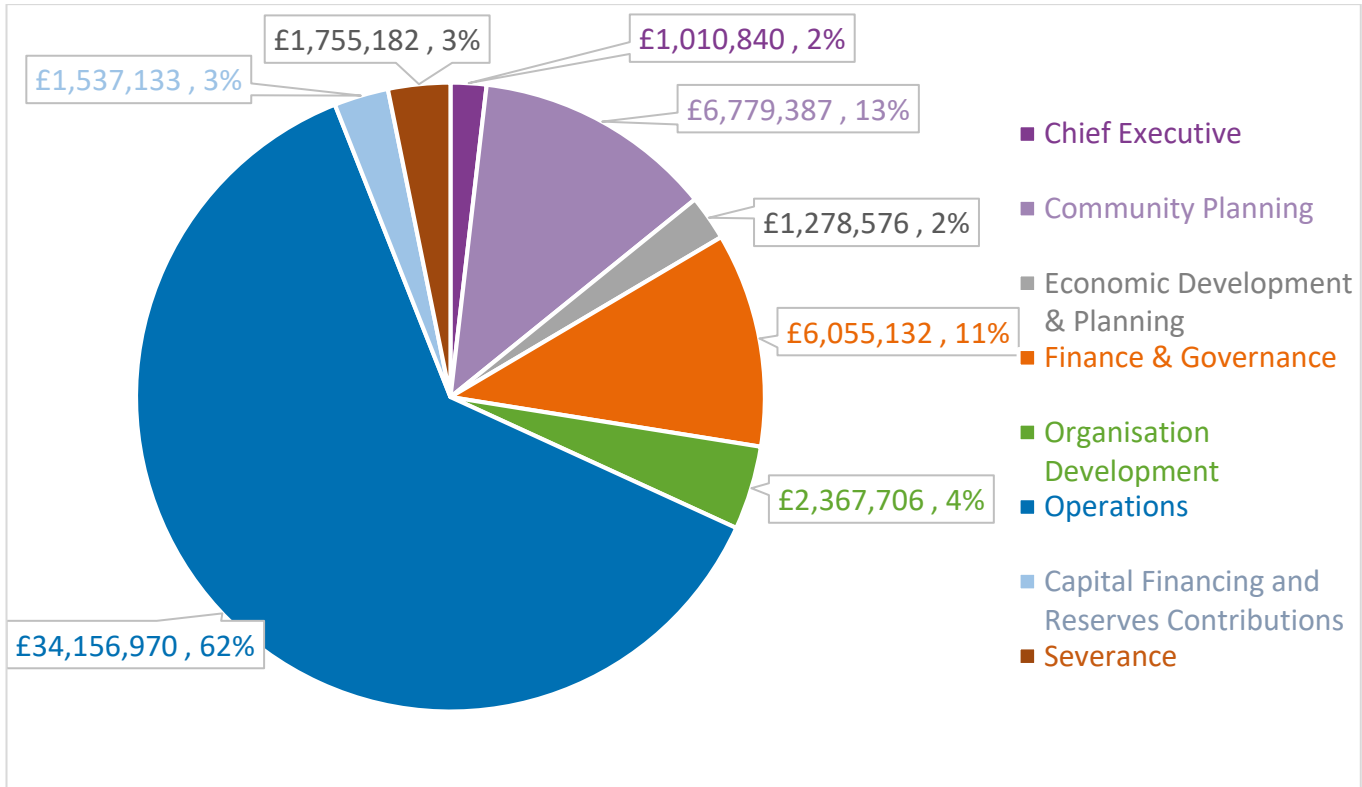
As noted above, the Council is required to produce its CI&E Statement on the basis of Generally Accepted Accounting Practices, but the net income or expenditure which affects the General Fund Reserves is then adjusted by certain statutory items. The Council sets its budget for the year on the basis of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

Overall, the Council recorded a decrease in its General Fund Reserve of £0.794m against a budgeted decrease of £0.800m.

The Net Cost of Services for the year chargeable to the General Fund Reserve was £54.9m against a budget of £54.1m, with external funding being £54.2m against a budget of £53.4m. Other income from fees and charges credited to the General Fund totalled £12.1m.

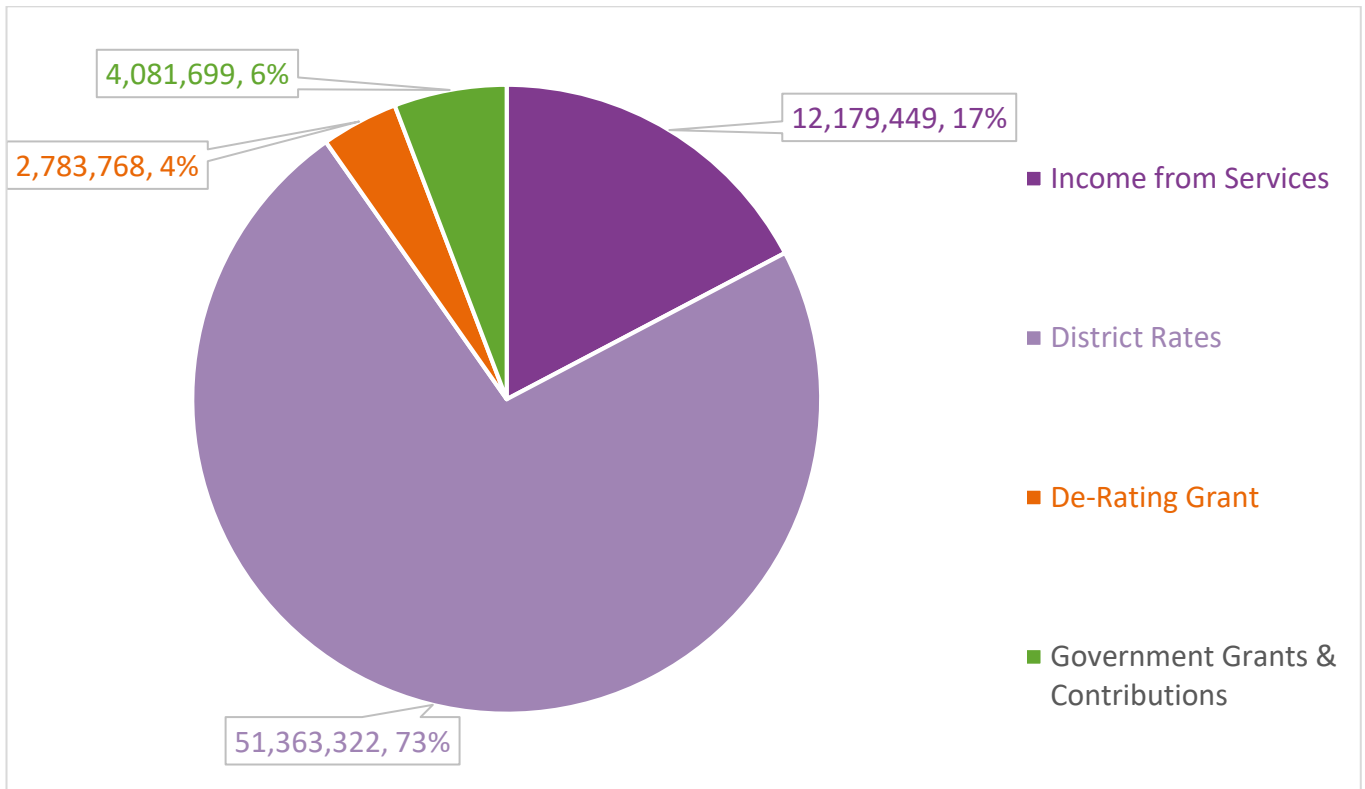
The pie chart below shows the net expenditure chargeable to the General Fund, allocated between the Council’s Departments, Capital Financing and Other as set out in Note 2 – Expenditure and Funding Analysis.

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



The Council accounted for severance costs, totalling £1,755k during the year.

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



The estimated District Rates finalisation for the year is £0.687m positive; the De-Rated Grant finalisation indicates £90k positive.

As directed by the Department the Council has transferred £306k received in advance from the Department into a Hardship Fund Reserve to provide financial support to the most vulnerable within the Council area in 2023/24.

The Council has also made further contributions to reserves of £746k towards strategic projects, rates appeals and Rates Reval 2020.

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

	Annual Budget (£)	Actual Net Cost (£)	Variance (£)
Chief Executive	1,511,269	1,010,840	(500,429)
Comm Planning	5,446,459	6,779,387	1,332,928
Economic Development & Planning	1,223,546	1,278,576	55,030
Finance & Governance	5,168,967	6,055,132	886,165
Organisational Development	2,113,949	2,367,706	253,757
Operations	30,601,645	34,156,976	3,555,331
Capital Financing & Reserves Contributions	8,103,031	1,537,133	(6,565,898)
Severance	0	1,755,182	1,755,182
<b>Net Cost of Services</b>	<b>54,168,866</b>	<b>54,940,932</b>	<b>772,066</b>
External Funding	(53,368,866)	(54,147,090)	(778,224)
<b>(Surplus) or Deficit for the Year</b>	<b>800,000</b>	<b>793,842</b>	<b>(6,158)</b>

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 Organisation Development in Note 2.

The adverse position has arisen mainly through increased energy costs and salary inflation.

### Financial position as at 31st March 2023

As identified in the balance sheet, the Council's assets, net of liabilities, has increased by £45.9m and now stand at £165.5m. Whilst the movement in the General Fund Reserve has decreased by £0.794m, 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 2023: £9.7m was spent on capital investment during 2022/23. The main items were:

Asset	£'000
Crematorium	4,321
Parks Projects	1,694
Community Centres	1,024
Leisure	631
Public Car Parks	612
Software	456
CCTV Replacement	393
ICT	207
Other	374
<b>Overall Total</b>	<b>9,712</b>



Due to the timing of cashflows there was a bank overdraft at the year-end of £3.1m, there was an average investment balance during the year of £3.7m; earning interest of £117k per annum at an average rate of 3.1%.

Borrowings at the year-end totalled £40.3m, a decrease of £2.4m. Since the merger of both Council's in April 2015, borrowings have decreased by £20.1m overall.

Debtors increased by £0.83m, mainly due to an increase in VAT owed from HMRC, arising from a high level of ongoing capital projects in quarter four.

Short-term liabilities including creditors and provisions due at the year-end increased by £4.12m mainly due to capital accruals, accrued redundancy expenditure and revenue grants received in advance.

Other Long Term Liabilities – the Council's share of the Net Pension Liability – showed a decrease of £44.9m from last year, due to the performance of the pension fund.

Contributions of £746k were made to the Councils rates appeals and strategic projects reserves. In order to ensure compliance with the Council's reserve policy £1m from the Renewals and Repairs Reserve and £2.7m from the Council's other usable reserves were transferred to the General Fund. The level of General Reserves at 31 March 2023 is compliant 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.

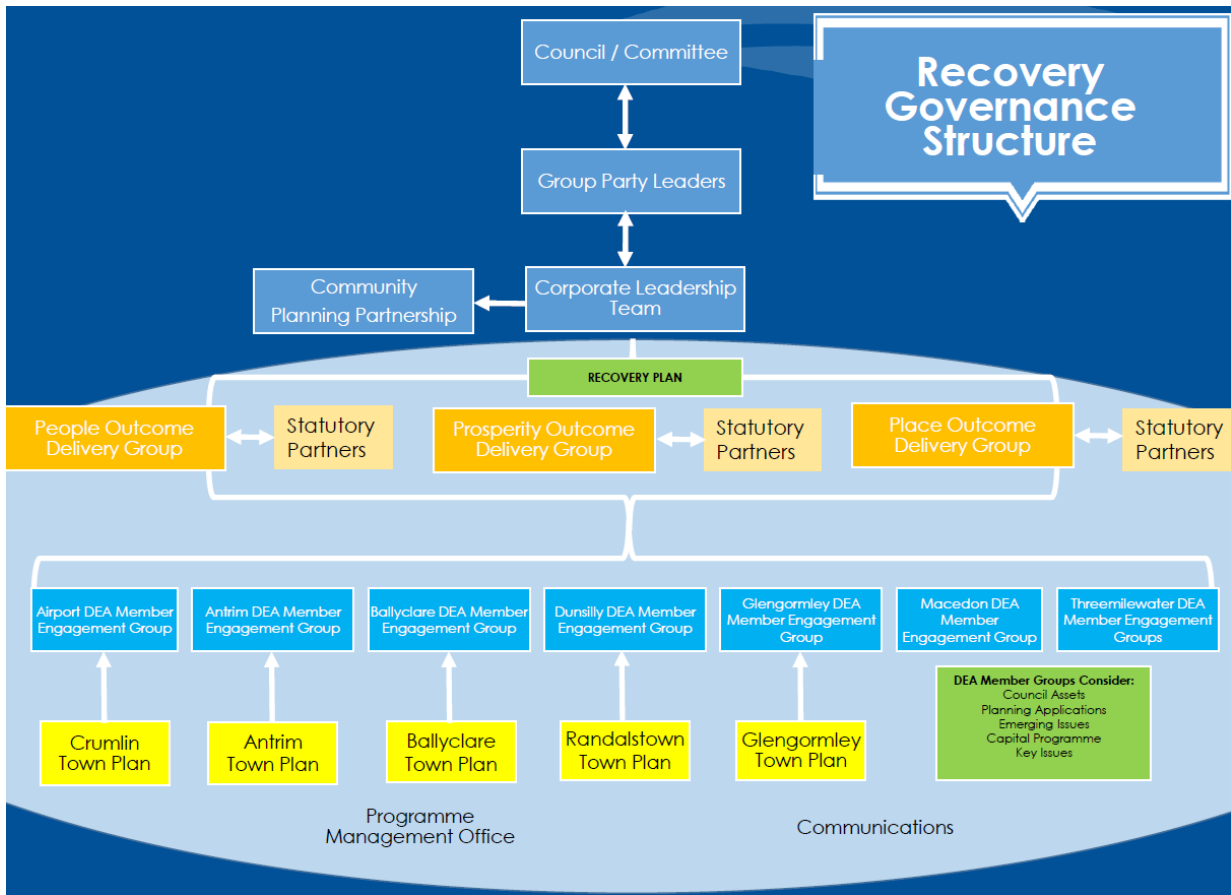
## **4. Strategic Objectives and Performance**

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

The Council is committed to ensuring that the Borough not only recovers from the pandemic but that it continues to develop and grow to be a place where people chose to invest, live in, work and visit.

