

Public Document Pack

**Democratic Services Section
Legal and Civic Services Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

19th September, 2024

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Dear Alderman/Councillor,

I enclose a copy of the report for the following items to be considered at the meeting to be held at 9.30 am on Friday, 20th September, 2024.

Yours faithfully,

John Walsh

Chief Executive

AGENDA:

2. Restricted Items

- (e) Belfast Bikes Scheme - Operating Model and Revenue Structure (Pages 1 - 8)

3. Belfast Agenda/Strategic Issues

- (f) Shared Prosperity Fund (Pages 9 - 12)

5. Finance, Procurement and Performance

- (a) Belfast City Council Statement of Accounts 2023/24 (Pages 13 - 130)
- (c) Falls Park Cyclocross Event – Request for Funding (Pages 131 - 134)

7. Operational Issues

- (b) Minutes of the Meeting of the Audit and Risk Panel - 16 September (Pages 135 - 164)

8. Issues Raised in Advance by Members

(a) Sunday Trading - Pilot Scheme - Councillor Nelson to raise

By virtue of paragraph(s) 3 of Part 1 of Schedule 6
of the Local Government Act (Northern Ireland) 2014.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 6
of the Local Government Act (Northern Ireland) 2014.

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Subject:	Shared Prosperity Fund – proposed funding approach
Date:	20 September 2024
Reporting Officer:	Damien Martin, Strategic Director, Place and Economy Sinead Grimes, Director of Property and Projects
Contact Officer:	Lisa Toland, Senior Manager, Economy

Restricted Reports									
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
<p>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</p> <p>Insert number <input type="checkbox"/></p> <ol style="list-style-type: none"> 1. Information relating to any individual 2. Information likely to reveal the identity of an individual 3. Information relating to the financial or business affairs of any particular person (including the council holding that information) 4. Information in connection with any labour relations matter 5. Information in relation to which a claim to legal professional privilege could be maintained 6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction 7. Information on any action in relation to the prevention, investigation or prosecution of crime 									
<p>If Yes, when will the report become unrestricted?</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">After Committee Decision</td> <td style="border: 1px solid black; width: 5%;"></td> </tr> <tr> <td>After Council Decision</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>Sometime in the future</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>Never</td> <td style="border: 1px solid black;"></td> </tr> </table>		After Committee Decision		After Council Decision		Sometime in the future		Never	
After Committee Decision									
After Council Decision									
Sometime in the future									
Never									

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of this report is to update the Committee on a funding opportunity through the UK Government’s Shared Prosperity Fund (SPF) and to get agreement on a number of priority activities for inclusion in the funding application.

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the proposal by UK Government to make an allocation of £9.85million to councils under the Shared Prosperity Fund (SPF), for spend to take place by 31 March 2025 • Note that there will be a ring-fenced allocation of £1,787,615 for Belfast City Council • Agree the indicative list of priority activities for inclusion in the funding application.
3.0	Main report
3.1	<p>In 2022, the UK Government's DLUHC (Department for Levelling Up, Housing and Communities) confirmed that Shared Prosperity Fund resources of around £127million would be available in Northern Ireland over the financial years 2022/23; 2023/24 and 2024/25). The funding was structured around three priority areas, namely:</p> <ul style="list-style-type: none"> • Supporting Local Business – funding stream under which the Northern Ireland Enterprise Support Service “Go Succeed” is funded – (£17million budget) as well as targeted support for key growth sectors and female enterprise to be led by Invest NI • People and Skills – funding allocated via an open call for projects, with 18 projects receiving funding totalling £58million as well as additional funding for numeracy skills (“Multiply”) of around £6million to be distributed through the Labour Market Partnerships • Communities and Place – initial funding of £1million allocated to 11 councils for expenditure by March 2023.
3.2	<p>At the April meeting of the Northern Ireland SPF Partnership Group (the overall steering group for the SPF funding), DLUHC advised that they were considering plans for the allocation of remaining funding of £9.85million and sought views on a number of options. Their preferred option was to allocate all resources to councils under the “Communities and Place” theme via a ring-fenced call for projects.</p>
3.3	<p>Following that meeting, DLUHC officials presented this advice to Ministers. However given the election announcement at the end of May, this proposal was not signed off for some time. On 23 August 2024, all councils received correspondence confirming the UK Government's intention to proceed with the ring-fenced call for funding, open to the 11 local authorities.</p>
3.4	<p>Subsequently, information on the proposed approach, timelines and level of funding available under the fund have been shared. Funding has been allocated on a per capita basis. For Belfast, this means that there is a budget of £1,787,615. SPF runs until end March 2025 so all expenditure must be incurred by this point. However the SPF management team have advised that they will accept eligible expenditure from 1 April 2024</p>

– meaning that we can use this funding for activities that are already under way (and therefore use council resources on other schemes). Eligible activities can include:

- Funding for improvements to town centres and high streets, including improved accessibility for those with disabilities
- Funding for new, or improvements to existing, community and neighbourhood infrastructure projects
- Creation of and improvements to local green spaces and community gardens
- Enhanced support for existing cultural, historic and heritage organisations that make up the local cultural heritage offer/support for local arts, cultural heritage and creative activities
- Support for active travel measures
- Funding for development and promotion of wider campaigns which encourage people to visit and explore the local area.

3.5

Following the formal confirmation of the fund, officers have been working to identify relevant projects for inclusion as part of the Belfast City Council application. We have undertaken a review of programmes and engaged with teams across the council to identify projects that can meet the eligibility criteria. Following a preliminary round of engagement, we have worked at speed through a long list to a short list of projects that:

- Might allow us to free up resources for other activity
- Are under way and will comfortably meet spend timeframes
- Have not yet started but have approvals/routes to market that will ensure spend by end March 2025
- Enable us to bring forward work that had been identified as priority but did not have dedicated resources assigned.

3.6

As a result of this exercise, the following projects are being proposed for submission:

Project	Indicative budget
Pitch improvements work	£460,000
Playgrounds improvement work	£660,000
Vacant to Vibrant scheme	£200,000
Feasibility studies for key city centre sites and assets	£200,000
Programme of animation, lighting enhancements and marketing linked to key city events (e.g. Halloween, Christmas)	£260,000

3.7

Given the late confirmation of funding, the SPF team has requested that councils submit funding applications by 19 September and have confirmed their intention to proceed with project assessments by early October, with funding to follow shortly afterwards. They are aware that some councils may require formal endorsement of their final funding application so they are prepared to work with councils in the knowledge that funding packages are in principle only until there is appropriate council sign-off.

