

# Belfast City Council

## Statement of Accounts 2023



**Belfast**  
City Council

**BELFAST CITY COUNCIL**  
**Statement of Accounts**  
**For the year ended 31 March 2023**

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## Narrative Report

### Introduction

#### Organisational overview and external environment

Belfast City Council remains the largest of Northern Ireland's 11 local authorities, serving a population of 345,420 residents, as well as the thousands of people who travel to the city to work, study and visit each day.



With a net budgeted expenditure of £178.9m in 2022/23, Belfast City Council's 2,278 employees, led by 60 councillors across 10 electoral areas, carry out six principal roles:

- i. a civic leadership role to ensure a better quality of life for our citizens;
- ii. provision of a number of services and facilities including planning, parks and leisure, refuse and recycling and community services;
- iii. promoting the arts, tourism, community and economic development;
- iv. regulating and licensing activities relating to environmental health, consumer protection, building and public safety;
- v. a representative role on a number of bodies and boards, including education and health; and
- vi. a consultative role in relation to functions conducted by other government bodies and agencies on issues such as planning, water, roads and housing.

With our role in leading community planning in Belfast we have published the Belfast Agenda, outlining our priorities for the City which will require collaboration with key partners to ensure delivery of these ambitions for the City.

The key services delivered by the Council are outlined below under our Operational Model and the key objectives of the Council are outlined below under Strategic Performance. The key deliverables for year ended 31 March 2023 reflect the priorities articulated by local people and relate to the council's functions as both a civic leader and service provider.

## **Operational Model**

Each year, the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to the relevant committees for approval regarding what the Council hopes to do and how much it will cost. This helps the Council understand how much money is required and, taking account of other sources of income, what 'rate' needs to be set for the city to raise the required money.

Throughout the year the Council reports to the relevant committees on the financial performance against agreed budget for each committee. 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 (Note 2) and the Movement in Reserves Statement.

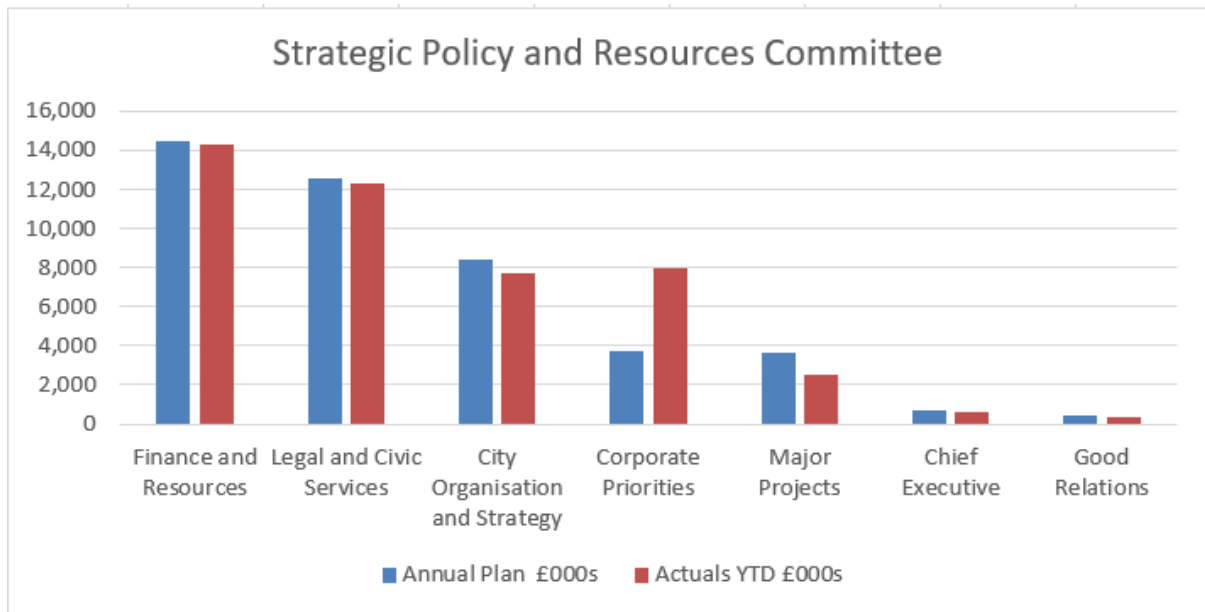
The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments on investment properties and IAS 19 accounting adjustments. There are also variances due to reclassification of income and expenditure to other income and expenditure for financial accounting purposes such as rental and financing activities.

Each committee is responsible for the delivery of key services to the Council and the main services included in each committee is as follows:

### **Strategic Policy and Resources Committee**

This committee is responsible for setting the strategic direction of the Council through the development of its Corporate Plan and other key corporate and cross cutting strategies and policies. The net expenditure of this committee includes Legal and Civic Services, Finance and Resources, City Organisation Structure and Major Projects and Corporate Priorities with Human Resources and Good Relations. The total net expenditure budget for this committee for these services in 2022/23 was £47.2m, with actual net expenditure for the year amounting to £49.0m.

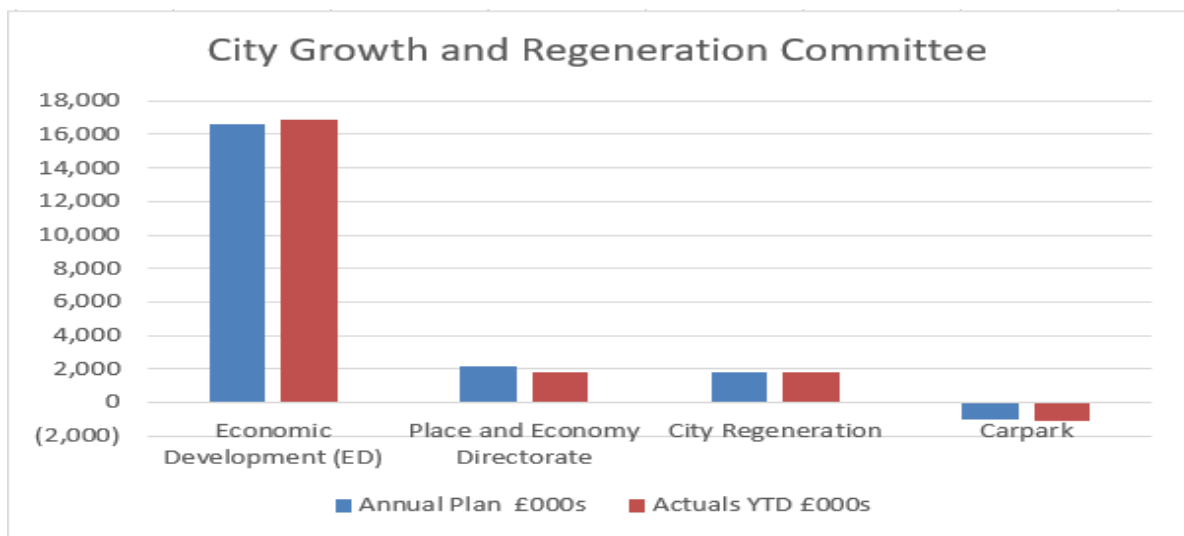
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £64.6m reported in the Comprehensive Income and Expenditure Statement for this Committee includes the accounting adjustments that are required for preparing the financial statements.



### City Growth and Regeneration Committee

This committee is responsible for the development and implementation of strategies, policies, programmes and projects directed to the regeneration and growth of the City in the context of outcomes agreed in the Community and Corporate plans and other corporate strategies. The net expenditure of the committee includes Economic Initiatives and City Regeneration, City Events and Venues including Off-Street Car Parking, Place and Economy Directorate, Parks Estates and Zoo. The total budget for net expenditure for this committee for these services was £19.6m and actual net expenditure was £19.4m

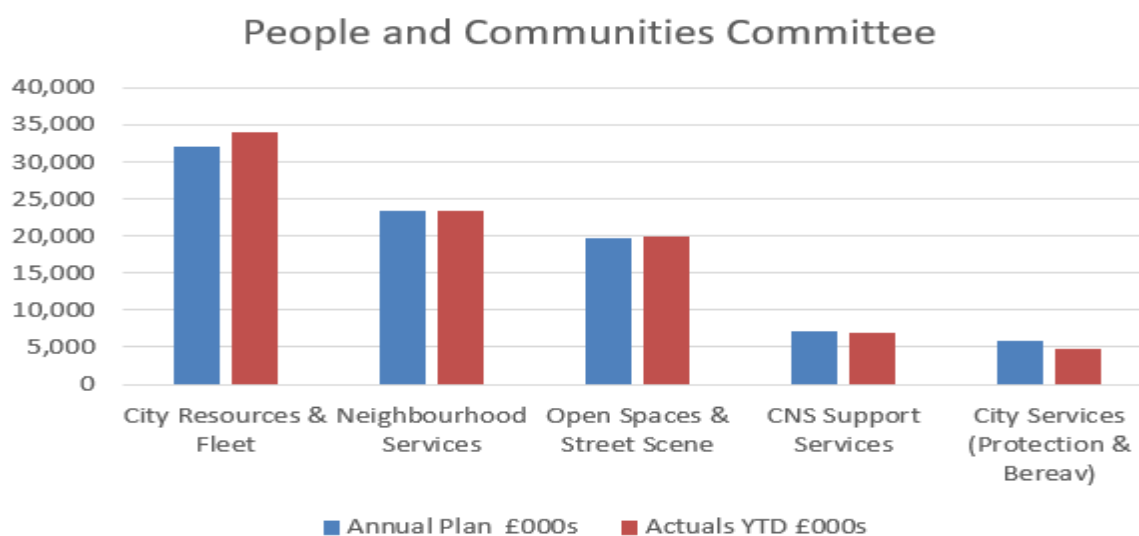
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £27.6m for this Committee reported in the Comprehensive Income and Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.



## People and Communities Committee

This committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at improving life at a local level in the context of the outcomes agreed in the community and corporate plans and other corporate strategies. The net expenditure of the committee includes Cleansing, Waste Management and Vehicles, Parks, Cemeteries and Leisure Centres, Environmental Health, Neighbourhood and Development and Community Services. The total budget for net expenditure for this committee for these services was £88.3m and actual net expenditure was £89.0m.

The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for each committee in the Comprehensive Income and Expenditure Account. The net expenditure of £112m for this Committee reported in the Comprehensive Income and Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.



## Planning and Licensing Committee

These two committees are responsible for delivery of all of the Council's planning functions and policy and legislation in relation to licensing issues. The net expenditure includes Planning and Building Control services. The total budget for net expenditure for this committee for these services was £1.6m and actual net expenditure was £1.1m.

The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for each committee in the Comprehensive Income and Expenditure Account. The net expenditure of £3.9m for this Committee reported in the Comprehensive Income and Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.



Further information regarding the variances between budgeted (planned) and actual expenditure is included in the individual committee reporting for 2022/23. Total net expenditure budget of £178.9m includes the above committees budgets totalling £156.7m and the capital financing budget of £22.3m.

### Cost of Living Crisis

The Covid-19 pandemic continued to have an impact on the Council in 2022/23, however, the cost of living crisis that developed during 2022/23 has had as big an impact and will extend into the 2023/24 financial year. Additional cost pressures as a result of rising inflation impacted on pay negotiations and increased demands for financial help from communities. Furthermore, supply chain issues impacted on capital programme delivery.

The Council reset its Medium Term Financial Plan (MTFP) in recognition of the impact of higher inflation and the Council's strategic objectives.

### Financial Impact

The Council incurred substantial cost pressures across many of its services. Due to the Council's reliance on fees and charges, rates income and consequently its exposure to the economic cycle, the Council has sought in recent years to build up the General Fund balance to ensure the Council is financially resilient in a recession.

The five step Finance Strategy the Council implemented in 2020/21 to mitigate the risk of a potential deficit was extended into 2021/22 and reviewed on a quarterly basis. The five steps were to:

1. Secure Financial Support from Central Government
2. Balance the deficit as far as possible through in year savings
3. Use of Balance Sheet Funds
4. Use of Specified Reserves
5. Use of General Reserves

Having set up a specified reserve to deal with Covid pressures, this reserve along with strict vacancy control measures and stringent expenditure controls meant the Council did not need to use steps 3-5 in order to balance the budget for the 2022/23 financing year.

## Moving forward

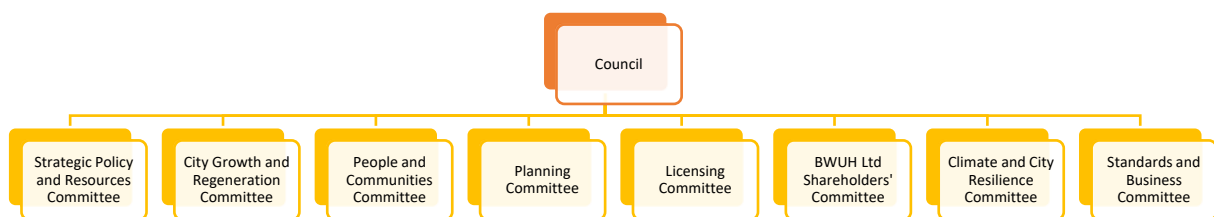
Belfast City Council's financial planning processes take on greater importance given the current economic climate and the local government elections in 2023.

It is critical that the Council has adequate financial resources in place to fund its future requirements, ambitions and priorities regarding waste management, climate, innovation, and capital investment. In addition, the Council is cognisant of the current economic backdrop and the impact this will have on future pay negotiations as well as other cost implications.

Work is now underway for capital programme planning over a longer timeframe. Thematic sessions have been held exploring capital requirements in line with the refreshed Belfast Agenda priorities. The information gathered, along with an assessment of other financial factors, will enable the production of a new medium term financial plan.

## Governance

The work of Belfast City Council is overseen by the committee structure outlined below and detailed further in our Governance Statement on pages 16 - 28. This Annual Governance Statement for 2022/23 highlights the Council's governance arrangements during the year and how significant governance issues are being addressed and actions implemented. A programme management framework is in place to manage both revenue and capital streams of activity for the Council. Directors and Members have oversight in accordance with the terms of reference for the relevant Committee as well as finance reports covering all aspects of Council expenditure being presented to Committee on a quarterly basis. The Committee structure, which is based on the full council and eight standing committees, is illustrated and described below.



## Strategic Performance

The strategic performance of the Council is incorporated in the Belfast City Council's Corporate Plan 2020-24. The Belfast Agenda is published on the Council's website and outlines the Council's ambitions for the City by 2035 as well as the immediate priorities for:

- Growing an inclusive economy
- Living here
- City Development
- Working and learning
- Resilience and sustainability



The Council outlines its priorities within the Corporate Plan 2020-24 which was agreed in March 2020 just before the Covid-19 pandemic. These priorities cascade from the longer term outcomes identified in the Council's Community Plan (Belfast Agenda). These priorities are based upon extensive external and internal analysis, including key socio-economic data, analysis of the plans and strategies impacting the city and its communities, performance information and political engagement.

A Corporate Annual Delivery plan reflects the in-year deliverables against the priorities agreed as part of the four-year corporate plan, plus some additional priorities that have arisen in response to the pandemic.

In September 2020, the Council published the "Belfast: Our Recovery" document that set out the areas it needed to focus on in the short term during the pandemic, and looking forward, what is needed to build and lay the foundations for sustained recovery.

The Council's 2022-23 improvement plan, continues to build on this with the improvement objectives focusing on the City & Digital Innovation, Services, Communities, Economy and Environment.

The five improvement objectives are:

1. We will continue to support our city to recover and innovate in a safe, inclusive and sustainable way
2. We will continue to adapt and improve our services
3. We will work to support our communities, helping them to become stronger, healthier and more resilient
4. We will work collaboratively to support businesses, jobs and inclusive growth
5. We will champion climate action; protect the environment and improve the sustainability of Belfast

An annual performance assessment of progress against these objectives is contained within the Corporate Performance Assessment Report to include details of the Council's performance against statutory performance indicators set by the Department for Communities.

## **Financial Statements**

The Council's financial performance for the year ended 31st March 2023 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2023 (the Code) and the Department for Communities Accounts Direction, Circular LG 07/23. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

This Statement of Accounts explains Belfast City Council's finances during the financial year 2022/23 and its financial position at the end of that year. It follows approved accounting standards and is 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.

## 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. Belfast City Council have prepared group financial statements for the financial year ended 31 March 2023 to include Belfast Waterfront and Ulster Hall Limited (BWUH) and Belfast City Council's contribution to Beltel LLP in relation to the redevelopment of the Belfast Telegraph Building. The results of Beltel LLP are included in the group financial statements. The results of Belfast Gasworks Management Co Ltd for the year ended 31 March 2023 are not deemed material to Belfast City Council accounts and as such are not included in the group financial statements.

### The Movement in Reserves Statement

This statement, as set out on page 42, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net Increase/Decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

The group Movement in Reserves Statement on page 100, includes the reserves of BWUH Ltd, contributing to an increase of £13.1k on the Group General Fund.

### The Comprehensive Income and Expenditure Statement

This statement, as set out on page 43, 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 regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The group Comprehensive Income and Expenditure Statement on page 101, includes the consolidated income and expenditure of BWUH Ltd.

### The Balance Sheet

The Balance Sheet, as set out on page 44, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories:

- The first category of reserves are *usable reserves*, i.e. 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 (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- The second category of reserves are *unusable reserves* i.e. those that the authority 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'.

The group Balance Sheet on page 102, includes relevant balances for BWUH Ltd and Beltel LLP.

### **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 45, 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 (i.e. borrowing) to the Council.

The group Cash Flow Statement on page 103, includes the cash and cash equivalents of BWUH Ltd, Gas Pension Fund and the Council's interests in Beltel LLP.

### **Expenditure and Funding Analysis**

The resourcing of the Council's activities is outlined in the Annual Report, demonstrating the funding available and what services this funding provided for 2022/23.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the Council (i.e. government grants, rates, fees and charges) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. The main services provided under each committee are summarised in this note and performance against budget is summarised in the Narrative Report. The main variances from the results as reported in the Narrative Report will arise due to the accounting cost of providing services in accordance with generally accepted accounting practices, such as depreciation charges and IAS 19 pension adjustments which are not funded from taxation. These charges are summarised per committee in Note 2a and Note 2b.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision-making purposes between the Council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### **Financial Performance**

For the year ended 31 March 2023, the Council decreased its General Fund to £58.8m. The Budget plans form part of the Revenue Estimates and in 2022/23 the total net expenditure budget for the Council was set at £178.9m.

The Council reported £2.0m over spend on service delivery at the year end. Performance against budget for each of the Committees is continuously monitored throughout the year. This performance is reported to the Strategic Policy and Resources Committee on a quarterly basis as agreed at Strategic Policy and Resources on 19th February 2021. The overall position for the year ended 31 March 2023 is mainly due to unbudgeted staff costs. These included cost of living payments and higher than anticipated payraises for council staff.

The Cost of Services on Continuing Operations of £208.3m as reported in the Comprehensive Income and Expenditure Statement, also includes the accounting cost of providing services in addition to the amount to be funded from taxation. The total net expenditure reported in

the Comprehensive Income and Expenditure Statement is £22.4m (net deficit on the provision of services).

### **Borrowings**

For the 2022/23 year the Council has an authorised borrowing limit of £147m. This is based on the Council's forecast capital expenditure plans over the medium to long term. In conjunction with the Council's Capital Financing Requirement of £129m, this ensures that the Council only borrows for capital purposes. During the year, the Council repaid external loans of £5m with Department of Finance. At 31 March 2023, the total amount outstanding on external loans was £44m.

### **Capital Expenditure**

Expenditure on capital projects during the year amounted to £23.2m. The most significant expenditure was on: Templemore Leisure Centre £5m; Marrowbone Park £2.5m; Fleet Replacement Programme 2022/23 £2.2m; Forth Meadow and Springfield Shared Spaces £2.2m and Belfast Story Site £2m.

### **Strategy and Resource allocation**

The impact of Covid-19 has continued in 2022/23 to impact on the ability to fully recover services. For 2022/23 the Councils' underpinning financial management strategy was committed to:

- Keeping the district rate increase to a minimum
- Delivering efficiency savings
- Sustaining capital investment priorities
- Supporting the Belfast Agenda

When setting the district rate for 2023/24 consideration was given to the following key financial factors for the Council:

- The cost of living crisis. - at the time of rate setting, utility costs including gas and electricity were volatile and difficult to predict. The 2023/24 nationally agreed pay award was not agreed and inflation was over 10%. An inflationary uplift of 9% was applied to all contracts, reflecting inflation forecasts in the November 2022 Bank of England Monetary Policy Report.
- External income – rate base volatility is a key financial risk for the Council as rate income accounts for almost 80% of budgeted external income. Pressure on domestic and business ratepayers resulting from the cost of living crisis adds further risk to rate income. Members agreed to explore income generation opportunities in a number of areas including fees and charges review, service reviews, sponsorship opportunities and compliance with the Corporate Pricing Framework to increase external sources of income in future years.
- Existing commitments – these include previously agreed rate increases to support priorities including the Cultural Strategy and the City Deal. All City Deals require the councils to make a financial contribution to the delivery of their own capital projects, such as the City's Visitor Attraction and Members agreed to include rate supported funding to help build the City Deal fund for Belfast.

- Growth Proposals – departments were asked to fund growth proposals through the prioritisation and realignment of their own existing budgets. However Members did support proposals totalling £4.3m for Neighbourhoods Taskforce, City Centre Taskforce, Crematorium Structural Review, Pay and Grading Review and Capacity and Revenue Grants

As part of the rate setting process a strategy was agreed to minimise the District Rate increase for 23/24 which included:

- The continued application of enhanced expenditure and vacancy controls to target in year savings
- a targeted underspend in the Capital Financing Budget from slippages in capital schemes;
- the temporary diversion of the City Deal recurrent budget for one year only as it will be required in 2024/25 to finance the Belfast Stories project;
- the temporary realignment of part of the Belfast Investment Fund (BIF) recurrent budget. Delays in projects getting on the ground mean that not all of the recurrent funding will be needed in 2023/24 to fund the borrowing requirement.
- Any further balance to be funded from specified reserves

## Outlook

The Council is fully aware that it is continuing to operate in a continually challenging environment with the ongoing cost of living crisis and inflationary pressures. The Council is committed to delivering business as usual where possible and will continue with our ambitions for the City under the Belfast Agenda and City Deal.