To support this the Council developed and approved a Corporate Recovery and Improvement Plan (2023-24), which was ratified in June 2023. Our guiding vision remains - *“A progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition.”*

To realise this vision, the Council recognises it must work in collaboration with others, particularly our Community Planning partners. The delivery of these objectives is clearly set out in The Recovery Governance Structure (see next page).



In light of the COVID-19 pandemic, guidance from the Department for Communities stated that the Council was not required to publish a Performance Plan for 2021-22; however Council continued to monitor performance through quarterly reports on statutory performance, as well as a range of self-imposed indicators, which were reported to Corporate Leadership Team (CLT).

In August 2022, the Council approved a Corporate Recovery Plan 2022-23. Performance was monitored through quarterly reports on statutory performance, as well as a range of self-imposed indicators, to CLT.

The Northern Ireland Audit Office carried out an audit of the Council's self-assessment of its performance in 2020-21 and the improvement plan for 2022-23 and provided an opinion that the Council had discharged its duties in connection with improvement planning and publication of improvement information in accordance with relevant legislation and guidance.

The Council's budget was developed in conjunction with the delivery of the Council's strategic objectives. This means that the annual budget and medium-term financial strategy represent the finance committed to the Council's ambitions, policies and priorities.

**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 and Risk 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 approved a Medium Term Financial Plan for 2023/24 to 2025/26 in January 2023 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 indicates inflation remaining high during 2023/24 before decreasing in 2024/25 and beyond, however financial challenges remain. There is still expected to be demand for higher than recent wage increases and rising interest rates mean that the cost of borrowing has increased.

Energy prices remained high during 2022/23 although prices have stabilised and may decrease over the next year.

The Council is conscious of the wider Cost of Living crisis and is continually reviewing services in order to keep rates rises to a minimum in the future.

The Council has approved "in principle" a capital programme for the next three years totalling £39.3m. It is anticipated that £9.2m 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 February 2023 for 2023/24 included an estimated gross spend of £78.2m including £19.3m of grants and earned income resulting in a Net Cost of Services of £58.9m. These budgets were deemed appropriate to deliver the level of service and facilities required by the Council.

### **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.

### **Reserves**

The Council's General Fund (Usable Reserve) as at 31 March 2022 was £6.8m. In setting the Estimates for 2022/23, the Council had budgeted to apply a credit balance from reserves, the deficit for the year of £0.794m has decreased the General Fund Balance as at 31 March 2023 to £6.04m. The Council reserves policy for the General Fund and Renewal and Repairs Reserve, totalling £7.4m at 31 March 2023 is currently set at 9% of Gross Revenue spend of £78m (£7.06m). Use of reserves beyond this would require a change to the Council's Reserves policy.

### **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 a Council shall make arrangements for the proper administration of its financial affairs. Under this section a 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 and Risk Committee on 19 September 2023.

### **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 that are up-to-date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

## **ANNUAL GOVERNANCE STATEMENT 2022/23**

### **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 ([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 2023, 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 **Love Living Here Community Plan** ([Love Living Here 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.

The Council has established governance and management structures for Community Planning arrangements and support partners have also been appointed to reflect the priorities of the Plan.

The Community Planning Partnership is complemented by three Outcome Delivery Groups established as part of a Community planning review undertaken by Council in March 2020:

- People
- Place
- Prosperity

Local engagement occurs through the seven District Electoral Area Member Engagement Groups established in January 2021.

The Community Planning Partnership meets on a bi-annual basis, with minutes noted at the Community Planning Committee. Reports on the process and progress in relation to Community Planning are reported regularly to the Council's Community Planning Committee which has responsibility for oversight of the Community Planning function.

#### 3.1.2 Council Corporate Plan

The **Council's Corporate Plan** ([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, is a public statement of the Council's commitment to improve the quality of life for residents, ratepayers and visitors to the Borough.

On an annual basis, the Corporate Leadership Team and Elected Members participate in a Corporate Planning Workshop. This took place on two half days in November and December 2022. The Workshops provided an opportunity to reflect and review Council's performance and agree the strategic direction for the incoming year.

### 3.1.3 Corporate Recovery and Improvement Plan 2022-23

The Council agreed a Corporate Recovery and Improvement Plan 2022-23 ([Corporate Recovery and Improvement Plan](#)). The Plan set out a range of recommendations under the key strategic themes of Place, People and Prosperity. It details Council achievements, statutory targets and



identifies improvement objectives for customer service, leisure, staff attendance and prompt payments. The Plan sets out performance targets for all service areas which do not form part of the Council's legislative duty. Performance against these targets is reported quarterly to Committee/Council.

The Vision set out by our Corporate Plan remains our guiding principle. To be, "A progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition."

To realise this Vision, the Council recognises it must work in collaboration with others, particularly our Community Planning partners under the framework of our Love Living Here Community Plan.

In addition, the Local Development Plan will provide a spatial framework to support the economic growth and social needs of our Borough.

In March 2022, the Council commenced a twelve-week consultation to derive feedback from stakeholders and the public on the draft Corporate Recovery and Improvement Plan 2022-23. A total of 35 responses were received. The responses provided reassurance of the appropriateness of the principles identified to assist recovery of our Borough.

A summary of the responses were provided to Council in June 2022 and the feedback from the consultation considered and incorporated where appropriate within the Plan and associated implementation plans.

The Local Government Auditor carried out an assessment of the Council's compliance with its performance improvement duties (November 2022) and concluded that the Council has discharged its performance improvement and reporting duties, including its assessment of performance for 2021-22 and its 2022-23 Corporate Recovery and Improvement Plan, and acted in accordance with the Guidance.

The Local Government Auditor certified the Council's performance arrangements with an unqualified opinion with no statutory recommendations and one proposal for improvement which represents good practice. An Action Plan has been developed, setting out how the Council intends to address the proposal identified in the Report.

The Local Government Auditor acknowledged that all Councils continue to operate in a challenging environment with a focus on recovery from the Pandemic and the ongoing cost of living crisis, impacting both on performance and the way in which services are delivered.

This changing landscape and refocusing of priorities has impacted on the ability to rely on past trends in Councils' performance to assess the likelihood of future compliance with Part 12 of the Local Government Act (NI) 2014. In light of this, the Local Government Auditor concluded that she was unable to assess whether the Council is likely to have complied with its performance improvement responsibilities for 2022-23. The LGA provided the same Audit Assessment across all Councils in Northern Ireland.

#### 3.1.4 Corporate Performance and Improvement Plan 2023-24

A Corporate Performance and Improvement Plan for 2023-24 (draft for consultation) was approved by Council in January 2023. A copy can be found at: [Corporate Performance and Improvement Plan 2023-24](#).

The Plan sets out six Performance Improvement targets for 2023-24, alongside a range of Corporate Performance Indicators. Following a twelve-week consultation period, the Plan will be updated and reported to Council in June 2023.

3.1 Reviewing the Council's vision and its implications for the Council's governance arrangements

A robust approach to planning and performance management is in place.

Quarterly progress reports were presented to the Corporate Leadership Team, Audit and Risk Committee and Council on the performance of the Corporate Recovery and Improvement Plan 2022-23.

The Corporate Recovery and Improvement Plan was instigated with robust governance arrangements in place to support its delivery.

3.2 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 by ensuring that:

- 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 decision making and the efficient use of resources.
- In addition, a number of performance management processes exist which support the performance management culture; The Corporate Leadership Team meet monthly and comprises the Chief Executive and Directors. Other staff may attend the meetings as appropriate when specific areas of responsibility are being considered. Arrangements are in place for Directors to meet with the Chief Executive on a weekly basis.
- Corporate Leadership Team and the Senior Management Team met regularly to reflect on actions relating to the Council's recovery agenda;
- Quarterly reports were brought to Corporate Leadership Team, Committee and Council in respect of the completion of statutory and self-imposed indicators;
- The Council continued to roll out a programme of essential learning and development;
- Customer satisfaction with key services has been measured throughout the year, and this information is used to improve the delivery of services.

- Financial management information is reported on a monthly basis to 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 Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change and recovery; and
- In September 2022 the Council published an Annual Report on Performance 2021-22 Self-Assessment, highlighting how the Council has performed in relation to discharging the general duty to, under Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) in relation to Performance Improvement arrangements.

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

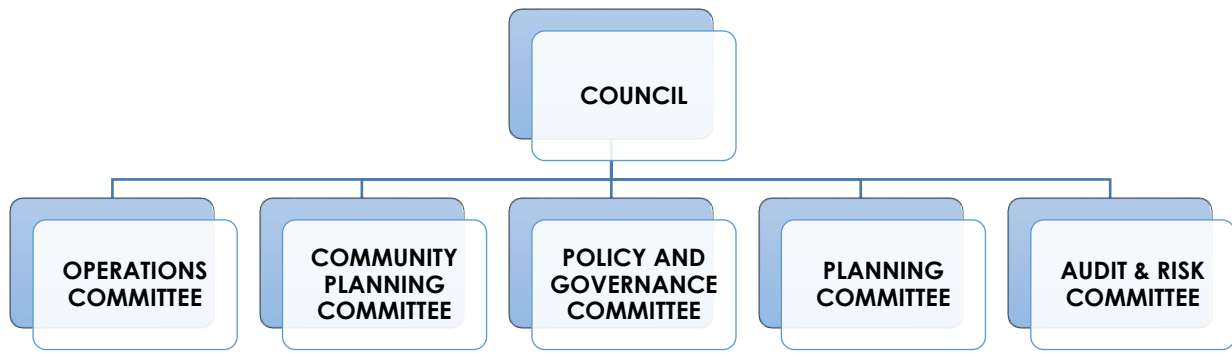
The Council's Constitution details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution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

The Constitution was 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.

On 28 March 2022 the Constitution was updated to amend the Scheme of Delegation for Planning to provide Officers the power to make decisions in relation to The Independent Examination into the Councils Draft Strategy Local Development Plan.

The Constitution was further reviewed and approved at the Annual General Meeting of the Council on 30 May 2023.

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 overleaf:



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 iConnect, 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 service 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 and Risk 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 and Risk Committee and its core functions during 2022/23 are contained within the Audit and Risk Committee's Terms of Reference developed in line with the CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2018. A revised Terms of Reference has been developed for 2023/24 in line with the CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2022.

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

A new Local Government (Meetings and Performance) Bill came into operation on 27 August 2021, allowing Councils to hold remote and hybrid meetings.

In March 2022, The Local Government (Coronavirus) (Flexibility of District Council meetings) Regulations (Northern Ireland) 2020 were extended to 24 September 2022, and the Council resumed its normal governance procedures which also includes remote and hybrid meetings.

The Regulations were further extended to ensure continuity, with the most recent extension on 23 March 2023 extending the Regulations to 24 September 2023.

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.

Full Member training on their Code of Conduct was previously delivered in September 2017 and was refreshed throughout 2022/23 through the Member Development Programme. New Members, co-opted to Council during 2022/23, 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.

In May 2023, nine new Members were elected to serve on Council. Member Development Training for all Members of the new Council has continued following the Election.

Tailored and practical mandatory Code of Conduct training for all staff was previously delivered in May 2022 with reminders sent to staff on an ongoing basis. New staff are provided training through their Induction Programme.

The Code of Conduct for Local Government Employees and a Conflicts of Interests Procedure are available for all staff to access on the staff app, iConnect. This procedure provides clear guidelines for Council employees and their Managers and is designed to help maintain and improve standards and protect Council and employees from criticism or misunderstanding. Further supporting documents available are the Declarations of Interest Form, Short Guide and Frequently Asked Questions.

Staff are reminded on an ongoing basis to complete declarations should they have a change in circumstances. All staff are also required to renew their declaration of interests form annually and to complete mandatory training to remind them of their responsibilities under the Code of Conduct.

For the majority of the organisation this training and awareness raising in relation to the Code of Conduct is delivered via an online training module and through the Council's policy compliance platform Netconsent. In person training sessions are also delivered to operational staff.

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

As detailed in Section 3.4, the Council's Constitution details the functions of the Council and responsibilities for these functions, including the decision making structure adopted by the Council. Council's Standing Orders, and Planning Protocol are contained within the Constitution and are regularly reviewed and updated where appropriate.

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 ([Council Constitution](#)).

On 28 March 2022, the Constitution was updated to amend the Scheme of Delegation for Planning to provide Officers the power to make decisions in relation to the Independent Examination into the Council's Draft Strategy Local Development Plan. The Constitution was further reviewed and approved at the Annual General Meeting of the Council on 30 May 2023.

Under the Council's Scheme of Delegation, the exercise of the following general functions is delegated to the Chief Executive or Directors.

### **Emergencies and cases of urgency**

Taking such measures, including incurring expenditure, as may be required in emergency situations or cases of urgency, subject to advising the Mayor and reporting to the appropriate Committee as soon as possible.

The Scheme does not delegate to the Chief Executives and Directors any matter reserved to full Council which by law may not be delegated, that is:

- the power of making a rate; or
- of borrowing money; or
- of acquiring, holding; or
- disposing of land; or
- the adoption of any new policy, or major change to an existing agreed Council policy.

The legal power in relation to the above stems from Section 7 of the Local Government Act (Northern Ireland) 2014.

The Council is committed to working in partnership and has established a Community Planning Partnership to ensure delivery of the Community Planning Objectives.

The Community Planning Partnership incorporates three Outcome Delivery Groups (People, Prosperity and Place), each chaired by an Elected Member. Membership of these Groups is made up of Elected Members, Council Officers, Statutory Partners and Support Partners.

Seven DEA Engagement Groups have been established as a two way transfer of information between Officers and Elected Members. Officers provide updates from relevant departments on issues and opportunities within each specific DEA with Elected Members providing direction on programmes and schemes within their local DEA. Officers also update on progress against DEA Action Plans.

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. Heads of Service, as Information Asset Owners, are reminded of the importance of data quality and their associated responsibilities. Reviews of Information Asset Registers and Records of Processing Activities are required on a six-monthly basis and are discussed with the Information Governance Manager. Information

Governance is specifically included as a section within the 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's Risk Management Strategy was developed in line with the HM Treasury' guidance, 'The Management of Risk – Principles and Concepts'. The Strategy was reviewed, updated and approved by the Council's Policy and Governance Committee in March 2023.

The Internal Audit team facilitates the 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 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.

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 and Risk Committee at each meeting.

At the year end, the Council identified 13 risks at a Corporate level which require monitoring and review by the Corporate Leadership Team.

