

# Annual Report and Accounts

FOR THE YEAR ENDED 31 MARCH 2023



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# Introduction

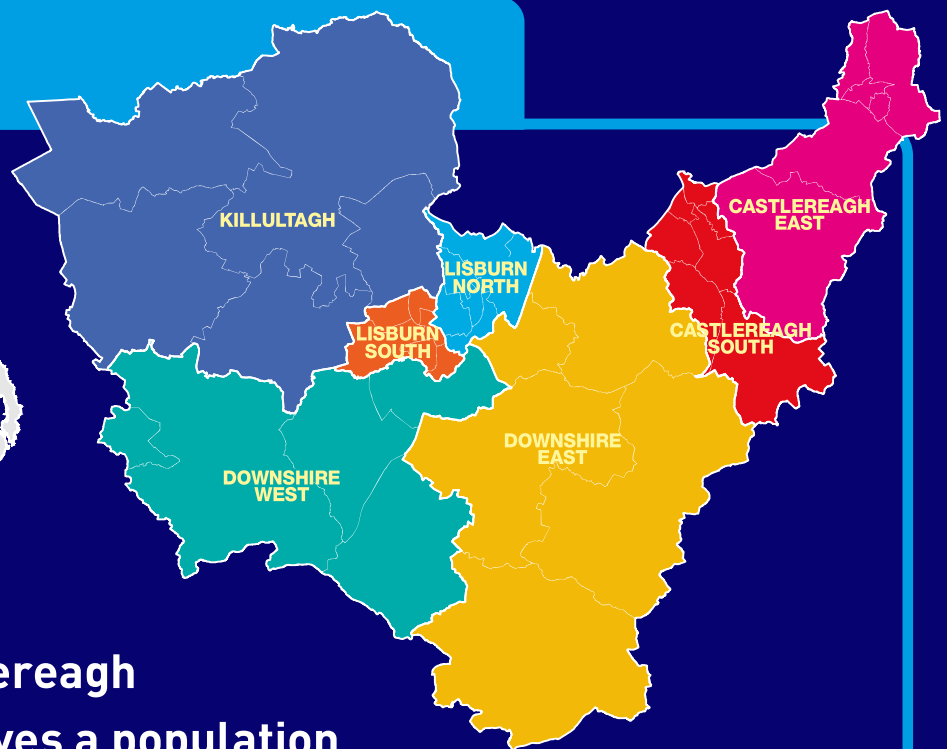
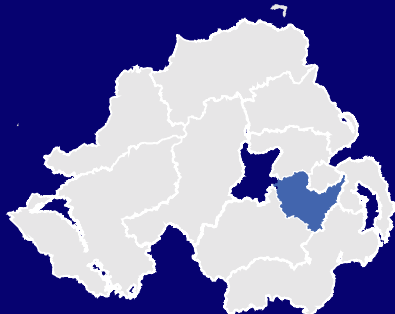
The purpose of this report is to explain the Council's financial position and performance during 2022/23 and to set the financial performance in the context of the Council's overall strategic objectives and related performance.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2023 (the Code) and the Department for Communities Accounts Direction, Circular LG 07/23.

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

The annual accounts for 2022/23 have been prepared on the assumption that the Council will continue in existence for the foreseeable future.

## Context



**Lisburn & Castlereagh City Council serves a population of 149,106 residents and covers 200 square miles. The Council had a net expenditure budget of £49.53m in 2022/23, had 713 employees (full time equivalents) and was led by 40 councillors across 7 DEA areas**



There are a range of strategic documents such as the Community Plan and the Interim Corporate Plan which together provide the strategic context and framework within which the Council sets its vision, values and delivery objectives. These documents are available on the web. ([www.lisburncastlereagh.gov.uk](http://www.lisburncastlereagh.gov.uk)).

This document concentrates on the Statement of Accounts for the year end 31 March 2023.

## What is included in the Statement of Accounts?

The Statement of Accounts includes four main elements:

- Comprehensive Income and Expenditure (CI&E)
- Movement in Reserves Statement (MIRS)
- Balance Sheet
- 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 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 MIRS sets out how the impact of the Council's net income and expenditure 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.



# 2022/23 Strategic Overview

**In light of Covid, the Council took the opportunity to review the Corporate Plan resulting in the development of a new Interim Plan 2021-2024, launched in September 2021. Whilst this plan reaffirmed the ambition of the Council “to be a creative, connected and growing city” it also resulted in a reprioritisation of objectives to reflect the challenges our business and residents were facing following the pandemic.**

Therefore, whilst 2022/23 was focused on recovery and reprioritised objectives, the Council had to face and respond quickly to various challenges at a macro and local level.

Like other organisations, the Council had to deal with the challenges emerging from global events which resulted in increased costs for tenders and services, significantly higher than budgeted utility, fuel and other operating costs. Fuel and utility costs were £1.6m or 58% higher than budgeted and the Council welcomed the introduction of the government fuel caps in the autumn which brought some certainty in terms of charging.

The macro factors also impacted Council’s ability to source and secure services and supplies for various Council needs with items in short supply / longer lead in times for delivery.

The Council faced industrial action for a non-continuous period of 6 weeks in the autumn of 2022 which impacted service delivery across the organisation. Whilst the key objective during this time was to seek a resolution to the strike action, the Council did not have full control over the outworkings,

given the manner in which pay negotiations are undertaken - particularly national pay awards. The outworkings from the agreements meant a significant unbudgeted uplift in the recurring salary base for the Council going forward.

The Council also had to respond to a number of unplanned high profile strategic events, not least Operation Shamrock, with Lisburn & Castlereagh City Council being the lead Council in this high profile and historic event. This included a visit by the new King and Queen Consort to Royal Hillsborough during the mourning period to mark the death of the late Queen.

## Outturn

The Council decreased its General Fund reserve from £16.67m to £13.83m.

Overall the useable reserves increased by £1.15m due to several factors, including but not limited to the following:

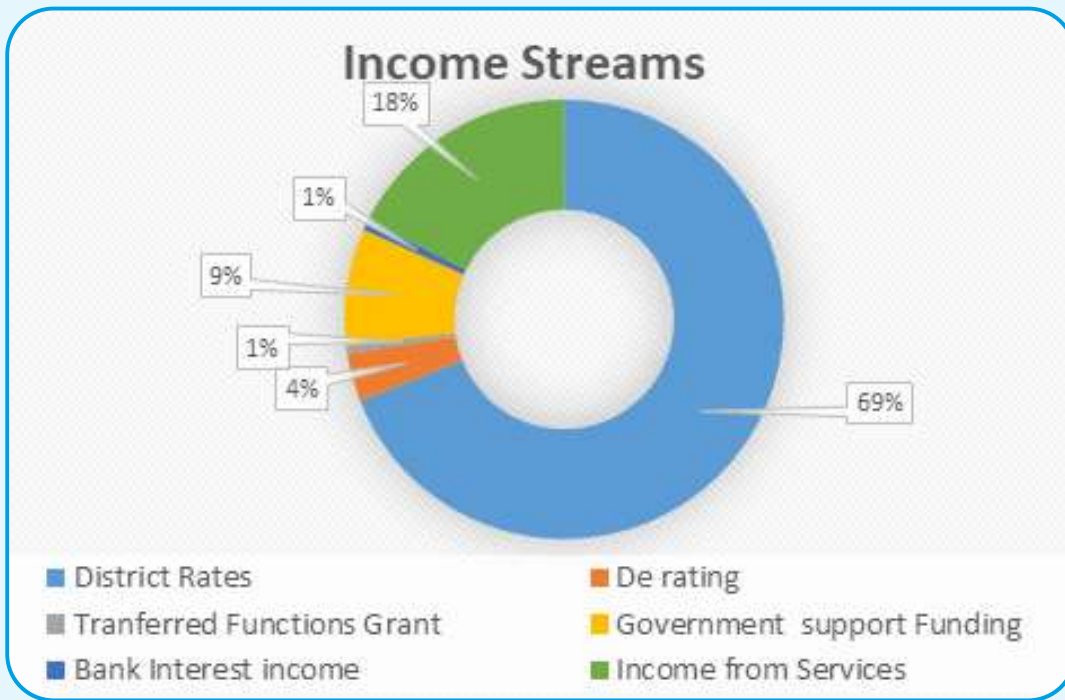
- Properties that were rateable earlier than planned.
- Recruitment market at a local and regional level

remained challenging throughout the financial period. This impacted on the council’s ability to recruit and as a result the organisation carried a number of unfilled posts which also impacted on service delivery across several teams including capital, finance and human resources.

- Income was higher than anticipated in areas such as leisure including the council’s Vitality scheme and golf offerings as well as trade waste. In addition, the council also received much higher income from investments than planned, given the significant rise in interest rates over the period.
- There were unforeseen delays in some procurement exercises, reflecting challenging market conditions and as such planned expenditure was delayed.

**The Council’s rates budget of £54.6m was supplemented by £2.01m finalisation payment of district rates. There was a negative finalisation of the de-rating grant to the value of £53.9k.**

The pie chart below shows various sources of income within the Council including external funding and income from Council services.



The following table details the actual performance of the net cost of services for the year to 31st March 2023, which impact the general fund.

Directorate	Actual
Finance & Corporate Services	£ 8,344,698
Governance & Audit	£ 581,751
Leisure & Community Wellbeing	£13,786,544
Environmental Services	£20,002,201
Service Transformation	£ 6,814,195

The total net cost of services reported in the Expenditure and Funding analysis is £49,529,389.

# General Fund and Movements to Reserves

The Council received various instructions from DfC in year regarding the use of specific funding – namely Hardship Scheme funding to provide financial support to the most vulnerable in the Council's district, and Covid support grants allowing Councils to use the monies to cover cost of living support.

The Council took measures to consider medium and longer term financial matters. This included transfers to existing reserves to provide additional financial resilience and to enable the Council to support recovery within our businesses and communities.

## Movement in existing reserves

**Brexit** - It was deemed an appropriate time to release all funds held for Brexit associated costs £500k.

**Penny Product Reserve** - a release of £500k due to a positive year-end outturn.

**Repairs and Renewals fund** - A transfer of £400k into the reserve to provide resilience against increasing costs.

**DEA Reserve** – A transfer of £500k into the reserve. This reserve is aimed at providing direct support for business and communities.

**Capital Fund** – a transfer of

**As at 31st March 2023, the following balances for Hardship grants and Covid/cost of living support are earmarked within the general fund.**

Funding Stream	Balance as at 31st March 23
DfC - Covid funding	£1,773,003
DfC – Hardship grants	£313,573

£756k to provide additional resilience for the delivery of the five year capital programme.

**Regeneration and Economy Reserve** – a transfer of £1.13m This reserve is aimed at supporting the local economy and businesses.

## Capital expenditure

The Council continued with its 5 year approved capital programme. Work also continued in year in relation to the new Dundonald Ice Bowl with receipt of tenders. It was notable that the impact of global factors and macro issues has meant that further work is now underway to ensure that this project remains affordable.

## Borrowings

For the 2022/23 year the Council had an authorised borrowing limit of £75m. This is based on the Council's forecast

capital expenditure plans over the medium to long term. During the year, the Council was able to finance capital spending from its own resources. At 31 March 2023, the Council had outstanding borrowing of £21.2m, a decrease of £1.16m on the prior year reflecting capital payments made in year.

## Pension Asset

The Council's asset relating to its share of the Northern Ireland Local Government Officers Superannuation Scheme amounts to £3.16m.

In addition, the Council makes contributions to the Northern Ireland Civil Service Pension Scheme in respect of officers who transferred to Local Government at 1 April 2015.

Further information on the pension asset can be found within note 21.

## Change to Statutory Functions

There were no changes to statutory functions during 2022/23.

## Provisions and Contingencies

The provisions include amounts for landfill costs and insurance costs. The main movement in the provision relates to landfill which decreased by £798k. This provision is to allow future work required at the Landfill Sites acquired from both the former Lisburn City and Castlereagh Borough Councils and is to ensure that they comply with NIEA regulations. There were also changes in the discount rate based borrowing. Note 19 gives further detail on this requirement.

The Council continues to disclose a potential liability which may arise as a result of the procurement of the Residual Waste Treatment Project. Note 24 provides further information on a number of contingencies.

## Strategy and Resource Allocation

The Council operates an effective budgetary control system that involves the issuing of monthly reports to each Director showing expenditure

against budget and the holding of monthly budget meetings between the relevant Department and finance staff. Monthly financial expenditure is reported to the Corporate Services Committee to ensure members are provided with an up to date position on corporate finances and challenges associated with ongoing running and servicing of Council needs.

As part of the Council's Medium Term Financial Strategy, a Treasury Management Strategy is published every year and this fulfils the Council's legal obligation under the Local Government Finance Act (Northern Ireland) 2011 to have regard to both the CIPFA Code and the DfC Guidance. The Council has engaged professional advisers to assist with this process.

Despite the challenges in year, the Council was able to deliver on its core objectives. Highlights from the year are included at pages 8 to 14.

## Financial Outlook

When setting the rates for 2023/24, consideration was given to the following specific financial matters:

- Global / macro market conditions including but not limited to inflation and service costs for materials and supplies including utilities and fuel costs.

- Uncontrollable costs including future nationally negotiated pay awards and pension contributions.
- Existing commitments through the capital programme and other significant commitments such as Belfast City Regional Deal (BRCD).
- Uncertainty regarding historic and new funding streams including central government, Peace Plus and other sources.
- Growth and ambition of the Council to deliver on the medium to long term objectives.
- Creation of a new mandate following local government elections in May 2023.
- Potential changes in government policy eg potential financial penalties for environmental matters.

In support of this the Council recognises that finance remains a critical aspect of corporate business. The financial strategy for the Council is to continue to achieve a balanced budget which provides the necessary financial resources to deliver the organisation's corporate objectives and that financial and physical assets are used in the best interests of the ratepayers.

It is critical that the Council has



sufficient financial resources in place to fund future requirements and longer term aims including waste management, leisure and community requirements, climate reduction and the capital programme. To do this, the Council will continue to ensure the financial management framework is robust, there is transparent and open reporting on financial matters and the component parts of the financial strategy remain effective for managing Council finance.

## Risks

The Council's risk management framework enables ongoing monitoring for risk, which may threaten the quality and availability of service provision. Strategic risks are considered and reviewed by the Corporate Management Team and the Governance & Audit Committee on a quarterly basis whilst Directorate risks are considered on a regular basis by management with formal six monthly reporting to Home Committees.