3.8	<p>While SPF funding is only guaranteed until 31 March 2025, it is understood that the UK Government is currently working on options for what happens next, following this date. One option under discussion is an extension of activity for one year i.e. from 1 April 2025 to 31 March 2026. This would allow for some development work by the new government to consider what an appropriate replacement to Levelling Up might look like. If this was the case, it may mean that a further allocation of funding might be made available for eligible activity in 2025/26 financial year – although this is not currently guaranteed.</p> <p><u>Financial & Resource Implications</u></p>
3.9	<p>A financial allocation of £1,787,615 will be provided to Belfast City Council to undertake an agreed programme of work. This can be managed within existing staff resources.</p> <p><u>Equality or Good Relations Implications/ Rural Needs Assessment</u></p>
3.10	<p>All proposed activities will be or have been equality screened.</p>
4.0	Appendices – Documents Attached
	None



Subject:	Belfast City Council Statement of Accounts 2023/24
Date:	20 September 2024
Reporting Officer:	Trevor Wallace, Director of Finance
Contact Officer:	Helen Lyons, Corporate Finance Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to present to the Strategic Policy and Resources Committee, the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending 31 March 2024.
1.2	The Statement of Accounts are an important element of the council's overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council's finances and its financial position.
1.3	The Statement of Accounts for the year ended 31 March 2024, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United

	Kingdom 2023/24 based on International Financial Reporting Standards and the Department for Communities Accounts Direction, Circular LG 05/24 dated 16 January 2024.
1.4	The Chief Executive in his role as Chief Financial Officer can confirm that the Statement of Accounts for the year ended 31 March 2024 has been prepared in the form directed by the Department for Communities and in his opinion the Statement of Accounts 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.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none"> i. approve the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2024, and ii. agree that this paper should not be subject to call-in (as indicated above) because it would cause an unreasonable delay which would be prejudicial to the Council's and the public's interests given that the statement of accounts must be published by 30 September 2024.
3.0	Main report
	<u>Key Issues</u>
	Normal Approval Process
3.1	The Committee will be aware that the normal approval process allows for the Statement of Accounts to be presented to the Audit and Risk Panel to allow them to review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council prior to this report going to the Strategic Policy and Resources Committee.
3.2	The Audit and Risk Panel was presented with the Statement of Accounts at the meeting on 16th September and a verbal update on the status of the audit and the draft Report to those charged with Governance (RTTCWG) for 2023/24 was provided at this meeting by Northern Ireland Audit Office (NIAO). The draft RTTCWG will be circulated to the Audit and Risk panel members for consideration when issued by NIAO. NIAO have indicated that there are currently seven audit recommendations, however the audit is still ongoing.

	The Panel reviewed the annual Statement of Accounts and, subject to receipt of the draft RTTCWG, did not identify any concerns arising from the Statement of Accounts that needed to be brought to the attention of the Strategic Policy and Resources Committee.																						
	Audit Opinion																						
3.3	<p>It is the Local government Auditors' opinion that:</p> <ul style="list-style-type: none"> 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 2023-24, of the financial position of Belfast City Council as at 31 March 2024 and its income and expenditure for the year then ended; and the statement of accounts 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; and 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 Narrative Report for the financial year ended 31 March 2024 is consistent with the financial statements. 																						
	Reserves																						
3.4	<p>General Fund</p> <p>The credit balance on the General Fund has increased to £59.3m (of which £46.1m relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:</p> <p>Table 1: Summary of Reserves Position</p> <table border="1"> <tr> <td>Opening Balance</td> <td>£58.8m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>In year movement in reserves</td> <td><u>£0.5 m</u></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Closing Balance</td> <td>£59.3m</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Specified Reserves at year end</td> <td><u>£46.1m</u></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Balance Available</td> <td><u>£13.2 m</u></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	Opening Balance	£58.8m			In year movement in reserves	<u>£0.5 m</u>			Closing Balance	£59.3m			Specified Reserves at year end	<u>£46.1m</u>			Balance Available	<u>£13.2 m</u>				
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3.5	<p>Capital Fund £14,409,960</p> <p>The Capital Fund is made up of:</p> <ul style="list-style-type: none"> • Belfast Investment Fund (£4,807,700) -created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources • Local Investment Fund (£348,433) to fund smaller local regeneration projects • City Centre Investment Fund (£8,246,713) to support the Belfast City Centre Regeneration Investment Plans • Social Outcomes Fund (£1,007,114) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support the attraction of investment.
3.6	<p>Neighbourhood Regeneration Fund £10,052,018</p> <p>This fund is to support neighbourhood regeneration and tourism projects in local neighbourhoods.</p>
3.7	<p>Leisure Mobilisation Fund £534,521</p> <p>This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.</p>
3.8	<p>Capital Receipts Reserve £729,008</p> <p>These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure.</p>
3.9	<p>Other Fund Balances and Reserves £2,935,552</p> <p>This relates to the Election Reserve (£62,745) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£1,078,513) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£1,794,294) to support planned maintenance and future capital works at the new exhibition centre.</p>

3.10	<p>Debt</p> <p>The overall level of trade debtors had increased this year from £4.3m at 31 March 2023 to £5m at 31 March 2024. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:</p> <p>Table 2: Analysis of Trade Debtors</p> <table border="1" data-bbox="274 443 1204 645"> <thead> <tr> <th></th> <th>31 March 2024</th> <th>31 March 2023</th> </tr> </thead> <tbody> <tr> <td>Less than three months</td> <td>£2,962,988</td> <td>£3,129,548</td> </tr> <tr> <td>Three to one year</td> <td>£1,158,399</td> <td>£482,337</td> </tr> <tr> <td>More than one year</td> <td>£918,640</td> <td>£720,939</td> </tr> <tr> <td>Total</td> <td>£5,040,027</td> <td>£4,332,824</td> </tr> </tbody> </table>		31 March 2024	31 March 2023	Less than three months	£2,962,988	£3,129,548	Three to one year	£1,158,399	£482,337	More than one year	£918,640	£720,939	Total	£5,040,027	£4,332,824
	31 March 2024	31 March 2023														
Less than three months	£2,962,988	£3,129,548														
Three to one year	£1,158,399	£482,337														
More than one year	£918,640	£720,939														
Total	£5,040,027	£4,332,824														
3.11	<p>Creditors</p> <p>The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 75,629 invoices totalling £192,418,313.</p>															
	<p>The average time taken to pay creditor invoices was 17 days for the year ended 31 March 2024. The Council paid 58,774 invoices within 10 days, 70,456 invoices within 30 days, and 5,173 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.</p>															
3.12	<p>Annual Governance Statement (AGS)</p> <p>The Statement of Accounts include the Annual Governance Statement (AGS) for the year 2023/24, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Specifically the AGS sets out:</p> <ul style="list-style-type: none"> • scope of responsibility • the purpose of the governance framework • the governance framework in place • review of effectiveness • update on the significant governance issues declared last year • significant governance issues for current year 															
3.13	<p>The AGS is approved by the Chair of the Strategic Policy and Resources committee and the Chief Executive. It is subject to review by the LGA (NIAO) as part of their annual audit.</p>															
3.14	<p><u>Financial & Resource Implications</u></p> <p>None</p>															

3.15	<u>Equality or Good Relations Implications/Rural Needs Assessment</u> None
4.0	Appendices – Documents Attached
	Appendix 1 - Detailed Statement of Accounts titled “Belfast City Council Statement of Accounts 2024”

Belfast City Council

Statement of Accounts 2024



**Belfast
City Council**

BELFAST CITY COUNCIL
Statement of Accounts
For the year ended 31 March 2024

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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 £193.6m in 2023/24 Belfast City Council's 2,290 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 2024 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.