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 (updated and approved April 2023) 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 (updated and approved April 2023). 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 (updated and approved April 2023) 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 developed and approved a Raising Concerns Policy in December 2020. This Policy sets out the importance of raising concerns 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 the raising of concerns 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.

The Policy also highlights the importance of members of the public raising concerns with the Council, and provides various methods for doing so to enable their concerns to be raised and be appropriately dealt with.

Details of concerns raised and investigations are reported quarterly to the Audit and Risk Committee as a standing Agenda item.

Each of the above Policies are reviewed and updated in line with the Council's Policy Framework or with changes in relevant legislation and / or best practice.

Training on each of the Policies above was developed throughout the year and provided to all staff via the Council's e-Learning Portal. Tailored Anti-Fraud training for Planning staff has also been developed, taking the Northern Ireland Audit Office's Planning Fraud Risks guidance into consideration. This was provided to Planning staff at the end of June 2023.

### 3.9 Ensuring effective management of change and transformation

Effective governance arrangements are in place to manage ongoing change and transformation along with the recovery of services e.g. Council / Committee meetings; Group Leaders meetings; weekly Corporate Leadership Team meetings; Corporate Leadership Team and Senior Management Team meetings and a raft of other working groups/arrangements in place to support change, transformation and the recovery of services.

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.

The Council has continued to support residents and local businesses through our online digital services. Currently, there are 42 fully digital services and 800,000+ online transactions have taken place during the past year, providing our customers with easy access to services at a time and place convenient to them.



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.

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 service.

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.

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 3.22 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 (2019) 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 (2019) 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 (2019), as follows:

Core activities and behaviours:

- The Head of Internal Audit, objectively assesses the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control.
- The Head of Internal Audit champions best practice in governance and comments on responses to emerging risks and proposed developments.

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 and Risk Committee.
- Leads and directs the internal audit service that is appropriately, sufficiently and effectively resourced.
- Is professionally qualified (Fellow 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 and Risk 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 and Risk 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 and Risk Committee are summarised in a Terms of Reference (updated in June 2023), which describe the arrangements in place to enable it to operate independently, robustly and effectively.

The Council's Audit and Risk Committee consists of six Members of the Council plus an Independent Member. The Committee met four times in the financial year 2022/23.

As part of the year end procedures, the Audit and Risk Committee has undertaken a review of its effectiveness. It is the Committee's view that for 2022/23, it has discharged its responsibilities in full.

In addition, the Audit and Risk Committee reported to Full Council in June 2023, outlining its activities throughout the year and how it has discharged its responsibilities as set out in the Audit and Risk Committee Terms of Reference.

### 3.14 Raising Concerns, receiving and investigating complaints from the public

The Council has a Raising Concerns Policy which replaces the former Whistleblowing Policy. One of the significant aspects of the Policy is that it highlights the importance of members of the public raising concerns with the Council, and provides various methods for doing so to enable their concerns to be raised and be appropriately dealt with.

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 Raising Concerns 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 Raising Concerns Policy is provided to all new employees as part of their induction process. Training on the Policy was provided via the Council's e-Learning Portal during 2022/23. Members of the public can access the Policy ([Raising Concerns Policy](#)) on the Council's website. 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 in hard copy on request.

The Council's Complaints Procedure was reviewed in 2020/21, and a more simplified and streamlined process was approved by Council in 2021/22, to align with anticipated reforms from the Northern Ireland Public Services Ombudsman (NIPSO).

During 2022/23 Council worked with the Ombudsman, along with the other Northern Ireland Councils, to develop a new Model Complaints Handling Process (MCHP), which will cover all eleven Northern Ireland Councils. The new MCHP is expected to be introduced by NIPSO in June 2023, and the Council will develop and implement their own version by December 2023. This will be accompanied by a programme of training for Officers to deal with and resolve customer complaints.

An update of the Customer Charter, and a new Customer Experience Strategy will follow as part of the implementation of the MCHP.

The Council has a digital self-serve complaints service, to complement traditional methods of interacting with Council. As part of the implementation of the MCHP during 2023/24, a review of the capabilities of the existing system, alongside alternate platforms, will be undertaken to determine the most effective manner to support the MCHP.

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

In April 2019, the Council achieved the highest award for Member Development with the attainment of the NILGA Charter Plus Award.

In March 2023, the Council was reassessed for the Charter Plus Award and successfully achieved this reaccreditation.

NILGA Charter Plus provides council with a robust framework that is flexible to local needs, ensures effective leadership, equips members with the support they need, and provides resilience in times of challenge.

The current Elected Member Continuous Professional Development Policy has been reviewed in partnership with the Elected Member Development working group and a revised policy has recently been approved by Council demonstrating ongoing commitment to Member development.

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). Personal Development Plans are completed and these are reviewed on an ongoing basis.

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. A review of the Induction Programme for Elected members has been completed and a revised programme is in place for the new Council term.

The Council's annual Personal Review and Development Plan (PRDP) process for employees has been reviewed. A revised PRDP process is currently in consultation with Trade Unions. It is anticipated that the revised PRDP process will be implemented in 2023/2024 together with supporting training for Managers and Trade Union representatives.

As part of the Council's Employee Engagement Action Plan 2021-2023, a revised Corporate Induction Programme was launched in May 2022. A range of communications and leadership interventions are being delivered including a mentoring programme, staff iConnect live sessions and 'Stay MORE Connected' the council's weekly staff communication.

Senior Officer development is supported by the Council's Continuous Development Scheme and Part Time Study Policy and this continued during 2022/23.

The Employee Engagement Action Plan is annually reviewed to ensure it remains a robust engagement plan that is actively focussed on promoting effective Learning and Development, Communication, Health and Wellbeing initiatives whilst also improving employee performance and attendance levels.

Due to the significant change at Chief Executive and Director level, appropriate training and development will be provided to support these officers to fulfil the requirements of their role.

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

The Council's communication channels, in particular corporate websites and social media platforms, continue to be key tools in promoting services and events in the Borough, as well as supporting the local community and businesses.

At the end of 2022/23, the Council's combined following across its five corporate social media platforms (Facebook, Twitter, Instagram, LinkedIn, TikTok and Youtube) totalled over 51,000.

These channels facilitated two way communication with stakeholders, visitors to our events and residents and supported increased engagement across the board.

Borough Life is published four times per year, which also facilitates corporate consultations on the attractiveness of our Borough, safety in the Borough as well as Waste and Digital services.

The Resident's App continues to be very popular, particularly with MORE (the Council's Leisure Centres Membership Scheme) members, with over 12,000 downloads during the year.

All our consultations and surveys are recorded on our consultation hub, Citizen Space, with alternate formats being available on request. This process is supported by the Borough Life hard copy surveys, targeted email campaigns to stakeholders, promotional cards with QR codes, e-zines and social posts to encourage responses. Thirty five major consultations attracted over 7,500 responses during 2022-23.

The Council continues to explore ways to digitise services, use online technology and social media to enhance communication with citizens.

The use of Customer Hubs for Leisure, Arts and Culture, Waste, Parks and Customer Services, has improved our flexibility and knowledge base in responding to queries. This has proved invaluable during exceptionally busy times such as the Enchanted Winter Garden, enabling a quick response and the maximisation of ticket sales.

### 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 11 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. This was highlighted through the development of the Corporate Recovery Plan 2021-23 and subsequently by our Corporate Recovery and Improvement Plan 2022-23, and our roadmaps to ensure we rejuvenate the Borough.

The Council has established governance and management structures for Community Planning arrangements, and support partners have also been appointed to reflect the priorities of the Plan.

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.

The Community Planning Partnership meets on a bi-annual basis, with minutes noted at the Community Planning Committee. Reports on the process and progress in relation to Community Planning including Outcome Delivery Groups and District Electoral Area Member Engagement Groups minutes are reported regularly to the Council's Community Planning Committee which has responsibility for oversight of the Community Planning function.

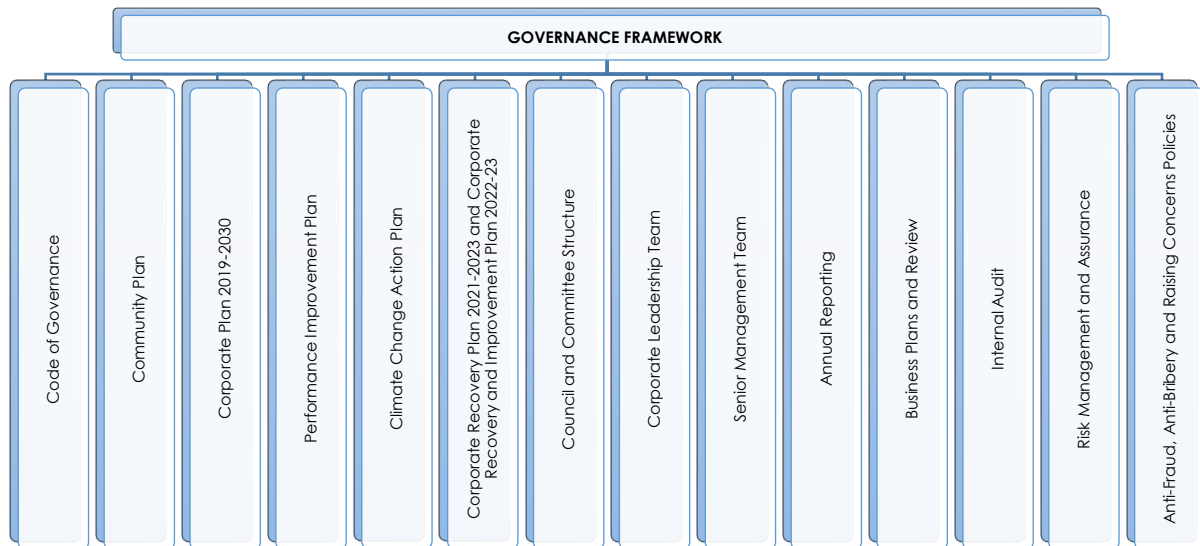
### **REVIEW OF EFFECTIVENESS**

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 Corporate Leadership Team, the Audit and Risk Committee, and Internal Audit are described within this Statement.

The Council's System of Internal Control is underpinned by compliance with its Governance Framework, governing legislative and regulatory requirements, commitment from the Corporate Leadership Team, the Corporate Plan, the Corporate Recovery Plan 2021-23, the Corporate Recovery and Improvement Plan 2022-23, the Climate Change Action Plan, Financial Procedures, oversight functions including an Audit and Risk Committee, regular and timely management information, administrative procedures, raising of concerns procedures, management supervision, delegation and accountability and a commitment to staff development and performance management.

The following 'elements' make up the Council's Governance Framework.



The COVID-19 pandemic impacted on the pursuit of long-term objectives set out in the Community Plan and Corporate Plan. While the objectives within these two documents remain the Council's focus, a Corporate Recovery Plan 2021-2023 was approved in August 2021. Subsequently, the Council drafted a Corporate Recovery and Improvement Plan 2022-23 in February 2022, which guided and assisted the Council in working towards the goals and ambitions already committed to and fulfils Council's statutory performance duty.

The Council has conducted a Review of the Effectiveness of the System of Internal Control in place within the Council in 2022/23, 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 Members of the Audit and Risk Committee in June 2023 to assess the effectiveness of the system of internal control and to inform the consideration of the draft Annual Governance Statement.

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:

### 3.19 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.

The Council's Standing Orders were amended to allow for remote Council meetings, with the Council adopting a Protocol for Remote Council Meetings on 29 September 2022. The Regulations were further extended to ensure continuity, with the most recent extension on 23 March 2023 extending the Regulations to 24 September 2023.

### 3.20 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
- DEA Engagement actions
- Council Performance against the priorities set within the Corporate Plan
- Capital Development Plan
- Procurement Actions
- Financial Reporting
- Cyber Security
- Working Group Minutes
- Legal Issues
- Complaints
- Freedom of Information Request
- Prompt Payments Information
- Staff Absence Statistics
- Climate Change Action Plan

### 3.21 The Audit and Risk Committee

The Audit and Risk Committee is comprised of six Elected Members and one Independent Member, with the Committee meeting four times during 2022/23.

Senior officers, including the Director of Finance and Governance, Head of Internal Audit, Head of Finance, Deputy Director of Performance and Governance attended the Audit and Risk Committee meetings. Other Heads of Service attended as appropriate. Representatives from the Northern Ireland Audit Office also attended.

During the year, the Audit and Risk Committee approved the Internal Audit Plan 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 and Risk Committee also received and reviewed the external audit reports, namely the Annual Audit Letter and Report to Those Charged with Governance 2021/22 and the Audit Strategy for 2022/23.

The Audit and Risk 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 and Risk Committee completed its annual review of effectiveness in February 2023 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.

### 3.22 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 service is organisationally independent.

During 2021/22, an independent external assessment of the effectiveness of Internal Audit was undertaken which concluded that the Internal Audit service "complies with the Standards (Public Sector Internal Audit Standards) and operates independently and objectively". A further independent external assessment of the effectiveness of Internal Audit is due to be completed by 2026/27.

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 Audit and Risk Committee reviewed the delivery of Internal Audit work throughout the year, through the review of the quarterly Internal Audit Update Reports.

The Head of Internal Audit's opinion for 2022/23 is reported in the 2022/23 Internal Audit Annual Report, which was provided to the Chief Executive and the Corporate Leadership Team in June 2023 and Members of the Audit and Risk Committee in July 2023.

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."*

### 3.23 Other explicit review/assurance mechanisms

Up to 31 March 2023, 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 2021/22 statement of accounts
- Unqualified audit opinion issued in Performance Audit and Assessment Report 2022/23

- 24 Green Flag awards
- Platinum in the NI Environmental Survey
- QUEST - UK Quality Scheme for Sport and Leisure (Antrim Forum, Valley, Sixmile and Crumlin Leisure Centres)
- Accreditations / awards
  - ISO140001 Accreditation
  - AccessAbble (formerly Disabled Go) Accreditation
  - Autism Impact Award
  - Signed up to BSL/ISL Deaf Charter
  - Onus Platinum Award Charter on Domestic Violence
  - White Ribbon Charter Commitment
  - Safe Borough Status Recognition

#### **4 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 governance issues have been identified which Council is actively monitoring, with the view of taking appropriate action where needed.

##### Financial Pressures

Council experienced significant cost pressures in 2022/23, especially with regard to increasing energy and fuel prices, salary costs, contractor costs and more generally as a result of high levels of inflation in the UK economy.

These cost increases have impacted on the Council's financial position including Council's Reserves.