In terms of financial risk, financial sustainability is one of the Corporate risks. The risk reflects the challenging economic environment along with other key considerations such as uncertainty of government funding, pay negotiations and other potential cost pressures. Key mitigations include budgetary controls, regular financial reporting,

together with ongoing review of the medium term financial strategy.

The Council continues to adopt the Prudential Code to ensure that the Capital Investment Plan is affordable, prudent and sustainable and monitors prudential indicators, including capital expenditure, affordability, financial prudence, treasury and external debt and treasury management.

As part of the risk strategy the Governance & Audit Committee select corporate risks which are subject to a deep dive assessment and the financial sustainability risk was one of the risks subject to such review during the financial year.

Other corporate risks include, but are not limited to, cyber and security, data sharing, procurement and the capital programme.

Further details regarding risk is included within the governance statement.

## Group Accounts

The Code requires local authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. The Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

# OPERATIONAL PERFORMANCE

## THE YEAR IN HIGHLIGHTS





**Kept our Council area clean, collecting over 4 million bins**

# BELFAST REGION CITY DEAL



## Confirmed £20m investment in Royal Hillsborough through the Belfast Regional City Deal



All inclusive activities across Council focussed on meeting the needs of ASD and visually-impaired users in addition to the introduction of a new Changing Places Policy



Supported our green agenda including planting 59k trees and creating a tree nursery with more than 640 seeds sown



Completed 10,400 Building Control site inspections and 3,000 completion certificates for compliant works



**Bestowed the Freedom of the City on Health and Social Care staff across Northern Ireland**



**Welcomed over 1.3m participants in our Community Art and Sports Programmes**

**Facilitated  
638 people  
becoming UK  
citizens**



**More than £900k invested in local communities to address hardship, celebrate diversity and enhance facilities**



**96% of all new food businesses achieved 'very good' or 'good' levels of food compliance**

**Welcomed more than 491k visitors to Hillsborough Forest Park with further works planned for a new digital sculpture trail**



**Delivered the Covid Recovery Revitalisation programme valued at more than £1.1m**



**113 new jobs linked to business start-up activity and new investment and developing our succession plan**



**Council awarded numerous accolades including seven green flag accreditations for our top-class open spaces**





**Celebrated the Queen's Platinum Jubilee through Big Jubilee lunches, family fun days, tree planting and tea parties**

**Submitted planning for the Royal Hillsborough Public Realm Scheme (£7.8m), the Anahilt Environmental Improvement Scheme (£475k) and a new access path from Navigation House to the Lagan towpath (£150k)**



  
**Reassurance to some of the most vulnerable through 241 home safety checks**

  
**Responded to 262 stray dog requests and returned 54 to their owners**



  
**Illegal dumping reduced by 20%, following Council waste campaign**

**Dedicated £100k to employability skills in the voluntary and community sector**



**Positively reinforced dog safety messages through our effective campaigns involving 1,700 local P7 children**

**Greater investment in customer experience with 37k visitors exploring the new Castle Gardens Light Trail**



**Undertook 1,449 inspections of premises serving food to the public**



**Supported 16 businesses through the completion of a £90k City Centre streetscape heritage scheme**



**Agreed 10 major planning applications and processed 779 local planning applications**





**Welcomed  
99 new employees  
to the Council**



**£360k secured  
to promote new  
employment  
interventions**



**Continued investment  
in our sports facilities  
at Laurelhill Sports  
Zone and Lough Moss  
Leisure Centre**



**Continued investment  
in Lisburn City Centre  
including £200k for  
gateways to our city centre,  
£70k on animation as well  
as other improvements  
including globe lighting  
and market huts to  
animate our city centre.**

**Our successful  
Apprenticeship  
Programme saw  
6 new staff  
members join the  
council team**



**Celebrated the Queen's Platinum Jubilee through Big Jubilee lunches, family fun days, tree planting and tea parties**



**Facilitated works on 11 of the projects to be delivered through the Small Settlements Regeneration Programme including traffic calming measures in Glenavy and Aghalee as well as the Rural Investment Fund and Heritage Shop Front Scheme in Historic Moira and Royal Hillsborough.**



**Achieved more than 136k engagements through corporate social media platforms, resulting in more than 3m impressions**



**Secured an additional £302k towards the delivery of the Small Settlements Regeneration Programme**

**Created an additional 150 burial plots with planning in progress for a further 225 plots**





# **STATEMENT OF THE COUNCIL'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

# Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts

## The Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer and these arrangements shall be carried out under the supervision of its Chief Financial Officer. The Director of Finance and Corporate Services has been designated as 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 Governance & Audit committee on 21 September 2023.

## The Chief Financial Officer's Responsibilities

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

The accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

In preparing this Statement of Accounts, the Chief Financial Officer is required to:

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis, and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

- keep proper accounting records that are up to date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

# GOVERNANCE STATEMENT

# Annual Governance Statement for 2022/23

## 1. Scope of responsibility:

Lisburn and Castlereagh City 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, used economically, efficiently and effectively. Under Part 12 of the Local Government Act (Northern Ireland) 2014 the Council also has a duty to make arrangements for continuous improvement in the way in which its functions are exercised whilst having regard to a combination of the following;

- 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 has prepared an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework "*Delivering Good Governance in Local Government*" (2016 edition). This statement explains how the Council has complied with the code and also meets the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an annual governance statement.

## 2. The Purpose of the Governance Framework:

The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled. Our governance framework overarches our activities through which we account to, engage with and help to lead our community. 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 services and value for money over the time period specified.

Our system of internal control is a significant part of that framework and is designed to manage and control risk at 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 a continuous 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; as well as to manage them efficiently, effectively and economically.

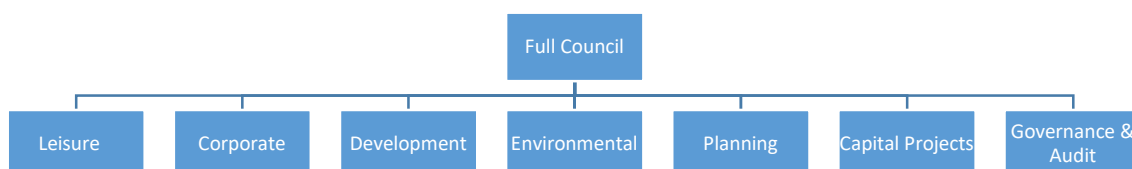
The council's governance framework continues to be in place at Lisburn and Castlereagh City Council for the Year Ended 31<sup>st</sup> March 2023 and up to the date of approval of the Annual Governance Statement (AGS) and Statement of Accounts.



### 3. The governance framework:

The **key elements** of the systems and processes that comprise the Council's governance arrangements are outlined below.

The Council have an approved committee structure in place during 2022/23 which governs through a full Council & Committee model as set out below:-



A new committee structure was approved in March 2023 for implementation at the start of the new electoral term post the local government elections in May 2023.

The Council continually strives to improve its governance arrangements. A selection of highlights have been included to demonstrate the issues considered and actions taken during 2022/23.

Key Elements	Demonstrated by
Focus on purpose and intended outcomes for citizens and service users	<ul style="list-style-type: none"> <li>• Interim Corporate Plan</li> <li>• Community Planning launched its Action Plan in 2019 which sets out actions and projects up to 2024.</li> <li>• Local Development Plan – Setting the development strategy until 2032.</li> <li>• Corporate complaints, comments and compliments procedure</li> <li>• Annual Financial Report</li> <li>• Continuing Efficiency Programme and value for money work via Working Group.</li> </ul>
Highlights in Year	<ul style="list-style-type: none"> <li>• Consultations on a range of policy matters through various means including on line, focus groups and interviews providing a variety of ways for citizens, service users, partners and stakeholders to help shape and input to corporate policies as they are developed.</li> <li>• Five public consultations were completed in 2022/23, with another three consultations due to finish in early 2023/24.</li> <li>• The Council made amendments to the Changing Places Policy to reflect feedback received through the various consultation processes undertaken prior to the adoption of the policy. This included Elected Members, internal senior officers, members of the public and wider interested parties</li> <li>• The new telephony system is progressing well. Roll out of softphone in Lagan Valley Island site is nearly complete and further roll out is being progressed across other sites.</li> </ul> <p>The Customer Experience Project carried out to understand the needs and preferences of our customers when accessing council services and to use modern technology to find innovative solutions that enhance their experiences. The objectives of this project are:</p>

- a) To create a more efficient service delivery model for customer enquiries, by accelerating migration of all enquiries into our customer contact centre and expand the contact channels e.g. webchat, live chat, self-service portal.
  - b) To reduce the need for the number of customer enquiries at our buildings and via the telephone. Re-route all telephone calls via our contact centre for a single transaction enquiry. We will also improve all digital signage at all our buildings to ease customer enquiries, offering a digital solution to help them self-serve at any of our council facilities.
  - c) To provide a range of contact alternatives that allows an individual to contact the Council at a time that suits them – building a 24/7 model-making the website a first point of contact for a self-service led experience, also progressing a 'My LCCC' account option which will enable the customer to track all transactions and follow ups on service requests at a time of their convenience. Work has started on building a single repository of customers contact details.
  - d) To support a customer to receive a service outcome without the need to speak to a member of staff – offering a self-service option and expanding on the use of My LCCC account option across all services.
  - e) To be 'digital first not digital only'. The aim is to offer alternatives to any digital solution found, so as not to exclude any customer. We are working with partner organisations to build a programme of courses and self –help days, enabling them to gain access to the skills and technology that they will need to help them use online services. We will also be running Phase II of 'Connecting You' project giving digitally excluded residents the resources they needed to access digital services through giving them devices and data bundles.
- During 2022/23 Council officers participated in a Northern Ireland council wide strategic and operational network with NIPSO to develop a Model Complaints Handling Procedure for the NI Local Government sector. The new procedure is a simplified process aimed at making it easier for customers and users to provide feedback. The process is a two-step (historically three step) model with target timescales for responding.
  - Suite of KPI's across the Council covering strategic, operational and statutory requirements All KPIs included in the Performance Management System were streamlined and categorised into Performance KPIs for measuring performance against the PIP, Service KPIs for measuring performance at service level and Management Information KPIs for internal monitoring.
  - The Corporate Health Performance Dashboard was reported monthly to CMT.
  - The Council managed and ran a number of projects to support people who were impacted by the effects of the pandemic and the cost of living crisis. Following an assessment of need and working in collaboration with other service providers the Council delivered projects such as:
    - a) Lisburn & Castlereagh City Council along with strategic partners including Age NI, SEHSCT, Libraries NI, PSNI, NIHE and Supporting Communities co-designed various information sessions for residents to engage with services and receive advice around the cost of living, particularly focused on savings and budgeting.
    - b) The Council continues to make the Council area more Age Friendly for all ages by working in partnership with a range of statutory and voluntary bodies whose expertise and skills help us to understand specific needs,

	<p>especially of older people. In the last year the Council has carried out walkability audits of open spaces to ensure people of all abilities have access to outdoor areas, and has hosted 'Winter Warmer' events to help older people to stay safe, warm and well during colder weather.</p>
<p>Working Together</p>	<ul style="list-style-type: none"> <li>• Our Corporate Values and Interim Corporate Plan</li> <li>• Council Performance Improvement Plan</li> <li>• Council Constitution and Standing Orders</li> <li>• Scheme of Delegation</li> <li>• Financial Regulations</li> <li>• Committee Reporting System</li> </ul>
<p>Highlights in Year</p>	<ul style="list-style-type: none"> <li>• Working in tandem with local communities and strategic partners to deliver support across our District Electoral Areas (DEAs) through various grant programmes aimed at helping communities become more resilient through to participatory budgeting where DEA's take the lead in determining how Council funding should be spent in their respective areas.</li> <li>• Partnership working with Department for Communities to fund Community Advice Lisburn &amp; Castlereagh who provide advice services on benefits and debt management. Other strategic partnerships include; <ul style="list-style-type: none"> <li>a) Community Planning,</li> <li>b) PCSP,</li> <li>c) Help Kids Talk,</li> <li>d) Community Transport,</li> <li>e) City Centre Businesses,</li> <li>f) Housing Liaison forum.</li> </ul> </li> <li>• Consultations on a range of policy matters through various means including online, focus groups and interviews providing opportunities for citizens, service users, partners and stakeholders to help shape and input on corporate policies</li> <li>• Agreement was made to award Crewe United Football Club and Lisburn Rugby and Football Club under the Community Investment Fund. <ul style="list-style-type: none"> <li>a) Crewe United Football Club to develop new facilities (including disabled), first aid room and additional car parking.</li> <li>b) Lisburn Rugby Football Club to expand current facilities that will lead to wider community use and participation.</li> <li>c) The due diligence process has now been completed, including an appraisal of the business cases with written evidence provided to advise that all match funding is in place.</li> </ul> </li> <li>• Northern Ireland is one of the least wooded regions in Europe with less than 9% woodland cover. This is lower than the Republic of Ireland (11%), the UK (13%) and European Union (38%). Within Northern Ireland, the Lisburn and Castlereagh City Council (LCCC) area has the lowest levels of tree cover. With trees playing a vital role in tackling climate change and supporting wildlife, it is vital that tree cover is increased within the Council area.</li> <li>• Lisburn and Castlereagh City Council have availed of the emergency tree fund in partnership with the Woodland Trust. Together both organisations are seeking to support climate and nature within the LCCC area by establishing a sustainable tree nursery that will support the planting of approximately 190,000 trees within a three year period. This planting will take place on a combination of land owned by the council and other public and private landowners, whilst engaging with all major stakeholders via a Council led working group and positively engaging with all local communities. The joint project will also support the Woodland Trust's Community Tree Packs program in Northern Ireland.</li> </ul>