The Council strives to deliver at the highest of standards and these efforts have been recognised in the many awards achieved by the Council in the year ended 31 March 2023, including:

- Belfast Zoo awarded Gold Award for Diversity and Inclusion
- BCC named Council of the Year at Social Enterprise NI Awards 2022
- Adelaide Street regeneration shortlisted for RIBA MacEwen Architecture for the Common Good Awards
- BCC first Council in NI to become an accredited Living Wage Employer
- BCC awarded AAA\* Disability Positive accreditation in recognition of commitment to supporting disabled people into employment
- St Georges Market named Best Large Indoor Market in the UK in the NABMA Awards
- Green Flag awarded to - Botanic Gardens, Barnett Demesne, Belmont Park, Cavehill Country Park, Connswater Community Greenway, Drumglass Park, Dunmurry Park, Dunville Park, Falls Park, Grove Park, Knocknagoney Park, Lagan Meadows, Musgrave Park, Ormeau Park, Sir Thomas and Lady Dixon Park, Tullycarnet Park, Waterworks and Woodvale Parks. Half Moon Lake and Roselawn Cemetery

The Council seeks out opportunities to pursue additional funding streams for the City, adopting innovative approaches to delivering services and working in partnership to ensure the City optimises its resources to deliver on its six key objectives. A few of the current initiatives the Council is currently developing are outlined below:

- Smart Belfast – Urban Innovation Framework – the Council has developed a new framework to support its leadership role to foster city innovation and working cross sector delivering a range of significant innovation programmes. It continues to attract and leverage funding to support the delivery of collaborative innovation projects from a range of sources including central government innovation funding and Horizon 2020. It is driving the creation of a world class Smart District and a testbed programme and continues to support the Innovation City Belfast partnership as it drives the delivery of programmes towards the City's digital innovation ambitions. The Urban Innovation programme is attracting private sector co-investment and significant City Deal funding to support the City's new Smart District with the development of business cases for advanced wireless infrastructure and innovation challenge funding underway.
- Belfast Region City Deal - In its 2018 autumn budget, the UK Government committed £350m of funding to the Belfast Region City Deal (BRCD). In May 2020, the NI Executive committed to match the £350m of UK Government funding, with the six participating councils and the two Universities committing a further £150m in total. In March 2019, the Secretary of State, BRCD partners and the Northern Ireland Civil Service signed a Heads of Terms document, enabling business cases to be prepared for the projects proposed. The BRCD partners then began working with the UK and NI departments to develop Outline Business Cases (OBC) for their individual projects and to agree the process for approval. Following a number of OBC approvals towards the end of 2021, in December the BRCD partners and the two governments signed a final Deal Document to establish the supporting governance and finance frameworks that would enable Deal delivery. Since then Belfast City Council has been established as the Accountable Body for the Deal through which funding will flow to projects. As of May 2023, Outline Business Cases have been approved for 11 projects, with 7 of these also having contracts for funding and funding agreements signed – allowing money to flow. The first contract was signed by Ulster University for the Studio Ulster project in July 2022 and has been followed in recent months with contracts for Carrickfergus Regeneration, Bangor Regeneration and Newry City Centre Regeneration and for the Advanced Manufacturing Innovation Centre, Momentum One Zero and IREACH Health projects, all led by Queen's University. These projects represent an approximate value of £430m.
- The Belfast PEACE IV Local Action Plan, designed to support peace and reconciliation across the city, delivered a wide range of peace building activities throughout 2022/23. Activities were delivered through 15 diverse projects across 3 strategic themes, engaging over 4,000 participants and over 8,000 people attending PEACE IV events. The Programme impacts enabled understanding of others, embraced difference and evaluation of the programme indicates a positive change in attitudes between the two main communities. Investment in the City to date is £10.5m and the Programme will culminate in the opening of a new shared space, Forth Meadow Community Greenway, in the North / West of the City. The Programme is financed through the European Union and managed by the Special EU Programmes Body (SEUPB) and will conclude in 2023.

Through 2023/24 the Council will continue to adopt a pro-active approach to ensure that it responds to the emerging needs of residents and businesses, and has set out an extensive plan 'Belfast: Our Recovery' detailing how it will support communities, businesses and vulnerable people.

In line with all other councils in Northern Ireland and the wider public sector, Belfast City Council is facing a number of challenges. Public finances are under increasing pressure as a result of ongoing tightening of government spending agendas, inflationary pressures, amongst other challenges. Key risks and planned mitigations are included in our Governance Statement on pages 16 to 28.

## **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.

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 the Chief Finance Officer on 27 June 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.



## **Annual Governance Statement 2022/2023**

The Council's Annual Governance Statement (AGS) follows the Code of Practice on Local Authority Accounting in the UK 2022/23 and comprises the following sections:

- Scope of responsibility
- The purpose of the governance framework
- The governance framework
- Review of effectiveness
- Update on the significant governance issues that were declared last year
- Significant governance issues for the year-end 2023

### **Scope of responsibility**

Belfast City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively. The Council also has a duty under Part 12 of the Local Government Act (Northern Ireland) 2014 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of 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 and 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 new CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016 edition)*. This statement explains how the Council has complied with the code and meets the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an annual governance statement.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

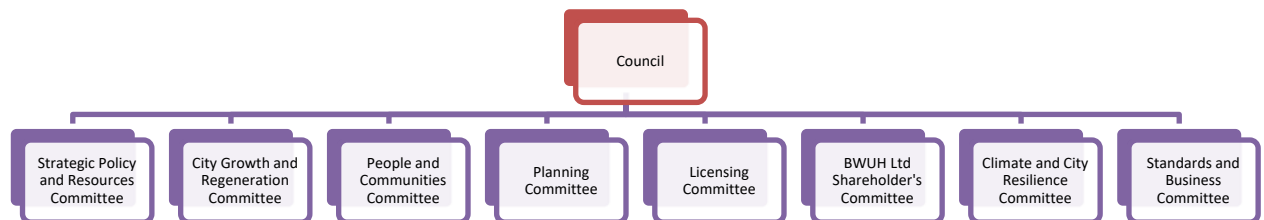
The governance framework continues to be in place at Belfast City Council for the year ending 31<sup>st</sup> March 2023 and up to the date of approval of the Annual Governance

Statement and statement of accounts. The following section sets out the key elements of the governance framework.

### The governance framework

The Coronavirus Act 2020 (Extension of Provisions Relating to Local Authority Meetings) (No. 2) Order (Northern Ireland) 2023 provides councils with the flexibility to hold meetings by remote or hybrid means until 24 September 2023. The extension is an interim measure until such time as permanent legislation can be made.

Our committee structure, which is based on the full council and eight standing committees is illustrated and described below.



Through the work of committees, our Members oversee the work of the council. All committee decisions need to be ratified by the full council except where committees have been granted delegated authority to make decisions.

The full council, which consists of all 60 elected representatives, is the overarching decision-making body.

The Strategic Policy and Resources Committee is responsible for setting the strategic direction of the Council through the development of its corporate plan and other key corporate and cross cutting strategies and policies. It will also ensure effective use of resources and value for money for ratepayers and oversee the Council's relationship with a number of key agencies and partners.

The City Growth and Regeneration Committee is responsible for the development and implementation of strategies, policies, programmes and projects directed to the regeneration and growth of the city in the context of the outcomes agreed in the community and corporate plans and other corporate strategy.

The People and Communities Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at improving life at a local level in the context of the outcomes agreed in the community and corporate plans and other corporate strategy.

The Planning Committee is responsible for all of the Council's planning functions, except those matters, which are delegated to officers or reserved to full Council.

The Licensing Committee is responsible for the consideration of all matters pertaining to policy and legislation in relation to licensing issues.

The Belfast Waterfront and Ulster Hall Ltd Shareholders' Committee is responsible for making the decisions required by the Shareholders' Agreement and ensure that the company complies with the contract for the operation of the venues.

The Climate and City Resilience Committee is responsible for political oversight of the resilience strategy for Belfast, liaising with Belfast Resilience and Sustainability Board who are responsible for monitoring and delivery with the support of Belfast Climate Commission, supporting a targeted approach through existing structures to those issues which pose the greatest risk to the city, its economy and its people. This includes considering the potential implications of climate change for the city of Belfast and for making recommendations to the Council on Belfast City Council's approach to addressing the climate crisis and Council's role and responsibilities at city level.

The terms of reference of the Standards and Business Committee are to: promote, sustain and safeguard the conduct of Councillors within the Council; promote a collaborative working relationship between senior officers and Members; ensure the probity of all the council's proceedings; and review and improve processes in relation to bringing business before the Council, including review of all Notices of Motion, any review of Standing Orders and the Council's Scheme of Delegation.

In addition to the Committees listed in the diagrams above there are 14 Working Groups established which include the Audit & Risk Panel and four Area Working Groups. In addition there is a Party Leaders' Consultative Forum.

The Audit & Risk Panel provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is relied upon by the Council, to the extent that it exposes it to risk and weakens the control environment. The Panel reports to the Strategic Policy and Resources Committee. The Audit & Risk Panel met four times during 2022/23.

The Council's Code of Governance is based on the seven core principles set out in the CIPFA/SOLACE Framework (2016 edition). How we meet these seven core principles is reviewed and updated annually, and in particular for this year, ensuring that our update reflects Covid-19 related changes to our governance arrangements. A summary of the key elements of our governance framework are set out in the following table:

## Our seven principles of good governance

### A: Behaving with integrity

- Shared values communicated via corporate plan, community plan and key strategies
- Codes of conduct for Members and staff
- PDP / appraisal process for Members & staff
- Gifts and hospitality and conflicts of interest policies and registers in place
- Fraud and Raising Concerns policies
- Good Relations Unit
- Equality and Diversity Framework
- Council constitution, standing orders & scheme of delegation
- Expert professional advice
- Partners and contractors required to comply with relevant policies
- Achieving Through People Framework
- Standards and Business Committee
- Accessibility Statement for the updated website
- Social Value Procurement Policy

### B: Ensuring openness

- Council / committee meetings open to the public and agendas / minutes on website
- Belfast Agenda developed via extensive consultation and engagement.
- Corporate plan and annual improvement plan are subject to consultation before agreement
- Statement of Community Involvement for production of the Local Development Plan
- Ongoing consultation and engagement with staff and trade unions
- Corporate communications
- Annual financial report published on the BCC website
- Quarterly Screening Outcome report available through the BCC website
- Formal Partnership arrangements with GLL, Active Belfast, arc21, BWUH Ltd, Visit Belfast, Innovation City Belfast
- "Your Say" consultation hub
- Working with Belfast Region City Deal partners

### C: Defining outcomes

- Belfast: Our Recovery plan
- Belfast Agenda outlines long term economic, social and environmental benefits and is refreshed every 4 years
- Belfast Region City Deal Investment Plan
- Cultural Strategy
- Corporate plan outlines the annual contribution to the Belfast Agenda
- City centre regeneration & investment strategy
- Physical Investment Programme
- Leisure transformation programme
- Grant funding processes
- Equality Impact Assessments
- Belfast Resilience Strategy – the city's first climate plan

### D: Optimising the achievement of outcomes

- Corporate plan aligned to delivery of Belfast Agenda and Belfast: Our Recovery
- Adoption of the Belfast Local Development Plan (LDP) - Plan Strategy in May 2023
- Key partner in the Belfast Region City Deal
- Consultation and engagement processes
- Strategic financial management and reporting framework in place.
- Performance management framework
- Regular reports on progress of our performance improvement plan to CMT and SP&R
- Risk management strategy & framework

#### E: Developing capacity & capability

- People Strategy
- Achieving Through People Framework
- Benchmarking activity
- Efficiency programme
- Regular performance monitoring of the delivery of improvement objectives
- Learning and development policy
- Health and wellbeing strategy
- Appraisal scheme in place for Chief Officers, Operational Directors / Heads of Service and Senior Managers
- PDPs for officers and Members
- Member capacity building / training
- Continuing Development Programme for members
- Party group briefings

#### F: Finance, performance and risk management

- Annual Rate Setting process
- Financial Strategy
- Compliance with CIPFA Financial Management Code
- Performance management framework
- Treasury Management Strategy
- Capital Strategy
- Risk management strategy
- Corporate risk management framework
- Regular reporting of finance, risk and performance
- Audit and Risk Panel
- Internal audit function / annual internal audit strategy and plan in place
- Recommendations Monitor process
- Data protection policy and procedures
- Corporate Fraud Risk Assessment
- Increased data security controls

#### G: Transparency, reporting & effective accountability

- BCC website regularly updated
- Publication of key reports including the annual financial report; annual governance statement and; performance improvement report
- Committee support framework to approve papers prior to submission to Members
- AGRS (internal audit) annual assurance statement within the annual governance statement
- Internal Audit effectiveness annually reviewed against public sector internal audit standards, with an independent external review every five years
- Internal / external audit recommendations followed up as part of recommendations monitoring process every six months
- Key governance arrangements in place for the Council's Accountable Body role for the Belfast Region City Deal

The Chief Executive is the Council's designated Chief Financial Officer under the Local Government Finance Act (Northern Ireland) 2011, responsible for the proper administration of the Council's financial affairs.

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

We have re-assessed our compliance with the principles of the CIPFA Financial Management Code and have reached the overall conclusion that we are compliant, with improvement still to be made over better integration of strategic plans and resources. The work for the 2023/24 year will include an evaluation of the potential for income generating opportunities as reducing or eliminating the budgetary gap is a priority for the 2024/25 rate setting process. It is also expected that the implementation of the new financial system in October 2023 will provide better analytics to improve whole life costing, medium term planning and scenario planning

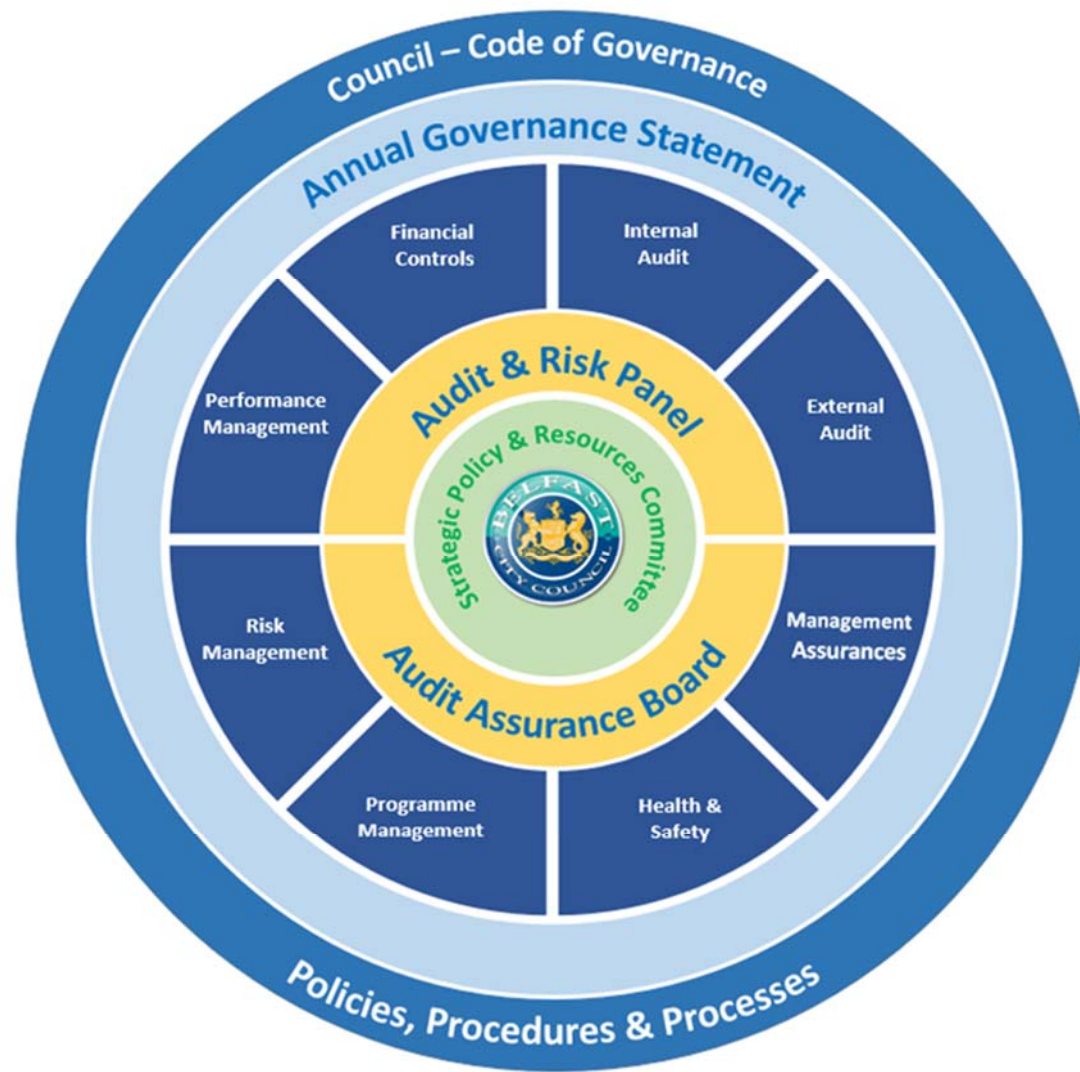
Having considered all the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014), subject to the implementation of the Corporate Fraud Risk Action Plans, the Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

The CIPFA Statement on the Role of the Head of Internal Audit (2019) outlines the five principles that set out the organisation's responsibilities to ensure the Head of Internal Audit (HIA) is able to operate effectively and perform their core duties. The Statement also sets out the core responsibilities of the HIA along with the personal skills and professional standards expected of the HIA. The Head of Audit, Governance and Risk Services (AGRS), and the supporting operational arrangements in place, conform to the five principles set out in the CIPFA Statement. This is demonstrated through a self-assessment exercise undertaken by the Head of AGRS. While the principles state that the HIA should not be responsible for preparing the annual governance report, the arrangements within the council, involve AGRS co-coordinating the preparation of the Annual Governance Statement which is then reviewed and agreed by the Corporate Management Team, Audit Assurance Board and Audit and Risk Panel, before being reviewed by Strategic Policy and Resources committee and signed by the Chair of Strategic Policy & Resources and the Chief Executive.

The Council reported two breaches of personal data to the Information Commissioner's Office (ICO) during 2022/23. The ICO took no regulatory action in relation to either case.

### **Review of Effectiveness**

The following diagram illustrates the Assurance Framework in place that provides information on compliance with the various elements of the Council's Governance Framework, including performance reports, health and safety reports, finance reports, internal audit reports and risk management report



The various in year and year-end reports arising from the Assurance Framework are reviewed and approved by the Audit and Risk Panel and Strategic Policy and Resources Committee annually.

In addition, the review of the effectiveness of the Governance Framework is also informed by:

- the annual review and update of the Code of Governance;
- comments or recommendations made by the external auditors during their annual audit; and
- the Head of Audit Governance and Risk Services (AGRS) annual assurance statement for the period ending 2022/23, which gives an opinion on the Council's risk and control environment.

### **Head of Internal Audit Opinion**

An extract from the Head of AGRS Annual Assurance Statement for the period ending 2022/23 is given below:

*As Head of Audit, Governance and Risk Services (AGRS), on the basis of work carried out, I can provide a reasonable assurance regarding the adequacy and effectiveness of the Council's framework of governance, risk management and control.*

*We developed our audit plan in consultation with management to ensure that our audit work was focussed on the areas where assurance was most valuable and was timed and conducted in a way that minimised interruption, while complying with public health guidelines. Member and management agreement of this plan combined with delivery of the majority of this plan, during a time when the organisation was continuing to operate while responding to and recovering from the impact of the pandemic, signifies members and managers recognition of the importance of receiving independent assurance over the council's risk, control and governance frameworks and provided me with sufficient evidence to support my assurance statement. As such there is no limitation of scope on my assurance statement.*

*My opinion is based on completion of audits in the audit plan for 22/23; programme and project assurance and advisory work undertaken for a number of fundamental corporate IT projects; other advisory work completed in relation to new processes and; quarterly assurance statements from senior management on compliance with risk management and internal control systems.*

*Specifically my opinion is based on the following:*

- *Evidence from areas subject to detailed internal audit during 2022/2023, in that AGRS has been able to provide positive statements of assurance with the majority of audits falling into the 'some improvement needed' category - the 2<sup>nd</sup> tier of assurance in the 4 tier model.*
- *Provision of assurance and advisory work for major programmes and projects in addition to real time advisory work on key processes including grants / funding processes, the draft digital strategy and capital programme / asset management processes.*
- *The work that was undertaken to support management in their quarterly review and update on the management of the corporate risks that could potentially impact on delivery of our corporate plan and priorities.*
- *The work that was undertaken to complete the review of the Corporate Fraud Risk Assessments and to support management in the development of associated fraud risk mitigation plans.*
- *Quarterly assurances from senior management on the management of key risks and maintenance of internal control systems during the pandemic response and recovery efforts.*



- *The evidence set out in the review of the Council's Code of Governance and Annual Governance Statement regarding the range of key assurance and governance arrangements that the Council has in place to direct / oversee its activities.*

*However, some weaknesses and areas for improvement have been identified through audit work. These have been reported in detail to the Council's Audit Assurance Board and Audit and Risk Panel during 2022/23 through quarterly progress reports. In addition, I have highlighted, where appropriate, where further action is required to implement agreed audit actions. The key issues I would highlight in this statement are as follows:*

*While AGRS was able to provide positive statements of assurance in the majority of audits completed in 2022/23, five areas resulted in 'major improvement needed' assurance levels:*

- *Absence Management*
- *Continuous Improvement*
- *Corporate Risk Review – Information Governance*
- *Corporate risk – Data Strategy*
- *Police and Community Safety Partnerships*

*It is important that the action plans for the above audits are implemented in as timely a manner as possible.*

*In particular, given the current budgetary pressures and the role that Service Design and Absence Management will have in delivering potential efficiencies, I highlight the importance of ensuring that the agreed actions from the internal audits of Continuous Improvement and Absence Management are implemented timely.*

*In addition it is important that progress is made in the implementation of open audit actions from previous audits that have the potential to deliver efficiencies, such as those from the internal audits of Procurement and Contract Management, Value for Money review of Utilities, Agency Engagement and Management and the Capital Programme.*

*Looking ahead, the high level of vacancies in certain services, budgetary pressures and the planned implementation of the new accounting system during 23/24, has the potential to affect the adequacy and effectiveness of the councils risk control and governance arrangements as well as service delivery. It is important that these issues are managed appropriately and that management continue to place importance on the maintenance of risk, control and governance arrangements.*

### **Public Sector Internal Audit Standards**

*I can confirm that the AGRS Service has conformed to Public Sector Internal Audit Standards during 2022/23. A quality assurance and improvement programme is in place including internal review of work, annual assessment against professional standards, quarterly progress and performance reporting to the Assurance Board and Audit & Risk Panel. An external quality assessment of AGRS took place in 2022 and this confirmed the Service's compliance with professional standards.*

Continued effort has been put into developing and implementing the key elements of an assurance framework within the Council with the key elements being:

- a process whereby senior managers are required to sign annual assurance statements;
- a process whereby Directors are required to sign quarterly assurance statements;
- embedding risk management and developing the arrangements for oversight of the management of these risks;
- business planning and related performance reporting arrangements;
- an Audit and Risk Panel;

- a professional internal audit function, which has been reviewed for effectiveness against the Public Sector Internal Audit Standards; and
- a Health & Safety Assurance Board.

### **Update on the Significant Governance Issues that were declared last year**

Five issues were declared last year and continue to be declared as issues in this year's statement. An update on the work that was completed last year to manage these issues along with further information on these issues is set out in the next section.

### **Significant Governance Issues for the year-end 2023**

The significant governance issues for the year-end 2023 were identified through review of the risks in the Corporate Risk Register and review of the Directors' Annual Assurance Statements.

The most significant issues for the Council continue to be the five issues that were declared in last year's statement, which are listed below:

1. Financial planning
2. Digital information security / Digital Strategy
3. Brexit implementation programme for Port Health
4. Recruitment challenges
5. Belfast Region City Deal

More information on these significant governance issues is provided on the following pages.

#### **1. Financial Planning**

The five-step finance strategy was extended into the 2022/23 financial year to deal with the cost of living crisis that manifested in 2022/23 and was reviewed quarterly.