Increasing costs and financial pressures are expected to persist into 2023/24 and this will likely impact on Council's financial performance into the future.

Not only has the rate of inflation remained high, it is not expected to reduce until next year, which will continue to impact on overall costs. Council is expecting further increases to salary costs as a result of National Pay negotiations and the outworkings of the agreed Job Evaluations process, Pay and Grading review and alignment of Terms and Conditions of employment.

The increase in costs to Council is compounded with significant reduction in Central Government funding for Community and Economic Development projects.

A high level of budget and cash flow monitoring will continue into 2023/24, along with Finance staff continuing to assist Departments monitor and manage their budgets going forward. In

addition, the enhancements brought about by the new Corporate Finance System, in relation to contracts, quotations and contract management, will streamline processes, producing value for money for Council.

Council will continue to work with the various NI Executive Departments to obtain clarity at the earliest opportunity in relation to the various funding streams following which programme adjustments can be proposed. Council will also continue to engage with partners and stakeholders to gain early insight of the impacts of the current financial challenges on service delivery in the Borough and consider all appropriate options to mitigate these impacts.

#### Performance Improvement Targets

Council has been unable to achieve its target of paying suppliers promptly as set out in the 2022/23 Corporate Recovery and Improvement Plan.

The recruitment and retention of Finance staff throughout the year was difficult and directly impacted on the achievement of the prompt payment target.

This has now been resolved, with staff recruited and trained, and the Finance Service now have a full complement of trained staff in place. Improvements in performance have resulted and performance against targets will be closely monitored going forward.

Furthermore, the Council's target for sickness absence has not been achieved.

There were a number of contributing factors to this, including:

- Significant number of complex & Disability Discrimination Act (DDA) related long term absence cases that required case management taking account of legislative requirements / adjustments.
- A number of cases could not be addressed earlier due to furloughed employees.
- Continuing Covid-19 recovery with extended NHS waiting times for surgery / procedures and the availability of Occupational Health appointments has resulted in delays in managing employees back to work.

In the year ahead, it is anticipated that absence levels will improve due to a number of formal case reviews being completed, trigger monitoring being prioritised and further training being delivered to Managers to ensure absence is dealt with effectively and efficiently.

Consultation has also commenced with Trade Unions to agree one single Managing Attendance Policy and if agreed this will further support a streamlined approach to managing absence across the Council.

The new NI Planning Portal went live on 5 December 2022. There were a number of challenges with the system which have led to disruptions in the provision of planning services within the Council. Due to the disruption in service, the achievement of Council's 2022/23 Corporate Recovery and Improvement Plan / Statutory Planning targets have been affected.

### NI Planning Portal

As mentioned above, the new NI Planning Portal went live on 5 December 2022. Challenges with the new system are being managed centrally and Council is represented at all levels within the implementation team to ensure the changes meet our needs.

Since the Portal's introduction, there have been five data breaches identified. These have included the publication online of email addresses and telephone numbers of individuals.

Whilst the issues have all been resolved either through local record correction or supplier fixes, they have been attributed to data migration and transformation, to fit the new Planning Portal. One of the breaches was assessed as significant and was self-reported to the Information Commissioner's Office (ICO).

The ICO made a recommendation in relation to thorough testing of data fixes applied. This will be undertaken through each release of version updates of the portal.

### Climate Change, Sustainability and Energy Management

Following publication of the Climate Change Act (NI) 2022, collaboration between Central and Local Government is crucial to achieve net zero by 2050. However, there remains lack of clear, coordinated and collaborative approach to reducing carbon emissions within the Public Sector. Council will continue to support where possible and strengthen the co-operation between Central Government and Local Government on Climate Action and Sustainability.

Council is committed to reducing its carbon footprint and has implemented ambitious targets and action plans around five strategic cross cutting objectives to reduce energy consumption, emissions and to promote environmental sustainability.

A Property Energy Strategy 2019-2030 and a short term Energy Action Plan have been approved by Council. The priority in the 3 year Energy Action Plan is identifying efficiencies in energy usage in the top 5 energy consuming premises. The short term action plan focuses on steps which staff can take every day to save energy and to initiate a change in culture amongst staff. In addition, a capital fund of £300k pa for Energy Efficiency projects in Council buildings has been approved in the 2023/24 Estimates.

Council has also committed to reduce the carbon emissions from fleet operations and has approved the replacement of the existing diesel fleet, when appropriate, with Zero and Ultra Low Emission Vehicles, going forward.


### Senior Organisation Structure

Due to both retirement and severance, there is a significant change at Chief Executive and Director level of Council.

Restructure of Council directorates and recruitment processes are either underway or being planned during 2023/24.

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.

The Council proposes over the coming year to continue to take steps to further enhance the governance arrangements following best practice guidance. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



**Jacqui Dixon**  
**Chief Executive**  
**19 September 2023**



**Councillor M Goodman**  
**Chairperson of Audit and Risk Committee**  
**19 September 2023**

## **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2023**

### **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 2022 were issued by the Department for Communities on 25 January 2023 (Circular LG 03/2023). Details of the allowances paid to individual councillors are published on the Council's website.

Antrim and Newtownabbey Borough Council had 40 councillors in 2022/23. Local elections were held on 18 May 2023 with 31 councillors re-elected and 9 new councillors elected.

#### **Independent Member**

G Nesbitt is an Independent Member on the Audit and Risk 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 and Risk 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 2022/23, 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 2022/23 (audited information)

Allowance	2022/23		2021/22	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	652,669	42	627,267	42
Special Responsibility Allowance	63,673	26	59,885	27
Chairperson/Deputy Mayor Allowance	21,761	2	18,473	2
Vice Chairperson/ Deputy Mayor Allowance	10,711	2	9,022	2
Mileage Allowance	10,530	23	7,974	22
Public Transport and Other Travel Incidentals	286	4	-	-
Subsistence	450	4	519	5
Courses/ Conferences Visits (registration & joining fees)	-	-	-	-
Dependents' Carers Allowance	-	-	-	-
<b>TOTAL ALLOWANCES</b>	<b>760,080</b>		<b>723,140</b>	

During the year 2 Members left the Council and were replaced through co-option from their parties. The total number of Councillors did not exceed 40 at any point during the year.

Details of the allowances paid to individual Councillors in 2022/23 are published on the Council website at:

[www.antrimandnewtownabbey.gov.uk/council/your-councillors/councillors-allowances-expenses](http://www.antrimandnewtownabbey.gov.uk/council/your-councillors/councillors-allowances-expenses)

Table 1b: Total Allowances paid to independent member in 2022/23 (audited information)

Allowance	2022/23		2021/22	
	Total Allowances £	Number of Independent Members receiving the Allowance	Total Allowances £	Number of Independent Members receiving the Allowance
Independent Member Allowance	1,200	1	1,800	1
<b>TOTAL ALLOWANCES</b>	<b>1,200</b>		<b>1,800</b>	

## 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 2022/23:

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

Officers	2022/23				2021/22			
	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	120-125	-	12.8	135-140	120-125	-	10	130-135
M McAlistar	95-100	-	-	95-100	95-100	-	0.1	95-100
G Girvan	95-100	-	1.0	95-100	95-100	-	0.1	95-100
A McCooke (left May 2021)	-	-	0.0	0.0	15-20 (85-90)	-	0.4	15-20 (85-90)
S Cole	95-100	-	4.6	100-105	95-100	-	4.5	100-105
N Harkness (left May 2021)	-	-	-	-	10-15 (85-90)	-	-	10-15 (85-90)
U Fay (joined August 2021)	90-95	-	-	90-95	80-85 (85-90)	-	0.1	80-85 (85-90)
D Rogers (joined October 2021)	85-90	-	1.6	90-95	35-40 (85-90)	-	0.4	35-40 (85-90)
M Laverty (joined August 2022)	80-85 (85-90)	-	0.7	80-85	-	-	-	-
M McDowell (joined August 2022)	80-85 (85-90)	-	0.5	80-85	-	-	-	-
H Hall (joined October 2022)	75-80	-	0.4	75-80	-	-	-	-

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 Councils workforce (audited information)

	2022/23	2021/22
Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team	120-125	120-125
Median Total Remuneration	26.0	23.5
Ratio	4.71	5.21

The banded remuneration of the highest paid member of the Council Leadership Team in the financial year 2022/23 was £120-125k (2021/22: £120-125k). This was 4.71 times the median remuneration of the workforce, which was £26,000 (2021/22: 5.21 times, £23,500).

In 2022/23, 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 2022/23.

## 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 2022/23, 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 2022/23 (audited information)

Severance Package Cost Band	2022/23				2021/22			
	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	-	-	-	-	-	12	12	142
£20,001 - £40,000	-	1	1	20	-	3	3	95
£40,001 - £60,000	-	-	-	-	-	2	2	98
£60,001 - £80,000	-	-	-	-	-	1	1	71
£80,001 - £100,000	-	-	-	-	-	1	1	82
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	1	1	158
£200,001 - £250,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>20</b>	<b>646</b>

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.

A number of exit packages were agreed in April and May 2023; these have been included in provisions.

## Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme), 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 2022, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £15,400	5.5%
2	£15,401 - £23,700	5.8%
3	£23,701 - £39,500	6.5%
4	£39,501 - £48,000	6.8%
5	£48,001 - £95,100	8.5%
6	More than £95,100	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 2019 was carried out in 2020/21 and set the employer contribution rates for the 3 years commencing 1 April 2022 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2020 - 31 March 2021	19.5%
1 April 2021 - 31 March 2022	19.5%
1 April 2022 - 31 March 2023	19.5%

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 2022/23 was £132,778 (2021/22: £133,240).

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 2022/23 (audited information)

Officers	Accrued Pension at pension age as at 31/3/22 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/23 £'000	CETV at 31/3/22 £'000	Real increase in CETV £'000
J Dixon	50-55 and lump sum 75-80	(0-2.5) and lump sum (7.5-10.0)	958	904	(47)
M McAlister	25-30 and lump sum 0-5	0-2.5 and lump sum (0-2.5)	344	306	(3)
G Girvan	35-40 and lump sum 35-40	(0-2.5) and lump sum (2.5-5.0)	658	600	(12)
S Cole	45-50 and lump sum 60-65	(0-2.5) and lump sum (2.5-5.0)	855	787	(22)
U Fay	30-35 and lump sum 35-40	0-2.5 and lump sum 0-2.5	563	464	43
D Rogers	0-5 and lump sum 0-5	0-2.5 and lump sum 0-2.5	35	10	16
M Lavery	25-30 and lump sum 20-25	0-2.5 and lump sum 0-2.5	389	332	31
M McDowell	5-10 and lump sum 0-5	0-2.5 and lump sum 0-2.5	53	46	2
H Hall	20-25 and lump sum 20-25	(0-2.5) and lump sum (0-2.5)	359	341	(2)

### 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.

In some cases, the real increase in CETV and the pension benefits accrued for the single total figure of remuneration can be negative - that is, there can be a real decrease. This is particularly likely to happen during periods of pay restraint and/or where inflation is higher than pay increases.

  
**Jacqui Dixon**  
 Chief Executive

**19th September 2023**

**CERTIFICATE OF THE CHIEF FINANCIAL OFFICER**

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2023 on pages 49 to 117 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 53 to 70.
- (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.

  
Jacquie Dixon  
**Chief Financial Officer**

**Date: 19<sup>th</sup> September 2023**

## **COUNCIL APPROVAL OF STATEMENT OF ACCOUNTS**

These accounts were approved by resolution of the Antrim and Newtownabbey Borough Council Audit and Risk Committee on 19th September 2023.

A handwritten signature in black ink, appearing to read 'Michael Goodman', written over a dotted horizontal line.

**Councillor Goodman**  
**Chairperson of Audit and Risk Committee**

**Date: 19th September 2023**

## **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 2023 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

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 2022-23, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2023 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 for opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). 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 Ethical Standard, 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**

In auditing the financial statements, I have concluded that Antrim and Newtownabbey Borough Council’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Antrim and Newtownabbey Borough Council’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Antrim and Newtownabbey Borough Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

### **Other Information**

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 that report as having been audited, and my audit certificate and report. The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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 2023 is consistent with the financial statements.

### **Matters on which I report by exception**

In light of the knowledge and understanding of the Antrim and Newtownabbey Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

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 2022-23;
    - 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.

### **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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Antrim and Newtownabbey Borough Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Financial Officer anticipates that the services provided by Antrim and Newtownabbey Borough Council will not continue to be provided in the future.

### **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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Antrim and Newtownabbey Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Northern Ireland) Order 2005;
- making enquires of management and those charged with governance on Antrim and Newtownabbey Borough Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Antrim and Newtownabbey Borough Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

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](http://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.