Promoting Values of Good Governance	<ul style="list-style-type: none"> <li>• Our Corporate Values</li> <li>• Council Performance Improvement Plan</li> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• Good Relations Plan</li> <li>• Equality Scheme</li> <li>• Mandatory Codes of Conduct for Members and staff</li> <li>• Fraud &amp; Corruption Policy</li> <li>• Whistle Blowing Policy</li> <li>• Declarations of Interest</li> <li>• Gift and Hospitality Registers</li> </ul>
Highlights in year	<ul style="list-style-type: none"> <li>• Working with third parties e.g. National Fraud Initiative (NFI) reporting.</li> <li>• Sharing learning on governance matters and best practice developments through member and officer training</li> <li>• Review of Committee Structures</li> <li>• Review of Terms of Reference for each Committee</li> <li>• Governance and Audit self-assessment in line with good practice.</li> </ul>
Taking informed, transparent decisions and managing risk	<ul style="list-style-type: none"> <li>• Community Planning</li> <li>• Local Development Plan</li> <li>• Council Constitution</li> <li>• Standing orders</li> <li>• Scheme of Delegation</li> <li>• Committee Reporting Protocols</li> <li>• Online minutes</li> <li>• Recording of Full Council Meeting</li> <li>• Performance Management System</li> <li>• Internal Audit Service</li> <li>• Annual Self-Assessment of Internal Audit Service as required by Public Services Internal Audit Standards (PSIAS)</li> <li>• Corporate and Departmental Risk Management Framework</li> <li>• Assurance Statements</li> <li>• Accounting Manual currently being reviewed on a phased basis.</li> <li>• Corporate and Departmental Business Continuity Policy and Plans</li> </ul>
Highlights in Year	<ul style="list-style-type: none"> <li>• Access to Council and Committee via public platforms to promote transparency and public engagement.</li> <li>• Ongoing work in year to reflect the governance arrangements to review aspects of the Accounting Manual and Standing Orders.</li> <li>• Assurance Statements (Chief Executive, Directors and Heads of Service) for the year to 31st March 2023. These statements are completed on a 6 monthly basis and reported to the Governance &amp; Audit Committee.</li> <li>• Continued use of new technology to enhance risk reporting across the Council.</li> </ul>
Developing capacity and capability	<ul style="list-style-type: none"> <li>• Member Training and Development</li> <li>• Investors in People</li> <li>• Performance Management</li> <li>• Recruitment Procedures</li> <li>• Staff Training</li> <li>• Induction courses</li> <li>• Competency Framework Training</li> </ul>



Highlights in year	<ul style="list-style-type: none"> <li>• The Corporate Services Committee approved the post of Director of Organisation Development and Innovation in February 2023. The successful candidate commenced the role in June 2023.</li> <li>• Training plans for staff and members with reporting against training outcomes throughout the year. Training included role specific training through to awareness sessions on matters such as cyber security through to governance best practice sessions.</li> <li>• There have been a number of Health and Wellbeing activities in 2022-2023 which are being utilised to support employees in the workplace on a daily, weekly or monthly basis such as the development of a Health &amp; Wellbeing Strategy and Action Plan.</li> <li>• The Council have Mental Health First Aiders who provide first aid support for employees experiencing mental health problems at work.</li> <li>• Continued streamlining of the procurement processes including training for Members and staff.</li> <li>• Continued focus on health and safety for staff and the public.</li> </ul>
Community Engagement and Better Accountability	<ul style="list-style-type: none"> <li>• Community Planning Consultation</li> <li>• Council Performance Improvement Plan</li> <li>• Open Council Meetings</li> <li>• Audio Recording of Full Council Meetings</li> <li>• Online Minutes</li> <li>• Use of Council Social Media – Twitter and Facebook</li> <li>• Corporate complaints, comments and compliments</li> <li>• Trade Union engagement</li> <li>• Internal Communications including a Corporate Communication team to help drive effective communications.</li> </ul>
Highlights in Year	<ul style="list-style-type: none"> <li>• Council Performance Improvement Plan contained performance improvement objectives on Community Engagement in 2022/23.</li> <li>• We continue to deliver a Participatory Budgeting Initiative across 3 District Electoral Areas to allow local people to have a say in the projects that receive funding in their communities. <ul style="list-style-type: none"> <li>a) The last two Participatory Budgeting events took place in Downshire East and Lisburn North DEAs in quarter 4. A total of £29,950 was awarded over 30 groups.</li> <li>b) Across 4 DEAs (Downshire West, Lisburn South, Downshire East &amp; Lisburn North) 94 groups participated in the community marketplace events engaging 3300 residents in the voting process. A total of £60,710 was awarded across 62 funding applications.</li> </ul> </li> <li>• Our citizens influence decision making through community conversations in Anahilt. The Village Plan for Anahilt has been approved by the local community and implementation of actions continues. A meeting with the community association took place on 11 October to update on progress and such follow-ups will continue.</li> <li>• As part of the Council's continuing obligation to sustain its Age Friendly Communities status, an Older People's Survey was completed to better understand key issues relating to the aging population. The results have influenced the development of programmes and projects which directly impact on improving the wellbeing of older people. The Public Health Agency has committed to five years' funding to enable the Council to employ an Age Friendly Development Officer, who has used the data from the survey to help shape the delivery of programmes and activities.</li> <li>• A total of 84 Customer feedback surveys were carried out including customer satisfaction on service delivery, online services, classes and events attended.</li> </ul>

#### **4. Review of Effectiveness of Governance, Risk and Control framework:**

The Council is responsible for the stewardship of public money and must therefore demonstrate that it has adequate and effective systems of risk management, governance and control in place.

The Council also has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

This review 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 following reports provide information in support of the Governance Framework:

- Directors - Statements of Assurance
- Head of Service - Statements of Assurance
- Performance Improvement Report
- Operational Performance
- Health & Safety Reports
- Finance & Budget Reports
- Internal Audit Reports
- Risk Management Reports

Each Director and Head of Service completes their own Assurance Statement every six months and this forms a key part of the corporate governance arrangements for the Council.

##### **4.1 Annual Internal Audit Opinion:**

The review of the effectiveness of the Governance Framework is also informed by the Annual Internal Audit Report for the Year Ended 31<sup>st</sup> March 2023.

##### **Internal Audit Manager Opinion**

This Service is satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute.

The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

The opinion is based on:

- All audits undertaken during the year;
- Results of follow up work undertaken in relation to internal audit recommendations;
- The effects of any significant changes in the organisation's objectives or systems;
- Any limitations which may have been placed on the scope or resources of internal audit;
- What proportion of the organisation's audit needs have been covered to date;
- Results of other sources of assurance work such as the NIAO Report to Those Charged with Governance.

The Internal Audit Manager is of the opinion that based on the work completed during the period from 1st April 2022 to 31 March 2023, the Council's systems in relation to internal control, risk management and governance were, in general, adequate and operated effectively and can provide satisfactory assurance in relation to the effective and efficient achievement of the Council's objectives. One exception was an Asset Management assurance audit with a limited assurance, detailed in 5.2.

**Other Internal Audit work:**

**National Fraud Initiative (NFI) – Data Matching Exercise:**

The Council continues to conform to the requirements of the Northern Ireland Audit Office NFI exercise. This matches electronic data within and between public and private sector bodies to prevent and detect fraud. Data matching compares sets of data, such as payroll, pensions and trade creditors' records of a body against other records held by the same or another body.

The latest batches of data matches were released by the NIAO February 2023 and work relating to the review and investigation of high risk matches will continue to be carried out during the 2023/24 financial year and the results of this exercise will be reported to Governance and Audit Committee on completion of the exercise.

## 5. Significant Governance issues:

In this section we have provided a status update on matters included in the Annual Governance Statement for 2021/2022 together with the identification of any new governance issues for 2022/2023.

### 5.1 Significant Governance issues with update on issues brought forward from 2021/2022 to 2022/2023:

2021/22	2022/23
<b>Judicial Review &amp; Legal Challenges</b>	<b>Current Status</b>
<p>Judicial Review (JRs) and legal challenge risk are kept under continuous review. There are regular updates to the corporate management team and members together with identification of mitigations and assessment of financial implications.</p> <p>Matter remained open.</p>	<p>Judicial Reviews (JRs) resulting from the DfI Planning Advice Note (PAN) for Development in the Countryside are likely to re-emerge and enter the Courts in the coming months. This has been mitigated by the appointment of Senior and Junior Counsel for advice in releasing the previously quashed decisions.</p> <p>The matter remains open.</p>
<b>COVID19 – National Emergency and Public Health Restrictions:</b>	<b>Current Status</b>
<p>The matter remained open during 2021/22 as there still remained a significant degree of uncertainty. Restrictions remained in place during the year that affected the delivery of some Council services and impacted the financial outturn.</p> <p>The pandemic restrictions have been, on the whole, lifted and the Council is getting back to normal service provision. Recovery plans continue to be implemented across the Council and for the short term the matter remained open.</p>	<p>Closed</p>



2021/22	2022/23
<b>Financial</b>	<b>Current Status</b>
<p>The Russian invasion of Ukraine, which began on 24 February 2022 has resulted in significant supply issues and the rise on energy and material costs. Both countries are major producers of several raw materials. The supply and cost issues will have a major impact on the costs on delivering Council services and the capital programme.</p>	<p>Significant increases in inflation, energy costs and fuel prices are placing pressure on council budgets within the Council. This continues to have a significant impact on the costs on delivering Council services and on the capital programme.</p> <p>Remains open.</p>
<b>Waste Management</b>	<b>Current Status</b>
<p>Waste/landfill disposal remains a high risk across councils and this is reflected within the corporate risk register.</p>	<p>This remains a risk for the Council.</p> <p>Remains open.</p>
<b>Cyber Security/Data Governance</b>	<b>Current Status</b>
<p>Cyber security threats remain high risk across all organisations. Central and local government bodies systems can be an attractive target for malicious actors, and they can also be susceptible to disruption through single points of failure. The size, frequency and impact of network and information system security incidents is increasing. The Council is working to ensure that mitigations are in place should such an attempt take place.</p> <p>GDPR requirements continue to be a risk within the Council due to capacity and further policy development requirement.</p>	<p>There are two risks that remain with a residual red rating post planned mitigation measures. They relate to cyber security and data sharing. The former has been proportionately mitigated with a roll out plan of Azure, Office 365, patching and improvements in infrastructure, specifically switches.</p> <p>GDPR issues continue to be actively managed.</p> <p>Remains open.</p>

## 5.2 Significant Governance Issues for 2022/2023

In addition to the matters which remain open from 2021/2022 we identified the following significant governance issues:

### Asset Management

An asset management internal audit assurance audit was undertaken that resulted in a limited audit opinion. The service developed an action plan that was reported to the corporate services committee in January 2023. Implementation of actions have commenced and remain on target.

### Financial Planning

In addition to the reported financial issues above created by the Ukraine war, interest rate rises, public sector pay rises and the uncertainty around future government funding due to the NI Executive's budget deficit places additional pressure on the Council's financial planning. Finance are monitoring these and reporting regularly to Corporate Service Committee.

### Information Assurance

Management recognise that improvements need to be made in how data is generated, transmitted and stored in an appropriate and lawful manner and in a way that does not pose a risk to the business or reputation of the Council. The Council has a Data Classification Policy but guidance is required in how sensitive data should be identified and held.

IT Services have a process in place to assess potential suspected GDPR breaches and report any relevant to the Information Commissioners Office (ICO).

- There were twelve entries on the data breaches register. These were investigated and five were identified as suspected breaches the rest classified as not breaches. Legal advice was sought in those that needed clarity but all five were classified as low risk and had been dealt with quickly within the Council, therefore no breaches were reported to the ICO in 2022/23.
- Internal Audit will continue to review this area.

There has been an ICO finding against the Council. This was in respect of delays in answering Subject Access Requests, but there were specific circumstances leading to this delay.

The Council has completed a suite of ICO self-assessment questionnaires. The results will be used to draft an action plan. This will be monitored by the newly established GDPR forum to allow better co-ordination of emerging issues across the Council.

### 5.3 Effectiveness of System of Internal Control:

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, Council's Corporate Management Team, the Governance & Audit Committee and Internal Audit are described within this Statement.

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

The Council has conducted a Review of the Effectiveness of the system of internal control in place within the Council in 2022/2023, in accordance with Regulation 4(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The results of this review, along with the Internal Audit Annual Report were reported to the Governance and Audit Committee in June 2023 to assess the effectiveness of the system of internal control and the consideration of the draft Annual Governance Statement and the draft Statement of Accounts.

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


Recently a GDPR forum has been created to better co-ordinate the emerging issues across the Council. Completion of a self-assessment in line with ICO standards to inform action plan has been carried out and issues highlighted will be addressed during 2023/24.

Signed  Date: 21/09/2023

Chairman of Governance & Audit Committee

Signed  Date: 21/9/23

Chief Financial Officer

Signed  Date: 21/9/23.

Chief Executive Officer

# REMUNERATION REPORT



# Remuneration Report

## 1. 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.

## 2. 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) 2019, which came into operation on 1 October 2019. 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 council websites. Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Lisburn & Castlereagh City Council had 40 councillors in 2022/23.

### 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 employees are those staff who are members of the Corporate Management 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.

### Independent Member – Governance and Audit Committee

Mr Edgar Jardine is an independent Member of the Governance and Audit Committee. This 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 £250 is paid per meeting along with reasonable travelling expenses.

### 3. Allowances Paid to Councillors

The total amount paid to Councillors by way of allowances, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019 was:

**Table 1: Total Allowances paid to councillors (audited information)**

Allowance	2022/2023		2021/2022	
	Total Allowances £	Number of Councillors receiving Allowance	Total Allowances £	Number of Councillors receiving Allowance
Basic Allowance	654,142	42	630,280	40
Special Responsibility Allowance	80,809	23	76,671	27
Chairperson/ Mayor Allowance	26,982	2	26,982	2
Vice Chairperson/ Deputy Mayor Allowance	8,636	2	8,636	2
Mileage Allowance	13,625	25	7,977	19
Public Transport and Other Travel Incidentals	173	4	-	-
Subsistence	22	1	-	-
Courses/Conferences Visits (registration & Joining Fees)	-	-	-	-
Dependants' Carers Allowance	-	-	49	1
<b>TOTAL ALLOWANCES</b>	<b>784,389</b>		<b>750,595</b>	

Details of the allowances paid to individual Councillors in 2022/2023 are published on the council website.

## 4. Remuneration of Senior Employees

The remuneration of senior employees covers the Corporate Management Team. The following table provides details of the remuneration paid to senior employees:

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

Officers	2022/2023				2021/2022			
	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
D Burns Chief Executive	116 - 120			116 - 120	116 - 120			116 - 120
H Moore Director of Environmental Services	90-95			90-95	86-90			86-90
D Rogan Director of Service Transformation	90-95			90-95	86-90			86-90
L Moore Director of Leisure & Community Wellbeing	90-95			90-95	86-90			86-90
C McCrory Director of Finance and Corporate Services	90-95			90-95	86-90			86-90

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Corporate Management Team and the median remuneration of the Councils workforce.