Members had previously agreed the creation of two additional specified reserves to deal with Covid costs / income losses and rate base losses. The five-step finance strategy allowed the council to manage additional costs / income losses due to covid via in year budget savings and the use of these specified reserves. As part of the year-end 2023 review of the Council's financial position, these reserves will be reviewed taking consideration of the current economic environment.

The challenges faced by the Council over the past few years have been unprecedented and are likely to continue given the on-going global unrest and the resultant economic impacts.

As part of the 2023/24 rate setting process members agreed a strategy to deal with the impact of the cost of living crisis on the 2023/24 budgets. To mitigate the impact on the 2024/25 rate setting process a significant efficiency programme has been developed to look at cost savings through reviewing Category and Contract Management, maximising income generation opportunities, exploring new and additional income streams and the use of enhanced expenditure controls.

#### **2. Digital Information Security / Digital Strategy**

Digital information security continues to be a significant governance issue and is overseen through the Council's risk management processes by the Council's Corporate Management Team. Digital Services has implemented the following additional controls to manage and have better visibility of the growing threats in this area:

- Completion of penetration tests.
- Completion of Payment Card Industry Data Security Standard attestation.
- Ongoing delivery of a Security Awareness programme through regular five-minute online training modules on a range of issues that pose a cyber risk for our network.
- Unannounced tests to help determine where future support is required.
- Implementation of Public Key Infrastructure to enhance network access control.
- Activation of Always-On Virtual Private Network to ensure all homeworking access is managed through our security infrastructure.
- Mobile device management using Microsoft Intune currently being rolled out for all new mobile phones.
- Completion of firewall upgrades.
- Draft Ransomware incident response plan.
- Cloud services access report reviewed by Security Oversight Group

The Digital information Security programme will continue to focus on priority areas that are most important to enhance the council's cyber security controls, including:

- Cyber security incident response
- Identity management
- Cloud strategy
- Maturity assessment priorities

Additional actions to be undertaken to further mitigate this key corporate risk in 2023/24 include:

- Completion of the Microsoft security crisis and response exercise
- Completion of the Ransomware playbook.
- Review of cloud security governance
- Implementation of network access control
- Review of the National Cyber Security Centre's Cyber Assessment Framework

A recent internal audit highlighted issues with the management of the corporate risk on the strategic approach to the use of data, including future ownership of this risk. In this regard, ownership of the risk will be discussed with the Deputy Chief Executive / Strategic Director of Corporate Services when they take up post in July. In addition The Council is in the process of developing a Digital Strategy with the vision to make the best use of digital and data to deliver excellent public services and inclusive growth in the Belfast City Region. The main objectives of the Digital Strategy relate to Digital Public Services; Information as an Asset; Digital City Innovation and; Digital Capability. This strategy will be considered and agreed through the usual governance processes in 2023/24.

ICT capability is an intrinsic pillar of the overall operating model of the Council and it important that we have the right skills within Digital Services and across the Council. Attracting new talent is becoming problematic in specialist areas such as Cyber Security and Application Development. The new Digital Strategy will require the development of a people / talent strategy for Digital Services to ensure we retain the right technical capability and capacity to meet the requirements of the Council going forward.

### 3. Brexit Implementation Programme for Port Health

The Council's Port Health duties include overseeing the import of food into Belfast, including checks on High Risk Food not of Animal Origin and fish and fishery products for human consumption. Since 31st December 2020 when the UK left the EU, these checks now apply to

products arriving in Belfast Port from GB, as well as other countries outside the EU. Temporary grace periods and easements under the NI Protocol were extended in 2021 and remain in place at present. These grace periods will be replaced by the arrangements set out in the Windsor Framework once new legislation is put in place later in 2023.

Throughout 2022/23 the Council has continued work with partners and stakeholders to ensure the Council meets its current statutory duties, while also taking steps to prepare for future operational requirements. The programme of work has focused on securing temporary funding (currently allocated on an annual basis), implementing an updated temporary staffing model (including addressing recruitment and retention issues), and working with DAERA to upgrade and maintain the temporary inspection facilities at Corry Place. Further work being taken forward under the programme includes further development of IT systems to streamline processes and design of the new purpose built inspection facilities.

Some uncertainty remains regarding detailed requirements for implementation of new arrangements post October 2023, and the extent to which businesses will utilise the flexibilities for reduced 'green lane' checks. The ongoing uncertainty during 2022/23 has caused delays to completion of new inspection facilities, development of IT processes, and development of a sustainable resourcing model for the future. The Council are liaising closely with DAERA to ensure operational readiness. Further work will be required in 2023/24 and beyond to develop a longer term staffing model, and to secure a sustainable funding arrangement to support the service going forward.

#### 4. Recruitment Challenges

The council was unable to recruit a Strategic Director of Finance and Resources due to difficulties in sourcing a like for like replacement in a challenging recruitment market. This led to a pause on the recruitment of the Strategic Director of City and Neighbourhood Services and the Strategic Director of Place and Economy roles. In addition we undertook a review of the structure of CMT. The review resulted in several changes at CMT level, namely the repositioning of a number of key corporate functions and changes to the remit of several Director roles. Following the change to the structure of CMT, the Council successfully recruited a Deputy Chief Executive / Strategic Director of Corporate Services who will take up post at the end of July 2023. The Council will proceed with the planned recruitment of the Strategic Director of City and Neighbourhood Services, the Strategic Director of Place and Economy and the City Solicitor & Director of Legal & Civic Services in 2023/24.

The Council undertook a number of permanent recruitment campaigns in difficult to fill roles for example security staff, environmental health officers, HGV drivers which provides greater stability across departments.

The Council also completed permanent recruitment campaigns for the basic entry roles of general operatives and business support clerks which has further increased stability across departments. The Council will continue to recruit posts including hard to fill roles throughout 2023/24. The Council's People Strategy which will be launched in the coming months will focus on how we retain, attract and develop staff and upskill our existing talent to have adequate succession plans to fulfil vacancies at all levels including senior management.

#### 5. Belfast Region City Deal

The delays in relation to business case approvals and agreeing Contracts for Funding (which must be signed before funding can flow) following the signing of the BRCD deal in late 2021 delayed the transition to the delivery phase of the BRCD until the middle of the 2022/23 year. This resulted in delays to project delivery with associated impacts and costs. This was mitigated to some extent by partners continuing to progress projects at risk.

During the latter part of 2022/23 considerable progress was made, working collaboratively with government and deal partners, in obtaining outstanding business case approvals and putting in place Contracts for Funding. Outline Business Cases for approximately half of the programme have now been approved with three more at advanced stages of the approval process. The first Contract for Funding was signed in July 2022 and by the end of the year seven Contracts had been signed with two more drafted and expected to be approved in the first quarter of 2023/2024. Governance and assurance processes to enable BCC to fulfil its role as the Accountable Body have been agreed and implemented. At the end of 2022/23 the first funding drawdown requests for the BRCD were submitted to the Department for Economy and Department for Communities and the first claim to a BRCD partner has been completed marking significant milestones for deal delivery.

The BRCD partners are working to address the challenges created by the high levels of construction inflation. Project budgets already included significant levels of optimism bias and contingency but the exceptionally high levels of construction inflation are resulting in the need for some project sponsors to consider options to ensure that projects are affordable and deliverable. The level of funding support from the BRCD is fixed for each project and no additional government funding will be available. Therefore as projects progress through the delivery phase, developing more accurate and informed costs, project specific solutions are being identified at key decision points (i.e. at design, procurement and Full Business Case phase) including value engineering and commitment of additional funding by partners.

Partners are also exploring strategic options that could assist in dealing with the impact of construction inflation, including assessment of the potential impact on the outcomes and benefits, which government partners recognise are likely to be reduced as a result of high levels of construction inflation.

Signed:  .....  
Chair Strategic Policy and Resources Committee

Signed:  .....  
Chief Executive Officer

**Belfast City Council**  
**REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2023**

**INTRODUCTION**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the statement of accounts.

**ALLOWANCE AND REMUNERATION ARRANGEMENTS**

**COUNCILLORS**

Allowances are payable by councils to Councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Guidance and determinations on Councillors' Allowances 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 18 May 2023, 462 Councillors were elected to the 11 new Councils for a four year term. Belfast City Council has 60 elected Members representing 10 District Electoral Areas in 2023/24.

**SENIOR EMPLOYEES**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Corporate Management Team, namely the Chief Executive and Directors.

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

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

**ALLOWANCES PAID TO COUNCILLORS**

The total amount paid to Councillors by way of allowances, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

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

Allowance	2022/23		2021/22	
	Total Allowances £	Number of Councillors receiving the Allowance (FTE)	Total Allowances £	Number of Councillors receiving the Allowance (FTE)
Basic Allowance	922,694	60	929,160	60
Special Responsibility	117,154	53	117,774	39
Lord Mayor Allowance	34,706	1	34,800	1
Deputy Lord Mayor Allowance	6,250	1	6,250	1
PCSP Allowance	7,680	23	11,460	27
High Sheriff's Allowance	6,250	1	6,250	1
Subsistence	781	2	171	3
Mileage Allowance	1,394	7	731	5
Courses/ Conferences Visits	15	1	-	-
Telephone rental	-	-	-	-
Miscellaneous costs	-	-	-	-
Other Travel allowance	3,982	2	1,513	5
<b>TOTAL ALLOWANCES</b>	<b>1,100,906</b>		<b>1,108,109</b>	

Details of the allowances paid to individual Councillors in 2022/23 are published on the Council website at [www.belfastcity.gov.uk/council/your-council/councillors-allowances](http://www.belfastcity.gov.uk/council/your-council/councillors-allowances)

The above table provides further information and details on the allowances paid to Councillors to that published on the Council website.

Details of the current Councillors can be found on the Council website.

## REMUNERATION OF SENIOR EMPLOYEES

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

Table 2 - Table 2: Remuneration (including salary) [audited information]

Officers	2022/23				2021/22			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind £'000	Total £'000
Chief Executive - John Walsh*	130-135	0	0	130-135	0-5 (130-135)	0	0	0-5 (130-135)
City Solicitor - Nora Largey**	75-80 (105-110)	0	0	75-80 (105-110)	0	0	0	0
Director of Finance & Resources - Ronan Cregan***	65-70 (115-120)	0	0	65-70 (115-120)	115-120	0	0	115-120
Director of Physical Programmes - Sinead Grimes	100-105	0	0	100-105	95-100	0	0	95-100
Director of External Affairs, Marketing & Comms - Lisa Caldwell****	45-50 (90-95)	0	0	45-50 (90-95)	0	0	0	0
Director of Human Resources - Christine Sheridan*****	45-50 (90-95)	0	0	45-50 (90-95)	0	0	0	0
Director of City & Organisational Strategy - John Tully	110-115	0	0	110-115	105-110	0	0	105-110
Director of Finance - Trevor Wallace*****	45-50 (90-95)	0	0	45-50 (90-95)	0	0	0	0

\*John Walsh appointed as Chief Executive on 21 March 2022

\*\*Nora Largey appointed to post on 11 July 2022

\*\*\*Ronan Cregan left post on 31 October 2022

\*\*\*\*Lisa Caldwell appointed to post on 3 October 2022

\*\*\*\*\*Christine Sheridan appointed to post on 3 October 2022

\*\*\*\*\*Trevor Wallace appointed to post on 3 October 2022

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 at 31 March 2023 was £130-135k. This was 4.6 times the median remuneration of the workforce, which was £28,900.

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

	2022/23 £'000	2021/22 £'000
Salary Band of Highest Paid member of the CMT	130-135	130-135
Median Total Remuneration	28.9	26.4
Ratio	4.66	5

In 2022/23, no employees received remuneration in excess of the highest paid member of the CMT.

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

Salary:

"Salary" includes gross salary and any ex gratia payments.

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.

#### Exit Packages for staff

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the voluntary redundancies as agreed under the Council's voluntary redundancy scheme are set out in the table below:

**Table 4: Exit Packages in 2022/23 (audited information)**

Severance Package Cost Band	2022/23				2021/22			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	0	0	0	0	1	1	2
£20,001 - £40,000	0	0	0	0	0	1	1	33
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	1	1	123
£150,001 - £200,000	0	1	1	190	0	0	0	0
£200,001 - £250,000	0	1	1	202	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>392</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>158</b>



## Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) 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. Councillor members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

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

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2022, were as follows:

**Table 5: Employee Contribution Rates**

Band	Range	Employee Contribution Rate
1	£0 - £15,400	5.50%
2	£15,401 - £23,700	5.80%
3	£23,701 - £39,500	6.50%
4	£39,501 - £48,000	6.80%
5	£48,001 - £95,100	8.50%
6	More than £95,100	10.50%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. Contribution rates for the 2022/23 year were set from the triennial actuarial valuation of the fund as at 31 March 2016. 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 Rate
1 April 2020 - 31 March 2021	19.5%
1 April 2021 - 31 March 2022	19.5%
1 April 2022 - 31 March 2023	19.5%

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations are effective from 1 April 2015.

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all Councillors during 2022/23 was £186,321 (2021/22 £193,026).

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

**Table 7: Pension Benefits of senior staff in 2022/23 (audited information)**

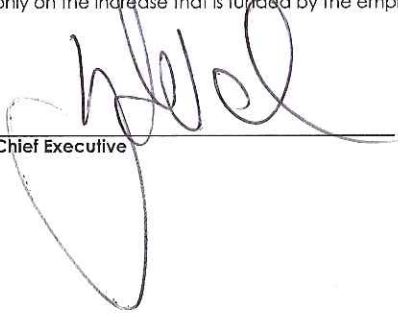
Officers	Accrued Pension and Lump Sum (LS) at pension age as at 31/03/23 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/23 £'000	CETV at 31/03/22 £'000	Real increase in CETV £'000
Trevor Wallace	35-40	0-2.5	629	579	18
	45-50 (LS)	0-2.5 (LS)			
Christine Sheridan	30-35	0-2.5	576	540	6
	45-50 (LS)	0-2.5 (LS)			
Lisa Caldwell	10-15	0-2.5	114	103	1
	0-5 (LS)	0-2.5 (LS)			
Nora Largey	25-30	5-7.5	330	239	65
	15-20 (LS)	2.5-5 (LS)			
Sinead Grimes	30-35	0-2.5	426	382	(6)
	25-30 (LS)	(0)-(2.5) (LS)			
John Tully	25-30	0-2.5	378	328	6
	0 (LS)	0 (LS)			
John Walsh	55-60	5-7.5	1,098	880	115
	75-80 (LS)	7.5-10 (LS)			
Ronan Cregan	60-65	(0)-(2.5)	1,175	1,138	(38)
	90-95 (LS)	(2.5)-(5) (LS)			

**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 takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. 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.



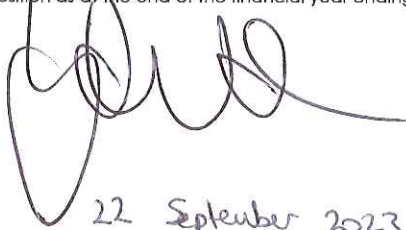
Chief Executive

**Certificate of the Chief Financial Officer**

I certify that:

- (a) The Statement of Accounts for the year ended on pages 42 to 115 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 46 to 58 and page 104.
- (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**

22 September 2023

These accounts were approved by resolution of the Strategic Policy & Resource Committee on 22 September 2023.

*Chris Black*

**Chairperson**

**Date**

22 September 2023

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELFAST CITY COUNCIL**

## **Opinion on financial statements**

I have audited the financial statements of Belfast 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 on 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 Belfast 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 Belfast 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 Belfast 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 Belfast 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 Belfast 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 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 Belfast 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 Belfast 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 Belfast 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 Belfast City Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on Belfast 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 Belfast 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;
- 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 Council and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- 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 Belfast 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 Belfast 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 black ink that reads "Colette Kane". The signature is written in a cursive style with a large initial 'C'.

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

*28 September 2023*

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**Belfast 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 '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 "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>54,924,106</b>	<b>29,360,216</b>	<b>7,962,458</b>	<b>92,246,780</b>	<b>428,546,951</b>	<b>520,793,731</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(6,864,926)	-	-	(6,864,926)	-	(6,864,926)
Other Comprehensive Income and Expenditure	-	-	-	-	109,566,943	109,566,943
<b>Total Comprehensive Income and Expenditure</b>	<b>(6,864,926)</b>	<b>-</b>	<b>-</b>	<b>(6,864,926)</b>	<b>109,566,943</b>	<b>102,702,017</b>
Adjustments between accounting basis & funding under regulations	9,959,575	(6,063,128)	(6,893,875)	(2,997,428)	3,469,104	471,676
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>3,094,649</b>	<b>(6,063,128)</b>	<b>(6,893,875)</b>	<b>(9,862,354)</b>	<b>113,036,047</b>	<b>103,173,693</b>
Transfers to / from Statutory and Other Reserves	(1,276,041)	1,276,041	-	-	-	-
Other movements	5,476,012	-	-	5,476,012	784,000	6,260,012
<b>Increase/ (Decrease) in year</b>	<b>7,294,620</b>	<b>(4,787,087)</b>	<b>(6,893,875)</b>	<b>(4,386,342)</b>	<b>113,820,047</b>	<b>109,433,705</b>
<b>Balance as at 31 March 2022</b>	<b>62,218,726</b>	<b>24,573,129</b>	<b>1,068,583</b>	<b>87,860,438</b>	<b>542,366,998</b>	<b>630,227,436</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(22,381,947)	-	-	(22,381,947)	-	(22,381,947)
Other Comprehensive Income and Expenditure	-	-	-	-	235,601,341	235,601,341
<b>Total Comprehensive Income and Expenditure</b>	<b>(22,381,947)</b>	<b>-</b>	<b>-</b>	<b>(22,381,947)</b>	<b>235,601,341</b>	<b>213,219,394</b>
Adjustments between accounting basis & funding under regulations	19,720,539	549,194	1,685,725	21,955,458	(19,278,893)	2,676,565
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>(2,661,408)</b>	<b>549,194</b>	<b>1,685,725</b>	<b>(426,489)</b>	<b>216,322,448</b>	<b>215,895,959</b>
Transfers to / from Statutory and Other Reserves	(3,206,904)	3,206,904	-	-	-	-
Other movements	2,465,530	-	(2,111,850)	353,680	4,726,000	5,079,680
<b>Increase/ (Decrease) in year</b>	<b>(3,402,782)</b>	<b>3,756,098</b>	<b>(426,125)</b>	<b>(72,809)</b>	<b>221,048,448</b>	<b>220,975,639</b>
<b>Balance as at 31 March 2023</b>	<b>58,815,944</b>	<b>28,329,227</b>	<b>642,458</b>	<b>87,787,629</b>	<b>763,415,446</b>	<b>851,203,075</b>

**Belfast 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 (Note 2) and the Movement in Reserves Statement.

	Note	2022/23			2021/22		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Strategic Policy & Resources	2	81,554,315	(16,920,994)	64,633,321	75,501,060	(13,750,151)	61,750,909
City Growth & Regeneration	2	41,335,650	(13,705,472)	27,630,178	39,051,976	(12,781,596)	26,270,380
People & Communities	2	134,266,533	(22,205,369)	112,061,164	124,277,276	(19,930,448)	104,346,828
Planning & Licensing	2	9,169,502	(5,219,714)	3,949,788	8,700,308	(5,034,714)	3,665,594
<b>Cost of Services on Continuing Operations</b>		<b>266,326,000</b>	<b>(58,051,549)</b>	<b>208,274,451</b>	<b>247,530,620</b>	<b>(51,496,909)</b>	<b>196,033,711</b>
Other Operating Expenditure/ Income	8	2,318,167	(1,685,725)	632,442	9,756	(479,947)	(470,191)
Financing and Investment Income and Expenditure	9	6,654,957	(6,783,347)	(128,390)	6,346,787	(15,392,163)	(9,045,376)
(Surplus) or Deficit on Discontinued Operations				-			-
<b>Net Operating Expenditure</b>		<b>275,299,124</b>	<b>(66,520,621)</b>	<b>208,778,503</b>	<b>253,887,163</b>	<b>(67,369,019)</b>	<b>186,518,144</b>
Taxation and Non-Specific Grant Income	10	269,044	(186,665,600)	(186,396,556)	-	(179,653,218)	(179,653,218)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>275,568,168</b>	<b>(253,186,221)</b>	<b>22,381,947</b>	<b>253,887,163</b>	<b>(247,022,237)</b>	<b>6,864,926</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(38,330,341)			(29,808,943)
Impairment losses on non- current assets charged to the Revaluation Reserve	11			-			-
Surplus/(Deficit) arising on revaluation of available-for- sale financial assets	11						
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(197,271,000)			(79,758,000)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	29			-			-
<b>Other Comprehensive Income and Expenditure</b>				<b>(235,601,341)</b>			<b>(109,566,943)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(213,219,394)</b>			<b>(102,702,017)</b>

**Belfast 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 is usable reserves, i.e. 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 is unusable reserves, 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 & funding under regulations'.

		31st March 2023	31st March 2022
	Note	£	£
Fixed Assets	11	877,813,345	843,313,222
Long Term Investments		-	-
Investment in Associates and Joint Ventures	29	3,436,859	3,436,859
Long Term Debtors	15	744,099	583,167
Contract Assets		-	-
Contract Costs		-	-
<b>LONG TERM ASSETS</b>		<b>881,994,303</b>	<b>847,333,248</b>
Short Term Investments		-	-
Inventories	14	306,758	310,394
Short Term Debtors	15	30,484,561	28,541,613
Cash and Cash Equivalents	24	19,140,662	20,488,231
Assets Held for Sale	11	2,520,001	2,520,001
Contract Assets	3, 15	496,180	415,102
Contract Costs		-	-
<b>CURRENT ASSETS</b>		<b>52,948,162</b>	<b>52,275,341</b>
Bank Overdraft	24	-	-
Short Term Borrowing	16	5,260,558	5,209,832
Short Term Creditors	17	42,744,089	43,415,999
Provisions	18	3,736,974	3,538,283
Contract Liabilities	17	113,110	-
<b>CURRENT LIABILITIES</b>		<b>51,854,731</b>	<b>52,164,114</b>
Long Term Creditors	17	11,778	30,440
Provisions	18	1,844,093	1,844,093
Long Term Borrowing	16	38,521,347	43,781,910
Other Long Term Liabilities	20	(10,648,058)	169,221,942
Contract Liabilities		-	-
Donated Assets Account	21	443,856	430,000
Capital Grants Receipts in Advance	21, 22	1,711,643	1,908,654
<b>LONG TERM LIABILITIES</b>		<b>31,884,659</b>	<b>217,217,039</b>
<b>NET ASSETS</b>		<b>851,203,075</b>	<b>630,227,436</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	25	642,458	1,068,583
Deferred Capital Receipts	25	-	-
Capital Fund	25	15,096,990	12,220,031
Leisure Mobilisation Fund	25	611,877	621,287
Neighbourhood Regeneration Fund	25	10,000,000	10,000,000
Other Balances and Reserves	25	2,620,360	1,731,811
General Fund	25	58,815,944	62,218,726
		<b>87,787,629</b>	<b>87,860,438</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	26	522,981,947	514,174,235
Revaluation Reserve	26	231,519,930	199,892,679
Pensions Reserve	26	10,648,058	(169,221,942)
Accumulated Absences Account	26	(1,730,293)	(2,344,158)
Provisions Discount Rate Reserve	26	(4,196)	(133,816)
		<b>763,415,446</b>	<b>542,366,998</b>
<b>NET WORTH</b>		<b>851,203,075</b>	<b>630,227,436</b>

**Belfast 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 (i.e. borrowing) to the Council.

		2022/23	2021/22
	Note	£	£
Surplus/(Deficit) on the Provision of Services		(22,381,947)	(6,864,926)
Adjustment for non-cash movements	24	51,678,092	42,061,760
Adjust for items included in the (Surplus)/Deficit on the Provision of Services that are investing and financing activities	24	(9,692,017)	(9,333,005)
<b>Net cash flows from operating activities</b>		<b>19,604,128</b>	<b>25,863,829</b>
Cash flows from Investing Activities	24	(15,741,860)	(35,267,536)
Net Cash flows from Financing Activities	24	(5,209,837)	(8,040,379)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(1,347,569)</b>	<b>(17,444,086)</b>
Cash and cash equivalents at the beginning of the reporting period	24	20,488,231	37,932,317
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>19,140,662</b>	<b>20,488,231</b>

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.