#### **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.



*Colette Kane*  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU  
29th September 2023



## Movement in Reserves Statement for the year ended 31 March 2023

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	<b>6,026,481</b>	<b>12,606,478</b>	<b>997,282</b>	<b>19,630,241</b>	<b>66,793,494</b>	<b>86,423,735</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	5,315,170	-	-	5,315,170	-	5,315,170
Other Comprehensive Income and Expenditure	-	-	-	-	27,869,863	27,869,863
<b>Total Comprehensive Income and Expenditure</b>	<b>5,315,170</b>	<b>-</b>	<b>-</b>	<b>5,315,170</b>	<b>27,869,863</b>	<b>33,185,033</b>
Adjustments between accounting basis & funding under regulations	382,004	3,509,696	1,609,780	5,501,480	(5,501,480)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>5,697,174</b>	<b>3,509,696</b>	<b>1,609,780</b>	<b>10,816,650</b>	<b>22,368,383</b>	<b>33,185,033</b>
Transfers to / from Statutory and Other Reserves	(4,889,081)	2,872,226	2,016,855	-	-	-
<b>Increase/ Decrease in year</b>	<b>808,093</b>	<b>6,381,922</b>	<b>3,626,635</b>	<b>10,816,650</b>	<b>22,368,383</b>	<b>33,185,033</b>
<b>Balance as at 31 March 2022</b>	<b>6,834,574</b>	<b>18,988,400</b>	<b>4,623,917</b>	<b>30,446,891</b>	<b>89,161,877</b>	<b>119,608,768</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(11,098,673)	-	-	(11,098,673)	-	(11,098,673)
Other Comprehensive Income and Expenditure	-	-	-	-	56,981,966	56,981,966
<b>Total Comprehensive Income and Expenditure</b>	<b>(11,098,673)</b>	<b>-</b>	<b>-</b>	<b>(11,098,673)</b>	<b>56,981,966</b>	<b>45,883,293</b>
Adjustments between accounting basis & funding under regulations	7,567,235	(658,478)	-	6,908,757	(6,908,757)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>(3,531,438)</b>	<b>(658,478)</b>	<b>-</b>	<b>(4,189,916)</b>	<b>50,073,209</b>	<b>45,883,293</b>
Transfers to / from Statutory and Other Reserves	2,737,596	(2,731,926)	(5,670)	-	-	-
<b>Increase/ Decrease in year</b>	<b>(793,842)</b>	<b>(3,390,404)</b>	<b>(5,670)</b>	<b>(4,189,916)</b>	<b>50,073,209</b>	<b>45,883,293</b>
<b>Balance as at 31 March 2023</b>	<b>6,040,732</b>	<b>15,597,996</b>	<b>4,618,247</b>	<b>26,256,975</b>	<b>139,235,086</b>	<b>165,492,061</b>

**Comprehensive Income and Expenditure Statement for the year ended 31 March 2023**

Service Expenditure	Notes	2022/23			* Restated 2021/22		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Chief Executive	2	1,220,519	(127,659)	1,092,860	854,391	(113,066)	741,325
Community Planning	2	11,560,538	(3,858,211)	7,702,327	9,311,672	(3,235,008)	6,076,664
Economic Development and Planning	2	5,016,693	(3,126,980)	1,889,713	3,564,599	(4,634,306)	(1,069,707)
Organisational Development	2	2,796,675	(3,647)	2,793,028	2,250,601	(2,550)	2,248,051
Finance and Governance	2	6,957,805	(41,837)	6,915,968	6,377,477	(8,750)	6,368,727
Operations	2	50,803,983	(8,949,880)	41,854,103	43,561,609	(7,535,793)	36,025,816
<b>Cost of Services on Continuing Operations</b>		<b>78,356,213</b>	<b>(16,108,214)</b>	<b>62,247,999</b>	<b>65,920,349</b>	<b>(15,529,473)</b>	<b>50,390,876</b>
Other Operating Expenditure/ Income	8	2,809	-	2,809	1,500,429	(1,609,780)	(109,351)
Financing and Investment Income and Expenditure	9	3,009,587	(152,920)	2,856,667	3,268,131	(38,170)	3,229,961
Share of Operating Results of associates and joint ventures	31	-	-	-	-	-	-
<b>Net Operating Expenditure</b>		<b>81,368,609</b>	<b>(16,261,134)</b>	<b>65,107,475</b>	<b>70,688,909</b>	<b>(17,177,423)</b>	<b>53,511,486</b>
Taxation and Non-Specific Grant Income	10	276,278	(54,285,080)	(54,008,802)	-	(58,826,656)	(58,826,656)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>81,644,887</b>	<b>(70,546,214)</b>	<b>11,098,673</b>	<b>70,688,909</b>	<b>(76,004,079)</b>	<b>(5,315,170)</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(8,769,136)			(4,370,406)
Impairment losses on non-current assets charged to the Revaluation Reserve	11			-			-
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	27			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	21			(48,212,830)			(23,499,457)
<b>Other Comprehensive Income and Expenditure</b>				<b>(56,981,966)</b>			<b>(27,869,863)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(45,883,293)</b>			<b>(33,185,033)</b>

\*The comparative figures have been restated. See note 31.

**Balance Sheet as at 31 March 2023**

	Note	31st March 2023	31st March 2022
		£	£
Fixed Assets	11	209,928,605	195,024,625
Long Term Investments	16	-	-
<b>LONG TERM ASSETS</b>		<b>209,928,605</b>	<b>195,024,625</b>
Short Term Investments	16	-	-
Inventories	14	511,280	485,207
Short Term Debtors	15	10,316,392	9,487,602
Cash and Cash Equivalents	25	-	7,610,374
Assets Held for Sale	11	220,000	220,000
<b>CURRENT ASSETS</b>		<b>11,047,672</b>	<b>17,803,183</b>
Bank Overdraft	25	3,143,910	-
Short Term Borrowing	17	2,306,734	2,354,944
Short Term Creditors	18	8,663,457	6,194,329
Provisions	19	1,948,232	298,982
<b>CURRENT LIABILITIES</b>		<b>16,062,333</b>	<b>8,848,255</b>
Long Term Creditors	18	-	-
Provisions	19	185,611	268,769
Long Term Borrowing	17	38,006,272	40,313,016
Other Long Term Liabilities	21	1,230,000	43,064,000
Capital Grants Receipts in Advance	23	-	725,000
<b>LONG TERM LIABILITIES</b>		<b>39,421,883</b>	<b>84,370,785</b>
<b>NET ASSETS</b>		<b>165,492,061</b>	<b>119,608,768</b>
USABLE RESERVES			
Capital Receipts Reserve	26	4,618,247	4,623,917
Capital Grants Unapplied Account	26	3,774,424	4,432,902
Renewal and Repairs Fund	26	1,409,394	2,409,394
Other Balances and Reserves	26	10,414,178	12,146,104
General Fund	26	6,040,732	6,834,574
		<b>26,256,975</b>	<b>30,446,891</b>
UNUSABLE RESERVES			
Capital Adjustment Account	26	96,243,303	94,759,053
Revaluation Reserve	26	44,619,953	37,865,929
Pensions Reserve	26	(1,230,000)	(43,064,000)
Capital Receipts Deferred Account	26	-	-
Accumulated Absences Account	26	(398,170)	(399,105)
		<b>139,235,086</b>	<b>89,161,877</b>
<b>NET WORTH</b>		<b>165,492,061</b>	<b>119,608,768</b>

**Cash Flow Statement for the year ended 31 March 2023**

	Note	2022/23	2021/22
		£	£
Net Surplus/Deficit on the provision of services		11,098,673	(5,315,170)
Adjustment for non-cash movements	25	11,685,869	12,258,154
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	138,288	(5,893,935)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>725,484</b>	<b>11,679,389</b>
Cash flows from Investing Activities	25	(9,124,822)	(2,824,748)
Net Cash flows from Financing Activities	25	(2,354,946)	(2,509,879)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(10,754,284)</b>	<b>6,344,762</b>
Cash and cash equivalents at the beginning of the reporting period		7,610,374	1,265,612
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(3,143,910)</b>	<b>7,610,374</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1A Accounting Policies

#### General Principles

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. 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 2022/23, 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 2022/23 also requires disclosure in respect of:

#### Summary of Significant Accounting Policies

##### i) Accruals of Income and Expenditure

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

- Revenue from 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, and
- 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
- surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- 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 2023 by Land and Property Services in accordance with the RICS Valuation Professional Standards 8<sup>th</sup> 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.

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 2022/23, 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.

- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

## **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 are:

There is a degree of uncertainty about future levels of funding for local government. 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 as a result of a 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 2023 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 £383k for every year that useful lives had to be reduced. As a result of the COVID-19 pandemic, 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 was carried out as at 31 March 2023 and values were 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 £2.7k.

The assumptions interact in complex ways. During 2022/23, the Council's actuaries advised that the net pension liability had decreased, as assets returns over the accounting period had been higher than expected and had increased due to changes in the financial assumptions during the accounting period.

### **Sundry Debtors**

At 31 March 2023, the Council had a balance of sundry debtors for £3,527k (2021/22: £1,668k). A review of significant balances suggested that an allowance for doubtful debts of £287,499 (2021/22: £129,961) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

## 2a 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.

	2022/23			* Restated 2021/22		
	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	958,705	134,155	1,092,860	598,254	143,071	741,325
Community Planning	6,779,383	922,944	7,702,327	4,920,911	1,155,753	6,076,664
Economic Development and Planning	1,278,570	611,143	1,889,713	(1,359,665)	289,958	(1,069,707)
Organisational Development	4,122,891	(1,329,863)	2,793,028	2,479,826	(231,775)	2,248,051
Finance and Governance	5,986,534	929,434	6,915,968	4,568,557	1,800,170	6,368,727
Operations	34,275,905	7,578,198	41,854,103	29,227,136	6,798,680	36,025,816
Capital Financing	3,489,264	(3,489,264)	-	6,638,784	(6,638,784)	-
Financing and Investment	-	-	-	-	-	-
<b>Net Cost of Services</b>	<b>56,891,252</b>	<b>5,356,747</b>	<b>62,247,999</b>	<b>47,073,803</b>	<b>3,317,073</b>	<b>50,390,876</b>
<b>Other Income and Expenditure</b>	<b>(56,097,410)</b>	<b>4,948,084</b>	<b>(51,149,326)</b>	<b>(47,881,897)</b>	<b>(7,824,149)</b>	<b>(55,706,046)</b>
<b>Surplus or Deficit</b>	<b>793,842</b>	<b>10,304,831</b>	<b>11,098,673</b>	<b>(808,094)</b>	<b>(4,507,076)</b>	<b>(5,315,170)</b>
<b>Opening General Fund</b>			<b>6,834,574</b>			<b>6,026,481</b>
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>			<b>(793,842)</b>			<b>808,093</b>
<b>Closing General Fund</b>			<b>6,040,732</b>			<b>6,834,574</b>

\*The comparative figures have been restated. See note 31.

## **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 2022/23**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	133,819	336	-	134,155
Community Planning	301,476	612,370	9,098	-	922,944
Economic Development and Planning	85,122	528,398	(2,377)	-	611,143
Organisational Development	(1,621,752)	308,693	(16,804)	-	(1,329,863)
Finance and Governance	211,464	727,101	(9,131)	-	929,434
Operations	4,600,807	2,959,448	17,943	-	7,578,198
Capital Financing	(3,489,264)	-	-	-	(3,489,264)
Financing and Investment	-	-	-	-	-
<b>Net Cost of Services</b>	<b>87,853</b>	<b>5,269,829</b>	<b>(935)</b>	<b>-</b>	<b>5,356,747</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	3,839,084	1,109,000	-	-	4,948,084
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	3,926,937	6,378,829	(935)	-	10,304,831

**Adjustments between Funding and Accounting Basis 2021/22 \*Restated**

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	-	132,207	10,864	-	143,071
Community Planning	615,339	537,987	2,427	-	1,155,753
Economic Development and Planning	31,110	235,424	23,424	-	289,958
Organisational Development	(553,873)	292,077	30,021	-	(231,775)
Finance and Governance	728,427	1,044,909	26,834	-	1,800,170
Operations	3,608,420	3,167,853	22,407	-	6,798,680
Capital Financing	(6,638,784)	-	-	-	(6,638,784)
Financing and Investment	-	-	-	-	-
<b>Net Cost of Services</b>	<b>(2,209,361)</b>	<b>5,410,457</b>	<b>115,977</b>	<b>-</b>	<b>3,317,073</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(9,044,149)	1,220,000	-	-	(7,824,149)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(11,253,510)	6,630,457	115,977	-	(4,507,076)

\*The comparative figures have been restated. See note 31.

## 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:

	2022/23									
	Revenue from External Customers	Revenues from Government Sources	Interest Revenue	Interest Expense	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & Services	Minimum Revenue Provision
	£	£	£	£	£	£	£	£	£	£
Chief Executive	(124,630)	(3,029)	-	-	-	-	5,364	-	251,616	-
Community Planning	(1,696,406)	(2,156,745)	-	-	642,572	829,119	31,640	-	3,893,866	-
Economic Development and	(1,575,048)	(1,551,933)	-	-	-	2,431	44,559	-	1,389,485	-
Organisational Development	-	(3,647)	-	-	-	612	8,191	-	605,459	-
Finance and Governance	(4,480)	(35,453)	-	-	-	2,950	50,006	-	2,085,970	-
Operations	(8,565,516)	(330,892)	-	-	2,902,018	4,006,055	1,890,214	10,344,335	5,367,468	-
Capital Financing	-	-	-	-	-	-	-	-	-	4,706,510
Financing and Investment	-	-	(117,920)	1,900,587	-	-	-	-	-	-
<b>Total Income Analysed on a segmental basis</b>	<b>(11,966,080)</b>	<b>(4,081,699)</b>	<b>(117,920)</b>	<b>1,900,587</b>	<b>3,544,590</b>	<b>4,841,167</b>	<b>2,029,974</b>	<b>10,344,335</b>	<b>13,593,864</b>	<b>4,706,510</b>

	* Restated 2021/22									
	Revenue from External Customers	Revenues from Government Sources	Interest Revenue	Interest Expense	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & Services	Minimum Revenue Provision
	£	£	£	£	£	£	£	£	£	£
Chief Executive	(113,066)	-	-	-	-	-	2,364	-	78,441	-
Community Planning	(1,311,633)	(1,923,375)	-	-	238,996	782,573	28,629	-	2,844,411	-
Economic Development and	(3,299,287)	(1,335,018)	-	-	-	16,905	28,605	-	682,879	-
Organisational Development	(2,550)	-	-	-	-	-	4,347	-	528,088	-
Finance and Governance	(15,750)	7,000	-	-	-	-	37,064	-	1,905,549	-
Operations	(6,967,497)	(568,297)	-	-	1,600,700	3,215,104	1,622,648	7,939,944	6,114,639	-
Capital Financing	-	-	-	-	-	-	-	-	-	4,870,480
Financing and Investment	-	-	(38,170)	2,048,131	-	-	-	-	-	-
<b>Total Income Analysed on a segmental basis</b>	<b>(11,709,783)</b>	<b>(3,819,690)</b>	<b>(38,170)</b>	<b>2,048,131</b>	<b>1,839,696</b>	<b>4,014,582</b>	<b>1,723,657</b>	<b>7,939,944</b>	<b>12,154,007</b>	<b>4,870,480</b>

\*The comparative figures have been restated. See note 31.