The banded remuneration of the highest paid member of the Corporate Management Team in the financial year 2022/2023 was £116k - £120k (2021/2022 £116k - £120k). This was 4.64 times (2021/2022 4.79 times) the median remuneration of the workforce, which was £25,454 (2021/2022 £24,240).

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

	<b>2022/2023</b> <b>£'000</b>	<b>2021/2022</b> <b>£'000</b>
Salary Band of Highest Paid member of the Executive Management Team/Senior Management Team	116 - 120	116 - 120
Median Total Remuneration	25,454	24,240
Ratio	4.64	4.79

In 2022/2023, no employee received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

### **Salary**

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

### **Bonus Payments**

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid in 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.

## 5. Exit Packages for staff

There were no exit packages provided to staff by the Council in 2022/2023.

## 6. Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, which provides retirement benefits for council employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that councillors hold an elected office. Council members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2021, were as follows:

**Table 5: Employee Contribution Rates**

<b>Band</b>	<b>Range</b>	<b>Employee Contribution Rate</b>
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 2019/20 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:



**Table 6: Employer Contribution Rates**

Year	Employer Contribution
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 only 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 £139,975.

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	2022/2023				
	Accrued Pension at pension age as at 31/3/23 £'000	Real increase in pension lump sum at pension age £'000	CETV at 31/3/23 £'000	CETV at 31/3/22 £'000	Real increase in CETV £'000
D Burns Chief Executive	10 - (LS)	2 - (LS)	115	84	10
H Moore Director of Environmental Services	47 68 (LS)	-1 -5 (LS)	860	796	-25
D Rogan Director of Service Transformation	41 54 (LS)	-1 -4 (LS)	749	690	-19
L Moore Director of Leisure & Community Wellbeing	23 10 (LS)	1 -1 (LS)	285	249	3
C McCrory Director of Finance and Corporate Services	46 - (LS)	-1 - (LS)	545	497	-10


### The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

### Chief Executive



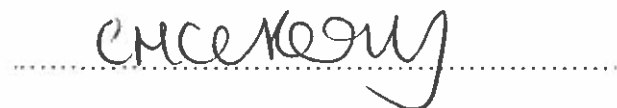
September 2023

### Certificate of the Chief Financial Officer

I certify that:

- a) the Statement of Accounts for the year ended 31st March 2023 on pages 44 to 90 have been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 49 to 61.
- b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2023.

### Chief Financial Officer



Date 21 September 2023

### Council Approval of Statement of Accounts

These accounts have been approved by resolution of the Governance and Audit Committee on 21 September 2023.

### Chairman



Date 21 September 2023

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LISBURN & CASTLEREAGH CITY COUNCIL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LISBURN & CASTLEREAGH CITY COUNCIL**

### **Opinion on financial statements**

I have audited the financial statements of Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 is 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 the light of the knowledge and understanding of Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Accounts and Audit) Regulations (Northern

Ireland) 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;

- making enquires of management and those charged with governance on Lisburn & Castlereagh City 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 Lisburn & Castlereagh City 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 including cash income sites, expenditure 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 Lisburn & Castlereagh City 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 Lisburn & Castlereagh City Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

A handwritten signature in cursive script that reads "Colette Kane".

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

*27th September 2023*

# FINANCIAL STATEMENTS

**Lisburn and Castlereagh City Council**  
**Comprehensive Income and Expenditure Statement for the year ended 31 March 2023**

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	Notes	2022/23			2021/22		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Leisure & Community Wellbeing	2	29,673,275	(9,982,360)	19,690,915	26,262,099	(6,894,030)	19,368,069
Environmental Services	2	26,362,863	(3,959,776)	22,403,087	24,504,968	(3,908,479)	20,596,489
Service Transformation	2	12,426,431	(4,649,519)	7,776,912	14,388,690	(4,302,268)	10,086,422
Finance & Corporate Services	2	11,925,533	(1,551,020)	10,374,513	9,753,492	(1,692,227)	8,061,265
Governance & Audit	2	668,878	(1,500)	667,378	1,093,360	(2,331,877)	(1,238,517)
<b>Cost of Services on Continuing Operations</b>		<b>81,056,980</b>	<b>(20,144,175)</b>	<b>60,912,805</b>	<b>76,002,609</b>	<b>(19,128,881)</b>	<b>56,873,728</b>
Other Operating Expenditure/ Income	8	127,584	(95,865)	31,719	80,600	(18,030)	62,570
Financing and Investment Income and Expenditure	9	2,530,848	(587,425)	1,943,423	3,425,230	(46,234)	3,378,996
<b>Net Operating Expenditure</b>		<b>83,715,412</b>	<b>(20,827,465)</b>	<b>62,887,947</b>	<b>79,508,439</b>	<b>(19,193,145)</b>	<b>60,315,294</b>
Taxation and Non-Specific Grant Income	10	-	(56,660,420)	(56,660,420)	-	(53,326,076)	(53,326,076)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>83,715,412</b>	<b>(77,487,885)</b>	<b>6,227,527</b>	<b>79,508,439</b>	<b>(72,519,221)</b>	<b>6,989,218</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(9,623,422)			(4,804,056)
Remeasurements of the Net Defined Benefit Liability (Asset)	21			(57,065,000)			(26,659,000)
<b>Other Comprehensive Income and Expenditure</b>				<b>(66,688,422)</b>			<b>(31,463,056)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(60,460,895)</b>			<b>(24,473,838)</b>



**Lisburn and Castlereagh City Council**  
**Movement in Reserves Statement for the year ended 31 March 2023**

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustment required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	<b>15,944,541</b>	<b>19,420,796</b>	<b>1,090,582</b>	<b>36,455,919</b>	<b>38,525,984</b>	<b>74,981,903</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(6,989,218)	-	-	(6,989,218)	-	(6,989,218)
Other Comprehensive Income and Expenditure	-	-	-	-	31,463,056	31,463,056
<b>Total Comprehensive Income and Expenditure</b>	<b>(6,989,218)</b>	<b>-</b>	<b>-</b>	<b>(6,989,218)</b>	<b>31,463,056</b>	<b>24,473,838</b>
Adjustments between accounting basis & funding under regulations	10,500,910	(197,965)	-	10,302,945	(10,302,945)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>3,511,692</b>	<b>(197,965)</b>	<b>-</b>	<b>3,313,727</b>	<b>21,160,111</b>	<b>24,473,838</b>
Transfers to / from Statutory and Other Reserves	(2,789,286)	2,789,286	-	-	-	-
<b>Increase/ Decrease in year</b>	<b>722,406</b>	<b>2,591,321</b>	<b>-</b>	<b>3,313,727</b>	<b>21,160,111</b>	<b>24,473,838</b>
<b>Balance as at 31 March 2022</b>	<b>16,666,947</b>	<b>22,012,117</b>	<b>1,090,582</b>	<b>39,769,647</b>	<b>59,686,095</b>	<b>99,455,742</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(6,227,527)	-	-	(6,227,527)	-	(6,227,527)
Other Comprehensive Income and Expenditure	-	-	-	-	66,688,422	66,688,422
<b>Total Comprehensive Income and Expenditure</b>	<b>(6,227,527)</b>	<b>-</b>	<b>-</b>	<b>(6,227,527)</b>	<b>66,688,422</b>	<b>60,460,895</b>
Adjustments between accounting basis & funding under regulations	7,360,182	-	20,000	7,380,182	(7,380,182)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>1,132,655</b>	<b>-</b>	<b>20,000</b>	<b>1,152,655</b>	<b>59,308,240</b>	<b>60,460,895</b>
Transfers to / from Statutory and Other Reserves	(3,964,883)	3,964,883	-	-	-	-
<b>Increase in year</b>	<b>(2,832,228)</b>	<b>3,964,883</b>	<b>20,000</b>	<b>1,152,655</b>	<b>59,308,240</b>	<b>60,460,895</b>
<b>Balance as at 31 March 2023</b>	<b>13,834,719</b>	<b>25,977,001</b>	<b>1,110,582</b>	<b>40,922,302</b>	<b>118,994,335</b>	<b>159,916,637</b>

**Lisburn and Castlereagh City Council**  
**Balance Sheet as at 31 March 2023**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line ' Adjustments between accounting basis and funding basis under regulations'.

	Note	31st March 2023	31st March 2022
		£	£
Fixed Assets	11	157,814,000	151,615,885
Long Term Investments	16	2,615	2,794
Long Term Debtors	15	148,514	169,393
Other long term Assets	21	3,160,000	
<b>LONG TERM ASSETS</b>		<b>161,125,129</b>	<b>151,788,072</b>
Inventories	14	575,556	608,888
Short Term Debtors	15	5,779,565	4,394,146
Cash and Cash Equivalents	25	28,837,257	25,390,906
<b>CURRENT ASSETS</b>		<b>35,192,378</b>	<b>30,393,940</b>
Bank Overdraft	25	1,316,290	-
Short Term Borrowing	17	1,175,158	1,154,996
Short Term Creditors	18	10,537,017	9,624,238
Provisions	19	11,553	194,840
<b>CURRENT LIABILITIES</b>		<b>13,040,018</b>	<b>10,974,074</b>
Provisions	19	2,795,914	3,412,489
Long Term Borrowing	17	20,057,311	21,232,495
Other Long Term Liabilities	21	-	46,823,000
Capital Grants Receipts in Advance	23	507,627	284,212
<b>LONG TERM LIABILITIES</b>		<b>23,360,852</b>	<b>71,752,196</b>
<b>NET ASSETS</b>		<b>159,916,637</b>	<b>99,455,742</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	26	1,110,582	1,090,582
Capital Fund	26	11,394,667	8,616,567
Renewal and Repairs Fund	26	674,756	1,093,959
Other Balances and Reserves	26	13,907,578	12,301,592
General Fund	26	13,834,719	16,666,947
		<b>40,922,302</b>	<b>39,769,647</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	27	58,674,170	56,207,089
Revaluation Reserve	27	57,982,730	51,510,317
Pensions Reserve	27	3,160,000	(46,823,000)
Accumulated Absences Account	27	(822,565)	(752,630)
Provisions Discount Rate Reserve	27	-	(455,681)
		<b>118,994,335</b>	<b>59,686,095</b>
<b>NET WORTH</b>		<b>159,916,637</b>	<b>99,455,742</b>

**Lisburn and Castlereagh City Council**  
**Cash Flow Statement at 31 March 2023**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Council.

	Note	2022/23	2021/22
		£	£
Net Deficit on the provision of services		6,227,527	6,989,218
Adjustment for non-cash movements	25	11,498,829	15,023,957
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(142,365)	(134,242)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>5,128,937</b>	<b>7,900,497</b>
Cash flows from Investing Activities	25	(1,843,853)	(2,044,451)
Net Cash flows from Financing Activities	25	(1,155,023)	(1,854,015)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>2,130,061</b>	<b>4,002,031</b>
Cash and cash equivalents at the beginning of the reporting period		25,390,906	21,388,875
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>27,520,967</b>	<b>25,390,906</b>

# NOTES TO FINANCIAL STATEMENTS

**Lisburn and Castlereagh City Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2023**

1 **Accounting Policies**

a **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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

ii) **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iii) **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.



iv) **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.

v) **Employee Benefits**

**Short term benefits**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

**Termination benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debts for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Post Employment Benefits**

Employees of the Council are members of the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

**The Northern Ireland Local Government Officers' Pension Fund**

The Northern Ireland Local Government Officers' Pension Fund is accounted for as a defined benefits scheme.

The liabilities of the Northern Ireland Local Government Officers' Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the Aon GBP Select AA Curve over the duration of the Employer's liabilities.

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

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

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

Service cost comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Within Financing and Investment Income and Expenditure

Net interest on the net defined benefit liability (asset), – i.e. net interest expense for the Council, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Within Other Comprehensive Income and Expenditure (Remeasurements)

The Return on Plan Assets – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets, and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserves as Other Comprehensive Income and Expenditure.

Within the Movement in Reserves Statement Appropriations

Contributions by Scheme Participants – the increase in scheme liabilities and assets due to payments into the scheme by employees (where increased contribution increases pension due to the employee in the future).

Contributions by the Employer - the increase in scheme assets due to payments into the scheme by the employer.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies that are applied to the Northern Ireland Local Government Officers' Pension Fund.

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The scheme provides defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

vi) **Events After the Balance Sheet Date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

The Statement of Accounts may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the Statement of Accounts and is usually the date the Local Government Auditor issues the certificate and opinion. Where material adjustments are made in this period they will be disclosed.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

vii) **Exceptional Items**

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

viii) **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

ix) **Financial Instruments**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

**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)

**Financial Assets Measured at Fair Value through Profit or Loss**

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

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

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

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

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

x) **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure. There are no such grants held within the 2022/2023 financial year.

xi) **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. Those intangible assets held that do not meet this criterion are carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xii) **Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO/ weighted average costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xiii) **Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measureable date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xiv) **Landfill Allowance Scheme**

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

xv) **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, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

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

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

**The Council as Lessee**

**Finance Leases:**

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

Lease payments are apportioned between:

- a. a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- b. a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, plant and equipment recognised under finance leases are 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 contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **Operating Leases:**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

#### **The Council as Lessor - lease**

##### **Finance Leases:**

Where the Council grants a lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a. a charge for the acquisition of the interest in the property – applied to write down the lease debtor together with any premiums received, and
- b. finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. [When the future rentals are paid, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.]

The written-off value of disposals is not a charge against district rates, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### **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 Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.



xvi) **Disposals and Non-Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of its carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against district rates, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xvii) **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xviii) **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

**Recognition**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

**Measurement**

Assets are initially measured at cost, comprising:

- a. the purchase price
- b. any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- 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 current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. [Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.]

The Revaluation Reserve contains revaluation gains recognised since 1 April 2008 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- a. where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains),
- b. where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

#### **Depreciation is calculated on the following bases:**

- buildings and infrastructure assets are depreciated on their current value over the estimated useful life of the asset as advised by a valuer from Land and Property Services. Depending on the type of building, installation or fitting, the maximum useful life will be in the range of 3 to 68 years
- vehicles, plant and equipment are depreciated on historic cost using a life of between 3 and 20 years
- The Council applies a full year depreciation in the year of acquisition and no depreciation in the year of disposal.