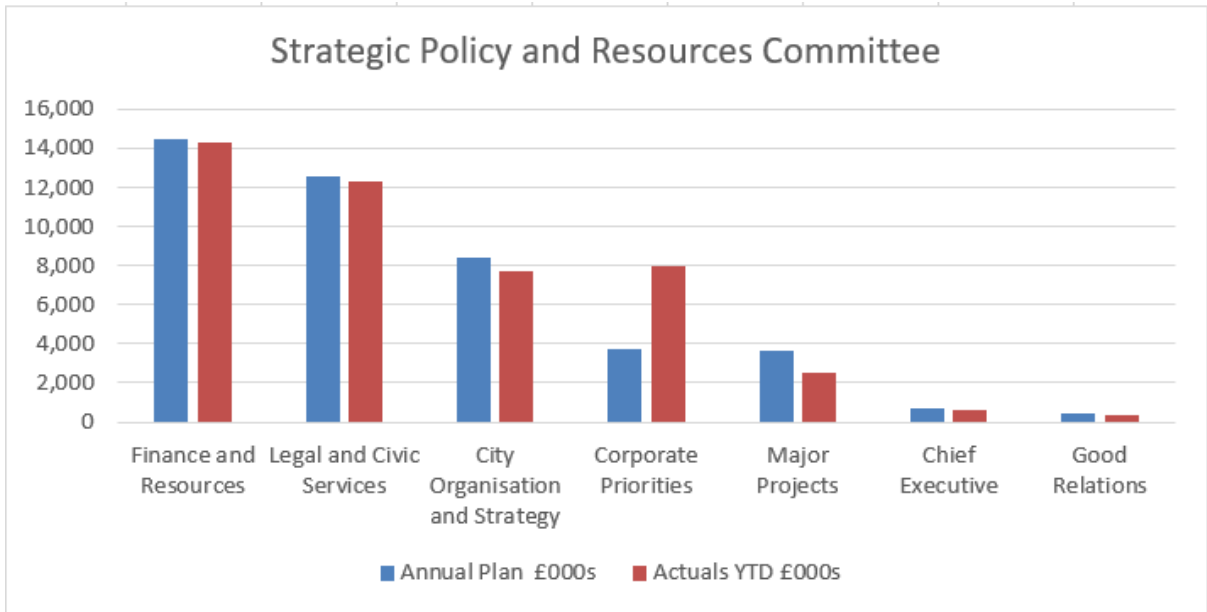
The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments on 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 2023/24 was £45.4m, with actual net expenditure for the year amounting to £45.5m.

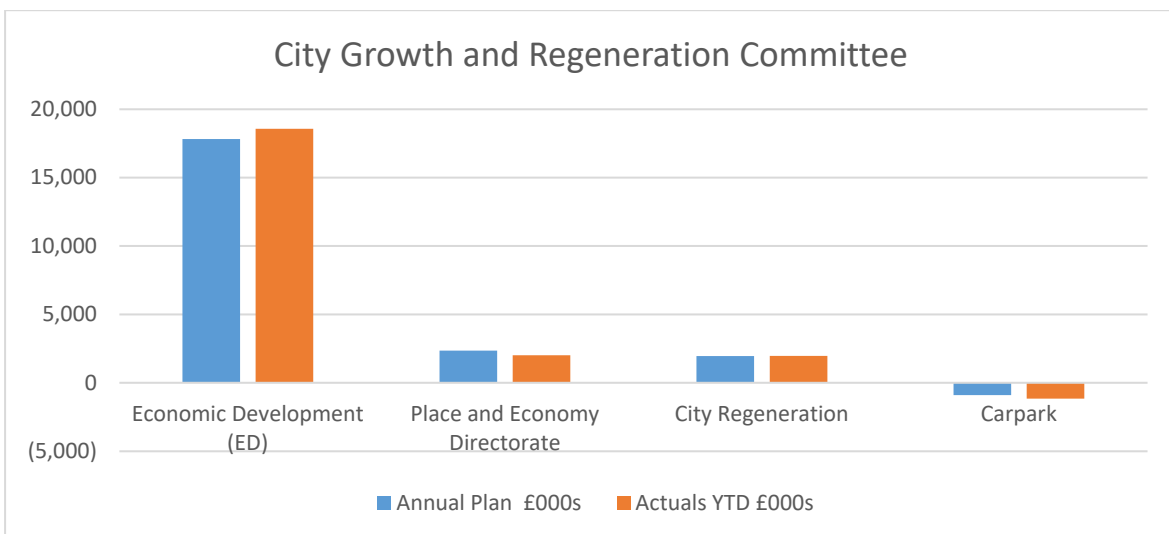
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £59.5m 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 £21.2m and actual net expenditure was £21.4m

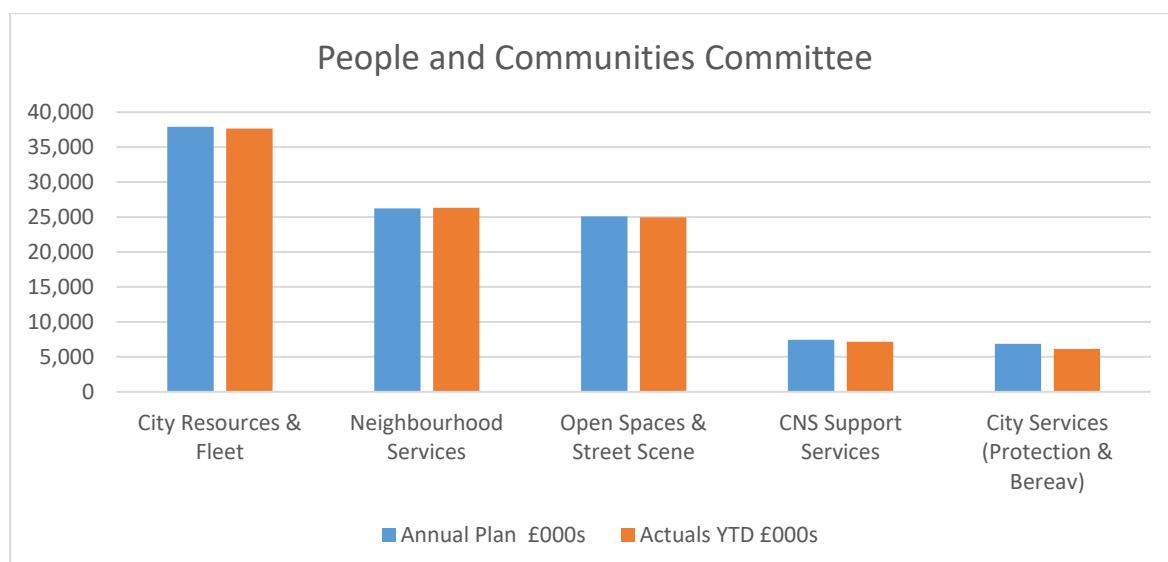
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £29.3m 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 £103.5m and actual net expenditure was £102.2m.

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 £123.6m 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 £2.2m and actual net expenditure was £3.1m.

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 £3.4m 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 2023/24. Total net expenditure budget of £193.6m includes the above committees budgets totalling £172.3m and the capital financing budget of £21.3m.

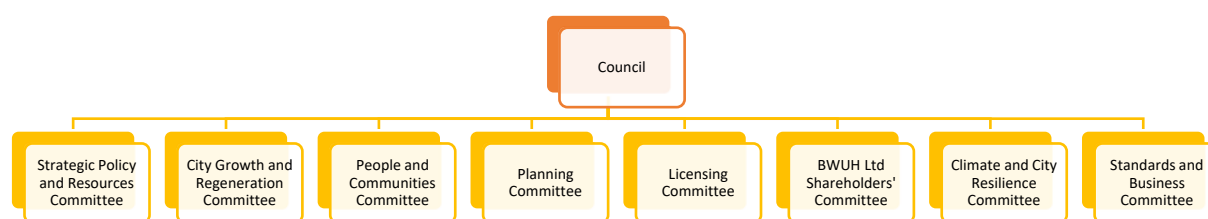
Financial Outlook

Despite the challenging financial position faced by the Council going into 2023/24, departments worked to deliver the financial strategy for 2023/24. The departmental underspend at the year end was an underspend of £48k. The ability of GLL and BWUH Ltd to absorb utility costs and the work with energy consultants to ensure the most cost effective procurement of utilities helped deliver the year end position.