### 3 Expenditure and Income Analysed by Nature

Expenditure		2022/23	2021/22
	Notes	£	£
Employee Benefits Expenses	7	26,476,171	21,616,844
Other Services Expenditure		-	-
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	7,376,548	7,664,977
Interest Payments	9	1,900,587	2,048,131
Gain on the Disposal of Assets	8	999	(109,479)
Other Expenditure		45,890,582	39,468,436
<b>Total Expenditure</b>		<b>81,644,887</b>	<b>70,688,909</b>
Income		2022/23	2021/22
	Notes	£	£
Fees, Charges and other service Income		-	-
Interest and Investment Income	9	117,920	3,170
District rate income	10	51,363,322	50,252,224
Government grants and Contributions	10	2,645,480	8,574,432
Covid grant included within Services		-	383,458
Other Income		16,419,492	16,790,795
<b>Total Income</b>		<b>70,546,214</b>	<b>76,004,079</b>
<b>(Surplus) or Deficit on the Provision of Services</b>		<b>11,098,673</b>	<b>(5,315,170)</b>

#### 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	2022/23		2021/22	
		£	£	£	£
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(3,799,433)		(3,235,554)	
Depreciation charged in the year on non-current assets	11	7,376,548	3,577,115	7,664,977	4,429,423
Net Revenue expenditure funded from capital under statute	26b & 26g		962,202		238,566
Net Revenue expenditure funded from capital under direction	26b & 26g		1,485,000		-
Carrying amount of non current assets sold	8	999		1,500,301	
Proceeds from the sale of PP&E, investment property and intangible assets	26a	-	999	(1,609,780)	(109,479)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	23		-		-
Net charges made for retirement benefits in accordance with IAS 19	21		10,058,000		9,934,000
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(3,679,170)		(3,303,543)
Capital Grants and Donated Assets Receivable and Applied in year	10		(137,990)		(479,930)
Capital Grants Receivable and Unapplied in year	10		276,278		(3,804,225)
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	26f		(935)		115,976
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	26		-		-
Provisions Discount Rate Reserve Adjustment	26		-		-
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	26f		(4,974,264)		(6,638,784)
Direct revenue financing of Capital Expenditure	12,26		-		-
			<b>7,567,235</b>		<b>382,004</b>

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

		2022/23	2022/23	2021/22	2021/22
	Notes	£	£	£	£
<b>Capital Fund</b>					
Interest		-		-	
From Capital		-		-	
Other	26	-	-	-	-
<b>Renewal and Repairs Fund</b>					
Interest		-		-	
Other	26d	1,000,000	1,000,000	(1,500,000)	(1,500,000)
<b>Capital Receipts Reserve</b>					
Interest		-		-	
Other	26a	5,670	5,670	(2,016,855)	(2,016,855)
<b>Other Funds and earmarked reserves</b>					
Interest		-		-	
From Other funds		1,731,926		(1,372,226)	
Other	26e	-	1,731,926	-	(1,372,226)
<b>Unusable reserves</b>					
Capital Adjustment Account		-	-	-	-
			2,737,596		(4,889,081)

## 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 2022/23 (£nil in 2021/22).

### 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.

	2022/23	2021/22
	£	£
External Audit Fees	47,800	46,700
Performance Improvement Audit	19,000	19,000
National Fraud Initiative	1,314	-
	<b>68,114</b>	<b>65,700</b>

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above. (2021/22: £nil).

## 6 Operating and Finance Leases

### 6a Finance leases (Council as lessor)

The Council has not leased any assets under a finance lease during 2022/23 (2021/22: 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 £264,480 (2021/22: £298,960). No contingent rents were recognised.

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

	31st March 2023	31st March 2022
	£	£
Not later than 1 year	252,523	17,503
Later than 1 year and no later than 5 years	837,859	415,294
Later than 5 years	387,475	292,068
	<b>1,477,857</b>	<b>724,865</b>

### 6c Finance Leases (Council as lessee)

The Council has not leased any assets under a finance lease during 2022/23 (2021/22: 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:

	2022/23	2021/22
	£	£
Minimum lease payments	29,583	28,447
Contingent rentals	-	-
Less: Sublease payments receivable	(11,893)	(12,542)
<b>Total</b>	<b>17,690</b>	<b>15,905</b>

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 2023 is £16,048 (2021/22: £28,779).

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

	31st March 2023	31st March 2022
	£	£
Not later than 1 year	29,134	28,447
Later than 1 year and no later than 5 years	26,459	17,412
Later than 5 years	-	-
	<b>55,593</b>	<b>45,859</b>

## 7 Employee Costs and Members' Allowances

### 7a Staff Costs

Employee Costs and Member Allowances		
	2022/23	2021/22
	£	£
Salaries and Wages	20,099,876	16,651,549
Employers NIC	1,995,745	1,582,181
Employers Superannuation	4,380,550	3,383,114
<b>Total staff costs</b>	<b>26,476,171</b>	<b>21,616,844</b>

In addition, agency costs during the year amounted to £1,711,088 (2021/22: £1,513,402).

The Council's contribution rate to the Northern Ireland Local Government Officers' Pension Fund was 19.5%. At the last actuarial valuation, 31 March 2022, the Funding level has decreased to 111% from 112% at the previous valuation at 31 March 2019.

Included in the above are costs of £1,753,925 (2021/22: £645,979) 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 £904,327 (2021/22: £309,091), employers NIC of £29,289 (2021/22: £2,331) and superannuation costs of £820,309 (2021/22: £334,557).

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

	2022/23	2021/22
	FTE	FTE
Chief Executive	10	8
Community Planning	96	90
Economic Development and Planning	47	40
Organisational Development	36	29
Finance and Governance	44	47
Operations	310	294
<b>Total Number</b>	<b>543</b>	<b>508</b>

### Actual Number of Employees

	2022/23	2021/22
	Actual Numbers	Actual Numbers
Full-time numbers employed	535	425
Part-time numbers employed	320	422
<b>Total Number</b>	<b>855</b>	<b>847</b>

**7c Senior Employees' Remuneration**

	2022/23	2021/22
	£	£
£50,001 to £60,000	27	16
£60,001 to £70,000	10	5
£70,001 to £80,000	4	4
£80,001 to £90,000	3	1
£90,001 to £100,000	4	3
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1
<b>Total Number</b>	<b>49</b>	<b>30</b>

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 £977,933 (2021/22: £923,185) and are as follows:

	2022/23	2021/22
	£	£
Basic allowance	652,669	627,267
Mayor's & Deputy Mayor's Allowance	32,472	27,495
Special Responsibility Allowances	63,673	59,885
Dependents' carers allowance	-	-
Employer costs	196,906	185,412
Mileage	10,530	7,974
Conferences and Courses	4,298	-
Travel & Subsistence Costs	736	519
Miscellaneous Costs	16,649	14,633
<b>Total</b>	<b>977,933</b>	<b>923,185</b>

During the year allowances of £1,200 (2021/22: £1,800) 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 2023.

For 2022/23, employers' contributions of £228,417 (2021/22: £230,108) were payable to the Northern Ireland Civil Service pension arrangements at one of four rates in the range 28.7% to 34.2% (2021/22: 28.7% to 34.2%) of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2016 was completed by the actuary during 2018/19.



This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2019. The contribution rates are set to meet the cost of the benefits accruing during 2022/23 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 (2021/22: 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. (2021/22: £Nil).

## 8 Other Operating Income and Expenditure

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

	2022/23	2021/22
	£	£
Proceeds from sale	-	(1,609,780)
Carrying amount of non-current assets sold (excl Investment Properties)	999	1,500,301
	999	(109,479)

### 8b Other Operating Income/Expenditure

	2022/23	2021/22
	£	£
Income	-	-
Expenditure	1,810	128
	1,810	128

Other Operating Expenditure	2022/23	2021/22
	£	£
(Surplus) / Deficit on Non Current Assets	999	(109,479)
Other Operating (Income) / Expenditure	1,810	128
	2,809	(109,351)

**9 Financing and Investment Income and Expenditure**

**9a Interest Payable and Similar Charges**

	2022/23	2021/22
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,900,587	2,048,131
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	1,900,587	2,048,131

**9b Interest and Investment Income**

	2022/23	2021/22
	£	£
Bank Interest	117,920	3,170
Employee car loan interest	-	-
NIHE Loan interest receivable	-	-
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	117,920	3,170

**9c Pensions interest cost and expected return on pensions assets**

	2022/23	2021/22
	£	£
Net interest on the net defined benefit liability (asset)	1,109,000	1,220,000
	1,109,000	1,220,000

**9d Surplus / (Deficit) on trading operations**

There were no trading operations during 2022/23 (2021/22: none).

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

	2022/23	2021/22
<b>Income/Expenditure from Investment Properties:</b>	£	£
Income including rental income	(35,000)	(35,000)
Expenditure	-	-
<i>Net income from investment properties</i>	(35,000)	(35,000)
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>		
	-	-
	(35,000)	(35,000)

**Financing and Investment Income and Expenditure Summary**

	2022/23			2021/22		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Interest Payable and Similar Charges	1,900,587	-	1,900,587	2,048,131	-	2,048,131
Interest and Investment Income	-	(117,920)	(117,920)	-	(3,170)	(3,170)
Pensions interest cost	1,109,000	-	1,109,000	1,220,000	-	1,220,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	(35,000)	(35,000)	-	(35,000)	(35,000)
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
	<b>3,009,587</b>	<b>(152,920)</b>	<b>2,856,667</b>	<b>3,268,131</b>	<b>(38,170)</b>	<b>3,229,961</b>

## 10 Taxation and Non-Specific Grant Income

### 10a Revenue Grants

	2022/23	2021/22
	£	£
General	(2,783,768)	(2,722,775)
Other	-	(1,567,502)
	(2,783,768)	(4,290,277)

Other grants of £Nil (2021/22: £1.57m) relates to funding allocated to the Council from the Department for Communities (DfC) to alleviate the impact of exceptional losses and costs as a consequence of COVID-19.

### 10b Revenue Grants-Unapplied

	2022/23	2021/22
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	-	-

### 10c Capital Grants and Donated Assets-Applied

	2022/23	2021/22
	£	£
Government & Other Grants - Conditions met and applied in year	(137,990)	(479,930)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(137,990)	(479,930)

### 10d Capital Grants-Unapplied

	2022/23	2021/22
	£	£
Government & Other Grants - Conditions met and not applied in year	276,278	(3,804,225)
Other	-	-
	276,278	(3,804,225)

## 10e District Rates

	2022/23	2021/22
	£	£
Current year	(51,363,322)	(50,252,224)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	(51,363,322)	(50,252,224)

## Summary of Taxation and Non-specific Grant income:

Taxation and Non Specific Grant Income	2022/23	2021/22
	£	£
District Rate Income	(51,363,322)	(50,252,224)
Revenue Grants	(2,783,768)	(4,290,277)
Capital Grants and Contributions	138,288	(4,284,155)
	(54,008,802)	(58,826,656)

### 11a Fixed Assets Note – Current Year

Cost or Valuation	Land	Buildings	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	30,966,000	146,433,994	22,684,143	204,755	3,436,896	4,103,050	<b>207,828,838</b>	3,090,424	-	<b>210,919,262</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	<b>30,966,000</b>	<b>146,433,994</b>	<b>22,684,143</b>	<b>204,755</b>	<b>3,436,896</b>	<b>4,103,050</b>	<b>207,828,838</b>	<b>3,090,424</b>	<b>-</b>	<b>210,919,262</b>
Additions	-	753,994	755,396	-	8,095,701	-	<b>9,605,091</b>	10,633	-	<b>9,615,724</b>
Donations	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	11,500	6,652,436	-	6,687	-	34,950	<b>6,705,573</b>	45,299	-	<b>6,750,872</b>
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(17,500)	154,686	-	-	-	-	<b>137,186</b>	-	-	<b>137,186</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	(17,080)	-	-	-	<b>(17,080)</b>	-	-	<b>(17,080)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	2,149,063	-	-	(2,975,251)	-	<b>(826,188)</b>	60,848	-	<b>(765,340)</b>
Reclassified to (-) / from (+) Held for Sale	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>30,960,000</b>	<b>156,144,173</b>	<b>23,422,459</b>	<b>211,442</b>	<b>8,557,346</b>	<b>4,138,000</b>	<b>223,433,420</b>	<b>3,207,204</b>	<b>-</b>	<b>226,640,624</b>
<b>Depreciation and Impairment</b>			<b>Vehicles, Plant &amp; Equipment</b>	<b>Community Assets</b>	<b>PP&amp;E Under Construction</b>	<b>Surplus Assets</b>	<b>Total PP&amp;E</b>	<b>Heritage Assets</b>	<b>Assets Held for Resale</b>	<b>TOTAL</b>
	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	-	470,507	16,454,945	-	-	-	<b>16,925,452</b>	207,496	-	<b>17,132,948</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	<b>-</b>	<b>470,507</b>	<b>16,454,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,925,452</b>	<b>207,496</b>	<b>-</b>	<b>17,132,948</b>
Depreciation Charge	-	5,780,425	1,378,676	22,340	-	-	<b>7,181,441</b>	41,945	-	<b>7,223,386</b>
Depreciation written out on Revaluation Reserve	-	(1,985,237)	-	(9,005)	-	-	<b>(1,994,242)</b>	(24,022)	-	<b>(2,018,264)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,648,904)	-	(13,343)	-	-	<b>(3,662,247)</b>	-	-	<b>(3,662,247)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	(16,081)	-	-	-	<b>(16,081)</b>	-	-	<b>(16,081)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>616,791</b>	<b>17,817,540</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>18,434,323</b>	<b>225,419</b>	<b>-</b>	<b>18,659,742</b>
<b>Balance as at 31 March 2023</b>	<b>30,960,000</b>	<b>155,527,382</b>	<b>5,604,919</b>	<b>211,450</b>	<b>8,557,346</b>	<b>4,138,000</b>	<b>204,999,097</b>	<b>2,981,785</b>	<b>-</b>	<b>207,980,882</b>