### **Componentisation**

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

## **Revaluations**

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### xix) **Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policy on impairment.

### xx) **Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### xxi) **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against District Rates for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement benefits and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

### xxii) **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- a. depreciation attributable to the assets used by the relevant service
- b. revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- c. amortisation of intangible fixed assets attributable to the service.

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

xxiii) **Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

xxiv) **Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxv) **Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

b) **Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires an authority to disclose information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified. This would result in an impact on disclosures spanning two financial years.

The standards that may be relevant for additional disclosures in the 2022/23 financial statements in respect of accounting changes that are introduced in the 2022/23 Code (i.e. that are relevant to the requirements of paragraph 3.3.4.3 of the Code) are:

- Annual improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before intended use (Amendment to IAS 16)

The Council expects none of the above amendments to have a material impact on information in the financial statements.

The CIPFA LASAAC Local Authority Accounting Code Board has agreed to defer the implementation of IFRS 16 Leases in the Code until the 2023/24 financial year.

**c Critical Judgements in Applying Accounting Policies**

For the 2022/23 financial year, the Council has not made any critical judgements about complex transactions or those involving uncertainty about future events.

**d 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:

**i) 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.

**ii) Fair Value Measurement**

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.

Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.

The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets.

The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates - adjusted for regional factors (for both investment properties and some financial assets).

Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

**iii) Provisions**

The Council has applied future discount rates to calculate the provision due against the closure of two landfill sites.

The Council has made a provision of £2.62m for the closure plans of the two sites, Moss Road and Drumlough.

**iv) Pension 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 pension liability of changes in individual assumptions can be measured. The sensitivity analysis can be seen in Note 21.

2

a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The difference between the 'Net expenditure chargeable to the General Fund' and the 'surplus/(Deficit) on General Fund Balance in Year' are the transfers to reserves that are detailed in Note 4b.

	2022/23			2021/22		
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Leisure & Community Wellbeing	13,786,544	5,904,370	19,690,915	13,417,137	5,950,932	19,368,069
Environmental Services	20,002,201	2,400,887	22,403,087	17,775,147	2,821,342	20,596,489
Service Transformation	6,814,195	962,717	7,776,912	8,395,956	1,690,465	10,086,422
Finance & Corporate Services	8,344,698	2,029,815	10,374,513	6,155,474	1,905,792	8,061,265
Governance & Audit	581,751	85,627	667,378	(1,389,159)	150,642	(1,238,517)
<b>Net Cost of Services</b>	<b>49,529,389</b>	<b>11,383,416</b>	<b>60,912,805</b>	<b>44,354,555</b>	<b>12,519,173</b>	<b>56,873,728</b>
<b>Other Income and Expenditure</b>	<b>(50,662,044)</b>	<b>(4,023,234)</b>	<b>(54,685,278)</b>	<b>(47,866,247)</b>	<b>(2,018,263)</b>	<b>(49,884,510)</b>
<b>Surplus or Deficit</b>	<b>(1,132,655)</b>	<b>7,360,182</b>	<b>6,227,527</b>	<b>(3,511,692)</b>	<b>10,500,910</b>	<b>6,989,218</b>
<b>Opening General Fund</b>			<b>16,666,947</b>			<b>15,944,541</b>
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>			<b>(2,832,228)</b>			<b>722,406</b>
<b>Closing General Fund</b>			<b>13,834,719</b>			<b>16,666,947</b>



2  
b

Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments between Funding and Accounting Basis  
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
	£	£	£	£	£
Leisure & Community Wellbeing	3,611,371	2,266,975	26,024	-	5,904,370
Environmental Services	553,216	1,843,675	3,996	-	2,400,887
Service Transformation	37,749	905,600	19,368	-	962,717
Finance & Corporate Services	1,234,145	781,984	13,686	-	2,029,815
Governance & Audit	-	78,766	6,861	-	85,627
<b>Net Cost of Services</b>	<b>5,436,481</b>	<b>5,877,000</b>	<b>69,935</b>	<b>-</b>	<b>11,383,416</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(4,772,553)	1,205,000	(455,681)	-	(4,023,234)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	663,928	7,082,000	(385,746)	-	7,360,182

Adjustments between Funding and Accounting Basis  
2021/22

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
	£	£	£	£	£
Leisure & Community Wellbeing	3,590,748	2,376,650	(16,466)	-	5,950,932
Environmental Services	627,684	2,085,400	108,258	-	2,821,342
Service Transformation	720,381	1,024,920	(54,836)	-	1,690,465
Finance & Corporate Services	1,035,758	875,850	(5,816)	-	1,905,792
Governance & Audit	-	147,180	3,462	-	150,642
<b>Net Cost of Services</b>	<b>5,974,571</b>	<b>6,510,000</b>	<b>34,602</b>	<b>-</b>	<b>12,519,173</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(3,266,454)	1,335,000	(86,809)	-	(2,018,263)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	2,708,117	7,845,000	(52,207)	-	10,500,910

### 3 a Expenditure and Income Analysed by Nature

Expenditure		2022/23	2021/22
	Notes	£	£
Employee Benefits Expenses	7	30,430,995	28,081,935
Other Services Expenditure		46,221,576	44,677,988
Depreciation, Amortisation, Impairment	11	5,705,274	5,284,712
Interest Payments	9	1,325,848	1,401,234
Loss on the Disposal of Assets	8	31,719	62,570
<b>Total Expenditure</b>		<b>83,715,412</b>	<b>79,508,439</b>

Income		2022/23	2021/22
	Notes	£	£
Fees, Charges and other service Income		(20,240,040)	(19,146,911)
Interest and Investment Income	9	(587,425)	(46,234)
District rate income	10	(53,410,041)	(50,165,368)
Government grants and Contributions	10	(3,250,379)	(3,160,708)
<b>Total Income</b>		<b>(77,487,885)</b>	<b>(72,519,221)</b>

<b>(Surplus) or Deficit on the Provision of Services</b>		<b>6,227,527</b>	<b>6,989,218</b>
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### b Revenue from contracts with service recipients

The Council does not receive material revenue from contracts with service recipients.

### 4 Adjustments between an Accounting Basis and Funding Basis under Regulations

#### a 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>			
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(268,793)	689,859
Depreciation charged in the year on non-current assets	11	5,705,274	5,284,712
Net Revenue expenditure funded from capital under statute	12	206,587	2,111,281
Carrying amount of non current assets sold	8	127,584	80,600
Proceeds from the sale of PP&E, investment property and intangible assets	8	(95,865)	31,719
Net charges made for retirement benefits in accordance with IAS 19	21	11,495,000	11,974,000
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21	(4,413,000)	(4,129,000)
Capital Grants and Donated Assets Receivable and Applied in year	10	(46,500)	(116,212)
Adjustments in relation to short-term compensated absences	27	69,935	34,603
Provisions Discount Rate Reserve Adjustment	27	(455,681)	(86,809)
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>			
Statutory Provision for the financing of Capital Investment	12	(4,077,584)	(4,788,817)
Direct revenue financing of Capital Expenditure	12	(886,775)	(535,276)
		<b>7,360,182</b>	<b>10,500,910</b>

b Net transfers (to)/from statutory and other earmarked reserves:		2022/23	2022/23	2021/22	2021/22
	Notes	£	£	£	£
<b>Capital Fund</b>					
To Capital		(2,778,100)		(879,266)	
Other	26	-	(2,778,100)	-	(879,266)
<b>Renewal and Repairs Fund</b>					
Other	26	419,203	419,203	27,041	27,041
<b>Other Funds and earmarked reserves</b>					
Other	26	(1,605,986)	(1,605,986)	(1,937,061)	(1,937,061)
			(3,964,883)		(2,789,286)

## 5 Cost of Services on Continuing Operations

### a General power of competence

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to 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).

### b External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Councils external auditors.

	2022/23	2021/22
	£	£
External Audit Fees	82,000	77,000
Other Fees	23,314	21,000
	105,314	98,000

The other fees of £23,314 were incurred in respect of performance audit services provided by the appointed auditor (£22k) and the National Fraud Initiative (£1,314).

## 6 Operating and leases

### Council as Lessor

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

The Council does not lease any property or equipment on Finance leases.

#### b Operating Leases (Council as lessor)

The Council 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 local businesses.

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

	31st March 2023	31st March 2022
	£	£
Not later than 1 year	299,341	235,500
Later than 1 year and no later than 5 years	904,146	322,846
Later than 5 years	1,105,345	357,314
	2,308,832	915,660

### Council as Lessee

#### c Finance leases (Council as lessee)

The Council does not have any vehicles or IT equipment held under finance lease arrangements.

The net carrying amount of the plant and equipment held under lease arrangements is £61,084 (2021/2022 £104,069). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment. The rentals paid for equipment held under finance leases totalled £42,907 (2021/2022 £42,907).

	31st March 2023	31st March 2022
	£	£
Vehicles, Plant, Furniture and Equipment	61,084	104,069
	61,084	104,069

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

	Minimum Lease Payments		lease Liabilities	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	£	£	£	£
Not later than one year	49,633	49,633	6,726	6,726
Later than one year and not later than five years	50,396	100,149	6,908	13,634
	100,029	149,782	13,634	20,360

No contingent rentals were recognised as an expense in the Comprehensive Income and Expenditure Statement during the reporting period under review, and no future sub-lease income is expected to be received, as all assets are used exclusively by the council.

The Council has a number of assets of land held by long term leases from 99 to 10,000 years. Rental income is between 1 pence and 1 pound if demanded. Rent is not normally demanded on these premises and therefore future minimal finance lease payments are assumed to be £nil.

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

The Council has acquired its office photocopiers and printers by entering into operating leases with typical lives of 3 to 5 years.

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

	31st March 2023	31st March 2022
	£	£
Not later than 1 year	163,460	277,567
Later than 1 year and no later than 5 years	263,250	265,000
Later than 5 years	312,833	364,617
	739,543	907,184

No sub-lease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under operating lease agreements are used exclusively by the Council.

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	154,264	277,567
Total	154,264	277,567

#### 7 Employee Costs and Member Allowances

##### a Staff Costs

	2022/23	2021/22
	£	£
Salaries and Wages	23,575,281	21,749,971
Employers NIC	2,323,641	2,030,038
Employers Superannuation	4,532,073	4,301,926
Total staff costs	30,430,995	28,081,935

In addition, agency costs during the year amounted to £2,913,469 (2021/22 £2,660,756).

The Council's current contribution rate to NILGOSC scheme is 19.5% .

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

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

##### b Average Number of Employees

	2022/23	2021/22
	FTE	FTE
Leisure & Community Wellbeing	284	283
Environmental Services	232	238
Service Transformation	103	96
Finance & Corporate Services	84	81
Governance & Audit	10	12
Total Number	713	710

	2022/23	2021/22
	Actual Numbers	Actual Numbers
Full-time numbers employed	631	624
Part-time numbers employed	153	145
Total Number	784	769

c Senior Employees' Remuneration		
	2022/23	2021/22
	£	£
£50,001 to £60,000	-	1
£60,001 to £70,000	10	11
£70,001 to £80,000	2	-
£80,001 to £90,000	-	2
£90,001 to £100,000	4	2
£110,001 to £120,000	1	1
<b>Total Number</b>	<b>17</b>	<b>17</b>

d Members' Allowances		
	2022/23	2021/22
	£	£
Basic allowance	654,142	630,280
Mayor's & Deputy Mayor's Allowance	35,618	35,618
Special Responsibility Allowances	80,809	76,671
Dependents' carers allowance	-	49
Employer costs	139,975	139,570
Mileage	13,625	7,977
Travel & Subsistence Costs	195	-
<b>Total</b>	<b>924,364</b>	<b>890,165</b>

#### e Northern Ireland Civil Service Pension Arrangements

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

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 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 £301,207 were payable to the NICS pension arrangements at one of four rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2016 was completed by the Actuary during 2019. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. 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 persons retired early on ill-health grounds as such the actuarial cost for employees for the early payment of retirement benefits was £nil.

### 8 Other Operating Income & Expenditure

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

	2022/23	2021/22
	£	£
Proceeds from sale	(95,865)	(18,030)
Carrying amount of non-current assets sold (excl Investment Properties)	127,584	80,600
	<u>31,719</u>	<u>62,570</u>

Other Operating Expenditure		
	2022/23	2021/22
	£	£
(Surplus) / Deficit on Non Current Assets	31,719	62,570
	<u>31,719</u>	<u>62,570</u>

### 9 Financing and Investment Income and Expenditure

#### a Interest Payable and Similar Charges

	2022/23	2021/22
	£	£
Government Loan Interest	1,319,122	1,394,508
Commercial Loan Interest	6,726	6,726
	<u>1,325,848</u>	<u>1,401,234</u>

#### b Interest and Investment Income

	2022/23	2021/22
	£	£
Bank Interest	571,963	30,391
NIHE Loan interest receivable	15,462	15,843
	<u>587,425</u>	<u>46,234</u>

**c Pensions interest costs and expected return on pensions assets**

	2022/23	2021/22
	£	£
Net interest on the net defined benefit liability (asset)	1,205,000	1,335,000

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

	2022/23	2021/22
	£	£
Changes in Fair Value of Investment Properties	-	688,996
	-	688,996

Financing and Investment Income and Expenditure	2022/23			2021/22		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,325,848	-	1,325,848	1,401,234	-	1,401,234
Interest and Investment Income	-	(587,425)	(587,425)	-	(46,234)	(46,234)
Pensions interest cost	1,205,000	-	1,205,000	1,335,000	-	1,335,000
Changes in Fair Value of Investment Properties	-	-	-	688,996	-	688,996
	2,530,848	(587,425)	1,943,423	3,425,230	(46,234)	3,378,996

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

	2022/23	2021/22
	£	£
General	(3,203,879)	(3,044,496)

**b Capital Grants and Donated Assets - Applied**

	2022/23	2021/22
	£	£
Government & Other Grants - Transfer from receipts in advance	(10,000)	(116,212)
Donated Assets - Conditions met	(36,500)	-
	(46,500)	(116,212)

**c District Rates**

	2022/23	2021/22
	£	£
Current year	(53,410,041)	(50,165,368)