Going forward, the legacy of the cost of living crisis is still felt by many ratepayers. The Bank of England continues to predict inflation increases of below 2% over the medium term. The delivery of priorities including waste and climate will require significant investment at a time when businesses and homeowners continue to recover from the cost of living crisis. Although investment continues throughout the city to grow the rate base, setting budgets over the medium term will be challenging and is likely to require the realignment of existing budgets to Member agreed priorities.

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 - 30. This Annual Governance Statement for 2023/24 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 the Strategic Policy and Resources 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 2023-24 improvement plan undertook a substantial re-assessment of improvement objectives and streamlined many of our previous improvement actions, to continue to make the best impact possible and are meaningful for local people. Improvement objectives focused on Communities, Economy and Environment and City Services and Facilities.

The five improvement objectives are:

1. We will maintain and where appropriate, improve resident satisfaction with the council and the services and facilities that we provide
2. We will improve our local areas and enhance how we engage and support residents so everyone can enjoy good quality of life
3. We will help small businesses including social enterprises and co-operatives, to develop and grow, and by doing so, help create local opportunities for local jobs and employment
4. We will help tackle climate change by protecting our environment and improving the sustainability of Belfast
5. We will revitalise our city and help it to innovate in an inclusive and sustainable way

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 2024 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 2024 (the Code) and the Department for Communities Accounts Direction, Circular LG 05/24. 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 2023/24 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 2023/24 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 2024 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 2024 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 44, 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 102, includes the reserves of BWUH Ltd, contributing to an increase of £11.5k on the Group General Fund.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 45, 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 103, includes the consolidated income and expenditure of BWUH Ltd.

The Balance Sheet

The Balance Sheet, as set out on page 46, 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 104, includes relevant balances for BWUH Ltd and Beltel LLP.

The Cash Flow Statement

The Cash Flow Statement, as set out on page 47, 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 105, 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 2023/24.

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 2024, the Council increased its General Fund to £59.3m. The Budget plans form part of the Revenue Estimates and in 2023/24 the total net expenditure budget for the Council was set at £193.6m.

The Council reported a £48k underspend 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 2024 is mainly due to underspends in employee budgets.

The Cost of Services on Continuing Operations of £215.8m 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 £3.6m (net deficit on the provision of services).

Borrowings

For the 2023/24 year the Council has an authorised borrowing limit of £140.3m. 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 £121.6m, this ensures that the Council only borrows for capital purposes. During the year, the Council repaid external loans of £5.26m with Department of Finance. At 31 March 2024, the total amount outstanding on external loans was £38.5m.

Capital Expenditure

Expenditure on capital projects during the year amounted to £16.4m. The most significant expenditure was on: Fleet Replacement Programme 2023-24 £2.2m; Templemore Leisure Centre £1.8m; Marrowbone Park £1.6m; Pitt Park Redevelopment £1.3m; Forth Meadow and Springfield Shared Spaces £1.1m and North Foreshore Development Sites Infrastructure Work £1.1m.

Strategy and Resource allocation

As part of the 2023/24 rate setting process, additional costs of £27.2m were identified to run Council services. The Council agreed to funding the gap over 2 years, setting a 7.99% district rate increase to fund £12.5m of these costs with the remainder to be considered as committed burden on the 2024/25 district rate. A financing strategy was also put in place to ensure the delivery of a balanced budget at the end of 2023/24 through:

- the application of expenditure and vacancy controls to target in year savings of £3m;
- a targeted underspend of £1m in the Capital Financing Budget due to slippages in the progression of capital schemes;
- the temporary diversion of the City Deal recurrent budget of £3m for one year;

- the temporary realignment of £2m from the Belfast Investment Fund (BIF) recurrent budget.
- The remaining balance of £3.5m to be funded from specified reserves

The committed rate burden for 2023/24 was reviewed as part of the rate setting process for 2024/25. A combination of falling utility prices and the use of energy consultants to manage utility procurement resulted in a downward revision of the committed burden. Consequently through efficiencies of almost £3.8m and a 5.44% district rate increase, a balanced budget was agreed for 2024/25.

Outlook

The Council is fully aware that it is operating 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 2024, including:

- Marketing and Communications win PRide Awards – gold in two categories – Best integrated Campaign and House PR team of the Year
- Belfast Zoo Marketing Team win BIAZA award
- BCC became an Autism NI Impact Award Champion
- 20 BCC Parks, Cemeteries and Open Spaces awarded Green Flag Status
- St Comgalls restoration shortlisted for RSUAs best architecture of 2024
- Belfast City Cemetery Heritage Project shortlisted in APSE Service Awards
- Templemore Baths, St Comgalls and Patrick Street development Shortlisted for RICS Awards in heritage and refurbishment/revitalisation categories
- St Josephs Church in Sailortown nominated for award in Best Maintenance of a Historic Building

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 – The City Innovation Office continues to deliver its Smart Belfast urban innovation programme that seeks to promote cross-sector collaborations to bring novel solutions to public policy challenges while supporting economic development. The Office delivered the third year of the maritime mile HUB-IN inclusive innovation project with waterfront communities; successful bid for a £3.8 million programme to establish Belfast as a 5G Innovation Region and deliver four commercial use cases; worked with Belfast Region City Deal partners to design and launch the £900,000 Augment the City programme that will support SMEs to work with the region’s tourism leads on the future role of immersive technologies; and continues to work on City Deal investments aimed at maximising the impact of the local universities new centres of excellence.
- Belfast Region City Deal – The signing of the Belfast Region City Deal (BRCD) in December 2021 secured the financial commitment of the UK Government, NI Executive and BRCD partners, to work with industry to deliver a £1bn programme of investment that offers a ‘once in a generation’ opportunity to accelerate inclusive economic growth for the region. Belfast City Council has been established as the Accountable Body for the Deal through which funding will flow to projects. Significant progress has been made during 2023/24 across the BRCD Programme.

The most advanced projects are now recruiting and upskilling staff, constructing new premises, co-designing projects with industry, procuring next generation technology and equipment, and moving fully into operation. A total of 15 projects now have Outline Business Cases approved. Of these 15, 12 now also have Contracts for Funding (CfFs) and Funding Agreements signed, with Innovation Pillar projects generally at a more advanced stage of development.

During 2023/24, contracts were signed for the Digital Twin and Augment the City projects, and the latter has launched its Challenge Competition. These signed CfFs will enable project delivery with an approximate value of £500m, with £5.2m paid to projects from the Accountable Body up to 31 March 2024. A significant milestone was achieved in March 2024 with the approval of the first Full Business Case (FBC) for the Advanced Manufacturing Innovation Centre (AMIC) project, followed by approval of the FBC for Studio Ulster shortly afterwards – these two projects are now in the construction phase. Planning approval is now in place for the Lagan Pedestrian and Cycle Bridge and iREACH Health.