## 11b Fixed Assets Note – Comparative Year

Cost or Valuation	Land	Buildings	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	30,990,500	142,173,495	21,578,778	215,558	1,892,090	4,175,550	<b>201,025,971</b>	3,088,971	-	<b>204,114,942</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2021</b>	<b>30,990,500</b>	<b>142,173,495</b>	<b>21,578,778</b>	<b>215,558</b>	<b>1,892,090</b>	<b>4,175,550</b>	<b>201,025,971</b>	<b>3,088,971</b>	-	<b>204,114,942</b>
Additions	-	1,446,165	354,193	-	3,216,483	-	<b>5,016,841</b>	11,951	-	<b>5,028,792</b>
Donations	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	(42,000)	1,996,397	-	(10,803)	-	2,500	<b>1,946,094</b>	(10,498)	-	<b>1,935,596</b>
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	17,500	(32,962)	-	-	-	-	<b>(15,462)</b>	-	-	<b>(15,462)</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	(69,606)	-	-	-	<b>(69,606)</b>	-	-	<b>(69,606)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	850,899	820,778	-	(1,671,677)	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	(75,000)	<b>(75,000)</b>	-	-	<b>(75,000)</b>
<b>Balance as at 31 March 2022</b>	<b>30,966,000</b>	<b>146,433,994</b>	<b>22,684,143</b>	<b>204,755</b>	<b>3,436,896</b>	<b>4,103,050</b>	<b>207,828,838</b>	<b>3,090,424</b>	-	<b>210,919,262</b>
Depreciation and Impairment	Land	Buildings	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	-	338,039	14,969,737	-	-	-	15,307,776	188,425	-	15,496,201
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2021</b>	<b>-</b>	<b>338,039</b>	<b>14,969,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,307,776</b>	<b>188,425</b>	<b>-</b>	<b>15,496,201</b>
Depreciation Charge	-	5,773,584	1,554,513	21,062	-	-	<b>7,349,159</b>	42,719	-	<b>7,391,878</b>
Depreciation written out on Revaluation Reserve	-	(2,414,193)	-	(11,037)	-	-	<b>(2,425,230)</b>	(9,580)	-	<b>(2,434,810)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,226,923)	-	(10,025)	-	-	<b>(3,236,948)</b>	(14,068)	-	<b>(3,251,016)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	(69,305)	-	-	-	<b>(69,305)</b>	-	-	<b>(69,305)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>470,507</b>	<b>16,454,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,925,452</b>	<b>207,496</b>	<b>-</b>	<b>17,132,948</b>
<b>Net Book Values</b>										
<b>Balance as at 31 March 2022</b>	<b>30,966,000</b>	<b>145,963,487</b>	<b>6,229,198</b>	<b>204,755</b>	<b>3,436,896</b>	<b>4,103,050</b>	<b>190,903,386</b>	<b>2,882,928</b>	<b>-</b>	<b>193,786,314</b>
<b>Balance as at 31 March 2023</b>	<b>30,960,000</b>	<b>155,527,382</b>	<b>5,604,919</b>	<b>211,450</b>	<b>8,557,346</b>	<b>4,138,000</b>	<b>204,999,097</b>	<b>2,981,785</b>	<b>-</b>	<b>207,980,882</b>

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 2023. 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 2022/23 (2021/22: 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 4,000 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

	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2022	220,000	-	220,000
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	<b>220,000</b>	<b>-</b>	<b>220,000</b>
<b>Impairment</b>			
Balance as at 1 April 2022	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
<b>Balance as at 31 March 2023</b>	<b>220,000</b>	<b>-</b>	<b>220,000</b>
<b>Balance as at 31 March 2022</b>	<b>220,000</b>	<b>-</b>	<b>220,000</b>

	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2021	1,645,000	-	1,645,000
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	(1,500,000)	-	(1,500,000)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	75,000	-	75,000
<b>Balance as at 31 March 2022</b>	<b>220,000</b>	<b>-</b>	<b>220,000</b>
<b>Impairment</b>			
Balance as at 1 April 2021	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Council intends to dispose of one building and one piece of land that were deemed surplus to requirements. The sales are expected to take place within the next 12 months.

## 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.

	31/03/2023	31/03/2022
	£	£
Rental Income from Investment Activities	35,000	35,000
Direct Operating expenses arising from investment properties	-	-
<b>Net gain/(loss)</b>	<b>35,000</b>	<b>35,000</b>

The Council held one investment property at 31 March 2023. The following table summarises the movement in the fair value of investment properties over the year:

	2022/23	2021/22
	£	£
Balance at start of the year	910,000	910,000
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	-	-
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	-	-
Other changes	-	-
<b>Balance at end of the year</b>	<b>910,000</b>	<b>910,000</b>

## 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 generally 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 £153,162 (2021/22: £273,009) charged to revenue in 2022/23 was charged to the Finance and Governance department in the Cost of Services.

	2022/23	2021/22
	£	£
Balance at start of year:		
Gross carrying amounts	1,247,562	1,083,628
Accumulated amortisation	(919,251)	(646,152)
Net carrying amount at start of year	328,311	437,476
Additions	97,234	163,934
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	(153,162)	(273,099)
Other Changes	765,340	-
<b>Net carrying amount at end of year</b>	<b>1,037,723</b>	<b>328,311</b>
Comprising:		
Gross carrying amounts	2,065,136	1,247,562
Accumulated amortisation	(1,027,413)	(919,251)
<b>Net carrying amount at end of year</b>	<b>1,037,723</b>	<b>328,311</b>

Other changes relates to the Planning Portal, which went live during 2022/23. The Planning Portal was reclassified from Assets Under Construction to Intangibles.

## 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.

		2022/23	2021/22
		£	£
<b>Opening Capital Financing Requirement</b>		62,619,643	64,601,594
<b>Capital Investment</b>			
Property, Plant and Equipment	11a	9,615,724	5,028,792
Investment Properties		-	-
Intangible Assets	11i	97,234	163,934
Revenue Expenditure Funded from Capital under Statute	26f	951,499	238,566
Revenue Expenditure Funded from Capital under Direction	26f	1,485,000	-
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts		-	-
Government Grants and Other Contributions	26g	(498,785)	(632,284)
Transfers from Earmarked Reserves	26d	-	(142,175)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision	26f	(4,974,264)	(6,638,784)
<b>Closing Capital Financing Requirement</b>		<b>69,296,051</b>	<b>62,619,643</b>
<b>Explanation of Movements in Year</b>		<b>2022/23</b>	<b>2021/22</b>
		<b>£</b>	<b>£</b>
Increase/(decrease) in underlying need to borrow		6,676,408	(1,981,951)

The Revenue Expenditure Funded from capital under Statute detailed above differs from note 26f by £10,703 due to a previously applied capital grant no longer claimable.

### 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	6,475,354	2,010,106	4,465,248
<b>Total</b>	<b>6,475,354</b>	<b>2,010,106</b>	<b>4,465,248</b>

### 14 Inventories

Inventories	2022/23 £	2021/22 £
Central Stores	423,057	402,077
Other	88,223	83,130
<b>Total</b>	<b>511,280</b>	<b>485,207</b>

The cost of inventories recognised as expense and included in 'services' amounted to £886,497 (2021/22: £698,888).

### 15 Debtors

#### 15a Long Term Debtors

Debtors Long Term Debtors	2022/23 £	2021/22 £
Other	-	-
<b>Total Long-Term Debtors</b>	<b>-</b>	<b>-</b>

#### 15b Short Term Debtors

Short Term Debtors	2022/23 £	2021/22 £
Government Departments	1,044,784	1,281,890
Other Councils	193,369	239,654
Revenue Grants	1,832,608	1,461,298
Capital Grants	3,811,556	4,539,293
Value Added Tax	1,897,973	1,225,375
Prepayments	490,914	155,959
Other	1,332,637	714,094
Impairment loss - Trade receivables	(287,449)	(129,961)
<b>Total Short-Term Debtors</b>	<b>10,316,392</b>	<b>9,487,602</b>
<b>Total Debtors</b>	<b>10,316,392</b>	<b>9,487,602</b>

## 16 Investments

There were no long or short term investments as at 31 March 2023. (2021/22: £nil). The amounts held by the Council on deposit at the 31 March 2023 are included within Cash and Cash Equivalents (see Note 25b).

## 17 Borrowing

### 17a Short Term Borrowing

Borrowings		2022/23	2021/22
Short Term Borrowing		£	£
Loans re-payable within one year		2,306,734	2,354,944
<b>Total Short Term Borrowing</b>		<b>2,306,734</b>	<b>2,354,944</b>

### 17b Long Term Borrowing

Long Term Borrowing		2022/23	2021/22
		£	£
Between 1 and 2 years		2,262,848	2,306,734
Between 2 and 5 years		5,930,125	6,437,139
Between 5 and 10 years		5,878,049	6,683,229
In more than 10 years		23,935,250	24,885,914
<b>Government Loans Fund</b>		<b>38,006,272</b>	<b>40,313,016</b>
<b>Total Borrowing</b>		<b>40,313,006</b>	<b>42,667,960</b>

Interest rates on loans range between 2.35% and 14.00%.

The loans are analysed on a repayment basis.

## 18 Creditors

### 18a Short Term Creditors

Creditors		2022/23	2021/22
Short Term Creditors		£	£
Government Departments		(3,221)	177,739
Other Councils		21,936	57,732
Remuneration due to employees		29,851	108,652
Accumulated Absences		398,170	399,105
Loan Interest Payable		304,714	327,115
Capital Creditors		1,498,945	698,903
Receipts in advance		2,542,622	1,443,322
Trade creditors		-	-
Other		3,870,440	2,981,761
<b>Total Short Term Creditors</b>		<b>8,663,457</b>	<b>6,194,329</b>

This amount includes £2,542,622 (2021/22: £1,443,322) of third party income.

### 18b Long Term Creditors

There were no long term creditors as at 31 March 2023 (2021/22: £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 22,563 invoices totalling £60.5m, inclusive of VAT (2021/22: 21,024 invoices totalling £49.3m). The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2022/23 was on average 22.18 days from receipt of invoice to payment (2021/22: 24.16 days).

During 2022/23 the Council paid 17,938 (80%) (2021/22: 16,828 80%) invoices within 30 calendar days, 12,999 (58%) (2021/22: 13,694 65%) of which were paid within 10 working days. 4,625 (20%) (2021/22: 4,196 20%) 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 2022 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2023 £
Landfill Closure	285,720	-	(92,691)	-	-	<b>193,029</b>
Claims Management	188,970	-	(10,608)	-	-	<b>178,362</b>
Job Evaluation	93,061	18,538	(10,504)	(72,242)	-	<b>28,853</b>
Severance/Re-Org	-	1,733,599	-	-	-	<b>1,733,599</b>
<b>Total</b>	<b>567,751</b>	<b>1,752,137</b>	<b>(113,803)</b>	<b>(72,242)</b>	<b>-</b>	<b>2,133,843</b>
Current Provisions	298,982	1,752,137	(30,645)	(72,242)	-	<b>1,948,232</b>
Long Term Provisions	268,769	-	(83,158)	-	-	<b>185,611</b>
<b>Total</b>	<b>567,751</b>	<b>1,752,137</b>	<b>(113,803)</b>	<b>(72,242)</b>	<b>-</b>	<b>2,133,843</b>
Comparative Year						
	Balance as at 1 April 2021 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Restated Balance as at 31 March 2022 £
Landfill Closure	318,252	200	(32,732)	-	-	<b>285,720</b>
Claims Management	293,539	-	(3,914)	(100,655)	-	<b>188,970</b>
Job Evaluation	-	93,061	-	-	-	<b>93,061</b>
Severance/Re-Org	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>611,791</b>	<b>93,261</b>	<b>(36,646)</b>	<b>(100,655)</b>	<b>-</b>	<b>567,751</b>
Current Provisions	310,290	93,261	(3,914)	(100,655)	-	<b>298,982</b>
Long Term Provisions	301,501	-	(32,732)	-	-	<b>268,769</b>
<b>Total</b>	<b>611,791</b>	<b>93,261</b>	<b>(36,646)</b>	<b>(100,655)</b>	<b>-</b>	<b>567,751</b>

The Council has made provision for the after care costs arising from the closure of a landfill site of £193,029 (2021/22: £285,720), costs relating to legal and special advices of £178,362 (2021/22: £188,970) in relation to on-going cases, and a provision of £28,853 (2021/22: £93,061) for potential job evaluation arrears due to re-structuring. The Council has also made provision of £1.73m for estimated costs of voluntary severance.

## 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.

Trade debtors of £3,239,951 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		1,989,288
Three to six months		(39,537)
Six months to one year		34,251
More than one year		1,255,949
		<b>3,239,951</b>

### 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 and market loans at rates of interest that differ from the prevailing market rates. The fair value of these loans is £42,684,093 and are analysed as follows:

	£
Government Loans Fund	40,467,744
Market Loans	2,216,349
<b>Total</b>	<b>42,684,093</b>

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	2022/23 £	2021/22 £
Net cost of services:			
Current service cost		8,790,000	8,298,000
Past service cost/(gain)		159,000	416,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		1,109,000	1,220,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>10,058,000</b>	<b>9,934,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(10,058,000)	(9,934,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,679,170	3,303,543
<b>Net adjustment to General Fund</b>		<b>(6,378,830)</b>	<b>(6,630,457)</b>

The Current service cost includes an allowance for administration expenses of £94k (2021/22: £80k).

### Remeasurements recognised in Other Comprehensive Income and Expenditure

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2022/23 £	2021/22 £
Liability gains/(losses) due to change in assumptions		90,135,000	15,621,000
Liability gains/(losses) due to due to demographic changes		(891,000)	2,181,000
Liability experience gains/(losses) arising in the year		(15,844,000)	(466,000)
Actuarial gains/(losses) on plan assets		(22,626,000)	5,806,000
Adjustment in respect of Paragraph 64, IAS 19		(2,823,000)	-
Other		261,830	357,457
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>48,212,830</b>	<b>23,499,457</b>

**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	2022/23 £	2021/22 £
Balance as at 1 April		215,558,000	223,050,000
Current service cost		8,790,000	8,298,000
Interest cost		5,770,000	4,648,000
Contributions by members		1,225,000	1,029,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(90,135,000)	(15,621,000)
Actuarial gains/losses arising from demographic changes		891,000	(2,181,000)
Actuarial gains/losses arising on liabilities from experience		15,844,000	466,000
Other (if applicable)		-	-
Past service costs/(gains)		159,000	416,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(107,000)	(117,000)
Estimated benefits paid		(4,896,000)	(4,430,000)
Adjustment in respect of paragraph 64		(151,869,000)	-
<b>Balance as at 31 March</b>		<b>1,230,000</b>	<b>215,558,000</b>

**Reconciliation of present value of the scheme assets:**

Reconciliation of present value of the scheme assets:			
	Note	2022/23 £	2021/22 £
Balance as at 1 April		172,494,000	163,117,000
Interest Income		4,661,000	3,428,000
Contributions by members		1,225,000	1,029,000
Contributions by employer		3,834,000	3,544,000
Contributions in respect of unfunded benefits		107,000	117,000
Remeasurement gain/(loss)		(22,626,000)	5,806,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(107,000)	(117,000)
Benefits paid		(4,896,000)	(4,430,000)
Adjustment in respect of paragraph 64		(154,692,000)	-
<b>Balance as at 31 March</b>		<b>-</b>	<b>172,494,000</b>

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

The actual return on scheme assets in the year was a loss of £18m (2021/22: £9m gain).

The Council had a net pension asset at the balance sheet date. Additional calculations were provided by the Actuary to determine if the Net pension Asset should be recognised in full on the Council's balance sheet or if it should be restricted. The Actuaries concluded that none of the surplus can be recognised on the Council's balance sheet.