**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 six 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 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.

iv) **Employee 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 applicable wage and salary rate. 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 debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Post Employment Benefits**

The majority of 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 Hewitt 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 seven components:

**Within the Cost of Services**

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

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

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



Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

Actuarial Gains and Losses – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

Northern Ireland Civil Service (NICS) Pension Scheme

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

v) **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:

- 1) 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.
- 2) 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.

vi) **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.

vii) **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.

viii) **Financial Instruments**

***Financial Liabilities***

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the 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.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

***Financial Assets***

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

***Financial Assets Measured at Amortised Cost***

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure is the amount receivable for the year in the loan agreement.

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

***Expected Credit Loss Model***

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

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

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

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

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

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

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

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

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

#### **ix) Foreign Currency Translation**

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### **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.

#### **xi) Inventories and 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 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.

#### **xii) Overheads and Support Services**

The majority of overheads and support services are included in the expenditure of the Strategic Policy & Resources Committee in the Comprehensive Income and Expenditure Statement.

#### **xiii) 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.

xiv) **Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in 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 (for any sale proceeds greater than £5,000) the Capital Receipts Reserve.

xv) **Investment Property**

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

Investment properties are measured initially at cost and subsequently at fair value, 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.

xvi) **Leases**

*Finance 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 Lease***

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

Lease payments are apportioned between:

- a. 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 is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

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 - Finance Lease***

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

### ***The Council as Lessor - Operating Lease***

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.

xvii) **Surplus Assets**

Surplus assets are non-operational assets that do not meet the conditions to be classified as assets held for sale. They are measured at fair value, reflecting the actual market state and conditions at the balance sheet date (which is the valuation date) with best evidence of fair value in an active market for similar properties in the same location. The Council classifies assets to surplus assets on the advice of its estates management officers and in consultation with its external property valuers.

The surplus assets held by the Council comprise a number of properties including land, buildings or sites of land and buildings combined, which have not reached the stage where the council can market these for sale advantageously, or where the properties have restrictions that prevent them currently being brought to market.

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

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses 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

Amounts greater than £5k 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.

xix) **Property, Plant and Equipment**

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

**Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council applies a de-minimis level of £25k to Plant & Machinery, Information Technology equipment, Fixtures & Fittings and Office equipment, meaning only assets over £25k are capitalised. Subsequent capital expenditure is only capitalised where it provided an enhancement to the economic benefits of the asset in excess of those previously addressed.

**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 basis:

- infrastructure, community assets and assets under construction: depreciated historical cost.
- short life assets, including road vehicles, plant and equipment, fixtures and fittings, office equipment, and IT and IT equipment: depreciated historic cost as a proxy for current value.
- surplus assets: fair value (at highest and best use).
- investment properties: measured initially at cost and subsequently at fair value as outlined in accounting policy

xv

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.

### **Valuation**

The Council operates a rolling programme for the revaluation of Land and Buildings with approximately 25% of these being revalued by physical inspection each year and the remainder being revalued by a desktop exercise. 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 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

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

Where impairment losses are identified, they are accounted for 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.

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

### **Depreciation**

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

Depreciation is calculated on a straight-line basis on the following classes of tangible asset:

- buildings, installation and fittings are depreciated on their fair value over the estimated remaining lives of those assets as advised by the Independent Chartered Surveyors. Depending on the type of building, installation or fitting the maximum useful life will be a range up to 60 years.
- infrastructure assets, short-life assets, including road vehicles, plant and equipment, fixtures and fittings, office equipment, and IT and IS equipment are depreciated over their estimated useful lives.

Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Amortisation is calculated on the following basis:

- straight-line allocation of the estimated useful lives.
- amortisation is charged in the month of capitalisation but not in the month 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.

Componentisation is only applicable to larger value land and buildings or equipment assets. The Council applies the following de-minimis levels in relation to componentisation:

- a component should be valued separately if it is greater than or equal to 3% of the total value of the asset; and
- the individual component has a valuation of greater than or equal to £300k.

### ***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.

#### **xx) Community Assets**

From 1 April 2017, community assets are recognised, measured and accounted for at their depreciated historic cost. The historical cost of a community asset is deemed to be the carrying amount of an asset as at 1 April 2007 or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

Community assets that consist of land or that have an indeterminable useful life will not be depreciated but will be subject to annual review for impairment. Community assets that are depreciable, or that have depreciable components, and have a determinable useful life will be depreciated systematically at a constant (straight-line) rate over their useful lives, as well as being subject to impairment review if there is evidence of excessive deterioration or that their value to the Council is below their then carrying amount.

Depreciation on community assets will be charged on an annual basis to the appropriate service of the Council in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

#### **xxi) Heritage Assets**

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

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

The Council's collection of Heritage Assets (Works of Art and Civic Items) is reported in the balance sheet at insurance valuation, which is based on market values, or if it is not possible to obtain a valuation, they are maintained at historical cost less any depreciation, amortisation or impairment losses. These insurance valuations based on market values are updated on a periodic basis. Where no cost can be measured reliably, heritage assets are not held at a monetary value and are not reported in the balance sheet. Such assets will continue to be retained by the Council and will form part of its heritage assets collection, and will be reported in summary by way of a note to the financial statements.

Summary information on Heritage Assets has been provided for current financial year along with comparatives for the previous financial year. Detailed information relating to transactions has not been included for prior years as it would not be practical to do so and there is little value added for the users of the accounts.

#### **xxii) Provisions**

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

Provisions are charged as an expense to the appropriate service line in the 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.



xxiii) **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.

xxiv) **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 to either 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)], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

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

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.

xxvi) **Value Added Tax**

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

xxvii) **Landfill Exploration and Evaluation**

The Council considers the facts and circumstances to determine whether an exploration and evaluation asset should be recognised in respect of the landfill site including assessment of the amount, timing and certainty of future cash flows under IFRS 6. The Council's landfill site produces gas to generate electricity. During 2022/23, a number of Global Geo-political factors led to increased utility prices, which in turn resulted in the income from the Electricity Generation increasing significantly resulting in a net income position of £595k. The Council does not recognise any asset in respect of this gas production as any forecasting or estimating of future income is uncertain. The Council cannot reliably measure or value such an asset under IAS 38.

xxviii) **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.

xxix) **Capital Receipts Unapplied**

This represents capital receipts that are held on the balance sheet to finance future capital expenditure. Income from disposal of fixed assets is posted into the capital receipts unapplied account until such time as it is allocated to finance other capital expenditure.

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

At the balance sheet date, the following new standards and amendments to existing standards have been published, but not yet adopted by the Code of Practice for Local Authority Accounting:

- a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

**c Critical Judgements in Applying Accounting Policies**

In applying accounting policies set out from Note 1a above the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

**Landfill Provision**

The calculation of the necessary financial provision for the capping and aftercare costs for the landfill site depends on a judgement around the appropriate discount rate to be used and the number of years over which these costs need to be provided. The landfill provision figures are sensitive to the assumptions used. The impact of amending the interest rates used to discount this provision has been mitigated through the creation of a Provision Discount Rate Reserve to accommodate fluctuations in the current value of the annual calculation of long term provisions for landfill costs.

**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:

***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 AON Hewitt is engaged to provide the Council with expert advice about the assumptions to be applied. 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 and the projected service cost for the year ending 31 March 2023 is set out in Note 20.

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a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, and 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 committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	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
	£	£	£	£	£	£
Strategic Policy & Resources	56,276,958	(8,356,363)	64,633,321	50,930,164	(10,820,745)	61,750,909
City Growth & Regeneration	21,659,915	(5,970,263)	27,630,178	19,514,842	(6,755,538)	26,270,380
People & Communities	89,247,095	(22,814,069)	112,061,164	80,641,410	(23,705,418)	104,346,828
Planning & Licensing	2,542,801	(1,406,987)	3,949,788	2,095,752	(1,569,842)	3,665,594
<b>Net Cost of Services</b>	<b>169,726,769</b>	<b>(38,547,682)</b>	<b>208,274,451</b>	<b>153,182,168</b>	<b>(42,851,543)</b>	<b>196,033,711</b>
<b>Other Income and Expenditure</b>	<b>(166,323,987)</b>	<b>19,568,517</b>	<b>(185,892,504)</b>	<b>(160,476,788)</b>	<b>28,691,997</b>	<b>(189,168,785)</b>
<b>Surplus or Deficit</b>	<b>3,402,782</b>	<b>(18,979,165)</b>	<b>22,381,947</b>	<b>(7,294,620)</b>	<b>(14,159,546)</b>	<b>6,864,926</b>
<b>Opening General Fund</b>			<b>62,218,726</b>			<b>54,924,106</b>
<b>Surplus/(Deficit) on General Fund Balance in Year</b>			<b>(3,402,782)</b>			<b>7,294,620</b>
<b>Closing General Fund</b>			<b>58,815,944</b>			<b>62,218,726</b>

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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
	£	£	£	£	£
Strategic Policy & Resources	(4,779,733)	(6,539,591)	245,057	2,717,904	(8,356,363)
City Growth & Regeneration	(4,919,729)	(1,563,804)	24,270	489,000	(5,970,263)
People & Communities	(14,323,381)	(8,795,127)	304,439	-	(22,814,069)
Planning & Licensing	-	(1,447,086)	40,099	-	(1,406,987)
<b>Net Cost of Services</b>	<b>(24,022,843)</b>	<b>(18,345,608)</b>	<b>613,865</b>	<b>3,206,904</b>	<b>(38,547,682)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	25,815,442	(3,781,392)	-	(2,465,533)	19,568,517
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>1,792,599</b>	<b>(22,127,000)</b>	<b>613,865</b>	<b>741,371</b>	<b>(18,979,165)</b>

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
	£	£	£	£	£
Strategic Policy & Resources	(5,145,181)	(7,496,469)	38,601	1,782,304	(10,820,745)
City Growth & Regeneration	(4,662,098)	(1,569,390)	(17,787)	(506,263)	(6,755,538)
People & Communities	(14,189,950)	(9,590,828)	75,360	-	(23,705,418)
Planning & Licensing	-	(1,582,120)	12,278	-	(1,569,842)
<b>Net Cost of Services</b>	<b>(23,997,229)</b>	<b>(20,238,807)</b>	<b>108,452</b>	<b>1,276,041</b>	<b>(42,851,543)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	38,000,202	(3,832,193)	-	(5,476,012)	28,691,997
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>14,002,973</b>	<b>(24,071,000)</b>	<b>108,452</b>	<b>(4,199,971)</b>	<b>(14,159,546)</b>

Each committee is responsible for the delivery of key services to the Council and the main services included in each committee is as follows:

**Strategic Policy and Resources Committee**

The net expenditure of this committee includes Legal and Civic Services, Finance and Resources, City Organisation Structure and Major Projects and Corporate Priorities with Human Resources and Good Relations.

**City Growth and Regeneration Committee**

The net expenditure of the committee includes Economic Initiatives and City Regeneration, City Events and Venues including Off-Street Car Parking, Place and Economy and Parks Estates and Zoo.

**People and Communities Committee**

The net expenditure of the committee includes Cleansing, Waste Management and Vehicles, Parks, Cemeteries and Leisure Centres, Environmental Health, Neighbourhood and Development and Community Services.

**Planning and Licensing Committees**

The net expenditure includes Planning and Building Control Services.

3 a Expenditure and Income Analysed by Nature

Expenditure		2022/23	2021/22
	Note	£	£
Employee Benefits Expenses	7	100,843,596	88,962,292
Other Services Expenditure		144,766,750	135,569,557
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	24,022,845	23,997,230
Interest Payments	9	1,045,535	1,338,275
(Gain) on the Disposal of Assets	8	632,442	(470,191)
Other Expenditure	9	4,257,000	4,490,000
<b>Total Expenditure</b>		<b>275,568,168</b>	<b>253,887,163</b>

Income		2022/23	2021/22
	Note	£	£
Fees, Charges and Other Service Income		(60,006,318)	(51,976,853)
Interest and Investment Income	9	(6,783,347)	(15,392,163)
District Rate Income	10	(173,245,893)	(165,356,846)
Government Grants and Contributions	10	(13,150,663)	(14,296,375)
Support Service Income		-	-
Other Income		-	-
<b>Total Income</b>		<b>(253,186,221)</b>	<b>(247,022,237)</b>

<b>Deficit on the Provision of Services</b>		<b>22,381,947</b>	<b>6,864,926</b>
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b Revenue from contracts with service recipients

On transition to IFRS 15, there is no impact on the Belfast City Council revenue recognition for contracts with customers.

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients:

Revenue from contracts with service recipients	2022/23	2021/22
	£	£
Strategic Policy & Resources	3,354,932	1,818,437
City Growth & Regeneration	1,261,912	2,510,120
People & Communities	5,335,662	7,389,235
<b>Total included in Comprehensive Income and Expenditure Statement</b>	<b>9,952,506</b>	<b>11,717,792</b>

Revenue from contracts with service recipients includes services such as the provision of IT support, the provision of off street car parking facilities, and the sale of recyclate. Income is recognised as the contract obligation is satisfied and received in arrears after each event.

The Council has applied the accounting standard to determine revenue recognition under IFRS 15.

Amounts included in the Balance Sheet for contracts with service recipients:

		31st March 2023	31st March 2022
	Note	£	£
Receivables, which are included in Debtors		-	-
Contract Assets	15	496,180	415,102
Contract Liabilities		-	-
Other		(113,110)	-
<b>Total included in Net Assets</b>		<b>383,070</b>	<b>415,102</b>

4 Adjustments between an Accounting Basis and Funding Basis under Regulation:  
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:

	Note	2022/23		2021/22	
		£	£	£	£
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(210,629)		(8,539,269)	
Depreciation charged in the year on non-current assets	11	24,885,696	24,675,067	23,321,499	14,782,230
Net Revenue expenditure funded from capital under statute	12		-		-
Carrying amount of non current assets sold	8, 11	2,318,167		9,756	
Proceeds from the sale of PP&E, investment property and intangible assets	8, 24	(1,685,725)	632,442	(479,947)	(470,191)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	20		37,209,000		38,130,000
Direct revenue financing of Capital Expenditure	12, 25		(10,473,681)		(11,156,835)
Capital Grants and Donated Assets Receivable and Applied in year	10		(8,006,292)		(8,853,058)
Capital Grants Receivable and Unapplied in year	10		-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	26		(613,865)		(108,452)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment	26		-		-
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	26		(8,620,132)		(8,305,119)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(15,082,000)		(14,059,000)
			19,720,539		9,959,575

b Net transfers (to)/from statutory and other earmarked reserves:					
		2022/23	2022/23	2021/22	2021/22
	Note	£	£	£	£
<b>Capital Fund</b>					
Interest		-		-	
From Capital		-		-	
Other	25c	(2,327,765)	(2,327,765)	1,355,280	1,355,280
<b>Leisure Mobilisation Fund</b>					
Interest		-		-	
Other	25d	9,410	9,410	8,958	8,958
<b>Capital Receipts Reserve</b>					
Interest		-		-	
Other	25a	-	-	-	-
<b>Neighbourhood Regeneration Fund</b>					
Interest		-		-	
Other	25e	-	-	(2,000,000)	(2,000,000)
<b>Other Funds and earmarked reserves</b>					
Interest		(28,353)		(5,602)	
From Other funds		-		-	
Other	25f	(860,196)	(888,549)	(634,677)	(640,279)
<b>Unusable reserves</b>					
Capital Adjustment Account		-	-	-	-
			(3,206,904)		(1,276,041)

## 5 Cost of Services on Continuing Operations

### a General power of competence

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.

Expenditure under the power of competence during 2022/23 was nil (2021/22 £259,790).

### 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	115,000	95,000
National Fraud Initiative	-	-
Performance Improvement work	25,000	25,000
	140,000	120,000

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above.

## 6 Operating and Finance Leases

### Council as Lessor

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

The Council leases out a number of land and building assets by long term leases with lease terms from 250 to 999 years. The leases for 250 years are on a perpetual basis and it is assumed the leases will be renewed so the economic substance is similar to disposal. The rental income is either nil or 5p per annum. Rent is not normally received on these properties and so future minimum lease income is assumed to be nil.

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

No contingent rents were recognised as receivable by the Council.



## b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £6,338,844 (previous year: £6,146,840). No contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 1 and 250 years. Future minimum lease income is set out below:

	2022/23		2021/22	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	6,260,407	-	6,236,968	-
Later than 1 year and no later than 5 years	21,975,075	-	22,055,547	-
Later than 5 years	411,533,926	-	392,284,598	-
	<b>439,769,408</b>	<b>-</b>	<b>420,577,113</b>	<b>-</b>

The assets leased by the Council to third parties are included in the following categories of Property, Plant and Equipment with carrying values of:

	2022/23		2021/22	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	93,480,000	-	85,725,000	-
Accumulated depreciation and impairments at 1 April	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairments	(45,000)	-	235,000	-
Revaluations	(610,000)	-	8,980,000	-
Transfers and reclassifications	130,000	-	(1,460,000)	-
Additions	-	-	-	-
Disposals	-	-	-	-
	<b>92,955,000</b>	<b>-</b>	<b>93,480,000</b>	<b>-</b>

## Council as Lessee

### c Finance Leases (Council as lessee)

The Council has a number of assets of land held by long term leases from 980 to 10,000 years. Rental income is between 1p to £32 per annum, if demanded. Rent is not normally demanded on these properties and therefore future minimum lease payments are assumed to be nil.

The assets acquired under these leases are carried as property, plant and equipment in the Balance Sheet at the following net amounts:

	2022/23	2021/22
	£	£
Other Land and Buildings	890,465	610,464
Vehicles, Plant, Furniture and Equipment	-	-
	<b>890,465</b>	<b>610,464</b>

### d Operating Leases (Council as lessee)

The Council is also leasing a number of office buildings with lease terms up to 15 years, land with a lease term of 25 years and vehicles/equipment with a lease term of up to 4 years.

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	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	338,594	138,365	298,584	100,821
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
	<b>338,594</b>	<b>138,365</b>	<b>298,584</b>	<b>100,821</b>

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 future minimum lease payments due under non-cancellable operating leases in future years are set out below:

	31st March 2023		31st March 2022	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Not later than 1 year	324,582	140,354	315,221	94,814
Later than 1 year and no later than 5 years	1,132,008	225,315	1,142,406	19,526
Later than 5 years	298,743	-	550,355	-
	1,755,333	365,669	2,007,982	114,340

## 7 Employee Costs and Member Allowances

a Staff Costs	2022/23	2021/22
	£	£
Salaries and Wages	77,786,989	68,602,289
Employers NIC	8,281,974	6,825,156
Employers Superannuation	14,774,633	13,534,847
<b>Total staff costs</b>	<b>100,843,596</b>	<b>88,962,292</b>

The above staff costs include the costs of voluntary redundancies in 2022/23. These costs total £392,294 (2021/22 £157,804) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £9,060,881 (2021/22 £7,053,574).

The Council's contribution rate to the NILGOSC scheme in 2022/23 was 19.5%.

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

b Average Number of Employees	2022/23	2021/22
	FTE	FTE
Strategic Policy & Resources	592	577
City Growth & Regeneration	180	163
People & Communities	1,223	1,126
Planning & Licensing	145	143
<b>Total Number</b>	<b>2,140</b>	<b>2,009</b>

	2022/23	2021/22
	Actual Numbers	Actual Numbers
Full-time numbers employed	1,970	1,825
Part-time numbers employed	308	325
<b>Total Number</b>	<b>2,278</b>	<b>2,150</b>

c Senior Employees' Remuneration	2022/23	2021/22
	£	£
£50,001 to £60,000	148	88
£60,001 to £70,000	38	25
£70,001 to £80,000	4	7
£80,001 to £90,000	4	3
£90,001 to £100,000	8	9
£100,001 to £110,000	6	1
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,000	-	-
<b>Total Number</b>	<b>210</b>	<b>135</b>

## d Members' Allowances

	2022/23	2021/22
	£	£
Salaries	-	-
Basic Allowance	922,694	929,160
Mayor & Deputy Mayor's Allowance	40,956	41,050
Special Responsibility Allowance	117,154	117,774
High Sheriffs Allowance	6,250	6,250
Mileage	1,394	731
Conference & Courses	1,526	-
Travel & Subsistence	3,252	1,684
Miscellaneous Costs	-	-
PCSP Allowance	7,680	11,460
Telephone Rental	-	-
<b>Total</b>	<b>1,100,906</b>	<b>1,108,109</b>

## e Northern Ireland Civil Service Pension Arrangements

As a result of Local Government Reform on 1st April 2015, staff transferred from Central Government to the Council but remain 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 Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation has been finalised. The outcome of this valuation informed contribution rates from April 2019 for both employers and employees.