- Belfast PEACE IV - Delivery of the Belfast PEACE IV Local Action Plan concluded in September 2023. Through the PEACE IV Action Plan £12.9m of investment supported peace and reconciliation projects across the City. Over 4,200 participants engaged in 15 diverse projects across 3 strategic themes, with a further 8,000 people attending PEACE IV events. A new shared space, Forth Meadow Community Greenway, connecting communities stretching 12km across North and West Belfast was delivered as part of the PEACE IV investment.

The programme contributed to achieving the Council's vision of a shared city by enabling understanding of others, embracing difference, and resulted in positive change in attitudes between the two main communities.

The PEACE IV Programme was financed through the European Union and managed by the Special EU Programme Board (SEUPB).

Through 2024/25 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 30.

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 2024.

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 2023/2024

The Council's Annual Governance Statement (AGS) follows the Code of Practice on Local Authority Accounting in the UK 2023/24 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 2024

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 regulation 4 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.

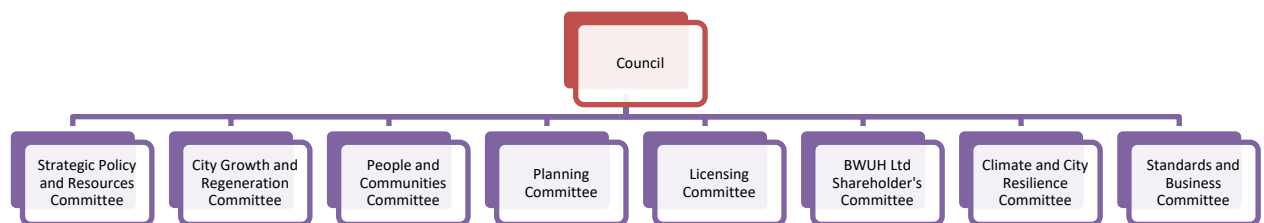
The governance framework continues to be in place at Belfast City Council for the year ending 31st March 2024 and up to the date of approval of the Annual Governance Statement

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 applied up until 6th March 2024. The provision of the Coronavirus Act 2020 which allows councils to hold remote/hybrid meetings was not extended and so members must be physically present at Council and Committee meetings from 7th March 2024 in order to take part in debates and to vote on any issues which may be raised. As working groups and workshops are not decision-making bodies and are not subject to the same legislation, these continue to be held as hybrid meetings.

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 17 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 2023/24.

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. 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
- Equality Screening Outcome reports 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
-

D: Optimising the achievement of outcomes

- Corporate plan aligned to delivery of Belfast Agenda
- Adoption of the Belfast Local Development Plan (LDP) - Plan Strategy
- 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 Code outlines three financial management styles – delivering accountability, supporting performance and enabling transformation. Compliance with the Code requires credible proposals to raise financial standards beyond the basic delivery of accountability. The continuing development of the Council's approach to Medium Term Financial Planning will support performance by better alignment of service / corporate plans with financial plans. Planning beyond the annual budget should enable Members and senior management to protect financial sustainability by linking vision, strategy and outcomes. The new financial system was implemented on 1st May 2024. The analytical capability of the system will be explored after the usefulness of initial reports have been reviewed.

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 did not report any breaches of personal data to the Information Commissioner's Office (ICO) during 2023/24. Two incidents were reported directly to the ICO by data subjects as complaints. The ICO was satisfied that a personal data breach had not occurred and took no further action in relation to either incident.

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 reports.



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.

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.

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 2023/24, which gives an opinion on the Council's risk and control environment.

A Statement by the Head of Internal Audit

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. Member and management agreement of this plan combined with delivery of the majority of this plan 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.

My opinion is based on completion of audits in the audit plan for 23/24; programme and project assurance and advisory work undertaken for a number of fundamental corporate IT projects; other advisory work 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 2023/2024, 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 2nd tier of assurance in the 4 tier model (see Table 2 at section 3 of this report).
- Provision of assurance and advisory work for major programmes and projects including the new accounting system which went live on 1 May 2024, in addition to real time advisory work on grants / funding processes.
- The results of the recommendations monitor exercises completed in September 2023 and April 2024.

- 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.
- The completion of the National Fraud Initiative, with no fraud identified.
- Quarterly assurances from senior management on the management of key risks and maintenance of internal control systems.
- 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 2023/24 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 2023/24, three areas resulted in ‘major improvement’ assurance levels:
 - Corporate Risk Review – Resilience Strategy
 - Open Spaces and Streetscene
 - Belfast Waterfront and Ulster Hall Ltd
 It is important that the action plans for the above audits are implemented in as timely a manner as possible.
- The most recent recommendations monitor exercise completed in April 2024, showed good progress being made in the implementation of audit actions. It is important that this commitment to ensuring that there is a robust control environment to support delivery of services, programmes and priorities continues.
- Looking ahead, I highlight the importance of the ongoing development of the councils approach to medium term financial planning and adequate and effective programme management and performance management processes to support the delivery of the new corporate plan and priorities for 2024-28. Following the new financial system going live on 1 May 2024, I underline the importance of obtaining assurance over the effectiveness of the controls in operation and to this end our plan for 24/25 sets aside time for this work.

Limitations – the most recent External Quality Assessment (EQA) of AGRS found strong evidence that AGRS is viewed as making a positive contribution to the continuous improvement of governance, risk management and internal control in the Council and conforms to the requirements of the Public Sector Internal Audit Standards. One of the recommendations for improvement arising from the EQA was that my annual assurance report should highlight the limitations that result from AGRS’ role in supporting the Council’s risk management arrangements. In this regard I highlight that AGRS is responsible for assisting the Director in establishing, maintaining and supporting the implementation of the council’s Risk Management Strategy. This places limitations on AGRS’ ability to assess the overall effectiveness of the Council’s risk management arrangements. To manage these limitations and to preserve the independence and objectivity of AGRS a number of safeguards have been put in place including resource planning to manage boundaries between our advisory and assurance work; self-assessments against best practice and periodic external assurance reviews of the councils arrangements for risk management.

Public Sector Internal Audit Standards - I can confirm that the AGRS Service has conformed to Public Sector Internal Audit Standards during 2023/24. 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.

Update on the Significant Governance Issues that were declared last year

Five issues were declared last year and three continue to be declared as issues in this year's statement regarding Financial Planning, Digital Information Security and the Brexit Implementation Programme for Port Health. Two issues relating to Recruitment Challenges and the Belfast Region City Deal are no longer considered to be significant governance issues for the year-end 2024 and an update on the work that was completed last year to manage these issues is set out below.

Recruitment Challenges

A Strategic Director of City Operations was appointed in November 2023. A Strategic Director of Place & Economy was appointed in January 2024. The City Solicitor / Director of Legal & Civic Services was appointed in May 2024. This completes the structure of the Corporate Management Team.

The Council continued to undertake a high volume of recruitment activity including campaigns for difficult to fill roles for example security staff, environmental health officers, HGV drivers which provides greater stability across departments.

The Council also held a number of job fairs to increase applicant rates to a wide variety of roles and ran another high volume permanent recruitment campaign for the basic entry role of general operatives which has further increased stability in front line services.

The Council's People Strategy and 3-year action plan was launched in October 2023 with a 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.

The council will continue to undertake recruitment campaigns throughout 2024-25 to create greater stability across council departments.