Taxation and Non Specific Grant Income	2022/23	2021/22
	£	£
District Rate Income	(53,410,041)	(50,165,368)
Revenue Grants	(3,203,879)	(3,044,496)
Capital Grants and Contributions	(46,500)	(116,212)
	(56,660,420)	(53,326,076)

Lisburn and Castlereagh City Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2023

11 a Long - Term Assets - Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	24,850,298	110,485,408	894,485	-	22,721,153	4,818,576	3,938,309	1,883,750	<b>169,591,979</b>	1,027,313	-	<b>170,619,292</b>
<b>Balance as at 1 April 2022</b>	<b>24,850,298</b>	<b>110,485,408</b>	<b>894,485</b>	<b>-</b>	<b>22,721,153</b>	<b>4,818,576</b>	<b>3,938,309</b>	<b>1,883,750</b>	<b>169,591,979</b>	<b>1,027,313</b>	<b>-</b>	<b>170,619,292</b>
Additions	-	22,623	-	-	417,646	-	819,013	-	<b>1,259,282</b>	879,475	-	<b>2,138,757</b>
Revaluation increases/ (decreases) to Revaluation Reserve	-	7,701,293	-	-	-	302,414	-	-	<b>8,003,707</b>	-	-	<b>8,003,707</b>
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	-	(2,193,507)	-	-	-	-	-	-	<b>(2,193,507)</b>	-	-	<b>(2,193,507)</b>
Derecognition - Disposals	-	-	-	-	(319,392)	-	-	(91,000)	<b>(410,392)</b>	-	-	<b>(410,392)</b>
Derecognition - Other	-	-	-	-	(1,542,636)	-	-	-	<b>(1,542,636)</b>	-	-	<b>(1,542,636)</b>
Reclassifications & Transfers	-	1,957	-	-	-	-	(425,119)	-	<b>(423,162)</b>	-	-	<b>(423,162)</b>
<b>Balance as at 31 March 2023</b>	<b>24,850,298</b>	<b>116,017,774</b>	<b>894,485</b>	<b>-</b>	<b>21,276,771</b>	<b>5,120,990</b>	<b>4,332,203</b>	<b>1,792,750</b>	<b>174,285,271</b>	<b>1,906,788</b>	<b>-</b>	<b>176,192,059</b>
Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	7	4,082,009	125,228	-	18,854,240	3	-	-	<b>23,061,487</b>	-	-	<b>23,061,487</b>
<b>Balance as at 1 April 2022</b>	<b>7</b>	<b>4,082,009</b>	<b>125,228</b>	<b>-</b>	<b>18,854,240</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>23,061,487</b>	<b>-</b>	<b>-</b>	<b>23,061,487</b>
Depreciation Charge	-	4,496,249	26,133	-	1,068,683	-	-	-	<b>5,591,065</b>	-	-	<b>5,591,065</b>
Depreciation written out on Revaluation Reserve	-	(1,619,715)	-	-	-	-	-	-	<b>(1,619,715)</b>	-	-	<b>(1,619,715)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,462,300)	-	-	-	-	-	-	<b>(2,462,300)</b>	-	-	<b>(2,462,300)</b>
Derecognition - Disposals	-	-	-	-	(282,808)	-	-	-	<b>(282,808)</b>	-	-	<b>(282,808)</b>
Derecognition - Other	-	-	-	-	(1,542,636)	-	-	-	<b>(1,542,636)</b>	-	-	<b>(1,542,636)</b>
<b>Balance as at 31 March 2023</b>	<b>7</b>	<b>4,496,243</b>	<b>151,361</b>	<b>-</b>	<b>18,097,479</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>22,745,093</b>	<b>-</b>	<b>-</b>	<b>22,745,093</b>
<b>Balance as at 31 March 2023</b>	<b>24,850,291</b>	<b>111,521,531</b>	<b>743,124</b>	<b>-</b>	<b>3,179,292</b>	<b>5,120,987</b>	<b>4,332,203</b>	<b>1,792,750</b>	<b>151,540,178</b>	<b>1,906,788</b>	<b>-</b>	<b>153,446,966</b>



**b Long - Term Assets - Comparative Year**

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	24,745,291	108,492,505	438,891	-	22,895,450	4,626,238	4,718,928	5,741,317	<b>171,658,620</b>	1,027,313	-	<b>172,685,933</b>
Adjustments between cost/value & depreciation/impairment	7	1,887	(2,433)	-	2	3	-	-	<b>(534)</b>	-	-	<b>(534)</b>
<b>Balance as at 1 April 2021</b>	<b>24,745,298</b>	<b>108,494,392</b>	<b>436,458</b>	<b>-</b>	<b>22,895,452</b>	<b>4,626,241</b>	<b>4,718,928</b>	<b>5,741,317</b>	<b>171,658,086</b>	<b>1,027,313</b>	<b>-</b>	<b>172,685,399</b>
Additions	-	-	-	-	166,057	-	1,494,025	462,000	<b>2,122,082</b>	-	-	<b>2,122,082</b>
Revaluation increases/decreases to Revaluation Reserve	115,000	2,908,318	-	-	-	192,335	-	51,000	<b>3,266,653</b>	-	-	<b>3,266,653</b>
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(10,000)	(2,398,779)	-	-	-	-	-	(17,000)	<b>(2,425,779)</b>	-	-	<b>(2,425,779)</b>
Derecognition - Disposals	-	(109,803)	-	-	(340,356)	-	-	-	<b>(450,159)</b>	-	-	<b>(450,159)</b>
Reclassifications & Transfers	-	1,591,280	458,027	-	-	-	(2,274,644)	(4,353,567)	<b>(4,578,904)</b>	-	-	<b>(4,578,904)</b>
<b>Balance as at 31 March 2022</b>	<b>24,850,298</b>	<b>110,485,408</b>	<b>894,485</b>	<b>-</b>	<b>22,721,153</b>	<b>4,818,576</b>	<b>3,938,309</b>	<b>1,883,750</b>	<b>169,591,979</b>	<b>1,027,313</b>	<b>-</b>	<b>170,619,292</b>
Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	-	3,998,790	91,915	-	18,051,110	-	-	-	22,141,815	-	-	22,141,815
Adjustments between cost/value & depreciation/impairment	7	1,887	(2,438)	-	(46)	3	-	-	<b>(587)</b>	-	-	<b>(587)</b>
<b>Balance as at 1 April 2021</b>	<b>7</b>	<b>4,000,677</b>	<b>89,477</b>	<b>-</b>	<b>18,051,064</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>22,141,228</b>	<b>-</b>	<b>-</b>	<b>22,141,228</b>
Depreciation Charge	-	4,082,015	26,590	-	1,143,532	-	-	-	<b>5,252,137</b>	-	-	<b>5,252,137</b>
Depreciation written out on Revaluation Reserve	-	(1,537,403)	-	-	-	-	-	-	<b>(1,537,403)</b>	-	-	<b>(1,537,403)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,424,916)	-	-	-	-	-	-	<b>(2,424,916)</b>	-	-	<b>(2,424,916)</b>
Derecognition - Disposals	-	(29,203)	-	-	(340,356)	-	-	-	<b>(369,559)</b>	-	-	<b>(369,559)</b>
Reclassifications & Transfers	-	(9,161)	9,161	-	-	-	-	-	<b>-</b>	-	-	<b>-</b>
<b>Balance as at 31 March 2022</b>	<b>7</b>	<b>4,082,009</b>	<b>125,228</b>	<b>-</b>	<b>18,854,240</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>23,061,487</b>	<b>-</b>	<b>-</b>	<b>23,061,487</b>
<b>Net Book Values</b>												
Balance as at 31 March 2022	24,850,291	106,403,399	769,257	-	3,866,913	4,818,573	3,938,309	1,883,750	146,530,492	1,027,313	-	147,557,805
Balance as at 31 March 2023	24,850,291	111,521,531	743,124	-	3,179,292	5,120,987	4,332,203	1,792,750	151,540,178	1,906,788	-	153,446,966

## 11 c Property, plant and equipment

### Depreciation

The useful lives and depreciation rates applied to calculate the depreciation are outlined in note 1 xxi).

### Revaluations

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). The revaluation results for land and buildings, including an analysis of the revaluations amounts taken to the Revaluation Reserve and the Surplus or Deficit on the Provision of Services, are detailed in note 11a.

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.

The Council also owns an Intangible Asset which relates to a Drinks Licence in Castlereagh Hills Golf club. This asset has been held at the previous value (2022/2023) due to market conditons.

Intangible Assets	2022/23	2021/22
	£	£
Balance at start of year:		
Gross carrying amounts	443,645	398,737
Accumulated amortisation	305,565	272,990
Net carrying amount at start of year	138,080	125,747
Amortisation for the period	(114,209)	(32,575)
Other Changes	423,163	44,908
Net carrying amount at end of year	447,034	138,080
Comprising:		
Gross carrying amounts	866,808	443,645
Accumulated amortisation	419,774	305,565
Net carrying amount at end of year	447,034	138,080

Intangible Assets	31/03/2023	31/03/2022
	£	£
Drinks Licence	80,000	80,000
Computer Software	367,034	58,080
	447,034	138,080

## e Investment Properties

The Council has 3 Investment Properties: Lagan Navigational House, Bradford Court and one situated within the Dundonald Ice Bowl complex.

There are no restrictions on the Council's ability to realise the value of its investment property or on the authority's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

All three properties classified as Investment properties are held at fair value.

Investment Properties	2022/23	2021/22
	£	£
Balance at start of the year	3,920,000	75,000
Net gains/losses from fair value adjustments	-	(688,996)
Transfers to/ from property, plant and equipment	-	4,533,996
Balance at end of the year	3,920,000	3,920,000

### Valuation Techniques

There has been no change in the valuation techniques used during the year for Investment Properties.

## f Heritage Assets

Plant & memorials consist of a memorial statue to Henry George Ferguson, an Irish engineer and inventor who is noted for his role in the development of the modern tractor, becoming the first Irishman to build and fly his own aeroplane, and for developing the first four-wheel drive Formula One car.

The memorial is a one-off piece commissioned in 2009 to commemorate his achievements and is valued on a historical cost basis. Plant and memorials also includes a restored vintage fire engine. In the absence of market information this is valued using its insurance valuation as the basis.

### Art Collection

The Council operates the Irish Linen Museum in Lisburn City which contains a collection of artwork and other artefacts of historical local interest. Policy is to insure all material items with a value estimated to be over £10,000. The Art collection consists of a number of valuable pieces by notable local artists including John Luke and Samuel McCloy. The major pieces in the collection are valued for insurance purposes and this valuation forms the basis of valuation for these financial statements.

### Other Artefacts

Other artefacts include an extensive range of pieces in the Museum relating to the history of the local linen industry, Civic regalia and a Vintage Plane. All items with a material value of over £10,000 are valued for insurance purposes and this valuation forms the basis of the valuation for these financial statements.

## g Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2022	60,905	1,424,283	<b>1,485,188</b>
<b>At 31 March 2023</b>	<b>60,905</b>	<b>1,424,283</b>	<b>1,485,188</b>
<b>Depreciation</b>			
At 1 April 2022	60,905	1,320,214	<b>1,381,119</b>
Provided for year	-	42,985	<b>42,985</b>
<b>At 31 March 2023</b>	<b>60,905</b>	<b>1,363,199</b>	<b>1,424,104</b>
<b>Net Book Value</b>	<b>-</b>	<b>61,084</b>	<b>61,084</b>

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2021	60,905	1,424,283	<b>1,485,188</b>
<b>At 31 March 2022</b>	<b>60,905</b>	<b>1,424,283</b>	<b>1,485,188</b>
<b>Depreciation</b>			
At 1 April 2021	60,905	1,277,229	<b>1,338,134</b>
Provided for year	-	42,985	<b>42,985</b>
<b>At 31 March 2022</b>	<b>60,905</b>	<b>1,320,214</b>	<b>1,381,119</b>
<b>Net Book Value</b>	<b>-</b>	<b>104,069</b>	<b>104,069</b>

## 12 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure		2022/23	2021/22
		£	£
<b>Opening Capital Financing Requirement</b>		43,898,126	45,321,063
<b>Capital Investment</b>			
Property, Plant and Equipment	11	2,138,757	2,122,082
Revenue Expenditure Funded from Capital under Statute		206,587	2,111,281
<b>Sources of Finance</b>			
Capital Receipts		(75,865)	(18,030)
Government Grants and Other Contributions	10	(46,500)	(116,212)
Transfers from Earmarked Reserves		-	(197,965)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		(886,775)	(535,276)
Minimum Revenue Provision		(4,077,584)	(4,788,817)
<b>Closing Capital Financing Requirement</b>		<b>41,156,746</b>	<b>43,898,126</b>
<b>Explanation of Movements in Year</b>		<b>2022/23</b>	<b>2021/22</b>
		£	£
Increase in underlying need to borrow		(2,741,380)	(1,422,937)
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>(2,741,380)</b>	<b>(1,422,937)</b>

### 13 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	1,410,007	-	1,410,007
<b>Total</b>	<b>1,410,007</b>	<b>-</b>	<b>1,410,007</b>

14 Inventories	2022/23 £	2021/22 £
Central Stores	140,358	148,118
Garage	98,231	114,529
Goods for resale	75,509	81,783
Household waste/ recycling	228,892	221,571
Vending	10,366	6,264
Other	22,200	36,623
<b>Total</b>	<b>575,556</b>	<b>608,888</b>

15 Debtors	2022/23 £	2021/22 £
<b>a Long Term Debtors</b>		
Government Departments	103,165	118,592
Other Councils	45,349	50,801
<b>Total Long-Term Debtors</b>	<b>148,514</b>	<b>169,393</b>

<b>b Short Term Debtors</b>	2022/23 £	2021/22 £
Government Departments	2,720,476	2,418,076
Other Councils	48,768	267,934
NIHE loans	15,427	15,429
Interest Receivable	144,170	10,946
Value Added Tax	1,003,580	859,240
Prepayments	120,054	77,211
Other	893,864	255,028
Trade receivables	927,481	601,959
Impairment loss - Trade receivables	(94,255)	(111,677)
<b>Total Short-Term Debtors</b>	<b>5,779,565</b>	<b>4,394,146</b>

<b>Total Debtors</b>	<b>5,928,079</b>	<b>4,563,539</b>
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16 Investments	2022/23 £	2021/22 £
<b>Long Term Investments</b>		
Investments - general	2,615	2,794
<b>Total Long-term Investments</b>	<b>2,615</b>	<b>2,794</b>

17 Borrowings	2022/23 £	2021/22 £
<b>a Short Term Borrowing</b>		
Loans re-payable within one year	1,132,251	1,112,089
lease Principal	42,907	42,907
<b>Total Short Term Borrowing</b>	<b>1,175,158</b>	<b>1,154,996</b>

<b>b Long Term Borrowing</b>	2022/23 £	2021/22 £
Between 1 and 2 years	1,177,768	1,175,127
Between 2 and 5 years	4,359,482	3,714,597
Between 5 and 10 years	5,276,703	6,557,851
In more than 10 years	9,243,358	9,784,920
<b>Government Loans Fund</b>	<b>20,057,311</b>	<b>21,232,495</b>

<b>Total Borrowing</b>	<b>21,232,469</b>	<b>22,387,491</b>
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18 Creditors			
a Short Term Creditors			
		2022/23	2021/22
		£	£
Government Departments		1,449,853	1,413,271
Other Councils		204,259	221,961
Accumulated Absences		822,565	752,630
Loan Interest Payable		203,085	244,756
Capital Creditors		295,370	142,831
Receipts in advance		3,295,257	2,481,051
Trade creditors		3,534,101	3,372,184
Other		732,527	995,554
<b>Total Short Term Creditors</b>		<b>10,537,017</b>	<b>9,624,238</b>

This amount includes £505,799 of third party income.