**Fair Value of Plan Assets**

Fair Value of Plan Assets	2022/23 £	2021/22 £
Equity investments	61,876,800	73,999,926
Bonds	36,507,312	46,400,886
Property	17,325,504	17,249,400
Cash	10,054,980	6,899,760
Other	28,927,404	27,944,028
	154,692,000	172,494,000

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):**

	2022/23 £	2021/22 £
Fair Value of Employer Assets	-	172,494,000
Present value of funded defined benefit obligation	(1,230,000)	(215,558,000)
Pension asset/(liability) of Funded Scheme	(1,230,000)	(43,064,000)
Present Value of unfunded defined benefit obligation	-	-
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	(1,230,000)	(43,064,000)
Amount in the Balance sheet:		
Liabilities	(1,230,000)	(215,558,000)
Assets	-	172,494,000
<b>Net Asset/(Liability)</b>	<b>(1,230,000)</b>	<b>(43,064,000)</b>

**21d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2023**

Scheme History Analysis of scheme assets and liabilities	2022/23 £	2021/22 £
Fair Value of Assets in pension scheme	-	172,494,000
Present Value of Defined Benefit Obligation	(1,230,000)	(215,558,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>(1,230,000)</b>	<b>(43,064,000)</b>

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2024 is £3.7m.

## 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 2022.

Pension scheme assumptions:	2022/23	2021/22
	%	%
Equity investments	40.0%	42.9%
Bonds	23.6%	26.9%
Property	11.2%	10.0%
Cash	6.5%	4.0%
Other	18.7%	16.2%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	22.2	21.8
Women	25.0	25.0
<i>Longevity at 65 for future pensioners:</i>		
Men	23.2	23.2
Women	26.0	26.4
Inflation/Pension Increase Rate	2.70%	3.00%
Salary Increase Rate	4.20%	4.50%
Expected Return on Assets	0.00%	0.00%
Discount Rate	4.70%	2.70%
Pension accounts revaluation rate	2.70%	3.00%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
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 2023 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

<b>Discount Rate Assumption</b>		
Adjustment to discount rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	149,135,000	154,755,000
% change in the present value of the total obligation	-1.80%	1.90%
Projected service cost	3,961,000	4,295,000
Approximate % change in projected service cost	-4.00%	4.10%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	152,173,000	151,565,000
% change in the present value of the total obligation	0.20%	-0.20%
Projected service cost	4,126,000	4,126,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	154,299,000	149,439,000
% change in the present value of the total obligation	1.60%	-1.60%
Projected service cost	4,295,000	3,961,000
Approximate % change in projected service cost	4.10%	-4.00%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	<b>- 1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	155,969,000	147,769,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	4,270,000	3,982,000
Approximate % change in projected service cost	3.50%	-3.50%

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

## 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:

	<b>31/03/2023</b>	<b>31/03/2022</b>
	<b>%</b>	<b>%</b>
Equity investments	40.00%	42.90%
Government Bonds	20.60%	24.70%
Corporate Bonds	3.00%	2.20%
Property	11.20%	10.00%
Cash	6.50%	4.00%
Other	18.70%	16.20%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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 2023.

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 (2021/22: 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 balances at the year end area as follows:

Capital Grants Received in Advance	Note	2022/23 £	2021/22 £
Opening balance		725,000	725,000
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released to the Comprehensive Income and Expenditure Statement		(725,000)	-
		-	725,000

Capital Grants Receipts in Advance	Note	2022/23 £	2021/22 £
Small Settlements Regeneration Programme		-	725,000
		-	725,000

## 24 Contingencies

The Council had the following Contingent Assets at the 31 March 2023:

The Council, together with the other 10 district councils in NI, is participating in a legal action against HMRC to recover previously over declared output VAT in respect of leisure and recreational income, which arose because HMRC did not accept that the Council provides leisure and recreational activities pursuant to a special legal regime without causing any significant distortion of competition. Although Mid Ulster District Council (as lead council in the

litigation) succeeded in its claim to the First Tier Tax Tribunal, HMRC subsequently, pursuant to Rule 39 of the Tribunal Procedure (First Tier Tribunal) (Tax Chamber) Rules 2009, lodged an application to appeal to the Upper Tier Tax Tribunal. The application to lodge an appeal was successful and the appeal was heard by the Upper Tier Tribunal in May 2022. The Upper Tier Tax Tribunal released its decision on 19 July 2022; the decision was to allow the appeal and remit the matter back to the First Tier Tax Tribunal for consideration.

Mid Ulster District Council subsequently sought and received permission to appeal the Upper Tier Tax Tribunal decision to the Court of Appeal and a Hearing was scheduled to take place in May 2023. On 26 January 2023, HMRC notified Mid Ulster District Council that it decided to pay all of the Local Authority Leisure Service claims and proceeded to publish an associated Revenue and Customs Brief on 3 March 2023. Mid Ulster District Council's appeal to the Court of Appeal is currently stayed until 15 September 2023 to allow both parties to time to seek a resolution of the matter. If resolution is reached, it will take time to conclude the matter; alternatively, if there is no resolution, Mid Ulster District Council shall make application for its appeal to be re-listed for mention. In either case, at this stage, it's too early to access any associated financial impact.

The Council had the following contingent liabilities at the 31 March 2023:

### **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	2022/23	2021/22
		£	£
Depreciation	11	7,376,548	7,664,977
Impairment & downward revaluations (& non-sale derecognitions)	11	(3,799,433)	(3,235,554)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	(26,073)	(8,403)
(Increase)/Decrease in Debtors	15	(912,660)	(646,086)
Increase/(decrease) in impairment provision for bad debts	15	157,488	(15,000)
Increase/(Decrease) in Creditors/Provisions	18 & 19	2,532,571	392,275
Increase/(Decrease) in Interest Creditors	18	(22,401)	(24,813)
Payments to NILGOSC	21	6,378,830	6,630,457
Carrying amount of non-current assets sold	8	999	1,500,301
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		-	-
		<b>11,685,869</b>	<b>12,258,154</b>

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2022/23	2021/22
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	-	(1,609,780)
Capital grants included in "Taxation & non-specific grant income"	10c/10d	138,288	(4,284,155)
		<b>138,288</b>	<b>(5,893,935)</b>

**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:

	2022/23	2021/22
	£	£
Cash and Bank balances	-	7,610,374
Short Term Deposits (considered to be Cash Equivalents)	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-
Bank Overdraft	(3,143,910)	-
	<b>(3,143,910)</b>	<b>7,610,374</b>

**25c Cash Flow Statement-Operating Activities**

Cash Flow Statement: Operating Activities		2022/23	2021/22
		£	£
The cash flows from operating activities include:			
Interest received		(117,920)	(3,170)
Interest paid		1,922,988	2,072,944

**25d Cash flows from Investing Activities**

Cash flows from Investing Activities		2022/23	2021/22
		£	£
Purchase of PP&E, investment property and intangible assets		(8,912,916)	(4,894,093)
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	8a	-	1,609,780
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(211,906)	459,565
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>(9,124,822)</b>	<b>(2,824,748)</b>

**25e Cash flows from Financing Activities**

Cash flows from Financing Activities	2022/23	2021/22
	£	£
Cash Receipts from Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts	-	-
Repayment of Short and Long Term Borrowing	(2,354,946)	(2,509,879)
Other payments for Financing Activities	-	-
<b>Net Cash flows from Financing Activities</b>	<b>(2,354,946)</b>	<b>(2,509,879)</b>

**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	31/03/2023	31/03/2022
		£	£
<b>At 1 April</b>		4,623,917	997,282
<b>Movement</b>			
Disposal of Non Current Assets / Capital Sales	8	-	1,609,780
Capital Receipts used to finance capital expenditure	3, 11	-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements	4b	(5,670)	2,016,855
<b>At 31 March</b>		<b>4,618,247</b>	<b>4,623,917</b>

**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	31/03/2023	31/03/2022
		£	£
<b>At 1 April</b>		4,432,902	781,031
<b>Movement</b>			
Unapplied Capital Grants received in year	4a/10d	(276,278)	3,804,225
Unapplied Capital Grants transferred to CAA in year	26g	(318,729)	-
Net Revenue Expenditure Funded form Capital under Statute		(63,471)	(152,354)
<b>At 31 March</b>		<b>3,774,424</b>	<b>4,432,902</b>

## 26c Capital Fund

There have been no contributions to, or from, the Capital Fund in 2022/23 (2021/22: £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	31/03/2023	31/03/2022
		£	£
At 1 April		2,409,394	1,051,569
Transfers between statutory & other reserves & the General Fund	4	(1,000,000)	1,500,000
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	(142,175)
<b>At 31 March</b>		<b>1,409,394</b>	<b>2,409,394</b>

	£	£
Planned Maintenance Programme	559,394	1,559,394
General	850,000	850,000
	-	-
<b>Total</b>	<b>1,409,394</b>	<b>2,409,394</b>

## 26e Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		12,146,104	10,773,878
Transfers between statutory & other reserves & the General Fund	4	(1,731,926)	1,372,226
<b>At 31 March</b>		<b>10,414,178</b>	<b>12,146,104</b>

	£	£
Northern Ireland Housing Executive	527,265	634,636
Rates Appeal Reserve	1,061,539	779,947
Strategic Projects Reserve	4,527,282	4,062,282
Rates COVID-19 Losses Reserve	-	4,919,239
Rates Revaluation 2022 Reserve	500,000	500,000
Borough Recovery Reserve	-	1,250,000
DfC Hardship	306,432	-
Borough Recovery Cost of Living	3,491,660	-
<b>Total</b>	<b>10,414,178</b>	<b>12,146,104</b>

**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	31/03/2023	31/03/2022
		£	£
At 1 April		6,834,574	6,026,481
Applied Capital Grants	10, 12	(137,990)	(479,930)
Unapplied Capital Grants received in year	10d	276,278	(3,804,225)
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	3,577,115	4,429,423
Statutory Provision for financing Capital Investment	4	(4,974,264)	(6,638,784)
Net Revenue expenditure funded from capital under statute			
	4, 12	962,202	238,566
Net Revenue expenditure funded from capital under direction			
	4, 12	1,485,000	-
Surplus/(Deficit) on the Provision of Services	CIES	(11,098,673)	5,315,170
Transfers between Statutory and Other Reserves and the General Fund			
	4b	2,737,596	(4,889,081)
Net movements on Pension Reserve	4, 21	6,378,830	6,630,457
Disposal of Fixed Assets/Capital Sales	8a	999	(109,479)
Capital Receipts used to Finance Capital Expenditure		-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			
	4	(935)	115,976
Other Movements		-	-
<b>At 31 March</b>		<b>6,040,732</b>	<b>6,834,574</b>

## 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	31/03/2023	31/03/2022
		£	£
At 1 April		94,759,053	90,997,999
Applied Capital Grants	10, 12	137,990	479,930
Unapplied Capital Grants transferred to CAA in year		318,729	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(3,577,115)	(4,429,423)
Statutory Provision for financing Capital Investment	4, 12	4,974,264	6,638,784
Net Revenue expenditure funded from Capital under direction	4, 12	(898,731)	(86,212)
Net Revenue expenditure funded from Capital under statute	4, 12	(1,485,000)	-
Disposal of Fixed Assets/ Capital Sales	8a	(999)	(1,500,301)
Capital Receipts used to finance capital expenditure	26a	-	-
Other Movements		2,015,112	2,516,101
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	142,175
<b>At 31 March</b>		<b>96,243,303</b>	<b>94,759,053</b>

## 26h Financial Instruments Adjustment Account

The Council has no transactions that would require use of this account (2021/22: £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	31/03/2023	31/03/2022
			£	£
At 1 April			37,865,929	36,011,624
Revaluation & Impairment	11		8,769,136	4,370,406
Movements from associates & joint ventures			-	-
Other Movements			(2,015,112)	(2,516,101)
<b>At 31 March</b>			<b>44,619,953</b>	<b>37,865,929</b>

## 26j Available-for-Sale Financial Instruments Adjustment Reserve

The Council has no transactions that would require the use of this reserve (2021/22: £nil).

## 26k Pension Reserve

Pension Reserve		Notes	31/03/2023	31/03/2022
			£	£
At 1 April			(43,064,000)	(59,933,000)
Net Movements on Pension Reserve	4, 21		(6,378,830)	(6,630,457)
Revaluation & Impairment	21		48,212,830	23,499,457
<b>At 31 March</b>			<b>(1,230,000)</b>	<b>(43,064,000)</b>

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

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

## 26l Capital Receipts Deferred Account

The Council has no transactions that would require use of this account (2021/22: £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	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		(399,105)	(283,129)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4a	935	(115,976)
<b>At 31 March</b>		<b>(398,170)</b>	<b>(399,105)</b>

## 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 £19,413 (2021/22: £4,970) of which £nil (2021/22: £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 £6,330 (2021/22: £49,538) of which £nil (2021/22: £5,323) 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 £nil (2021/22: £Nil) of which £16,757 (2021/22: £16,757) 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 (2021/22: £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 £4,673,203 (2021/22: £4,604,725) towards procurement of goods and services and administration costs during the year of which £48,323 (2021/22: £23,517) was owed to the Council at 31 March 2023. The Council received £121,601 (2021/22: £69,284) in respect of property rental and an income share arrangement with a further £52,529 (2021/22: £22,313) outstanding at 31 March 2023.

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

Remuneration Report	Page 38
District Rates	Note 10e

### 31 Prior Year Adjustment

During the year, following a restructure exercise pavilions and tourism transferred to community planning from operations and economic development respectively. The administration of births deaths and marriages transferred to operations to reflect reporting lines for the new crematorium.

There has been no impact in the General Fund or Balance Sheet.

### 32 Events after the Reporting Period

There were no events occurring after 31 March 2023, which require adjustment to the Council's financial statements or additional disclosures.

### 33 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:

	<b>31 March 2023</b>
	<b>£</b>
Bequest Account No 1	78
Bequest Account No 2	2,322
Bequest Account No 3	381
	<b>2,781</b>

### 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:

	<b>31 March 2023</b>
	<b>£</b>
Mayor's Charitable Fund	37,084

### Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on xxth September 2023.



ANTRIM CIVIC CENTRE  
50 Stiles Way, Antrim BT41 2UB  
T 028 9446 3113

MOSSLEY MILL  
Carrmoney Road North, Newtownabbey BT36 5QA  
T 028 9034 0000

[antrimandnewtownabbey.gov.uk](http://antrimandnewtownabbey.gov.uk)