Belfast Region City Deal

Significant progress has been made during 2023-24 with the BRCD well into delivery. To date 15 business cases have been approved with a combined approximate project value of £660m and 12 Contracts for Funding have been signed for projects with an approximate value of just over £500m. Over £7m in funding has been drawn down and two full business cases have also been approved.

The contracts for funding for a number of projects particularly in the tourism investment pillar, were subject to delays due to new requirements in relation to subsidy control. The PMO and partners have invested significant resources to deal with this issue including engaging with the Competition and Markets Authority (CMA) and procuring specialist legal advice. As a result two Subsidy Assessments were submitted and both received positive reports from the CMA. Contracts for funding and funding agreements have now been signed for three tourism projects.

Partners continue to consider the inflationary challenges as projects progress and in some cases have committed additional funding to projects from their own organisations' budgets. This will continue at individual project level and at programme level the partnership will engage with government in relation to value re-engineering, benefits realisation and the identification of additional funding where appropriate.

Significant Governance Issues for the year-end 2024

The significant governance issues for the year-end 2024 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 are listed below and have been carried forward from last year:

1. Financial Planning
2. Digital Information Security / Digital Strategy
3. Brexit Implementation Programme for Port Health
4. Black Mountain Shared Space Non-Compliance Issue

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

1. Financial Planning

The 5-step finance strategy applied in 2020/21 to deal with the COVID-19 issue and extended into the 2021/22 and 2022/23 financial years was further extended into 2023/24 and reviewed quarterly due to the continuing economic crises. This strategy remained in place for the full financial year.

Members had previously agreed the creation of two additional specified reserves to deal with

- 1) Covid Costs/Income Losses
- 2) Rate Base Losses.

The 5-step strategy allowed the council to manage additional costs/loss of income due to covid via in year budget savings and the use of the Covid Costs/Income Losses specified reserves. As part of the year-end review of the Council's financial position, these will be reviewed taking consideration of the current economic environment.

During the 24/25 rate setting process income and expenditure were reviewed in detail resulting in new and additional income streams being agreed. This resulted in a rate increase which will provide a sustainable financial position for the Council without the reliance on the 5-step finance strategy introduced in 2021/22.

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 23/24 budgets. To mitigate the impact on the 24/25 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 2024/25 include:

- Complete Corporate Management Team Cyber Security Exercise.
- Complete Ransomware Playbook.
- Carry out external Security Information and Event Management engagement to improve threat detection in the Microsoft 365 environment.
- Implement agreed Cloud security governance.
- Network access control roll out to be completed.
- Following a review of local government pilots complete a new maturity assessment based on the new National Cyber Security Centre Cyber Assessment Framework.

An 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. CMT has approved the creation of a Data and Analytics Board to be chaired by the Deputy Chief Executive / Director of Corporate Services. A new 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 has been approved by the Corporate Management Team. The main objectives of the Digital Strategy relate to Digital Public Services; Information as an Asset; Digital City Innovation and; Digital Capability. The strategy will now be taken to the Strategic Policy & Resources committee.

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 across the service but particularly in specialist areas such as Cyber Security and Application Development. Digital Services has established a workforce planning group to review and determine future skills and development needs across the service.

Additional actions that are planned to be carried out to mitigate this risk in 24-25 include:

- Create action plan based on the feedback from the workforce planning group.
- Create a new apprenticeship role in the Infrastructure team.
- Review the use of employment academies.
- Review recruitment practices.

3. Brexit Implementation Programme for Port Health

Throughout 2023/24 the Council has continued to work with partners and stakeholders to ensure the Council meets its current statutory duties, while also taking steps to prepare for the phased implementation of Windsor Framework statutory requirements.

The programme of work has focused on securing temporary funding for 2024/25 (currently allocated on an annual basis) and preparing for future review of staffing and operations once a longer term funding model is identified by Government.

The Council has also worked with Department for Environment, Food and Rural Affairs (DEFRA) to ensure Council requirements are taken into account for the construction of a new permanent and purpose built product inspection facility at the Port, and to ensure any required upgrades and maintenance of the temporary inspection facilities at the Belfast Point of Entry sites including Corry Place.

Further work being taken forward under the programme includes further development of IT systems to streamline processes and joint working.

Details of the phasing implementation of some aspects of the Windsor Framework in 2024/25 and 2025/26 is yet to be confirmed including arrangements for fees and charges.

Some uncertainty remains regarding volumes of checks required and the extent to which businesses may eventually realign trading routes, as this is dependent on the final Windsor Framework arrangements and also the potential impacts of new controls at GB ports under the UK's Border Target operating model for EU goods being imported to GB. The Council are liaising closely with Department of Agriculture, Environment and Rural Affairs, DEFRA and Food Standards Authority to ensure operational readiness.

Further work will be required in 2024/25 and beyond to develop a longer term staffing model, and to secure a sustainable funding arrangement to support the service going forward and IT development for the new facility.

4. Black Mountain Shared Space Non-Compliance Issue

As part of the PEACE IV Local Action Plan the Council delivered the new shared community facility at Black Mountain, which opened in July 2024. Black Mountain Shared Space (BMSS) is a €6.3 million project that has created a welcoming, safe, and accessible state-of-the-art building that has led to the removal of physical barriers in the area and created a facility where cross community

programming is now being delivered in line with the fundamental objective to support peace and reconciliation outcomes.

The EU Regulations required procurement for PEACE IV projects to be published in the Official Journal of the European Union (OJEU) and Council had always, up to this point, complied with this process. However, at the time of advertising the tender, access to OJEU had been disabled on the Council's procurement system (eSourcing) by the supplier, in line with government guidance relating to UK exit from the EU.

The SEUPB subsequently made the council aware that it intended to impose a penalty because council did not advertise the tender in OJEU. SEUPB indicated that while the procurement rules meant that the maximum penalty was 100% of contract cost, the proposed penalty was 25% of contract cost. They asked the Council to set out any mitigations against the imposition of this level of penalty. The council set out the following:

- The procurement occurred after the end of the transition period following the UK's exit from the EU. At this point all contracting authorities were notified to use the new Find a Tender Services (FTS) as a replacement for OJEU and access to the OJEU system was disconnected. Construction and Procurement Delivery (CPD) advice was that projects above threshold limits should be advertised on FTS.
- At all stages throughout the procurement officers followed the advice of CPD who acted as the procurement client advisors for the Peace Programme for SEUPB and the procurement approaches for both were agreed by SEUPB and CPD in line with the governance for each project.
- Non-publication in OJEU did not materially affect the procurements in that the FTS and e-Sourcing, the services used by the Council, have no geographical restrictions for access therefore suppliers from EU countries can access opportunities via FTS.
- That the project had well established and robust governance structures in place with representation from both SEUPB and CPD. The procurement strategy and all procurement documentation were signed off via the Board.

Given these mitigations the penalty was reduced from 25% down to 10% of contract cost, (€636k/£535k) which the SEUPB have advised is an unprecedented outcome. It is disappointing that any penalty has been imposed; however, given the significant reduction in amount the Council has agreed to accept this outcome.

The penalty was a direct result of the situation that arose following the UK's exit from the EU and at a period of extreme uncertainty within the market. Given this, and the Council's robust governance in place for the delivery of all capital projects, there is no likelihood of this issue recurring.