<b>Total Creditors</b>	<b>10,537,017</b>	<b>9,624,238</b>
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#### b Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 17,627 invoices totalling £50,464,414.

The number of disputed invoices were unknown.

The Council paid:

15,380 (87.25%) invoices with 30 calendar days target (2021/22: 91.5%);  
13,338 (75.67%) invoices within 10 working days target (2021/22: 79.4%); and  
2,247 (12.75%) invoices outside of the 30 day target (2021/22: 8.5%).

The average number of days taken to pay suppliers during the year was 18 days (2021/22: 14 days).

19 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	3,414,329	97,298	(177,982)	-	(718,178)	<b>2,615,467</b>	
Other - Insurance Claims	193,000	62,717	(63,717)	-	-	<b>192,000</b>	
<b>Total</b>	<b>3,607,329</b>	<b>160,015</b>	<b>(241,699)</b>	<b>-</b>	<b>(718,178)</b>	<b>2,807,467</b>	
Current Provisions	194,840	62,717	(241,699)	-	(4,305)	<b>11,553</b>	
Long Term Provisions	3,412,489	97,298	-	-	(713,873)	<b>2,795,914</b>	
<b>Total</b>	<b>3,607,329</b>	<b>160,015</b>	<b>(241,699)</b>	<b>-</b>	<b>(718,178)</b>	<b>2,807,467</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	3,758,177	(156,162)	(100,877)	-	(86,809)	<b>3,414,329</b>	
Other - Insurance Claims	156,461	133,555	(97,016)	-	-	<b>193,000</b>	
<b>Total</b>	<b>3,914,638</b>	<b>(22,607)</b>	<b>(197,893)</b>	<b>-</b>	<b>(86,809)</b>	<b>3,607,329</b>	
Current Provisions	338,247	52,646	(197,893)	-	1,840	<b>194,840</b>	
Long Term Provisions	3,576,391	(75,253)	-	-	(88,649)	<b>3,412,489</b>	
<b>Total</b>	<b>3,914,638</b>	<b>(22,607)</b>	<b>(197,893)</b>	<b>-</b>	<b>(86,809)</b>	<b>3,607,329</b>	

#### Landfill Closure

The Council has responsibility for two landfill sites which were inherited from the legacy councils on 1 April 2015, Drumlough and Moss Road. These sites are at varying stages of closure in accordance with ECC directives. The Moss Road site closed in 2001. The closure plan was approved by NIEA in November 2018. The implementation plan is currently being prepared. With regards to the landfill site at Drumlough, the final closure plan was approved by the NIEA in July 2016. The implementation plan was approved by Council in September 2018. From 2018/2019, there has been an additional effect on the Landfill provision for both sites as the discount rates used has been adjusted for inflation. The impact of this was mitigated by the use of a negative reserve as per Accounts Direction issued in 2018/2019. Due to the current high inflation rates, this reserve is no longer in use.

#### Other - Insurance Claims

Other provisions related to pending insurance claims and the associated estimated costs. Of the provision carried forward from 2021/2022, £63,717 was utilised during the year. New provisions were created in 2022/2023 totalling £192,000.

## 20 Financial Instruments

### Categories of 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. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and, as such, there is no further additional estimated exposure to default and inability to collect.

There is no historical experience of default in relation to deposits with banks and other financial institutions. Therefore there is no estimated exposure to risk of default.

#### Liquidity Risk

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included in notes 17 to 19. All trade and other payables are due for payment within one year.

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments. The Council is in receipt of loans from the Department of Finance, however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

#### Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance at concessionary interest rates that differ from the prevailing market rates. The fair value of these loans is £25,015,178 (2021/22: £28,252,468)

#### 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.

## 21 Retirement Benefits

### a Participation in the Northern Ireland Local Government Officers' Pension Fund.

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

### b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement.

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

	Note	2022/23 £	2021/22 £
Net cost of services:			
Current service cost		10,289,000	10,613,000
Past service cost/(gain)		1,000	26,000
Net Interest on net defined benefit Liability (asset)		1,205,000	1,335,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>11,495,000</b>	<b>11,974,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(11,495,000)	(11,974,000)
Employers' contributions payable to scheme		4,413,000	4,129,000
<b>Net adjustment to General Fund</b>		<b>(7,082,000)</b>	<b>(7,845,000)</b>

The service cost figures include an allowance for administration expenses of £112k (2021/2022 - £104k).

<b>Remeasurements recognised in Other Comprehensive Income and Expenditure</b>	<b>Note</b>	<b>2022/23 £</b>	<b>2021/22 £</b>
Liability gains/(losses) due to change in assumptions		101,295,000	17,789,000
Liability gains/(losses) due to demographic changes		(1,021,000)	2,541,000
Liability experience gains/(losses) arising in the year		(14,280,000)	(545,000)
Actuarial gains/(losses) on plan assets		(28,929,000)	6,874,000
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>57,065,000</b>	<b>26,659,000</b>

<b>C Assets and liabilities in relation to retirement benefits</b>			
<b>Reconciliation of present value of the scheme liabilities:</b>	<b>Note</b>	<b>2022/23 £</b>	<b>2021/22 £</b>
Balance as at 1 April		251,354,596	258,201,596
Current service cost		10,289,000	10,613,000
Interest cost		6,736,000	5,391,000
Contributions by members		1,428,000	1,331,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(101,295,000)	(17,789,000)
Actuarial gains/losses arising from demographic changes		1,021,000	(2,541,000)
Actuarial gains/losses arising on liabilities from experience		14,280,000	545,000
Past service costs/(gains)		1,000	26,000
Estimated unfunded benefits paid		(39,000)	(35,000)
Estimated benefits paid		(5,255,000)	(4,388,000)
<b>Balance as at 31 March</b>		<b>178,520,596</b>	<b>251,354,596</b>

<b>Reconciliation of present value of the scheme assets:</b>	<b>Note</b>	<b>2022/23 £</b>	<b>2021/22 £</b>
Balance as at 1 April		204,532,442	192,565,442
Interest Income		5,531,000	4,056,000
Contributions by members		1,428,000	1,331,000
Contributions by employer		4,374,000	4,094,000
Contributions in respect of unfunded benefits		39,000	35,000
Remeasurement gain/(loss)		(28,929,000)	6,874,000
Unfunded benefits paid		(39,000)	(35,000)
Benefits paid		(5,255,000)	(4,388,000)
<b>Balance as at 31 March</b>		<b>181,681,442</b>	<b>204,532,442</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 £23,398,000 (2021/22 gain of £10,930,000).

<b>Fair Value of Plan Assets</b>	<b>2022/23 £</b>	<b>2021/22 £</b>
Equity investments	73	88
Bonds	42	55
Property	20	20
Cash	12	8
Other	34	33
	<b>181</b>	<b>204</b>

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

Details of estimates made by the Fund Manager when assessing the fair values of plan assets

The amounts included in the fair value of plan assets for property occupied by the Council was £nil.



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

	2022/23 £	2021/22 £
Fair Value of Employer Assets	181,681,442	204,532,442
Present value of funded defined benefit obligation	(178,520,596)	(251,354,596)
Pension asset/(liability) of Funded Scheme	3,160,846	(46,822,154)
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>3,160,846</b>	<b>(46,822,154)</b>
Amount in the Balance sheet:		
Liabilities	(178,521,000)	(251,355,000)
Assets	181,681,000	204,532,000
<b>Net Asset/(Liability)</b>	<b>3,160,000</b>	<b>(46,823,000)</b>

**d Scheme History**

Analysis of scheme assets and liabilities		
	2022/23 £	2021/22 £
Fair Value of Assets in pension scheme	181,681,442	204,532,442
Present Value of Defined Benefit Obligation	(178,520,596)	(251,354,596)

<b>Surplus/(deficit) in the Scheme</b>	<b>3,160,846</b>	<b>(46,822,154)</b>
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Amount recognised in Other Comprehensive Income and Expenditure:		
	2022/23 £	2021/22 £
Actuarial gains/(losses)	57,065,000	26,659,000
Remeasurements recognised in Other Comprehensive Income and Expenditure	57,065,000	26,659,000
Cumulative actuarial gains and losses	72,547,000	15,482,000
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on liabilities	(28,929,000)	6,874,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total surplus of £3.16m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

Statutory arrangements for funding the pension fund mean that the financial position of the Council remains healthy. The position of the Northern Ireland Local Government Officers' Pension Fund will continue to be assessed by the scheme actuary and contributions over the remaining working life of employees may be amended.

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

	31/03/2023 £	31/03/2023 %
Projected current cost	10,289,000	89.5%
Net Interest on the net defined benefit liability (asset)	1,205,000	10.5%
Past service cost	1,000	0.0%
	<b>11,495,000</b>	<b>100.0%</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 2023 is £4.44m.

**History of experience gains and losses**

The actuarial gains/losses identified as movements on the Pensions Reserve 2022/23 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2023.

	2022/23 %	2021/22 %
Experience gains and (losses) on Liabilities	16.20%	-2.73%

**e Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

Pension scheme assumptions:	2022/23 %	2021/22 %
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	22.2	21.8
Women	23.2	23.2
<i>Longevity at 65 for future pensioners:</i>		
Men	25.0	25.0
Women	26.0	26.4
Inflation/Pension Increase Rate	2.70%	3.00%
Salary Increase Rate	4.20%	4.50%
Discount Rate	4.70%	2.70%
Pension accounts revaluation rate	2.70%	3.00%

#### 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

Discount Rate Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to discount rate		
Present value of the total obligation	174,872,000	181,282,000
% change in the present value of the total obligation	-1.80%	1.80%
Projected service cost	4,860,000	5,244,000
Approximate % change in projected service cost	-3.70%	3.90%
Rate of General Increase in Salaries		
	+0.1%p.a.	-0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	178,611,000	177,543,000
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost	5,047,000	5,047,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to pension increase rate		
Present value of the total obligation	180,748,000	175,406,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	5,244,000	4,860,000
Approximate % change in projected service cost	3.90%	-3.70%
Post Retirement Mortality Assumption		
	- 1 Year	+1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	182,885,000	173,269,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	5,224,000	4,870,000
Approximate % change in projected service cost	3.50%	-3.50%

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

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

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

	31/03/2023 %	31/03/2022 %
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>

## g Northern Ireland Civil Service Pension Arrangements

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

The Council did not hold any donated assets during the year ending 31 March 2023.

23 Capital Grants Received in Advance	Note	2022/23 £	2021/22 £
Opening balance		284,212	34,852
Add: new capital grants received in advance (condition of use not met)		233,415	365,572
Less: amounts released to the Comprehensive Income and Expenditure Statement		(10,000)	(116,212)
		507,627	284,212

### Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year end are as follows:

Capital Grants Receipts in Advance	Note	2022/23 £	2021/22 £
Hilden		3,852	3,852
Dundonald International Ice Bowl		503,775	255,360
Carryduff Greenway		-	25,000
		507,627	284,212

## 24 Contingencies

In accordance with the Code (and IAS 37), Councils should disclose by way of note if there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the authority, or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- the amount of the obligation cannot be measured with sufficient reliability.

The ARC 21 Joint Committee has with the approval of the Participant Councils, entered into an undertaking with the bidding consortium in the procurement for the Residual Waste treatment Project. Payments made, if any in accordance with this undertaking will be funded by the Participant Councils. This is currently considered a contingent liability. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

Council is committed to reducing the amount of waste landfilled while increasing recycling and recovery rates for municipal waste. This however comes at a significant cost with a requirement for investment in both infrastructure and waste treatment contracts that will enable Council to meet challenging targets within the Waste (Circular Economy) (Amendment) Regulations (Northern Ireland) 2020 which require:

- 55% recycling of municipal waste by 2025
- 60% recycling of municipal waste by 2030
- 65% recycling of municipal waste by 2035
- the amount of municipal waste landfilled to be reduced to 10% or less of the total amount of municipal waste generated by 2035

There is a lack of visibility on the potential impact of implementation of new legislation, e.g. a Deposit Return Scheme could take higher value recyclates out of the household waste stream and Extended Producer Responsibility for packaging. This should see packaging producers bear costs associated with collection and disposal of these items. This will increase the challenges for Council when considering waste collection and treatment going forward and makes financial forecasting more challenging.

The Council provides for the cost of pending insurance claims when the costs can be quantified. The Council has a number of insurance claims outstanding that are more difficult to quantify and therefore it is appropriate to treat any potential costs of these as a contingent liability.

The Council, together with the other 10 district councils in NI, is participating in a legal action against HMRC to recover previously overdeclared 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 the 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 an application for its appeal to be re-listed for mention. In either case, at this stage, it's too early to assess any associated financial impact.

There is a small number of ongoing Tribunal cases involving the Council as at 31st March 2023. Due to the uncertainty of outcome of these cases, there has been no provision provided within the financial statements.