For 2022/23, employers' contributions of £372,043 (2021/22 £363,374) were payable to the NICS pension arrangements at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

## 8 Other Operating Income & Expenditure

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

	2022/23	2021/22
	£	£
Proceeds from sale	(1,685,725)	(479,947)
Carrying amount of non-current assets sold (excl Investment Properties)	2,318,167	9,756
	632,442	(470,191)

### b Other Operating Income/ Expenditure

	2022/23	2021/22
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2022/23	2021/22
	£	£
(Surplus) / Deficit on Non Current Assets	632,442	(470,191)
Other Operating (Income) / Expenditure	-	-
	632,442	(470,191)

## 9 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2022/23	2021/22
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,013,682	1,323,624
Commercial Loan Interest	-	-
Other interest	31,853	14,651
	1,045,535	1,338,275

### b Interest and Investment Income

	2022/23	2021/22
	£	£
Bank Interest	412,393	16,923
Employee car loan interest	1,103	1,852
NIHE Loan interest receivable	2,654	5,946
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Election Fund	28,353	5,602
Other Investment income	-	-
	444,503	30,323

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

	2022/23	2021/22
	£	£
Net interest on the net defined benefit liability (asset)	4,257,000	4,490,000
Past service cost increase		
	4,257,000	4,490,000

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

	2022/23	2021/22
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2022/23	2021/22
	£	£
<b>Income/Expenditure from Investment Properties</b>		
Income including rental income	(6,338,844)	(6,146,840)
Expenditure	700,200	518,512
<i>Net income from investment properties</i>	(5,638,644)	(5,628,328)
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>	652,222	(9,215,000)
	(4,986,422)	(14,843,328)

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	1,045,535	-	1,045,535	1,338,275	-	1,338,275
Interest and Investment Income	-	(444,503)	(444,503)	-	(30,323)	(30,323)
Pensions interest cost	4,257,000	-	4,257,000	4,490,000	-	4,490,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	700,200	(6,338,844)	(5,638,644)	518,512	(6,146,840)	(5,628,328)
Changes in Fair Value of Investment Properties	652,222	-	652,222	-	(9,215,000)	(9,215,000)
	6,654,957	(6,783,347)	(128,390)	6,346,787	(15,392,163)	(9,045,376)

**10 Taxation and Non Specific Grant Income**

**a Revenue Grants**

	2022/23	2021/22
	£	£
General	(5,144,371)	(5,443,317)
Other	-	-
	(5,144,371)	(5,443,317)

**b Revenue Grants - Unapplied**

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

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

	2022/23	2021/22
	£	£
Government & Other Grants - Conditions met and applied in year	(7,188,914)	(8,532,751)
Government & Other Grants - Transfer from receipts in advance	(817,378)	(320,307)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(8,006,292)</u>	<u>(8,853,058)</u>

**d Capital grants from capital receipts unapplied**

	2022/23	2021/22
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Capital grants from capital receipts unapplied	-	-
	<u>-</u>	<u>-</u>

**e District Rates**

	2022/23	2021/22
	£	£
Current year	(173,514,937)	(165,173,988)
Clawback/ (Finalisation) - previous year	269,044	(182,858)
Transitional Relief	-	-
Clawback/ (Finalisation) - other years	-	3
	<u>(173,245,893)</u>	<u>(165,356,843)</u>

Taxation and Non Specific Grant Income Summary		2022/23	2021/22
		£	£
District Rate Income		(173,245,893)	(165,356,843)
Revenue Grants		(5,144,371)	(5,443,317)
Capital Grants from capital receipts unapplied		-	-
Capital Grants and Contributions		(8,006,292)	(8,853,058)
		<u>(186,396,556)</u>	<u>(179,653,218)</u>

Belfast 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>	113,942,504	511,719,705	5,093,674	-	52,397,813	46,626,490	42,940,031	5,396,001	778,116,218	9,254,328	-	787,370,546
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	<b>113,942,504</b>	<b>511,719,705</b>	<b>5,093,674</b>	<b>-</b>	<b>52,397,813</b>	<b>46,626,490</b>	<b>42,940,031</b>	<b>5,396,001</b>	<b>778,116,218</b>	<b>9,254,328</b>	<b>-</b>	<b>787,370,546</b>
Additions	5,001	959,286	-	-	2,829,961	278,826	19,053,242	-	23,126,316	14,300	-	23,140,616
Donations	-	-	-	-	13,856	-	-	-	13,856	-	-	13,856
Revaluation increases/ (decreases) to Revaluation Reserve	(47,825)	20,148,379	-	-	-	-	939,885	50,000	21,090,439	232,720	-	21,323,159
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	47,999	345,420	-	-	-	-	(1,077,919)	-	(684,500)	(1,570)	-	(686,070)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(2,201,804)	(100,000)	-	-	(1,113,820)	-	-	-	(3,415,624)	-	-	(3,415,624)
Derecognition - Other	-	-	-	-	(217,925)	-	-	-	(217,925)	-	-	(217,925)
Reclassifications & Transfers	261,629	2,582,925	-	-	191,157	6,893,161	(11,087,344)	-	(1,158,472)	143,286	-	(1,015,186)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>112,007,504</b>	<b>535,655,715</b>	<b>5,093,674</b>	<b>-</b>	<b>54,101,042</b>	<b>53,798,477</b>	<b>50,767,895</b>	<b>5,446,001</b>	<b>816,870,308</b>	<b>9,643,064</b>	<b>-</b>	<b>826,513,372</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>	-	154,071	962,026	-	30,442,554	6,599,602	-	-	<b>38,158,253</b>	27,261	-	<b>38,185,514</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	-	<b>154,071</b>	<b>962,026</b>	-	<b>30,442,554</b>	<b>6,599,602</b>	-	-	<b>38,158,253</b>	<b>27,261</b>	-	<b>38,185,514</b>
Depreciation Charge	-	18,499,787	169,794	-	3,629,849	2,249,891	-	-	<b>24,549,321</b>	109,950	-	<b>24,659,271</b>
Depreciation written out on Revaluation Reserve	-	(16,897,232)	-	-	-	-	-	-	<b>(16,897,232)</b>	(109,950)	-	<b>(17,007,182)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,548,921)	-	-	-	-	-	-	<b>(1,548,921)</b>	-	-	<b>(1,548,921)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(3,526)	-	-	(1,093,931)	-	-	-	<b>(1,097,457)</b>	-	-	<b>(1,097,457)</b>
Derecognition - Other	-	-	-	-	(217,925)	-	-	-	<b>(217,925)</b>	-	-	<b>(217,925)</b>
Reclassifications & Transfers	-	(2,778)	-	-	-	-	-	-	<b>(2,778)</b>	-	-	<b>(2,778)</b>
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	-	<b>201,401</b>	<b>1,131,820</b>	-	<b>32,760,547</b>	<b>8,849,493</b>	-	-	<b>42,943,261</b>	<b>27,261</b>	-	<b>42,970,522</b>
<b>Balance as at 31 March 2023</b>	<b>112,007,504</b>	<b>535,454,314</b>	<b>3,961,854</b>	-	<b>21,340,495</b>	<b>44,948,984</b>	<b>50,767,895</b>	<b>5,446,001</b>	<b>773,927,047</b>	<b>9,615,803</b>	-	<b>783,542,850</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>	110,063,504	480,589,455	5,093,674	-	47,853,672	41,653,745	30,587,787	6,199,001	722,040,838	9,117,243	-	731,158,081
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2021</b>	<b>110,063,504</b>	<b>480,589,455</b>	<b>5,093,674</b>	<b>-</b>	<b>47,853,672</b>	<b>41,653,745</b>	<b>30,587,787</b>	<b>6,199,001</b>	<b>722,040,838</b>	<b>9,117,243</b>	<b>-</b>	<b>731,158,081</b>
Additions	1,700,703	3,230,200	-	-	4,564,957	61,280	37,271,975	-	46,829,115	10,735	-	46,839,850
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Increases/decreases to Revaluation Reserve	1,473,998	11,588,798	-	-	-	-	-	482,741	13,545,537	133,380	-	13,678,917
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	704,299	(482,369)	-	-	-	-	-	64,259	286,189	(3,030)	-	283,159
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	(2,343,503)	-	(2,343,503)	-	-	(2,343,503)
Derecognition - Disposals	-	-	-	-	(1,130,225)	-	-	-	(1,130,225)	-	-	(1,130,225)
Derecognition - Other	-	(7,200)	-	-	(5,224)	-	-	-	(12,424)	(4,000)	-	(16,424)
Reclassifications & Transfers	-	16,800,821	-	-	1,114,633	4,911,465	(22,576,228)	(1,350,000)	(1,099,309)	-	-	(1,099,309)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>113,942,504</b>	<b>511,719,705</b>	<b>5,093,674</b>	<b>-</b>	<b>52,397,813</b>	<b>46,626,490</b>	<b>42,940,031</b>	<b>5,396,001</b>	<b>778,116,218</b>	<b>9,254,328</b>	<b>-</b>	<b>787,370,546</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
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	-	77,036	792,232	-	28,276,018	4,538,407	-	-	33,683,693	27,261	-	33,710,954
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	-	77,036	792,232	-	28,276,018	4,538,407	-	-	33,683,693	27,261	-	33,710,954
Depreciation Charge	-	17,488,301	169,794	-	3,290,934	2,061,195	-	-	23,010,224	103,373	-	23,113,597
Depreciation written out on Revaluation Reserve	-	(16,053,393)	-	-	-	-	-	-	(16,053,393)	(76,633)	-	(16,130,026)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,357,873)	-	-	-	-	-	-	(1,357,873)	(26,740)	-	(1,384,613)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,120,469)	-	-	-	(1,120,469)	-	-	(1,120,469)
Derecognition - Other	-	-	-	-	(3,929)	-	-	-	(3,929)	-	-	(3,929)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	154,071	962,026	-	30,442,554	6,599,602	-	-	38,158,253	27,261	-	38,185,514

#### Net Book Values

Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	21,955,259	40,026,888	42,940,031	5,396,001	739,957,965	9,227,067	-	749,185,032
Balance as at 31 March 2023	112,007,504	535,454,314	3,961,854	-	21,340,495	44,948,984	50,767,895	5,446,001	773,927,047	9,615,803	-	783,542,850

### Valuations

The land and buildings assets held by the Council were valued originally as at 1 April 1997 by the Valuations and Lands Agency, in accordance with the statements of asset valuation practice and guidance notes of the Royal Institute of Chartered Surveyors. The Council operates a rolling programme for the valuation of its land and building properties, so approximately 25% of these assets are revalued discretely by physical inspection each year, and the remainder are revalued annually by a desktop exercise.

In the 2022/23 year, land and buildings including investment properties were valued at 31 March 2023. The valuations were carried out by Land and Property Services (LPS), a part of the Department of Finance.

### Capital Commitments

A total of 12 capital contracts were entered into during the period:

Project Name	Date	Capital Commitment £
Springfield Dam/Forth Meadow	18/05/2022	185,712
LTP -Templemore	25/05/2022	101,620
LTP -Templemore	26/08/2022	466,914
NFS Dev Sites Infrastructure Works	27/09/2022	1,148,250
Covered Cyce Stands - Covid Revitalisation	05/10/2022	116,090
Various Buidling Energy Management Systems	23/11/2022	140,466
NRC - Willowbank Pitches Improvements	21/12/2022	158,387
Whiterock LC Pitch Flood Lights Upgrade	09/01/2023	134,926
Cherryvale PF Improvement	13/01/2023	114,000
Frederick Douglass Statue	19/01/2023	150,000
Victoria Park	26/01/2023	198,800
Belfast Zoo Programme of Works	26/01/2023	189,395
	<b>Total</b>	<b>3,104,560</b>

### Effects of Changes in Estimates

There were no material changes in accounting estimates for property, plant and equipment during the period.

### Surplus Assets

Surplus assets are non-current assets that are not being used to deliver services but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale. Assets held for sales are assets which are not being used to deliver services and whose economic value will be realised by disposal, are actively being marketed, and ordinarily are expected to be disposed of within 12 months of the balance sheet date.

### Impairment

There were material revaluation losses to property during the period. Revaluation losses over £500,000 are detailed in the table below:

Asset	Amount of impairment £	Asset class	Reason
Land at 92-100 Royal Avenue	(1,077,919)	Land awaiting development	Valuation at 31.03.2023
Sum of material impairments over £500,000	(1,077,919)		

The land was purchased in October 2021 as the site for a proposed building project. Additional parcels of land were acquired during 2022/23. The value was re-measured at 31 March 2023 to current value in existing use to reflect its current condition prior to commencement of the proposed building works.

#### 11 c Property, plant and equipment

##### Depreciation

The useful lives and depreciation rates applied to calculate the depreciation are outlined in Note 1.

#### d Intangible Assets

Intangible assets relate to landfill closure costs with a net book value of £nil (2021/22: £nil) and a gross cost before amortisation of £16,700k (2021/22: £16,700k); and purchased licensed software and related implementation costs with a net book value of £1,315k (2021/22: £648k), and a gross costs before amortisation of £4,120k (2021/22: £3,226k).

Intangible Assets	2022/23	2021/22
	£	£
Balance at start of year:		
Gross carrying amounts	19,994,839	19,883,181
Accumulated amortisation	(19,346,649)	(19,138,747)
Net carrying amount at start of year	648,190	744,434
Additions	8,544	72,350
Amortisation for the period	(226,425)	(207,902)
Reclassification and transfer from WIP	885,186	39,308
Gross carrying amount of assets derecognised in the year	-	-
Accumulated amortisation on assets derecognised during the year	-	-
<b>Net carrying amount at end of year</b>	<b>1,315,495</b>	<b>648,190</b>
Comprising:		
Gross carrying amounts as previously published	20,888,569	19,994,839
Derecognise intangible assets for the year	-	-
Gross carrying amounts restated	20,888,569	19,994,839
Accumulated amortisation as previously published	(19,573,074)	(19,346,649)
Derecognise intangible assets for the year	-	-
Accumulated amortisation	19,573,074	19,346,649
<b>Net carrying amount at end of year</b>	<b>1,315,495</b>	<b>648,190</b>

#### e Investment Properties

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

Investment Properties	2022/23	2021/22
	£	£
Rental Income from Investment Activities	6,338,844	6,146,840
Direct Operating expenses arising from investment properties	(700,200)	(518,512)
<b>Net gain/(loss)</b>	<b>5,638,644</b>	<b>5,628,328</b>

The following table summarises the movement in the fair value of Investment Properties over the year:

Investment Properties	2022/23	2021/22
	£	£
Balance at start of the year	93,480,000	85,725,000
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	(652,222)	9,215,000
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	130,000	(1,460,000)
Other changes	(2,778)	-
<b>Balance at end of the year</b>	<b>92,955,000</b>	<b>93,480,000</b>

Investment Properties are comprised of the following properties, all held at valuation:

Investment Property	2022/23	2021/22
	£	£
Industrial Estates	74,560,000	73,730,000
Commercial Units	18,395,000	19,750,000
<b>Balance at end of the year</b>	<b>92,955,000</b>	<b>93,480,000</b>

Summary of the net book values of non-current assets as reported in the balance sheet is as follows:

Non-current assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	£	£	£	£	£
Net Book Value as at 31 March 2022	739,957,965	9,227,067	93,480,000	648,190	843,313,222
Net change in cost or valuation	38,754,090	388,736	127,222	893,730	40,163,778
Depreciation and Impairment in the year	(4,785,008)	-	(652,222)	(226,425)	(5,663,655)
Net movement for the year	33,969,082	388,736	(525,000)	667,305	34,500,123
Net Book Value as at 31 March 2023	773,927,047	9,615,803	92,955,000	1,315,495	877,813,345

#### Fair Value Hierarchy

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2023 and 2022 are as follows

2022/23 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2023
	£	£	£	£
Industrial Estates and Commercial Units	-	92,955,000	-	-
Total	-	92,955,000	-	-

2021/22 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2022
	£	£	£	£
Industrial Estates and Commercial Units	-	93,480,000	-	-
Total	-	93,480,000	-	-

#### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

Investment Properties are considered to have enough uniqueness so they no longer can be compared to similar items that are used for reference in an active market, and are valued using inputs other than quoted prices that are observable. As such, they are valued using Level 2 inputs.

#### Valuation techniques used to determine Level 2 and 3 Fair Values for Investment Properties

##### Significant Observable Inputs - Level 2

In 2022/23, all Investment Properties were measured using the same methodology as in 2021/22, and additionally, for industrial estates included within investment properties, an assessment was made of their incomes and expenditures over the preceding rolling 5-year period. The inputs used to value these properties have been classified as Level 2, other significant observable inputs.

##### Highest and best use of Investment Properties

In estimating the fair value of the Council's Investment Properties, the highest and best use of the properties is their current use, reflecting best estimates of fair value given by current prices on a market for similar property in similar locations.

##### Valuation Techniques

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

Gains or losses arising from changes in the fair value of the investment properties are recognised in Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure line.

## Valuation process for Investment Properties

The fair value of the Council's investment properties is measured at market value as at 31 March 2023. All valuations are carried out by Land and Property Services, in accordance with their methodologies and bases for estimation as set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with Council finance officers reporting directly to the Chief Financial Officer on a regular basis regarding all valuation matters.

## f Heritage Assets

The Council's collection of heritage assets consists of works of art, civic items, donated works of art, and certain historic buildings and monuments with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. These assets are reported in the balance sheet at valuation; or at insurance valuation as a proxy for market value; or, if it is not possible to obtain a valuation, they are measured at historic cost less depreciation, amortisation or impairment losses. Insurance valuations are updated on a periodic basis.

Where no cost can be measured accurately for a heritage asset, it is not held on the balance sheet at a monetary value. The item will still be retained in the Council's possession and will form part of its heritage asset collection. There are currently 173 of these items recorded by Belfast City Council.

Heritage assets- additions		2022/23	2021/22
		£	£
	Portrait of Alderman Frank McCoubrey	-	10,735
	Portrait of Councillor Deirdre Hargey	12,500	
	Elmer- A Day Trip to the Zoo Sculpture	2,300	
	Portrait of Councillor John Finucane	12,000	
	Leap of Faith ( Pairc Nua Chollan)	130,786	-
<b>Total</b>		<b>157,586</b>	<b>10,735</b>

There were no other additions, transfers or disposals of heritage assets during the period.

## g Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2022	2,520,001	-	2,520,001
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2,520,001</b>	<b>-</b>	<b>2,520,001</b>
<b>Impairment</b>			
Balance as at 1 April 2022	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Values</b>			
Balance as at 31 March 2023	2,520,001	-	2,520,001
Balance as at 31 March 2022	2,520,001	-	2,520,001

During 2022/23, non-current assets with a fair value of £2,520,001 met the criteria to be recognised as assets held for sale.

The gain on assets classified as held for sale and sold during the year was £nil.

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2021	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	2,520,001	-	2,520,001
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2022</b>	<b>2,520,001</b>	<b>-</b>	<b>2,520,001</b>
<b>Impairment</b>			
Balance as at 1 April 2021	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

During 2021/22, non-current assets with a fair value of £2,520,001 met the criteria to be recognised as assets held for sale.

The gain on assets classified to held for sale and sold during 2021/22 was £nil.

#### h Fair Value Hierarchy for Surplus Assets

Surplus assets are non-operational assets that do not meet the conditions to be classified as assets held for sale. They are measured at fair value, reflecting the actual market state and conditions at the balance sheet date (which is the valuation date) with best evidence of fair value in an active market for similar properties in the same location. The council classifies assets to surplus assets on the advice of its estates management officers and in consultation with its external property valuers.

The surplus assets held by the council comprise a number of properties including land, buildings or sites of land and buildings combined, which have not reached the stage where the council can market these for sale advantageously, or where the properties have restrictions that prevent them currently being brought to market.

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2023 and 2022 are as follows:

2022/23 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2023
	£	£	£	£
Land	-	676,001	-	676,001
Buildings	-	660,000	-	660,000
Land and Buildings combined	-	4,110,000	-	4,110,000
<b>Total</b>	<b>-</b>	<b>5,446,001</b>	<b>-</b>	<b>5,446,001</b>

2021/22 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2022
	£	£	£	£
Land	-	661,001	-	661,001
Buildings	-	625,000	-	625,000
Land and Buildings combined	-	4,110,000	-	4,110,000
<b>Total</b>	<b>-</b>	<b>5,396,001</b>	<b>-</b>	<b>5,396,001</b>

Surplus Assets are considered to have enough uniqueness that they no longer can be compared to similar items that are used for reference in an active market, and are valued using inputs other than quoted prices that are observable. As such, they are valued using Level 2 inputs.

#### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

In 2022/23, all Surplus Assets were measured using the same methodology as in 2021/22. The inputs used to value these properties have been classified as Level 2, other significant observable inputs, due to the uniqueness of these properties.

## Highest and best use of surplus assets

In estimating the fair value of the Council's surplus assets, the highest and best use of the assets is their current use, reflecting best estimates of fair value given by current prices on a market for similar property in similar locations.

## Valuation Techniques

There has been no change in the valuation techniques used during the year for surplus assets.

The fair value of the Council's Surplus Assets is measured at market valuation as at 31 March 2023. All valuations are carried out externally by Land and Property Services, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

## 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 finance 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	Note	2022/23 £	2021/22 £
<b>Opening Capital Financing Requirement</b>		135,132,625	130,315,836
<b>Capital Investment</b>			
Property, Plant and Equipment	11	23,154,472	46,839,850
Investment Properties		-	-
Intangible Assets	11	8,544	72,350
Revenue Expenditure Funded from Capital under Statute		-	-
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts	25a	-	(7,700,000)
Government Grants and Other Contributions	10c	(8,006,292)	(8,853,058)
Transfers from Earmarked Reserves	25c, 26a	(1,977,859)	(6,080,399)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		(10,473,681)	(11,156,835)
Minimum Revenue Provision		(8,620,132)	(8,305,119)
<b>Closing Capital Financing Requirement</b>		<b>129,217,677</b>	<b>135,132,625</b>

Explanation of Movements in Year	2022/23 £	2021/22 £
Increase/(decrease) in underlying need to borrow	(5,914,948)	4,816,789
Assets acquired under finance leases	-	-
Assets acquired under PFI/PPP contracts	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>(5,914,948)</b>	<b>4,816,789</b>

## 13 Future Capital Commitments

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	35,429,787	5,539,567	29,890,220
Other Commitments	32,806,652	1,127,406	31,679,246
<b>Total</b>	<b>68,236,439</b>	<b>6,666,973</b>	<b>61,569,466</b>

Total net expenditure of £6,678,582 has been incurred against these projects in the year ended 31 March 2023.

14	Inventories	2022/23	2021/22
		£	£
	Central Stores	306,758	310,394
	<b>Total</b>	<b>306,758</b>	<b>310,394</b>

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £619,113 (2021/22 £583,169).

15	Debtors	2022/23	2021/22
		£	£
a	<b>Long Term Debtors</b>		
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Employee car loans	23,160	29,857
	Revenue Grants	-	-
	Capital Grants	-	-
	Interest Receivable	-	-
	Capital Debtors	-	-
	Loans and advances	-	-
	Finance lease debtors	-	-
	Trade debtors	720,939	553,310
	NIHE Loans	-	-
	Other	-	-
	Impairment of loans and receivables	-	-
	Contract Receivables	-	-
	<b>Total Long Term Debtors</b>	<b>744,099</b>	<b>583,167</b>
b	<b>Short Term Debtors</b>		
	Government Departments	1,443,212	3,271,962
	Other Councils	125,201	148,214
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Rates finalisation	-	182,858
	NIHE loans	-	78,630
	Employee car loans	27,264	31,691
	Revenue Grants	10,140,493	8,611,484
	Capital Grants	5,106,947	5,202,594
	Interest receivable	-	-
	Capital Debtors	-	-
	Value Added Tax	2,670,312	1,966,311
	Prepayments	4,825,214	3,957,174
	Finance lease debtors	-	-
	Other	5,502,425	3,292,638
	Trade receivables	1,547,292	2,686,150
	Impairment loss - Trade receivables	(903,799)	(888,093)
	Contract receivables	496,180	415,102
	<b>Total Short Term Debtors</b>	<b>30,980,741</b>	<b>28,956,715</b>
	<b>Total Debtors</b>	<b>31,724,840</b>	<b>29,539,882</b>

Trade debtors, inclusive of VAT, can be analysed by age as follows:

	£
Less than 3 months	3,129,548
Three months to one year	482,337
More than one year	720,939
	<b>4,332,824</b>

16	Borrowings	2022/23	2021/22
		£	£
a	<b>Short Term Borrowing</b>		
	Loans re-payable within one year	5,260,558	5,209,832
	Finance lease principal	-	-
	<b>Total Short Term Borrowing</b>	<b>5,260,558</b>	<b>5,209,832</b>



b Long Term Borrowing		2022/23	2021/22
		£	£
Between 1 and 2 years		5,375,701	5,260,558
Between 2 and 5 years		13,298,277	18,673,978
Between 5 and 10 years		14,076,865	13,237,918
In more than 10 years		5,770,504	6,609,456
Government Loans Fund		38,521,347	43,781,910
Total Borrowing		43,781,905	48,991,742

17 Creditors		2022/23	2021/22
a Short Term Creditors		£	£
Government Departments		1,828,796	2,151,488
Other Councils		88	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		269,044	-
De-rating grant clawback		273,133	14,053
Remuneration due to employees		3,376	1,729
Accumulated absences		1,730,293	2,344,158
Loan/Interest payable		171,670	219,388
Capital creditors		4,922,816	6,179,995
Receipts in advance		10,760,338	9,493,961
Trade creditors		4,465,754	4,049,536
Creditor accruals		18,318,781	18,961,691
Contract payables		113,110	-
Total Short Term Creditors		42,857,199	43,415,999

b Long Term Creditors		2022/23	2021/22
<i>Other creditors falling due after more than one year</i>		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
Remuneration due to employees		-	-
Accumulated absences		-	-
Receipts in advance		-	-
Trade creditors		-	-
Other		11,778	30,440
Contract payables		-	-
Total Long Term Creditors		11,778	30,440
Total Creditors		42,868,977	43,446,439

#### c Payment of Invoices

The Council has a target, where no other terms are agreed, of paying supplier invoices within 30 days. During the year 2022/23 the Council paid 86,459 (2021/22: 71,202) invoices totalling £180,029,594 (2021/22: £187,290,662).