Signed:
Chair Strategic Policy and Resources Committee

Signed:
Chief Executive Officer

INTRODUCTION

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

ALLOWANCE AND REMUNERATION ARRANGEMENTS

COUNCILLORS

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

Guidance and determinations on Councillors' Allowances applicable from 1 April 2023 were issued by the Department for Communities on 28 November 2023 (Circular LG 23/2023). 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	2023/24		2022/23 (restated)	
	Total Allowances £	Number of Councillors receiving the Allowance (FTE)	Total Allowances £	Number of Councillors receiving the Allowance (FTE)
Basic Allowance	929,294	60	922,694	60
Special Responsibility	113,581	52	117,154	53
Lord Mayor Allowance	34,800	1	34,706	1
Deputy Lord Mayor Allowance	6,029	1	6,250	1
PCSP Allowance	11,100	27	7,680	23
High Sheriff's Allowance	6,250	1	6,250	1
Public Transport & Other Travel	1,890	4	2,486	2
Mileage Allowance	1,399	9	1,394	7
Accommodation & Subsistence	1,657	1	2,292	2
Telephone rental	-	-	-	-
Miscellaneous costs	-	-	-	-
TOTAL ALLOWANCES	1,106,000		1,100,906	

Details of the allowances paid to individual Councillors in 2023/24 are published on the Council website at 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	2023/24				2022/23			
	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*	155-160			155-160	130-135	0	0	130-135
Deputy Cx / Strategic Dir of Corporate Services) - Sharon McNicholl**	75-80 (115-120)			75-80 (115-120)	n/a			n/a
Director of City and Organisational Strategy - John Tully	115-120			115-120	110-115	0	0	110-115
Strategic Director of City Operations - David Sales***	45-50 (115-120)			45-50 (115-120)	n/a			n/a
Strategic Director of Place and Economy - Damien Martin ****	25-30 (115-120)			25-30 (115-120)	n/a			n/a
City Solicitor - Nora Largey	110-115			110-115	75-80 (105-110)	0	0	75-80 (105-110)
Director Operational of Physical Programmes - Sinead Grimes	100-105			100-105	100-105	0	0	100-105
Director of External Affairs, Marketing & Comms - Lisa Caldwell*****	40-45 (100-105)			40-45 (100-105)	45-50 (90-95)	0	0	45-50 (90-95)
Director of Human Resources - Christine Sheridan	100-105			100-105	45-50 (90-95)	0	0	45-50 (90-95)
Director of Finance - Trevor Wallace	100-105			100-105	45-50 (90-95)	0	0	45-50 (90-95)
Director of Ext Affairs, Comms & Market - Eunan McConville*****	30-35 (95-100)			30-35 (95-100)	n/a			n/a

*This figure includes payments in respect of duties as Deputy Returning Officer during elections in May 2023

** Sharon McNicholl appointed Deputy Chief Executive on 31 July 2023

***David Sales appointed to this post on 6 November 2023

****Damien Martin appointed to this post on 1 January 2024

*****Lisa Caldwell left on 31 August 2023

*****Eunan McConville appointed to this post on 4 December 2023

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 2024 was £155k-160k. This was 5.07 times the median remuneration of the workforce, which was £30,825.

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)

	2023/24 £'000	2022/23 £'000
Salary Band of Highest Paid member of the CMT	155-160	130-135
Median Total Remuneration	30.8	28.9
Ratio	5.07	4.66

In 2023/24, 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 and Benefits in Kind:

"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 2023/24 (audited information)

Severance Package Cost Band	2023/24				2022/23			
	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	0	0	0
£20,001 - £40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	0	1	1	59	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	2	2	174	0	0	0	0
£100,001 - £150,000	0	1	1	150	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	1	1	190
£200,001 - £250,000	0	0	0	0	0	1	1	202
Total	0	4	4	383	0	2	2	392

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 2023, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £16,900	5.50%
2	£16,901 - £26,000	5.80%
3	£26,001 - £43,400	6.50%
4	£43,401 - £52,800	6.80%
5	£52,801 - £104,700	8.50%
6	More than £104,700	10.50%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. Contribution rates for the 2023/24 year were set from the formal triennial actuarial valuation of the Fund as at 31 March 2022 carried out in 2022/23 and set the employer contribution rates for the 3 years commencing 1 April 2023 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2023 - 31 March 2024	19.0%
1 April 2024 - 31 March 2025	19.0%
1 April 2025 - 31 March 2026	19.0%

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 2023/24 was £190,397 (2022/23 £186,321).

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 2023/24 (audited information)

Officers	Accrued Pension and Related Lump Sum (LS) at pension age as at 31/03/24 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/24 £'000	CETV at 31/03/23 £'000	Real increase in CETV £'000
John Walsh	65-70	2.5-5	1,354	1,195	63
	85-90 (LS)	0-2.5 (LS)			
Sharon McNicholl	0-5	0-2.5	24	-	16
	0-5 (LS)	0-2.5 (LS)			
John Tully	30-35	2.5-5	509	420	48
	0-5 (LS)	0-2.5 (LS)			
David Sales	0-5	0-2.5	58	43	8
	0-5 (LS)	0-2.5 (LS)			
Damien Martin	15-20	0-2.5	263	254	1
	0-5 (LS)	0-2.5 (LS)			
Nora Largey	30-35	2.5-5	493	396	59
	15-20 (LS)	0-2.5 (LS)			
Sinead Grimes	35-40	0-2.5	571	505	23
	25-30 (LS)	0-(2.5) (LS)			
Lisa Caldwell	10-15	0-2.5	173	143	22
	0-5 (LS)	0-2.5 (LS)			
Christine Sheridan	40-45	2.5-5	795	653	89
	55-60 (LS)	2.5-5 (LS)			
Trevor Wallace	40-45	2.5-5	858	709	92
	55-60 (LS)	2.5-5 (LS)			
Eunan McConville	0-5	0-2.5	8	-	5
	0-5 (LS)	0-2.5 (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 44 to 117 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 48 to 60 and page 106.
- (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 2024.

Chief Financial Officer

Date

These accounts were approved by resolution of the Strategic Policy & Resource Committee on 20th September 2024.

Chairperson

Date

Belfast City Council
Movement in Reserves Statement for the year ended 31 March 2024

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
	£	£	£	£	£	£
Balance as at 1 April 2022	62,218,726	24,573,129	1,068,583	87,860,438	542,366,998	630,227,436
Movement in reserves during the year						
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
Total Comprehensive Income and Expenditure	(22,381,947)	-	-	(22,381,947)	235,601,341	213,219,394
Adjustments between accounting basis & funding under regulations	19,720,539	549,194	1,685,725	21,955,458	(19,278,893)	2,676,565
Net increase before transfers to Statutory and Other Reserves	(2,661,408)	549,194	1,685,725	(426,489)	216,322,448	215,895,959
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
Increase/ (Decrease) in year	(3,402,782)	3,756,098	(426,125)	(72,809)	221,048,448	220,975,639
Balance as at 31 March 2023	58,815,944	28,329,227	642,458	87,787,629	763,415,446	851,203,075
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(3,603,939)	-	-	(3,603,939)	-	(3,603,939)
Other Comprehensive Income and Expenditure	-	-	-	-	3,509,775	3,509,775
Total Comprehensive Income and Expenditure	(3,603,939)	-	-	(3,603,939)	3,509,775	(94,164)
Adjustments between accounting basis & funding under regulations	5,862,150	9,450	216,000	6,087,600	(5,985,414)	102,186
Net increase before transfers to Statutory and Other Reserves	2,258,211	9,450	216,000	2,483,661	(2,475,639)	8,022
Transfers to / from Statutory and Other Reserves	406,628	(406,628)	-	-	-	-
Other movements	(2,181,772)	-	(129,450)	(2,311,222)	(853,000)	(3,164,222)
Increase/ (Decrease) in year	483,067	(397,178)	86,550	172,439	(3,328,639)	(3,156,200)
Balance as at 31 March 2024	59,299,011	27,932,049	729,008	87,960,068	760,086,807	848,046,875

Belfast City Council
Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

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.