25 Other cash flow disclosures

a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2022/23	2021/22
		£	£
Depreciation	11	5,705,274	5,284,712
Impairment & downward revaluations (& non-sale derecognitions)	11	(268,793)	689,859
(Increase)/Decrease in inventories		33,332	(121,438)
(Increase)/Decrease in Debtors		(1,213,887)	(1,453,707)
(Increase)/Decrease in Interest Debtors		(133,224)	(10,946)
Increase/(decrease) in impairment provision for bad debts		(17,422)	(8,040)
Increase/(Decrease) in Creditors		1,025,327	3,022,266
Increase/(Decrease) in Interest Creditors		(41,671)	3,307
Payments to NILGOSC	21	7,082,000	7,845,000
Carrying amount of non-current assets sold	8	127,584	80,600
Contributions to Other Reserves/Provisions		(799,691)	(307,656)
		11,498,829	15,023,957

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing	Notes	2022/23	2021/22
		£	£
Proceeds from the sale of PP&E, investment property and intangible assets		(95,865)	(18,030)
Capital grants included in "Taxation & non-specific grant income"		(46,500)	(116,212)
		(142,365)	(134,242)

b Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	2022/23	2021/22	2020/21
	£	£	£
Cash and Bank balances	13,536,336	10,137,710	15,364,832
Short Term Deposits (considered to be Cash Equivalents)	15,300,921	15,253,196	7,251,021
Bank Overdraft	(1,316,290)	-	(1,226,978)
	27,520,967	25,390,906	21,388,875

c Cash Flow Statement: Operating Activities

	2022/23	2021/22
The cash flows from operating activities include:	£	£
Interest received	(454,201)	(35,287)
Interest paid	2,572,519	3,421,923

d Cash flows from Investing Activities

	2022/23	2021/22
	£	£
Purchase of PP&E, investment property and intangible assets	1,986,218	2,178,693
Proceeds from the sale of PP&E, investment property and intangible assets	(95,865)	(18,030)
Capital Grants and Contributions Received	(46,500)	(116,212)
<b>Net Cash flows from Investing Activities</b>	<b>1,843,853</b>	<b>2,044,451</b>

e Cash flows from Financing Activities

	2022/23	2021/22
	£	£
Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts	42,907	42,907
Repayment of Short and Long Term Borrowing	1,112,116	1,811,108
<b>Net Cash flows from Financing Activities</b>	<b>1,155,023</b>	<b>1,854,015</b>

## 26 Usable Reserves

### a Capital Receipts Reserve

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

Capital Receipts Reserve	Notes	31/03/2023	31/03/2022
		£	£
<b>At 1 April</b>		1,090,582	1,090,582
<b>Movement</b>			
Disposal of Assets/Capital proceeds		95,865	18,030
Capital Receipts used to finance capital expenditure	12	(75,865)	(18,030)
<b>At 31 March</b>		<b>1,110,582</b>	<b>1,090,582</b>

### b Capital Grants Unapplied Account

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

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

Lisburn and Castlereagh City Council have no unapplied capital grants at this time.

### c Capital Fund

This fund was established in 2019/2020 to fund future capital projects within the Council.

Capital Fund	Notes	31/03/2023	31/03/2022
		£	£
<b>At 1 April</b>		8,616,567	7,935,265
Transfers between statutory & other reserves & the General Fund		2,778,100	879,266
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	-	(197,965)
<b>At 31 March</b>		<b>11,394,667</b>	<b>8,616,567</b>

#### d 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. This reserve is earmarked for repairs and renewals projects.

Renewal and Repairs Fund	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		1,093,959	1,121,000
Transfers between statutory & other reserves & the General Fund		(419,203)	(27,041)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
<b>At 31 March</b>		<b>674,756</b>	<b>1,093,959</b>

#### e Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		12,301,592	10,364,531
Transfers between statutory & other reserves & the General Fund	4	1,605,986	1,937,061
<b>At 31 March</b>		<b>13,907,578</b>	<b>12,301,592</b>

These reserves contain the following: reserve for the settlement of future long term liabilities arising from previous capital investments (£6.74m), reserve to mitigate risk of penny product adverse outturns (£1.5m), reserve to fund DEA projects (£1.16m), reserve to fund Community Investment projects (£2.25m), reserve to fund waste expenditure in future years (£220k), reserve to fund Regeneration and Economy (£1.57m) reserve to fund elections in future years (£300k), other investment fund (£104k), reserve for grounds maintenance works (£35k) and reserve built from donations for the purchase of museum artifacts (£22k).

#### f 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		16,666,947	15,944,541
Applied Capital Grants	10, 12	(46,500)	(116,212)
Direct Revenue Financing	4, 12	(886,775)	(535,276)
Depreciation and Impairment adjustment	4	5,436,481	5,974,571
Statutory Provision for financing Capital Investment	4, 12	(4,077,584)	(4,788,817)
Net Revenue expenditure funded from capital under statute	4, 12	206,587	2,111,281
Surplus/(Deficit) on the Provision of Services	CIES	(6,227,526)	(6,989,219)
Transfers between Statutory and Other Reserves and the General Fund	4	(3,964,883)	(2,789,286)
Net movements on Pension Reserve	4, 21	7,082,000	7,845,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11	31,719	62,570
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		69,935	34,603
Other Movements		(455,681)	(86,809)
<b>At 31 March</b>		<b>13,834,719</b>	<b>16,666,947</b>



## 27 Unuseable Reserves

### a Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to a historic cost basis.

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		56,207,089	57,040,965
Applied Capital Grants	10, 12	46,500	116,212
Direct Revenue Financing	4, 12	886,775	535,276
Depreciation & Impairment adjustment	11	(5,436,481)	(5,974,571)
Statutory Provision for financing Capital Investment	4, 12	4,077,584	4,788,817
Net Revenue expenditure funded from Capital under	4, 12	(206,587)	(2,111,281)
Disposal of Fixed Assets/ Capital Sales	4, 11	(127,584)	(80,600)
Capital Receipts used to finance capital expenditure	12	75,865	18,030
Other Movements		3,151,009	1,676,275
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	197,965
<b>At 31 March</b>		<b>58,674,170</b>	<b>56,207,089</b>

### b Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

Revaluation Reserve	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		51,510,317	48,382,536
Revaluation & Impairment	11	9,623,422	4,804,056
Other Movements		(3,151,009)	(1,676,275)
<b>At 31 March</b>		<b>57,982,730</b>	<b>51,510,317</b>

**c Available for Sale Financial Instruments Adjustment Reserve and Financial Instruments Revaluation Reserve**

The Council did not hold any financial instruments during the financial year ending 31st March 2023.

**d Pension Reserve**

Pension Reserve	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		(46,823,000)	(65,637,000)
Net Movements on Pension Reserve	4, 21	(7,082,000)	(7,845,000)
Revaluation & Impairment	21	57,065,000	26,659,000
<b>At 31 March</b>		<b>3,160,000</b>	<b>(46,823,000)</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/assets 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.

**e Deferred Capital Receipts Account**

The Deferred Capital Receipts Account holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The Council did not hold any deferred capital receipts during the financial year ending 31 March 2023.

**f 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		(752,630)	(718,027)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(69,935)	(34,603)
<b>At 31 March</b>		<b>(822,565)</b>	<b>(752,630)</b>

**g Provisions Discount Rate Reserve**

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2018/19 accounts direction (see DfC circular 18/19), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Provisions Discount Rate Reserve	Notes	31/03/2023	31/03/2022
		£	£
At 1 April		(455,681)	(542,490)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		455,681	86,809
<b>At 31 March</b>		<b>-</b>	<b>(455,681)</b>

## 28 Significant Trading Operations

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are:

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

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

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service.
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

In applying the aforementioned criteria, the Council considers that it is engaging in the following significant trading operations:

Significant Trading Operations	2022/23		2021/22	
	Turnover	Profit/(Loss)	Turnover	Profit/(Loss)
	£	£	£	£
Irish Linen Centre Shop	29,568	11,491	3,791	(2,977)
Provision of Car Parking Facilities	602,032	281,118	572,380	302,336
<b>Total</b>	<b>631,600</b>	<b>292,609</b>	<b>576,171</b>	<b>299,359</b>

## 29 Agency Services

The Council provides specialist payroll services and financial services to other bodies namely Lagan Valley Regional Park. Service level agreements exist for each of the bodies and at 31 March 2023 no monies relating to management fees were outstanding.

LCCC are the 'Host Council' for the Local Government Training Group, in which all eleven Councils participate. Lisburn and Castlereagh City Council has delegated authority via a Service Level Agreement, to apply the rules of the LGTG and to manage financial transactions on behalf of the LGTG. Lisburn and Castlereagh City Council administered payments of £165,061 (FY 2021/2022 £253,115) and received income from the other Councils of £174,328 (FY 2021/2022 £165,933) as reimbursement of its outlay. Further details are provided on pages 89 and 90 of this report.

### 30 Related Party Transactions

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

Central government has significant influence over the general operations of the council - it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties.

The Council is a member of the ARC 21 Joint Committee which is established for the purposes of managing waste. The ARC 21 Joint Committee is a partnership of 6 councils established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public. For the year ending 31st March 2023, the Council made payments of £5.79m (2021/2022: £5.43m) to ARC 21. At 31st March 2023, the Council owed £97k (2021/2022: £62k) to ARC 21 and were due £55k (2021/2022: £28k) from ARC 21.

The Joint Committee accounts for its funding by the provision of a statement of accounts which is prepared under Local Government (Northern Ireland) order 2005 and subject to a statutory audit by a local government auditor.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2022/23 is shown in Note 7d. During 2022/23, works and services were commissioned from companies in which members had control or influence in a decision-making capacity. Contracts were entered into in full compliance with the council's standing orders. In addition, the council paid grants to organisations in which members had positions within. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details are below:

ORGANISATION	No. of Elected Members	2022/2023	2021/2022
		£	£
Arc 21	4	5,792,611	5,426,540
Belfast Region City Deal Eng Forum	9	186,036	133,636
Belfast Hills Partnership	1	15,971	15,971
Belfast Regional Tourism Partnership	1	36,000	32,500
Lagan Navigation Trust	2	60,118	29,336
Lagan Valley Rural Transport	1	19,759	18,720
Lisburn & Castlereagh Local Sports Advisory Council	4	25,000	25,000
Lisburn Commerce Against Crime	2	254,345	219,778
Lough Neagh Partnership	1	3,500	3,500
National Association of Councillors	8	5,400	3,200
NILGA	2	56,303	65,057
NI Museums Council	1	345	300
Somme Advisory Council	2	1,150	1,000
Pantridge Trust	1	-	500

### 31 Third Party Asset

As at 31 March 2023, the Council held £39k (2021/2022 £33.4k) of funds collected on behalf of the Mayor's Charities. This money will be paid to the Mayor's nominated charity at the end of the current Mayor's term.

### **32 Events after the Reporting Period**

The Statement of Accounts was authorised for issue on 22 September 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

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

### **33 Date of authorisation for issue**

The Chief Financial Officer authorised these financial statements for issue on 27 September 2023

**LOCAL GOVERNMENT TRAINING GROUP  
RECEIPTS AND PAYMENTS ACCOUNT  
for the year ended 31 March 2023  
Unaudited**

	Notes	Year Ended 31 March 2023 £	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
<b>Recurrent Transactions</b>				
Contributions	2	183,251	183,251	130,895
Operating Receipts	3	15,674	461	
		198,925	183,712	130,895
Less Operating Costs	4	165,061	253,115	176,192
Surplus/(Deficit)		33,864	(69,403)	(45,297)
<b>APPROPRIATION ACCOUNT</b>				
Balance brought forward		97,661	167,065	212,362
Surplus/(Deficit) for the Year		33,864	(69,403)	(45,297)
Balance carried forward		131,525	97,661	167,065
<b>Represented by:-</b>				
Lisburn & Castlereagh City Council		131,525	97,661	167,065
		131,525	97,661	167,065

Signed

  
Chairman, Local Government Training Group

  
Chief Financial Officer (LCCC)

**LOCAL GOVERNMENT TRAINING GROUP**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 March 2023**

**1. BASIS OF ACCOUNTS**

These accounts have been prepared and are included within Lisburn and Castlereagh City Council Annual Accounts.

	Year Ended 31 March 2023	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
<b>2. CONTRIBUTIONS RECEIVED</b>			
District Councils & DoC CBF	<u>183,251</u>	<u>183,251</u>	<u>130,895</u>
<b>3. OPERATING RECEIPTS</b>			
Bank Interest			
Course Fees	15,674	461	-
	<u>15,674</u>	<u>461</u>	<u>-</u>
<b>4. OPERATING COSTS</b>			
<b>Strategic Framework Implementation</b>			
<b>1.1: Leadership &amp; Talent Management</b>			
Chief Executive support			
Leadership Development	- 6,013	33,000	9,875
	<u>- 6,013</u>	<u>33,000</u>	<u>9,875</u>
<b>1.2: Performance Culture</b>			
Performance Culture Toolkit			
Performance Culture eLearning Module			
OD Projects			
<b>1.3: Learning Organisation</b>			
In house programme support/Master classes	3,940	40,490	43,828
Regional training Programmes/Cluster courses	8,400	21,700	
Transformation Initiative	-	6,486	20,000
	<u>12,340</u>	<u>68,676</u>	<u>63,828</u>
<b>1.4: Equality and Diversity</b>			
Equality and Diversity/community relations			
	<u>-</u>	<u>-</u>	<u>480</u>
<b>1.5: Capacity Building for Elected Members</b>			
Capacity Building for Elected Members	7,995		4,495
	<u>7,995</u>	<u>-</u>	<u>4,495</u>
<b>1.6: Miscellaneous Initiatives</b>			
Procurement costs			
Meetings Costs/Quality standards/IIP	44,368	43,465	8,500
	<u>44,368</u>	<u>43,465</u>	<u>8,500</u>
<b>TRANSFORMATION</b>			
<b>1.7: Administration</b>			
LGSC Administration	16,500	10,000	10,000
LGTG Officer/Agency Costs	46,640	42,663	37,335
Printing and Stationery	1,000	1,000	
Advertising			
Commissing and support	41,330	37,091	37,091
Phase 2	900	17,220	4,589
	<u>106,370</u>	<u>107,974</u>	<u>89,015</u>
<b>Total Operating Costs</b>	<u><b>165,061</b></u>	<u><b>253,115</b></u>	<u><b>176,192</b></u>