The Council paid:

79,378 invoices within 30 calendar days target (2021/22: 66,649);  
70,303 invoices within 10 working days target (2021/22: 57,882); and  
7,081 invoices outside of the 30 day target (2021/22: 4,553).

The average number of days taken to pay suppliers during the year was 17 days (2021/22: 17 days).

The Council paid 91.8% of invoices within the target of 30 days, against the target objective of 90%.

Provisions	Balance as at 1 April 2022 £	(Decrease)/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	3,393,052	(129,620)	(59,692)	-	-	3,203,740
Claims Management	1,989,324	388,153	(150)	-	-	2,377,327
<b>Total</b>	<b>5,382,376</b>	<b>258,533</b>	<b>(59,842)</b>	<b>-</b>	<b>-</b>	<b>5,581,067</b>

Current Provisions	3,538,283	258,533	(59,842)	-	-	3,736,974
Long Term Provisions	1,844,093	-	-	-	-	1,844,093
<b>Total</b>	<b>5,382,376</b>	<b>258,533</b>	<b>(59,842)</b>	<b>-</b>	<b>-</b>	<b>5,581,067</b>

#### Comparative Year

Provisions	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	3,477,916	(54,430)	(30,434)	-	-	3,393,052
Claims Management	1,406,618	625,475	(42,769)	-	-	1,989,324
<b>Total</b>	<b>4,884,534</b>	<b>571,045</b>	<b>(73,203)</b>	<b>-</b>	<b>-</b>	<b>5,382,376</b>

Current Provisions	3,040,441	571,045	(73,203)	-	-	3,538,283
Long Term Provisions	1,844,093	-	-	-	-	1,844,093
<b>Total</b>	<b>4,884,534</b>	<b>571,045</b>	<b>(73,203)</b>	<b>-</b>	<b>-</b>	<b>5,382,376</b>

#### Landfill Closure

The financial provision for the capping and annual monitoring costs required to meet the Council's environmental obligations under the NIEA licence has been agreed on a Local Authority Deed. The discount rates applied on the provision are based on PWLB borrowing rates adjusted for inflation which has resulted in a valuation of £3,203,740.

#### Claims Management

A provision of £2,377,327 has been made in respect of public liability, employer's liability and other claims/legal cases notified but not processed. Adequate insurance arrangements are in place covering the Council's activities as recommended by the Council's Insurance Brokers. The related insurance premiums paid are accounted for in the financial statements. At 31 March 2023, the total liability for legal cases notified but not processed amounted to an estimated maximum liability of £4,605,632.

## 19 Financial Instruments

#### Financial Assets as at 31 March 2023

The Council has the following non-current Investments and debtors:

The Council's contribution to Beltel LLP is included in 'Investments in Associates and Joint Ventures' and is disclosed at the original value of the contribution.

The majority of the long term debtor relate to trade debtors and car loan balances with employees. The relevant credit losses have been calculated and included in the impairment loss balance.

Current financial assets, namely trade debtors, employee car loans and cash balances have been assessed and relevant credit losses calculated. These amounts are included in the impairment loss balance of £903,799 for 2020/21 (2021/22 £888,093).

The employee car loan rate at 31 March 2023 was 2.2%, in comparison to the HMRC official rate of 2%.

#### Financial Liabilities as at 31 March 2023

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 £41,380,434 (2021/22 £51,321,507).

## 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

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 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		32,686,000	33,151,000
Past service cost/(gain)		266,000	489,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net interest on net defined benefit Liability (asset)		4,257,000	4,490,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>37,209,000</b>	<b>38,130,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(37,209,000)	(38,130,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		15,082,000	14,059,000
<b>Net adjustment to General Fund</b>		<b>(22,127,000)</b>	<b>(24,071,000)</b>

The service cost figures include an allowance for administration expenses of £363k (2021/22 £331k).

The impact of the McCloud judgement has been allowed for in these figures with the change in allowance over the period being treated as an experience item through Other Comprehensive Income.

Remeasurements recognised in Other Comprehensive Income and Expenditure			
	Note	2022/23 £	2021/22 £
Liability gains/(losses) due to change in assumptions		336,404,000	59,376,000
Liability gains/(losses) due to demographic changes		(4,013,000)	8,908,000
Liability experience gains/(losses) arising in the year		(59,926,000)	(1,785,000)
Actuarial gains/(losses) on plan assets		(75,194,000)	13,259,000
Other		-	-
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>197,271,000</b>	<b>79,758,000</b>

c Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities			
	Note	2022/23 £	2021/22 £
Balance as at 1 April		878,684,000	908,443,000
Current service cost		32,686,000	33,151,000
Interest cost		23,506,000	18,915,000
Contributions by members		4,968,000	4,487,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(336,404,000)	(59,376,000)
Actuarial gains/losses arising from demographic changes		4,013,000	(8,908,000)
Actuarial gains/losses arising on liabilities from experience		59,926,000	1,785,000
Other (if applicable)		-	-
Past service costs/(gains)		266,000	489,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(651,000)	(680,000)
Estimated benefits paid		(20,992,000)	(19,622,000)
<b>Balance as at 31 March</b>		<b>646,002,000</b>	<b>878,684,000</b>

Reconciliation of present value of the scheme assets			
	Note	2022/23 £	2021/22 £
Balance as at 1 April		713,552,058	687,624,058
Interest Income		19,249,000	14,425,000
Contributions by members		4,968,000	4,487,000
Contributions by employer		14,431,000	13,379,000
Contributions in respect of unfunded benefits		651,000	680,000
Remeasurement gain/(loss)		(75,194,000)	13,259,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(651,000)	(680,000)
Benefits paid		(20,992,000)	(19,622,000)
<b>Balance as at 31 March</b>		<b>656,014,058</b>	<b>713,552,058</b>

Belfast City Council employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is calculated and the overall expected rate of return on assets so derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2023.

The actual return on scheme assets in the year was a loss of £55,945,000 (2021/22: gain £27,684,000).

Fair Value of Plan Assets	2022/23 £	2021/22 £
Equity investments	270,933,806	289,702,136
Bonds	152,195,262	184,809,983
Property	68,881,476	77,777,174
Multi Asset Credit	85,937,842	92,048,215
Cash	38,704,829	44,240,228
Other	39,360,843	24,974,322
	<b>656,014,058</b>	<b>713,552,058</b>

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

	2022/23 £	2021/22 £
Fair Value of Employer Assets	656,014,058	713,552,058
Present value of funded defined benefit obligation	(638,463,000)	(869,947,000)
Pension asset/(liability) of Funded Scheme	17,551,058	(156,394,942)
Present Value of unfunded defined benefit obligation	(7,539,000)	(8,737,000)
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligator</b>	<b>10,012,058</b>	<b>(165,131,942)</b>
Amount in the Balance sheet:		
Liabilities	(646,002,000)	(878,684,000)
Assets	656,014,058	713,552,058
<b>Net Asset/(Liability)</b>	<b>10,012,058</b>	<b>(165,131,942)</b>

d Scheme History		
Analysis of scheme assets and liabilities		
	2022/23	2021/22
	£	£
Fair Value of Assets in pension scheme	656,014,058	713,552,058
Present Value of Defined Benefit Obligation	(646,002,000)	(878,684,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>10,012,058</b>	<b>(165,131,942)</b>

Amount recognised in Other Comprehensive Income and Expenditure:		
	2022/23	2021/22
	£	£
Actuarial gains/(losses)	197,271,000	79,758,000
Expected Return on Plan Assets	-	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	197,271,000	79,758,000
<b>Cumulative actuarial gains and losses</b>	<b>192,539,000</b>	<b>(4,732,000)</b>
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on assets	(75,194,000)	13,259,000
Experience gains and (losses) on liabilities	(59,926,000)	(1,785,000)

The Council has a net pension asset at 31 March 2023 mainly due to actuary recognition of the impact of inflation.

#### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2024

	31/03/2024	31/03/2024
	£	%
Projected current cost	16,381,000	105.3%
Net Interest on the net defined benefit liability (asset)	(820,000)	-5.3%
Past service cost	-	-
Gains and losses on settlements or curtailments	-	-
<b>Total</b>	<b>15,561,000</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 2024 is £15,098k (2022/23 £14,171k).

#### 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 Assets	-11.46%	1.86%
Experience gains and (losses) on Liabilities	9.28%	0.20%

#### 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 Hewitt 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	25.0	25.0
<i>Longevity at 65 for future pensioners:</i>		
Men	23.2	23.2
Women	26.0	26.4
Inflation/Pension Increase Rate	2.70%	3.00%
Salary Increase Rate	4.20%	4.50%
Discount Rate	4.70%	2.70%
Pension accounts revaluation rate	2.70%	3.00%
<b>Take-up of option to convert annual pension into retirement lump sum</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

#### 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	627,609,000	649,317,000
% change in the present value of the total obligation	-1.70%	1.70%
Projected service cost	15,775,000	17,003,000
Approximate % change in projected service cost	-3.70%	3.80%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	+0.1%p.a.	+0.1%p.a.
Present value of the total obligation	640,378,000	636,548,000
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost	16,381,000	16,381,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	+0.1%p.a.	+0.1%p.a.
Present value of the total obligation	647,401,000	629,525,000
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	17,003,000	15,775,000
Approximate % change in projected service cost	3.80%	-3.70%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	- 1 Year	- 1 Year
Present value of the total obligation	655,702,000	621,224,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	16,954,000	15,808,000
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 asset:

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	41.30%	40.60%
Government Bonds	20.50%	24.10%
Corporate Bonds	2.70%	1.80%
Property	10.50%	10.90%
Multi Asset Credit	13.10%	12.90%
Cash	5.90%	6.20%
Other	6.00%	3.50%
<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.

#### h Assets and Liabilities in relation to the retirement benefits of the Gas Pension fund

Reconciliation of present value of the scheme liabilities		2022/23	2021/22
	Note	£	£
Balance as at 1 April		760,000	717,000
Current service cost		-	-
Interest cost		19,000	13,000
Contributions by members		-	-
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(75,000)	(3,000)
Actuarial gains/losses arising from demographic changes		-	(17,000)
Actuarial gains/losses arising on liabilities from experience		55,000	201,000
Other (if applicable)		-	-
Past service costs/(gains)		-	-
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Net benefits paid		(146,000)	(151,000)
<b>Balance as at 31 March</b>		<b>613,000</b>	<b>760,000</b>

Reconciliation of present value of the scheme assets		2022/23	2021/22
	Note	£	£
Balance as at 1 April		550,000	691,000
Interest Income		13,000	13,000
Contributions by members		-	-
Contributions by employer		-	-
Remeasurement gain/(loss)		(10,000)	(3,000)
Assets distributed on settlements		-	-
Net Benefits paid		(146,000)	(151,000)
<b>Balance as at 31 March</b>		<b>407,000</b>	<b>550,000</b>

Analysis of scheme assets and liabilities		2022/23	2021/22
	Note	£	£
Fair Value of Assets in pension scheme		407,000	550,000
Present Value of Defined Benefit Obligation		613,000	760,000
<b>Net Asset/(Liability) recognised on the balance sheet</b>		<b>(206,000)</b>	<b>(210,000)</b>

#### Funded Pension Scheme Benefits- Gas Pension Fund Sensitivity Analysis:

Discount Rate Assumption		
	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of the total obligation	610,000	616,000
% change in the present value of the total obligation	-0.50%	0.50%
Rate of Increase to Pensions in Payment accounts assumption		
	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of the total obligation	616,000	610,000
% change in the present value of the total obligation	0.50%	-0.50%
Post Retirement Mortality Assumption		
	-1 Year	+1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	654,000	573,000
% change in the present value of the total obligation	6.70%	-6.60%

\* 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.

	2022/23 %	2021/22 %
Government Bonds	31.00%	22.80%
Cash	69.00%	77.20%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Mortality assumptions:</b>		
Members aged 85 at accounting date	Years	Years
Men	6.9	6.9
Women	7.9	7.8
Inflation/Pension Increase Rate	2.70%	3.30%
Discount Rate	4.80%	2.80%

#### Gas Pension Fund

The Council's Gas Pension Fund had been established under an agreement between the Council and the Department of Economic Development on 3rd July, 1990. The purpose of the Fund was to provide for the continuation of pension payments to former Gas Department employees and their dependants who were members of various statutory pension schemes. The Gas Pension Fund is maintained to provide for future pension payments to the beneficiaries, the objective being to maintain a fund sufficient to provide all future anticipated payments. No contributions are currently being paid and there are no service members accruing further benefits. Members' benefits are guaranteed by statute. Should the Fund's assets not be sufficient to provide all the benefits, the residual liability for pension payments would fall on Belfast City Council.

The current market value of the Fund at 31 March 2023 is assessed by the Council's actuaries, Aon Hewitt and is disclosed above. The Fund's financial statements outlined below do not take account of liabilities to pay pensions and other benefits after 31 March 2023.

At 31 March 2023 there were 14 pensioners left in the Gas Pensions Fund and the balances relating to the Gas Pension Fund are fully consolidated in the Group financial statements.

GAS PENSION FUND RESULTS	31/03/2023 £	31/03/2022 £
<b>INCOME AND EXPENDITURE STATEMENT:</b>		
<b>INCOME</b>		
Investment Income	2,803	2,562
<b>EXPENDITURE</b>		
Pensions Paid	(135,555)	(145,522)
Administration Expenses	(10,097)	(5,040)
<b>Surplus/(Deficit) for the Year</b>	<b>(142,849)</b>	<b>(148,000)</b>
<b>NET ASSET MOVEMENTS:</b>		
Brought forward balance	480,261	628,225
Unrealised gain	69,276	63,553
<b>Opening Value of Fund</b>	<b>549,537</b>	<b>691,778</b>
Add contribution from City Council	0	0
Add surplus/(deficit) for the year	(142,849)	(148,000)
<b>CHANGE IN MARKET VALUES OF INVESTMENTS</b>		
Realised gain for year	0	0
Unrealised gain/(loss) for year	729	5,759
<b>Closing value of fund</b>	<b>407,417</b>	<b>549,537</b>
<b>FINANCED BY:</b>		
UK Index Linked Investments	126,073	125,439
Cash deposits and at bank	280,696	423,545
Debtors	647	553
<b>Bank Balance</b>	<b>407,416</b>	<b>549,537</b>
Bank Balance	-	-
Creditors	-	-
<b>Closing value of fund</b>	<b>407,416</b>	<b>549,537</b>

Summary Net Asset/Liability recognised on the Balance Sheet	2022/23	2021/22
Northern Ireland Local Government Officer's Pension Fund	10,012,058	(165,131,942)
Gas Pension Fund	(206,000)	(210,000)
Belfast Waterfront & Ulster Hall Limited	842,000	(3,880,000)
<b>Total Net Asset/(Liability) recognised on the Balance Sheet</b>	<b>10,648,058</b>	<b>(169,221,942)</b>



The figures above include a pension amount in respect of Belfast Waterfront & Ulster Hall Limited (BWUH Ltd). BWUH Ltd became a participating employer in the NILGOSC scheme on 1 April 2016. Belfast City Council has agreed to include and disclose the net pension amount under this scheme up to 31 March 2023 within the net total for Belfast City Council.

#### Allowance for the McCloud Judgement and GMP Indexation / Equalisation

The above amounts include an allowance for additional liabilities arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

#### McCloud Judgement

In December 2018, the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed in 2015 were age discriminatory. While the judgement was not in relation to members with Local Government Pension Scheme (NI) benefits it would be reasonable to assume that the Government will seek remedy for all public sector schemes including Local Government Pension Scheme (NI).

The method for valuing the McCloud remedy is closely aligned with the method proposed by MHCLG (now DLUHC) in its consultation issued in July 2020 and the Department of Communities in its consultation issued in November 2020.

As under the proposed remedy the period of protection will apply from 1 April 2015 to 31 March 2022. The McCloud allowances are included within the past service liabilities, and no allowance has been made within the current service cost over this accounting period.

#### GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out. The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The estimated liability has been based on a typical Local Government pension fund to quantify the value of fully indexing GMPs in line with CPI inflation for those reaching State Pension Age (SPA) after 5 December 2018. This was calculated to be 0.3% of the liabilities/defined benefit obligation.

Allowance has been made for full pension increases to be paid on GMPs to individuals reaching SPA after 6 April 2016. Any increase in liability at this accounting date has been charged through Other Comprehensive Income. No allowance has been made for the outcome of the second ruling in the Lloyds bank case in October 2020.

21 Donated Assets Account	Note	2022/23 £	2021/22 £
Opening balance		430,000	430,000
Add: new donated assets received (condition of use not met)		13,856	-
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account		-	-
		<b>443,856</b>	<b>430,000</b>

#### Analysis of Donated Assets Account

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. The balances at the year end are as follows:

Donated Assets Account	Note	2022/23 £	2021/22 £
Neil Shawcross "Writers of Belfast" collection		430,000	430,000
Animal Welfare Van Vauxhall Combo Cargo		13,856	-
		<b>443,856</b>	<b>430,000</b>

Capital Receipts Unapplied	Note	2022/23 £	2021/22 £
Opening balance		111,725	111,725
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released		-	-
		<b>111,725</b>	<b>111,725</b>

Proceeds of £250k was received in 17/18 in relation to a disposal to NIHE. To date, £138k of this has been used to finance a playground, with a balance remaining of £112k.

22 Capital Grants Received in Advance		2022/23	2021/22
	Note	£	£
Opening balance		1,796,929	470,719
Add: new capital grants received in advance (condition of use not met)		620,367	1,647,038
Less: amounts released to the Comprehensive Income and Expenditure Statement other projects		0	(521)
Less: amounts released to the Comprehensive Income and Expenditure Statement		(817,378)	(320,307)
		1,599,918	1,796,929

#### 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		2022/23	2021/22
	Note	£	£
Forth Meadow DFC		104,256	555,731
Loughside Trim Trail-UKSPF Green Spaces		240,367	-
Belfast Bikes Asset Upgrade		4,233	4,233
Paisley Park Refurb		934,152	900,884
Belfast Castle LWWP		1,000	1,000
Forthriver LWWP		5,327	7,950
Ballysillan PF LWWP		310,583	327,131
		1,599,918	1,796,929

## 23 Contingencies

#### Residential Waste Treatment Project

The arc21 Joint Committee has, with the approval of their Participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residential Waste Treatment Project. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils.

#### Landfill Site

The financial provision for the capping and annual monitoring cost of the landfill site, required to meet the Council's environmental obligations under the NIEA licence, has been agreed on a Local Authority Deed and disclosed in Note 18. The remaining area not covered by NIEA licence may require specific capping depending on the future use of this land. The impact of any future capping of this area on the liabilities of Belfast City Council is uncertain and therefore no provision for any such costs has been made.

#### Contingent Asset

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 to time to seek a resolution of the matter. If resolution is reached, it will take time to conclude the matter; alternatively, if there is no resolution, Mid Ulster District Council shall make application for its appeal to be re-listed for mention. In either case, at this stage, it's too early to access any associated financial impact, but if the matter is resolved to the Mid Ulster District Council's satisfaction, the benefit to the Council could approximate up to £6.9 million.

24 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 non-cash movements		2022/23	2021/22
Note		£	£
Depreciation	4a, 11	24,885,696	23,321,499
Impairment & downward revaluations (& non-sale derecognitions)	4a, 11	(210,629)	(8,539,269)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	3,636	(12,033)
(Increase)/Decrease in Debtors	15	(2,200,664)	(7,744,965)
Increase/(Decrease) in impairment provision for bad debts	15	15,706	68,848
Increase/(Decrease) in Creditors	17	36,403	5,522,799
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20b	22,127,000	24,071,000
Carrying amount of non-current assets sold	4a, 8a, 11	2,318,167	9,756
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		4,702,777	5,364,125
Movement in value of investment properties (included with Impairment & downward revaluations (& non-sale derecognitions) above)		-	-
Amounts posted to CIES from Donated Assets Account	21	-	-
Contract Costs		-	-
Contract Assets		-	-
Contract Liabilities		-	-
Deferred Revenue		-	-
		51,678,092	42,061,760

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		2022/23	2021/22
Note		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	4a, 8a, 9e	(1,685,725)	(479,947)
Capital grants included in Taxation & non-specific grant income	10c	(8,006,292)	(8,853,058)
		(9,692,017)	(9,333,005)

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
Note	£	£
Cash, Bank and Short Term Deposits	19,140,662	20,488,231
Short Term Investments (considered to be cash equivalents)	-	-
Bank Overdraft	-	-
	19,140,662	20,488,231

c Cash flows from Investing Activities

	2022/23	2021/22	
Note	£	£	
Purchase of PP&E, investment property and intangible assets	11	24,420,195	43,276,917
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		1,013,682	1,323,624
Proceeds from the sale of PP&E, investment property and intangible assets	4a, 8a, 9e	(1,685,725)	(479,947)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received	10c	(8,006,292)	(8,853,058)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		15,741,860	35,267,536

d Cash flows from Financing Activities		2022/23	2021/22
		£	£
Cash Receipts from Short and Long Term Borrowing		-	-
Other Receipts from Financing Activities		-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		-	-
Repayment of Short and Long Term Borrowing		(5,209,837)	(8,040,379)
Other payments for Financing Activities		-	-
<b>Net Cash flows from Financing Activities</b>		<b>(5,209,837)</b>	<b>(8,040,379)</b>

## 25 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		31/03/2023	31/03/2022
		£	£
	Note		
At 1 April		1,068,583	7,962,458
Transfers between Statutory & Other Reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	8, 9e	1,685,725	806,125
Capital Receipts used to finance capital expenditure	12	-	(7,700,000)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		(2,111,850)	-
<b>At 31 March</b>		<b>642,458</b>	<b>1,068,583</b>

### b 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.

Deferred Capital Receipts Account		31/03/2023	31/03/2022
		£	£
	Note		
At 1 April		-	342,300
Other movements		-	(342,300)
<b>At 31 March</b>		<b>-</b>	<b>-</b>

## c Capital Fund

This fund is authorised under Section 9 of Part 1 of the Local Government Finance Act (Northern Ireland) 2011.

Capital Fund		31/03/2023	31/03/2022
	Note	£	£
At 1 April		12,220,031	19,296,139
Transfers between statutory & other reserves & the General Fund	4b	2,327,765	(1,355,280)
Transfer to Neighbourhood Regeneration Fund		-	-
Financing from CCIF		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12, 26a	549,194	(5,720,828)
<b>At 31 March</b>		<b>15,096,990</b>	<b>12,220,031</b>

	£	£
Local Investment Fund	579,545	800,741
Belfast Investment Fund	4,638,532	1,368,532
City Centre Investment Fund	8,237,263	7,688,069
Social Outcomes Fund	1,641,650	2,362,689
<b>Total</b>	<b>15,096,990</b>	<b>12,220,031</b>

The movement and purpose of these funds is outlined below:

Local Investment Fund		31/03/2023	31/03/2022
	Note	£	£
Opening balance		800,741	1,056,624
Add: new contributions to fund		-	-
Less: financing drawn down from fund	4b	(221,196)	(255,883)
<b>At 31 March</b>		<b>579,545</b>	<b>800,741</b>

Local Investment Fund (LIF) is a key part of the Investment Programme that provides funding for smaller initiatives focusing on physical work on buildings or facilities within communities. The balance on this fund as at 31 March 2023 is £579,545.

Belfast Investment Fund		31/03/2023	31/03/2022
	Note	£	£
Opening balance		1,368,532	1,908,136
Add: new contributions to fund	4b	3,270,000	3,270,000
Less: financing drawn down from fund	4b	-	(3,809,604)
Less: transfer to Neighbourhood Rengeneration fund		-	-
<b>At 31 March</b>		<b>4,638,532</b>	<b>1,368,532</b>

There is a balance of £4,638,532 on the Belfast Investment Fund at year end 31 March 2023. This fund was established to support partnership projects across the City.

City Centre Investment Fund		31/03/2023	31/03/2022
	Note	£	£
Opening balance		7,688,069	13,408,897
Add: new contributions to fund		2,527,053	41,682
Less: amounts drawn down from fund		(1,977,859)	(5,762,510)
<b>At 31 March</b>		<b>8,237,263</b>	<b>7,688,069</b>

City Centre Investment Fund (CCIF) is a fund to support the Belfast City Centre Regeneration Investment Plans. The proposed investment principles for the CCIF are as follows:

- the project should make a significant impact on the City Centre economy in terms of "gross value added" and job creation
- the project should make positive and net contribution to the business rates income received by Belfast City Council

Belfast City Council used this fund to support ongoing and potential City Centre regeneration projects. The balance on CCIF at year end 31 March 2023 is £8,237,263.

Social Outcomes Fund		31/03/2023	31/03/2022
	Note	£	£
Opening balance		2,362,689	2,922,482
Add: transfer from Belfast Investment fund		-	-
Less: amounts drawn down from fund	4b	(721,039)	(559,793)
<b>At 31 March</b>		<b>1,641,650</b>	<b>2,362,689</b>

Social Outcomes Fund is set up to support City Centre projects which might not generate a direct financial return but which would enhance the overall City Centre offer and support the attraction of investment into the City Centre. The balance on this fund as at 31 March 2023 is £1,641,650.

#### d Leisure Mobilisation Fund

This fund is authorised under Section 9 of Part 1 of the Local Government Finance Act (Northern Ireland) 2011.

Leisure Mobilisation Fund		31/03/2023	31/03/2022
Note		£	£
At 1 April		621,287	630,245
Transfers between statutory & other reserves & the General Fund	4b	(9,410)	(8,958)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
<b>At 31 March</b>		<b>611,877</b>	<b>621,287</b>

The Leisure Mobilisation Fund is a fund to support the Leisure Transformation Programme. This fund will cover programme level costs including communications, engagements and procurement costs.

#### e Neighbourhood Regeneration Fund

This fund is authorised under Section 9 of Part 1 of the Local Government Finance Act (Northern Ireland) 2011.

Neighbourhood Regeneration Fund		31/03/2023	31/03/2022
Note		£	£
At 1 April		10,000,000	8,000,000
Transfers between statutory & other reserves & the General Fund	4b	-	2,000,000
Less: amounts drawn down from fund		-	-
<b>At 31 March</b>		<b>10,000,000</b>	<b>10,000,000</b>

The Neighbourhood Regeneration Fund is a fund to support neighbourhood regeneration and tourism projects in local neighbourhoods.

#### f Other Balances & Reserves

Other Balances & Reserves		31/03/2023	31/03/2022
Note		£	£
At 1 April		1,731,811	1,091,532
Transfers between statutory & other reserves & the General Fund	4b	888,549	640,279
Transfer to BWUH Subvention Fund		94,771	34,154
Transfer to BWUH Sinking Fund		(94,771)	(34,154)
<b>At 31 March</b>		<b>2,620,360</b>	<b>1,731,811</b>
		£	£
Election Fund		913,390	735,037
BWUH Subvention Fund		909,283	703,151
BWUH Sinking Fund		797,687	293,623
<b>Total</b>		<b>2,620,360</b>	<b>1,731,811</b>

The movement and purpose of these funds is outlined below:

Election Fund		31/03/2023	31/03/2022
Note		£	£
Opening balance		735,037	379,435
Add: new contributions to fund		178,353	355,602
Less: financing drawn down from fund		-	-
<b>At 31 March</b>		<b>913,390</b>	<b>735,037</b>

This reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve.

BWUH Subvention Fund		31/03/2023	31/03/2022
Note		£	£
Opening balance		703,151	436,402
Add: new contributions to fund		300,903	300,903
Less: amounts drawn down from fund		-	-
Less: amounts transferred to Sinking Fund		(94,771)	(34,154)
<b>At 31 March</b>		<b>909,283</b>	<b>703,151</b>

BWUH Subvention Fund was established to support national and international corporate organisations in bringing their conferences to Belfast.

BWUH Sinking Fund		31/03/2023	31/03/2022
Note		£	£
Opening balance		293,623	275,695
Add: new contributions to fund		619,015	234,154
Less: amounts drawn down from fund		(114,951)	(216,226)
<b>At 31 March</b>		<b>797,687</b>	<b>293,623</b>

BWUH Sinking Fund is a fund to support planned maintenance and future capital works of the new exhibition centre at Waterfront Hall.

## g 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	Note	2022/23 £	2021/22 £
At 1 April		62,218,726	54,924,106
Prior year adjustment			
Applied Capital Grants	10, 12	(8,006,292)	(8,853,058)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	(10,473,681)	(11,156,835)
Depreciation and Impairment adjustment	4	24,675,067	14,782,230
Statutory Provision for financing Capital Investment	4	(8,620,132)	(8,305,119)
Net Revenue expenditure funded from capital under statute	4, 12	-	-
Surplus/(Deficit) on the Provision of Services	CIES	(22,381,947)	(6,864,926)
Transfers between Statutory and Other Reserves and the General Fund	4	(3,206,904)	(1,276,041)
Net movements on Pension Reserve	4, 20	22,127,000	24,071,000
Disposal of Fixed Assets/Capital Sales	4, 11	632,442	(470,191)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	26b	(613,865)	(108,452)
Other Movements		2,465,530	5,476,012
<b>At 31 March</b>		<b>58,815,944</b>	<b>62,218,726</b>

This fund represents the surplus of income over expenditure. It can be used to supplement income and unexpected expenditure in future years. Of the £58,816k, £44,816k relates to expenditure committed at the year end (2021/22 £62,218k, £48,145k committed).

Other movements of £2,466k includes £1,137k of Covid/Hardship grant funding and £1,217k of prior year income from GLL (Note 30d).

The balance of all the DfC Covid funding/cost of living funding at 31/03/2023 is £1,137k (£294k at 31/03/2022)

## 26 Unusable 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 an 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 2007, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Note	2022/23 £	2021/22 £
At 1 April		514,174,235	480,998,871
Applied Capital Grants	10, 12	8,006,292	8,853,058
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	10,473,681	11,156,835
Depreciation & Impairment adjustment	11	(24,675,067)	(14,782,230)
Statutory Provision for financing Capital Investment	4, 12	8,620,132	8,305,119
Net Revenue expenditure funded from Capital under statute	4, 12	-	-
Disposal of Fixed Assets/ Capital Sales	4, 11	(2,298,278)	(12,495)
Capital Receipts used to finance capital expenditure	4, 12	-	7,700,000
Other Movements		6,703,093	6,234,249
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	1,977,859	5,720,828
<b>At 31 March</b>		<b>522,981,947</b>	<b>514,174,235</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	Note	2022/23 £	2021/22 £
At 1 April		199,892,679	175,881,878
Revaluation & Impairment	11	38,330,341	29,808,943
Movements from associates & joint ventures		-	-
Other Movements		(6,703,090)	(5,798,142)
<b>At 31 March</b>		<b>231,519,930</b>	<b>199,892,679</b>

## c Pension Reserve

Pension Reserve	Note	2022/23 £	2021/22 £
At 1 April		(169,221,942)	(225,692,942)
Net Movements on Pension Reserve	4, 20	(22,127,000)	(24,071,000)
Revaluation & Impairment	20	197,271,000	79,758,000
Gas pension & BWUH movement		4,726,000	784,000
<b>At 31 March</b>		<b>10,648,058</b>	<b>(169,221,942)</b>

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

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

## d 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	Note	31/03/2023 £	31/03/2022 £
At 1 April		(2,344,158)	(2,452,610)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		613,865	108,452
<b>At 31 March</b>		<b>(1,730,293)</b>	<b>(2,344,158)</b>



## e Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2017/18 accounts direction (see DfC circular LG O5/2018), to accommodate changes in the current value of the annual calculation of long term provisions for landfill costs, which arises as a result of changes to the interest rates used to discount these provisions and landfill cash flows being increased for inflation.

Provisions Discount Rate Reserve		31/03/2023	31/03/2022
Note		£	£
At 1 April		(133,816)	(188,246)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		129,620	54,430
<b>At 31 March</b>		<b>(4,196)</b>	<b>(133,816)</b>

## 27 Significant Trading Operations

The Council considers a trading operation exists where the service it provides is competitive i.e the user always has the choice to use an alternative supplier to the Council and the Council charges the user on a basis other than a straightforward recharge of the Council's costs in supplying the service. The Council uses a variety of charging mechanisms such as quoted lump sums, fixed periodical charges or rates, or a combination of these.

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 the letting of industrial estates to be a significant trading operation. The income and expenditure associated with these industrial estates is disclosed below:

Industrial Estate Lettings	2022/23	2021/22
	£	£
Rental Income	5,427,914	5,400,399
Rental Expenditure	(166,500)	(137,542)
<b>Net income</b>	<b>5,261,414</b>	<b>5,262,857</b>

These significant trading operations form part of Note 9e to these financial statements.

## 28 Agency Services

The Council provides administration services to Belfast One BID Ltd, Destination CQ BID Ltd and Belfast Central Business District. These entities pay an administration fee to the Council for these services. This fee amounted to £19,028 (2021/22 £16,001) across the 3 entities.

## 29 Joint Arrangements

During 2022/23 Belfast City Council did not make a financial contribution to Beltel LLP relating to the redevelopment of the Belfast Telegraph Building (2021/22 £nil).

The contribution to LLP is included in the Long term Assets of Belfast City Council. This represents 46% of the net assets of the LLP which is included in Belfast City Council's consolidated balance sheet.

	2022/23	2021/22
	£	£
Long term assets	3,231,429	3,231,429
Current assets	242,435	242,435
Current liabilities	(37,005)	(37,005)
Long term liabilities	-	-
<b>Net Assets</b>	<b>3,436,859</b>	<b>3,436,859</b>

On 1 April 2016, the operations of Waterfront Hall and Ulster Hall were transferred to a company BWUH Limited. Belfast City Council hold the entire share capital of this company, 1 ordinary share at £1 each. Belfast City Council entered into an agreement with BWUH Limited under which the Council pays the company a management fee for the operation of Belfast Waterfront and Ulster Hall. Payments to and from the company are outlined in Note 30f.

## 30 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition, where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions.

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. Grant receipts outstanding at 31 March 2023 are shown in Note 15b.

As part of their duties, Councillors are appointed to represent the Council in a range of other organisations and further details of these arrangements can be found on the Council's website.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below.

Councillors have direct control over the Council's financial and operating policies. In the 2022/23 financial year the Council commissioned £3,273,063 (2021/22 £2,874,621) of works and services from Visit Belfast in which Councillors have an interest. The Council entered into these contracts in full compliance with the Council's standing orders and codes of conduct.

The Council also paid grants of £3,298,632 (2021/22 £3,528,624) to a number of organisations in which Councillors and Council officers had an interest. These grants were made with proper consideration of declaration of interests.

During 2022/23 the Council had expenditure of £582,308 (2021/22 £526,945) to other Councils and income received of £1,279,764 (2021/22 £1,168,367) from other Councils, of which £125,201 (2021/22 £148,214) was outstanding at 31 March 2023. These amounts mainly related to services provided.

### a Other Organisations

	Councillors	2022/23	2021/22
		£	£
Active Communities Network*	1	41,002	0
Arellian Nursery School	1	1,000	5,456
Ashfield Girls High School	1	0	5,000
Association of Port Health Authorities	0	0	1,722
Aware NI	1	950	1,700
Belfast City Centre Management Board	0	0	82,400
Belfast City of Sanctuary	0	0	1,464
Belfast Community Sports Development Network	1	25,730	26,673
Belfast Film Festival*	1	90,800	0
Belfast Harbour Commissioners	5	138,879	94,403
Belfast Health and Social Care Trust*	2	49,147	0
Belfast Hills Partnership	1	46,220	75,300
Belfast Metropolitan College	1	38,709	28,676
Belvoir Area Residents' Group	1	3,344	2,000
Black Mountain Shared Spaces Project	1	8,699	17,317
Blackie River Centre	2	62,600	16,011
Board of Libraries NI*	1	140	0
Board of Ulster Orchestra Society Ltd	0	0	153,283
Boundary Brewing Cooperative*	3	6,500	0
Cardinal O'Donnell's GAA Club	0	0	3,760
Cathedral Quarter Trust	0	0	85,960
CLARE CIC	0	0	5,000
Clonard Residents Association	0	0	5,000
Coláiste Feirste*	1	51,426	0
Colin Neighbourhood Partnership	2	40,968	79,691
Common Youth*	1	3,353	0
Coiste Na Niarchimi	1	150	5,000
Corpus Christi Youth Club	0	0	7,735
Duncairn Community Partnership	2	20,360	5,000
Early Years Company Ltd	0	0	7,229
Education Authority*	1	425,200	0
Falls Community Council	0	0	549,863
Felle an Phobail	1	548,385	583,570
Glencairn Community Project*	1	1,200	0
Glentoran Football Club	0	0	1,737
Grand Opera House Trust	1	21,040	15,396
Greater Shankill Community Council	1	127,950	0
Greater Shankill Partnership Board	3	8,658	5,267
Hanwood Trust*	1	73,883	0
Harmony Primary and Nursery School*	1	500	0
Impact Training	2	13,000	26,270
Intercomm Ireland Ltd	0	0	127,870
Lagan Navigation Trust	0	0	25,500
Lagan Village Youth and Community Group	0	0	24,259
Lagmore Youth Project	1	5,702	12,042

Ligoniel Amateur Boxing Club	1	2,150	5,500
Ligoniel Community Centre Committee	1	10,653	8,200
Ligoniel Improvement Association	0	0	172,886
Linenhall Library Board	0	0	48,431
Lower Ormeau Residents Action Group (LORAG)	1	271,945	214,152
Lower Shankill Community Association	1	5,490	6,340
Lyric Theatre Education Advisory Panel	1	153,155	232,040
Mount Eagles/Lagmore Youth & Community Association*	1	18,293	0
Mount Vernon Community Development Forum	1	13,500	20,700
National Association of Councillors	10	4,736	1,176
New Lodge/Duncairn Healthy Living Centre	1	3,631	7,511
NI Local Government Association	8	98,116	94,753
NI Youth Forum	1	27,117	30,424
Open University*	1	2,685	0
PIPS Charity	1	683	5,367
Queens University Belfast Students Union	0	0	1,600
Roden Street Community Development Group	1	158,176	190,788
Rosario Youth Centre	1	52,002	5,000
Royal Institute of Chartered Surveyors*	1	2,356	0
RUC Athletic Association	0	0	2,500
Shafesbury Recreation Centre*	1	96	0
Shankill Womens' Centre*	1	25,310	0
Somme Advisory Council*	1	1,800	0
Stratagem NI Limited	1	47,321	53,138
Sustainable NI	0	0	5,000
Templemore Avenue Schools Trust*	1	2,023	0
The Bar Library	1	85	568
Tullycarnet Boxing Club*	1	1,200	0
Ulster Orchestra*	1	150,283	0
Upper Andersonstown Community Forum	0	291,996	291,422
Upper Springfield Development Trust	1	95,744	40,593
Visit Belfast	2	3,273,063	2,874,621
Welcome Organisation	1	0	2,983
Westland Community and Residents Association*	1	2,591	0
<b>At 31 March</b>		<b>6,571,695</b>	<b>6,403,245</b>

\* No related party transactions with the Council existed in previous year.

#### b Payments to Community Groups

Belfast City Council made payments to the following Community Groups that have Councillors as part of their committee structure:

	Councillors	2022/23 £	2021/22 £
Eastside Partnership (East Belfast Partnership Board)	3	144,389	162,188
North Belfast Partnership Board	0	0	0
Forward South (previously South Belfast Partnership Board)	3	201,219	160,941
West Belfast Partnership Board	5	125,869	35,904
<b>Total</b>		<b>471,477</b>	<b>359,033</b>

#### c Joint Committees

Belfast City Council made payments to the following Joint Committees:

	Councillors	2022/23 £	2021/22 £
Arc 21	1	10,500,172	9,257,594

The origins of arc21 can be traced back to June 1999, when a small number of Council representatives agreed that a joint approach was the best way to deliver an effective waste management strategy for the region. By 2000, 11 Councils had joined together from the eastern Region Waste Management Group, which was eventually renamed arc21.

At present arc21 has successfully been awarded and is managing waste management contracts on behalf of Councils with a value in the region of £200m.

#### d Active Belfast Limited

Belfast City Council with Active Belfast Limited entered into an agreement with GLL for the provision of leisure services. These financial statements include expenses of £9,398,594 (2021/22 £8,712,494) for the provision of these services in the year ended 31 March 2023. During 2022/23 the Council also received a profit share of £1,216,914 (2021/22 £2,364,406) which has been recorded in reserves. A decision was reached to commence the winding up of Active Belfast Limited. Active Belfast Limited has been dormant since June 2022.

#### e Car Loans to Council Officers

The Council makes car loans available to employees who are designated essential car users. The total amount outstanding in respect of car loans to designated employees as at 31 March 2023 was £50,424 (2021/22 £61,548).

**f Belfast Waterfront and Ulster Hall Limited**

With effect from 1 April 2016 the Council transferred the operations of Belfast Waterfront Hall and Ulster Hall to a new company BWUH Limited with the Council being the sole shareholder in this new company. During 2022/23 the Council invoiced BWUH Ltd for £3,235,967 for expenditure incurred on its behalf and also received invoices from the Company for £3,668,590 mainly for the management fee. At 31 March 2023, £70,711 (2021/22 £999,156) was owed to the company by the Council and £725,937 (2021/22 £288,982) receivable from the company.

**g Beltel LLP**

During 2022/23, Belfast City Council did not make a financial contribution to Beltel LLP (2021/22 £nil), relating to the redevelopment of the Belfast Telegraph Building (as outlined in Note 29). The Council is represented by two officers on the Management Board of the LLP and Timec 1523 Limited is also represented by two members on the Management Board.

Belfast City Council  
Group Movement in Reserves Statement for the year ended 31 March 2023

	General Fund Summary £ Restated	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>54,930,803</b>	<b>29,360,216</b>	<b>7,962,458</b>	<b>92,253,477</b>	<b>428,546,951</b>	<b>520,800,428</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services*	(7,873,487)	-	-	(7,873,487)	-	(7,873,487)
Other Comprehensive Income and Expenditure	-	-	-	-	109,566,943	109,566,943
<b>Total Comprehensive Income and Expenditure</b>	<b>(7,873,487)</b>	<b>-</b>	<b>-</b>	<b>(7,873,487)</b>	<b>109,566,943</b>	<b>101,693,456</b>
Adjustments between accounting basis & funding under regulations	10,867,292	(6,063,128)	(6,893,875)	(2,089,711)	3,469,104	1,379,393
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>2,993,805</b>	<b>(6,063,128)</b>	<b>(6,893,875)</b>	<b>(9,963,198)</b>	<b>113,036,047</b>	<b>103,072,849</b>
Transfers to / from Statutory and Other Reserves	(1,276,041)	1,276,041	-	-	-	-
Other movements	5,580,574	-	-	5,580,574	784,000	6,364,574
<b>Increase/ (Decrease) in year</b>	<b>7,298,338</b>	<b>(4,787,087)</b>	<b>(6,893,875)</b>	<b>(4,382,624)</b>	<b>113,820,047</b>	<b>109,437,423</b>
<b>Balance as at 31 March 2022</b>	<b>62,229,141</b>	<b>24,573,129</b>	<b>1,068,583</b>	<b>87,870,853</b>	<b>542,366,998</b>	<b>630,237,851</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(23,400,512)	-	-	(23,400,512)	-	(23,400,512)
Other Comprehensive Income and Expenditure	-	-	-	-	235,601,341	235,601,341
<b>Total Comprehensive Income and Expenditure</b>	<b>(23,400,512)</b>	<b>-</b>	<b>-</b>	<b>(23,400,512)</b>	<b>235,601,341</b>	<b>212,200,829</b>
Adjustments between accounting basis & funding under regulations	20,642,811	549,194	1,685,725	22,877,730	(19,278,893)	3,598,837
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>(2,757,701)</b>	<b>549,194</b>	<b>1,685,725</b>	<b>(522,782)</b>	<b>216,322,448</b>	<b>215,799,666</b>
Transfers to / from Statutory and Other Reserves	(3,206,904)	3,206,904	-	-	-	-
Other movements	2,564,529	-	(2,111,850)	452,679	4,726,000	5,178,679
<b>Increase/ (Decrease) in year</b>	<b>(3,400,076)</b>	<b>3,756,098</b>	<b>(426,125)</b>	<b>(70,103)</b>	<b>221,048,448</b>	<b>220,978,345</b>
<b>Balance as at 31 March 2023</b>	<b>58,829,065</b>	<b>28,329,227</b>	<b>642,458</b>	<b>87,800,750</b>	<b>763,415,446</b>	<b>851,216,196</b>

Belfast City Council

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

	Note	2022/23			2021/22		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Strategic Policy & Resources	2	81,554,315	(16,920,994)	64,633,321	75,501,060	(13,750,151)	61,750,909
City Growth & Regeneration	2	48,477,180	(19,927,437)	28,549,743	40,736,575	(13,556,634)	27,179,941
People & Communities	2	134,266,533	(22,205,369)	112,061,164	124,277,276	(19,930,448)	104,346,828
Planning & Licensing	2	9,169,502	(5,219,714)	3,949,788	8,700,308	(5,034,714)	3,665,594
<b>Cost of Services on Continuing Operations</b>		<b>273,467,530</b>	<b>(64,273,514)</b>	<b>209,194,016</b>	<b>249,215,219</b>	<b>(52,271,947)</b>	<b>196,943,272</b>
Other Operating Expenditure	8	2,318,167	(1,685,725)	632,442	9,756	(479,947)	(470,191)
Financing and Investment Income and Expenditure	9	6,753,957	(6,783,347)	(29,390)	6,445,787	(15,392,163)	(8,946,376)
<b>Net Operating Expenditure</b>		<b>282,539,654</b>	<b>(72,742,586)</b>	<b>209,797,068</b>	<b>255,670,762</b>	<b>(68,144,057)</b>	<b>187,526,705</b>
Taxation and Non-Specific Grant Income	10	269,044	(186,665,600)	(186,396,556)	-	(179,653,218)	(179,653,218)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>282,808,698</b>	<b>(259,408,186)</b>	<b>23,400,512</b>	<b>255,670,762</b>	<b>(247,797,275)</b>	<b>7,873,487</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(38,330,341)			(29,808,943)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	11			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(197,271,000)			(79,758,000)
<b>Other Comprehensive Income and Expenditure</b>				<b>(235,601,341)</b>			<b>(109,566,943)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(212,200,829)</b>			<b>(101,693,456)</b>

**Belfast City Council**  
**Group Balance Sheet as at 31 March 2023**

		31st March 2023	31st March 2022
	Note	£	Restated £
Fixed Assets	G4	881,462,908	847,054,016
Long Term Investments		126,000	126,000
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	G6	744,099	583,167
Contract Assets		-	-
<b>LONG TERM ASSETS</b>		<b>882,333,007</b>	<b>847,763,183</b>
Short Term Investments		-	-
Inventories		306,758	310,394
Short Term Debtors	G6	30,959,304	29,743,216
Cash and Cash Equivalents	G8	25,680,953	26,040,425
Assets Held for Sale		2,520,001	2,520,001
Contract Assets		496,180	415,102
<b>CURRENT ASSETS</b>		<b>59,963,196</b>	<b>59,029,138</b>
Bank Overdraft		-	-
Short Term Borrowing		5,260,558	5,209,832
Short Term Creditors	G7	50,029,385	50,516,899
Provisions		3,736,974	3,538,283
Contract Liabilities		113,110	-
<b>CURRENT LIABILITIES</b>		<b>59,140,027</b>	<b>59,265,014</b>
Long Term Creditors	G7	67,099	102,857
Provisions		1,844,093	1,844,093
Long Term Borrowing		38,521,347	43,781,910
Other Long Term Liabilities		(10,648,058)	169,221,942
Contract Liabilities		-	-
Donated Assets Account		443,856	430,000
Capital Grants Receipts in Advance		1,711,643	1,908,654
<b>LONG TERM LIABILITIES</b>		<b>31,939,980</b>	<b>217,289,456</b>
<b>NET ASSETS</b>		<b>851,216,196</b>	<b>630,237,851</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve		642,458	1,068,583
Deferred Capital Receipts		-	-
Capital Fund		15,096,990	12,220,031
Leisure Mobilisation Fund		611,877	621,287
Neighbourhood Regeneration Fund		10,000,000	10,000,000
Other Balances and Reserves		2,620,360	1,731,811
General Fund		58,829,065	62,229,141
		<b>87,800,750</b>	<b>87,870,853</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account		522,981,947	514,174,235
Revaluation Reserve		231,519,930	199,892,679
Pensions Reserve		10,648,058	(169,221,942)
Accumulated Absences Account		(1,730,293)	(2,344,158)
Provisions Discount Rate Reserve		(4,196)	(133,816)
		<b>763,415,446</b>	<b>542,366,998</b>
<b>NET WORTH</b>		<b>851,216,196</b>	<b>630,237,851</b>

**Belfast City Council**  
**Group Cash Flow Statement at 31 March 2023**

	Note	2022/23	2021/22
		£	£
Net Deficit on the Provision of Services		(23,400,512)	(7,873,487)
Adjustment for non-cash movements	G8	53,867,584	44,912,553
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G8	(9,692,017)	(9,333,005)
<b>Net cash flows from operating activities</b>		<b>20,775,055</b>	<b>27,706,061</b>
Cash flows from Investing Activities	G8	(15,924,690)	(35,495,987)
Net Cash flows from Financing Activities	G8	(5,209,837)	(8,040,379)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(359,472)</b>	<b>(15,830,305)</b>
Cash and cash equivalents at the beginning of the reporting period		26,040,425	41,870,730
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>25,680,953</b>	<b>26,040,425</b>



## G1 Group Accounts

The Group Accounting Policies are the same as the Council policies and have not been repeated again in these Notes. The exception to this is in relation to Retirement Benefits which have been treated in BWUH Limited as a defined contribution scheme as the liabilities of the NILGOSC scheme remain with Belfast City Council and have been disclosed in Belfast City Council's financial statements.

Since there are no significant changes to the Consolidated Group Balance Sheet as compared to the Council's Balance Sheet, only those notes affected by group transactions have been included.

The Group accounts for 21/22 have been restated for the inclusion of £5k deferred tax creditor balance in BWUH Ltd's entity accounts. This prior year restatement is reflected in the Group Movement in Reserves statement, Group Balance Sheet and Note G7a Short Term Creditors.

## G2 Combining Entities

### Belfast Waterfront Ulster Hall Limited ( BWUH Ltd)

Belfast Waterfront Ulster Hall Limited is a company incorporated under the terms of the Companies Acts to operate the Belfast Waterfront and Ulster Hall. The Authority is the principal shareholder in the company holding 1 ordinary £1 shares and representing 100% of the issued share capital. Under accounting standards, the Authority has a controlling interest in this company. The financial results for the company have been included in the group accounts as a subsidiary.

Net assets of the company were £13,121 at 31 March 2023 (2021/22: £10,415). There was no profit/loss on ordinary activities before taxation for the period to 31 March 2023 (2021/22 £nil). No dividend payments were due to, or received by, the Authority in respect of its investment.

As noted in Note 20, the pension asset of BWUH Limited is included in the pension asset of Belfast City Council.

The latest set of accounts is for the year to 31 March 2023 has an unqualified audit certificate.

### BELTEL LLP

For the purposes of economic regeneration as part of the City Centre Regeneration objectives the Council made a financial contribution in the form of a loan totalling £3,436,859 as at year ended 31 March 2023, to Beltel LLP relating to the redevelopment of the Belfast Telegraph building. This contribution represents 46% of the net assets of Beltel LLP which have been included in the Council's group balance sheet and the breakdown of the net assets is included in Note 29 Joint Arrangements.

### Gas Pension Fund

The liability of £206,000 in respect of the Gas Pension Fund is disclosed and recognised in Belfast City Council's balance sheet and Note 20 Retirement Benefits disclosures. The Group balance sheet has included the assets and liabilities giving rise to this liability:

	2022/23	2021/22
	£	£
Long term assets	126,073	125,439
Current assets	281,343	424,098
Long term liabilities	(613,416)	(759,537)
<b>Net liability</b>	<b>(206,000)</b>	<b>(210,000)</b>

The Council has not consolidated its interests in Active Belfast Limited, Belfast Gasworks Management Co Ltd and Arc21 as the Council's share of these balance sheets is not deemed material to the group accounts at this point in time.

### Financial Impact of combination

The effect of the inclusion of the subsidiaries and associates in 2022/23 was to increase the Council's reserves and net assets by £13,121 representing the net asset in the consolidating entities.

**G3 Adjustments between an Accounting Basis and Funding Basis under Regulations**  
**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:**

	2022/23		2021/22	
	£	£	£	£
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>				
Impairments (losses & reversals) of non-current assets	-		-	
Derecognition (other than disposal) of non-current assets	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	(210,629)		(8,539,269)	
Depreciation charged in the year on non-current assets	25,016,968	24,806,339	23,446,216	14,906,947
Net Revenue expenditure funded from capital under		-		-
Carrying amount of non current assets sold	2,318,167		9,756	
Proceeds from the sale of PP&E, investment property and intangible assets	(1,685,725)	632,442	(479,947)	(470,191)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-		-
Net charges made for retirement benefits in accordance with IAS 19		38,464,000		39,265,000
Direct revenue financing of Capital Expenditure		(10,473,681)		(11,156,835)
Capital Grants and Donated Assets Receivable and Applied in year		(8,006,292)		(8,853,058)
Capital Grants Receivable and Unapplied in year		-		-
Rates Claw-Back Reserve		-		-
Adjustments in relation to Short-term compensated absences		(613,865)		(108,452)
Adjustments in relation to Lessor Arrangements		-		-
Provisions Discount Rate Reserve Adjustment		-		-
<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		(8,620,132)		(8,305,119)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners		(15,546,000)		(14,411,000)
		<b>20,642,811</b>		<b>10,867,292</b>

Belfast City Council  
Notes to the Group Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2023

G4 Fixed Assets

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2022	113,942,504	511,719,705	5,093,674	-	53,144,945	46,626,490	42,940,031	5,396,001	778,863,350	9,254,328	-	788,117,678
Adjustments between cost/value & depreciation/impairment	-	22	-	-	-	-	-	-	22	-	-	22
Balance as at 1 April 2022	113,942,504	511,719,727	5,093,674	-	53,144,945	46,626,490	42,940,031	5,396,001	778,863,372	9,254,328	-	788,117,700
Additions	5,001	959,286	-	-	2,886,791	278,826	19,053,242	-	23,183,146	14,300	-	23,197,446
Donations	-	-	-	-	13,856	-	-	-	13,856	-	-	13,856
Revaluation increases/ (decreases) to Revaluation Reserve	(47,825)	20,148,379	-	-	-	-	939,885	50,000	21,090,439	232,720	-	21,323,159
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	47,999	345,420	-	-	-	-	(1,077,919)	-	(684,500)	(1,570)	-	(686,070)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(2,201,804)	(100,000)	-	-	(1,113,820)	-	-	-	(3,415,624)	-	-	(3,415,624)
Derecognition - Other	-	-	-	-	(217,925)	-	-	-	(217,925)	-	-	(217,925)
Reclassifications & Transfers	261,629	2,582,925	-	-	191,157	6,893,161	(11,087,344)	-	(1,158,472)	143,286	-	(1,015,186)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	112,007,504	535,655,737	5,093,674	-	54,905,004	53,798,477	50,767,895	5,446,001	817,674,292	9,643,064	-	827,317,356

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2022	-	154,071	962,026	-	30,743,099	6,599,602	-	-	38,458,798	27,261	-	38,486,059
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2022	-	154,071	962,026	-	30,743,099	6,599,602	-	-	38,458,798	27,261	-	38,486,059
Depreciation Charge	-	18,499,787	169,794	-	3,751,178	2,249,891	-	-	24,670,650	109,950	-	24,780,600
Depreciation written out on Revaluation Reserve	-	(16,897,232)	-	-	-	-	-	-	(16,897,232)	(109,950)	-	(17,007,182)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,548,921)	-	-	-	-	-	-	(1,548,921)	-	-	(1,548,921)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(3,526)	-	-	(1,093,931)	-	-	-	(1,097,457)	-	-	(1,097,457)
Derecognition - Other	-	-	-	-	(217,925)	-	-	-	(217,925)	-	-	(217,925)
Reclassifications & Transfers	-	(2,778)	-	-	-	-	-	-	(2,778)	-	-	(2,778)
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	201,401	1,131,820	-	33,182,421	8,849,493	-	-	43,365,135	27,261	-	43,392,396

**Net Book Values**

Balance as at 31 March 2023	112,007,504	535,454,336	3,961,854	-	21,722,583	44,948,984	50,767,895	5,446,001	774,309,157	9,615,803	-	783,924,960
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Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	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>	110,063,504	480,589,455	5,093,674	-	48,498,353	41,653,745	30,587,787	6,199,001	<b>722,685,519</b>	9,117,243	-	<b>731,802,762</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period adjustment										-		-
<b>Balance as at 1 April 2021</b>	<b>110,063,504</b>	<b>480,589,455</b>	<b>5,093,674</b>	<b>-</b>	<b>48,498,353</b>	<b>41,653,745</b>	<b>30,587,787</b>	<b>6,199,001</b>	<b>722,685,519</b>	<b>9,117,243</b>	<b>-</b>	<b>731,802,762</b>
Additions (Note 11)	1,700,703	3,230,200	-	-	4,667,408	61,280	37,271,975	-	<b>46,931,566</b>	10,735	-	<b>46,942,301</b>
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	1,473,998	11,588,798	-	-	-	-	-	482,741	<b>13,545,537</b>	133,380	-	<b>13,678,917</b>
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	704,299	(482,369)	-	-	-	-	-	64,259	<b>286,189</b>	(3,030)	-	<b>283,159</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	(2,343,503)	-	<b>(2,343,503)</b>	-	-	<b>(2,343,503)</b>
Derecognition - Disposals	-	-	-	-	(1,130,225)	-	-	-	<b>(1,130,225)</b>	-	-	<b>(1,130,225)</b>
Derecognition - Other	-	(7,200)	-	-	(5,224)	-	-	-	<b>(12,424)</b>	(4,000)	-	<b>(16,424)</b>
Reclassifications & Transfers	-	16,800,821	-	-	1,114,633	4,911,465	(22,576,228)	(1,350,000)	<b>(1,099,309)</b>	-	-	<b>(1,099,309)</b>
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>113,942,504</b>	<b>511,719,705</b>	<b>5,093,674</b>	<b>-</b>	<b>53,144,945</b>	<b>46,626,490</b>	<b>42,940,031</b>	<b>5,396,001</b>	<b>778,863,350</b>	<b>9,254,328</b>	<b>-</b>	<b>788,117,678</b>

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Assets (Restated)	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	-	77,036	792,232	-	28,461,789	4,538,407	-	-	33,869,464	27,261	-	33,896,725
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	-	77,036	792,232	-	28,461,789	4,538,407	-	-	33,869,464	27,261	-	33,896,725
Depreciation Charge	-	17,488,301	169,794	-	3,405,708	2,061,195	-	-	23,124,998	103,373	-	23,228,371
Depreciation written out on Revaluation Reserve	-	(16,053,393)	-	-	-	-	-	-	(16,053,393)	(76,633)	-	(16,130,026)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,357,873)	-	-	-	-	-	-	(1,357,873)	(26,740)	-	(1,384,613)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,120,469)	-	-	-	(1,120,469)	-	-	(1,120,469)
Derecognition - Other	-	-	-	-	(3,929)	-	-	-	(3,929)	-	-	(3,929)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	154,071	962,026	-	30,743,099	6,599,602	-	-	38,458,798	27,261	-	38,486,059

#### Net Book Values

Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	22,401,846	40,026,888	42,940,031	5,396,001	740,404,552	9,227,067	-	749,631,619
Balance as at 31 March 2023	112,007,504	535,454,336	3,961,854	-	21,722,583	44,948,984	50,767,895	5,446,001	774,309,157	9,615,803	-	783,924,960

Belfast City Council  
Notes to the Group Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2023

Intangible Assets	2022/23	2021/22
	£	£
Balance at start of year:		
Gross carrying amounts	20,094,269	19,982,611
Accumulated amortisation	(19,390,564)	(19,172,719)
Net carrying amount at start of year	703,705	809,892
Additions*	8,544	72,350
Assets reclassified as held for sale*	-	-
Revaluation increases or decreases	-	-
Impairment losses recognised or reversed directly in the Revaluation Reserve	-	-
Impairment losses recognised or reversed directly in the Surplus/ Deficit on the Provision of Services	-	-
Amortisation for the period	(236,368)	(217,845)
Other Changes	885,186	39,308
<b>Net carrying amount at end of year</b>	<b>1,361,067</b>	<b>703,705</b>

\*Previous year 'Assets reclassified as held for sale' reclassified into 'Additions'. This has no impact on the results previously presented.

Investment Properties	2022/23	2021/22
	£	£
Balance at start of the year	96,718,670	88,963,467
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	(652,222)	9,215,000
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	130,000	(1,460,000)
Other changes	(19,567)	203
<b>Balance at end of the year</b>	<b>96,176,881</b>	<b>96,718,670</b>

Investment Property	2022/23	2021/22
	£	£
Industrial Estates	74,560,000	73,730,000
Commercial Units	21,616,881	22,988,670
<b>Balance at end of the year</b>	<b>96,176,881</b>	<b>96,718,670</b>

G5

Employee Costs and Member Allowances		
Staff Costs	2022/23	2021/22
	£	£
Salaries and Wages	80,751,362	70,896,023
Employers NIC	8,536,534	7,006,565
Employers Superannuation	15,239,578	13,920,484
<b>Total staff costs</b>	<b>104,527,474</b>	<b>91,823,072</b>

The above staff costs include the costs of voluntary redundancies in 2022/23. These costs total £392,294 (2021/22 £157,804) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £9,060,881 (2021/22 £7,053,574).

The Council's contribution rate to the NILGOSC scheme in 2022/23 was 19.5%.

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

Average Number of Employees		
	2022/23	2021/22
	FTE	FTE
Strategic Policy & Resources	592	577
City Growth & Regeneration*	245	213
People & Communities	1,223	1,126
Planning and Licencing	145	143
<b>Total Number</b>	<b>2,205</b>	<b>2,059</b>

\*Previous years figures have been restated in line with the current year.

	2022/23	2021/22
	Actual Numbers	Actual Numbers
Full-time numbers employed	2,040	1,869
Part-time numbers employed	547	441
<b>Total Number</b>	<b>2,587</b>	<b>2,310</b>

Senior Employees' Remuneration		
	2022/23	2021/22
	£	£
£50,001 to £60,000	148	88
£60,001 to £70,000	38	25
£70,001 to £80,000	4	7
£80,001 to £90,000	4	3
£90,001 to £100,000	8	9
£100,001 to £110,000	6	1
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,000	-	-
<b>Total Number</b>	<b>210</b>	<b>135</b>



<b>G6 Debtors</b>			
<b>a Long Term Debtors</b>		<b>2022/23</b>	<b>2021/22</b>
		<b>£</b>	<b>£</b>
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Employee car loans		23,160	29,857
Revenue Grants		-	-
Capital Grants		-	-
Interest Receivable		-	-
Capital Debtors		-	-
Loans and advances		-	-
Finance lease debtors		-	-
Trade debtors		720,939	553,310
NIHE Loans		-	-
Other		-	-
Impairment of loans and receivables		-	-
Contract Receivables		-	-
<b>Total Long Term Debtors</b>		<b>744,099</b>	<b>583,167</b>
<b>b Short Term Debtors</b>			
		<b>2022/23</b>	<b>2021/22</b>
		<b>£</b>	<b>£</b>
Government Departments		1,443,212	3,271,962
Other Councils		125,201	148,214
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates finalisation		-	182,858
NIHE loans		-	78,630
Employee car loans		27,264	31,691
Revenue Grants		10,140,493	8,611,484
Capital Grants		5,106,947	5,202,594
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		2,670,312	1,966,311
Prepayments		4,825,214	3,957,174
Finance lease debtors		-	-
Other		5,502,425	3,292,638
Trade receivables		2,022,035	3,887,753
Impairment loss - Trade receivables		(903,799)	(888,093)
Contract Receivables		496,180	415,102
<b>Total Short-Term Debtors</b>		<b>31,455,484</b>	<b>30,158,318</b>
<b>Total Debtors</b>		<b>32,199,583</b>	<b>30,741,485</b>

<b>G7 Creditors</b>			
<b>a</b>	<b>Short Term Creditors</b>	<b>2022/23</b>	<b>2021/22 Restated</b>
		<b>£</b>	<b>£</b>
	Government Departments	1,828,796	2,151,488
	Other Councils	88	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Rates clawback	269,044	-
	De-rating grant clawback	273,133	14,053
	Remuneration due to employees	3,376	1,729
	Accumulated Absences	1,730,293	2,344,158
	Receipts in advance	10,760,338	9,493,961
	Trade creditors	4,465,754	4,049,536
	Loan interest	171,670	219,388
	Capital Creditors	4,922,816	6,179,995
	Creditor Accruals	25,604,076	26,062,591
	Contract Payables	113,110	-
	<b>Total Short Term Creditors</b>	<b>50,142,494</b>	<b>50,516,899</b>

<b>b</b>	<b>Long Term Creditors</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Other creditors falling due after more than one year</b>		<b>£</b>	<b>£</b>
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Rates clawback	-	-
	Remuneration due to employees	-	-
	Accumulated Absences	-	-
	Receipts in advance	-	-
	Trade creditors	-	-
	Other	67,099	102,857
	Contract Payables	-	-
	<b>Total Long Term Creditors</b>	<b>67,099</b>	<b>102,857</b>
	<b>Total Creditors</b>	<b>50,209,593</b>	<b>50,619,756</b>

**G8 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	2022/23	2021/22
	£	£
Depreciation	25,016,968	23,446,216
Impairment & downward revaluations (& non-sale derecognitions)	(210,629)	(8,539,269)
Amortisation (included with depreciation above)	-	-
(Increase)/Decrease in Inventories	3,636	(12,033)
(Increase)/Decrease in Debtors	(1,473,804)	(9,063,304)
Increase/(decrease) in impairment provision for bad debts	15,706	68,848
Increase/(Decrease) in Creditors	203,702	8,435,142
Increase/(Decrease) in Interest Creditors	-	-
Payments to NILGOSC	22,918,000	24,854,000
Carrying amount of non-current assets sold	2,318,167	9,756
AIC/WIP written off to Net Cost of Services	-	-
Contributions to Other Reserves/Provisions	5,075,838	5,713,197
Movement in value of investment properties - included above in Impairment & downward revaluations (& non-sale derecognitions)	-	-
Amounts posted to CIES from Donated Assets Account	-	-
Contract Costs	-	-
Contract Assets	-	-
Contract Liabilities	-	-
Deferred revenue	-	-
	53,867,584	44,912,553

**Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities**

	2022/23	2021/22
	£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-	-
Proceeds from the sale of PP&E, investment property and intangible assets	(1,685,725)	(479,947)
Capital grants included in "Taxation & non-specific grant income"	(8,006,292)	(8,853,058)
	(9,692,017)	(9,333,005)

**b Cash and Cash Equivalents**

	2022/23	2021/22
	£	£
Cash and Bank balances	25,680,953	26,040,425
Short Term Deposits (considered to be cash equivalents)	-	-
Short Term Investments (considered to be cash equivalents)	-	-
Bank Overdraft	-	-
	25,680,953	26,040,425

c	Cash flows from Investing Activities	2022/23	2021/22
		£	£
	Purchase of PP&E, investment property and intangible	24,477,025	43,379,368
	Purchase of Short Term Investments (not considered to be cash equivalents)	-	-
	Purchase of Long Term Investments	126,000	126,000
	Other Payments for Investing Activities	1,013,682	1,323,624
	Proceeds from the sale of PP&E, investment property and intangible assets	(1,685,725)	(479,947)
	Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
	Proceeds from Long Term Investments	-	-
	Capital Grants and Contributions Received	(8,006,292)	(8,853,058)
	Other Receipts from Investing Activities	-	-
	<b>Net Cash flows from Investing Activities</b>	<b>15,924,690</b>	<b>35,495,987</b>

d	Cash flows from Financing Activities	2022/23	2021/22
		£	£
	Cash Receipts from Short and Long Term Borrowing	-	-
	Other Receipts from Financing Activities	-	-
	Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	-	-
	Repayment of Short and Long Term Borrowing	(5,209,837)	(8,040,379)
	Other payments for Financing Activities	-	-
	<b>Net Cash flows from Financing Activities</b>	<b>(5,209,837)</b>	<b>(8,040,379)</b>

**Date of authorisation for issue**

The Chief Financial Officer authorised these financial statements for issue on 28 September 2023.