		2023/24			2022/23		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Service Expenditure	Note	£	£	£	£	£	£
Strategic Policy & Resources	2	75,536,309	(16,062,459)	59,473,850	81,554,315	(16,920,994)	64,633,321
City Growth & Regeneration	2	47,429,133	(18,164,896)	29,264,237	41,335,650	(13,705,472)	27,630,178
People & Communities	2	146,947,180	(23,348,487)	123,598,693	134,266,533	(22,205,369)	112,061,164
Planning & Licensing	2	9,755,547	(6,336,033)	3,419,514	9,169,502	(5,219,714)	3,949,788
Cost of Services on Continuing Operations		279,668,169	(63,911,875)	215,756,294	266,326,000	(58,051,549)	208,274,451
Other Operating Expenditure/Income	8	137,193	(5,840,643)	(5,703,450)	2,318,167	(1,685,725)	632,442
Financing and Investment Income and Expenditure	9	1,620,218	(9,532,097)	(7,911,879)	6,654,957	(6,783,347)	(128,390)
(Surplus) or Deficit on Discontinued Operations				-			-
Net Operating Expenditure		281,425,580	(79,284,615)	202,140,965	275,299,124	(66,520,621)	208,778,503
Taxation and Non-Specific Grant Income	10	897,462	(199,434,488)	(198,537,026)	269,044	(186,665,600)	(186,396,556)
(Surplus)/Deficit on the Provision of Services		282,323,042	(278,719,103)	3,603,939	275,568,168	(253,186,221)	22,381,947
(Surplus)/Deficit on revaluation of non-current assets	11			(19,659,775)			(38,330,341)
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			16,150,000			(197,271,000)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	29			-			-
Other Comprehensive Income and Expenditure				(3,509,775)			(235,601,341)
Total Comprehensive Income and Expenditure				94,164			(213,219,394)

Belfast City Council
Balance Sheet as at 31 March 2024

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 2024	31st March 2023
	Note	£	£
Fixed Assets	11	884,939,159	877,813,345
Long Term Investments		-	-
Investment in Associates and Joint Ventures	29	3,436,859	3,436,859
Long Term Debtors	15	936,759	744,099
Contract Assets		-	-
Contract Costs		-	-
LONG TERM ASSETS		889,312,777	881,994,303
Short Term Investments		-	-
Inventories	14	220,813	306,758
Short Term Debtors	15	45,276,406	30,484,561
Cash and Cash Equivalents	24	13,499,122	19,140,662
Assets Held for Sale	11	2,520,001	2,520,001
Contract Assets	3, 15	556,847	496,180
Contract Costs		-	-
CURRENT ASSETS		62,073,189	52,948,162
Bank Overdraft	24	-	-
Short Term Borrowing	16	5,375,701	5,260,558
Short Term Creditors	17	50,414,704	42,744,089
Provisions	18	4,265,735	3,736,974
Contract Liabilities	17	35,000	113,110
CURRENT LIABILITIES		60,091,140	51,854,731
Long Term Creditors	17	11,778	11,778
Provisions	18	1,844,093	1,844,093
Long Term Borrowing	16	33,145,642	38,521,347
Other Long Term Liabilities	20	7,068,942	(10,648,058)
Contract Liabilities		-	-
Donated Assets Account	21	443,856	443,856
Capital Grants Receipts in Advance	21, 22	733,640	1,711,643
LONG TERM LIABILITIES		43,247,951	31,884,659
NET ASSETS		848,046,875	851,203,075
USABLE RESERVES			
Capital Receipts Reserve	25	729,008	642,458
Deferred Capital Receipts	25	-	-
Capital Fund	25	14,409,960	15,096,990
Leisure Mobilisation Fund	25	534,521	611,877
Neighbourhood Regeneration Fund	25	10,052,018	10,000,000
Other Balances and Reserves	25	2,935,552	2,620,360
General Fund	25	59,299,011	58,815,944
		87,960,070	87,787,629
UNUSABLE RESERVES			
Capital Adjustment Account	26	526,101,099	522,981,947
Revaluation Reserve	26	243,212,740	231,519,930
Pensions Reserve	26	(7,068,942)	10,648,058
Accumulated Absences Account	26	(2,153,896)	(1,730,293)
Provisions Discount Rate Reserve	26	(4,196)	(4,196)
		760,086,805	763,415,446
NET WORTH		848,046,875	851,203,075

Belfast City Council
Cash Flow Statement at 31 March 2024

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.

		2023/24	2022/23
	Note	£	£
Surplus/(Deficit) on the Provision of Services		(3,603,939)	(22,381,947)
Adjustment for non-cash movements	24	22,719,099	51,678,092
Adjust for items included in the (Surplus)/Deficit on the Provision of Services that are investing and financing activities	24	(5,948,531)	(9,692,017)
Net cash flows from operating activities		13,166,629	19,604,128
Cash flows from Investing Activities	24	(13,547,607)	(15,741,860)
Net Cash flows from Financing Activities	24	(5,260,562)	(5,209,837)
Net increase or decrease in cash and cash equivalents		(5,641,540)	(1,347,569)
Cash and cash equivalents at the beginning of the reporting period	24	19,140,662	20,488,231
Cash and cash equivalents at the end of the reporting period		13,499,122	19,140,662

1 **Accounting Policies**

a **General Principles**

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. 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 2023/24, 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
- utilised 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 measurable 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 20% 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. The increase in utility prices in recent years due in principal to a number of Global Geo-political factors has ended and prices have fallen back substantially from their peak in 2022. This has led to a substantial reduction in income from electricity generation during financial year 23/24 and an over recovery position at Period 13 of £75,364. Gas levels have also continued to decrease in line with expectations, leading to lower KWH output. Whilst operating costs have increased due to index linking of contract costs with Renewable Power Systems. 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 not decided to voluntarily implement IFRS 16 in the 2023/24 year). Belfast City Council will adopt IFRS 16 from 1 April 2024.
- b) Classification of Liabilities as Current or Non-current. (Amendments to IAS1 issued in January 2020) The amendments:
 - Specify that an entity's right to defer settlement must exist at the end of the reporting period
 - Clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - Clarify how lending conditions affect classification, and
 - Clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022 to add subsequent measurement requirements for sale and leaseback transactions.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022 to improve the information an entity provides when its right to defer settle settlement of a liability for at least 12 months is subject to compliance with covenants.

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 2024 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 2024 and the projected service cost for the year ending 31 March 2024 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.

	2023/24			2022/23		
	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	52,994,875	(6,478,975)	59,473,850	56,276,958	(8,356,363)	64,633,321
City Growth & Regeneration	24,471,258	(4,792,979)	29,264,237	21,659,915	(5,970,263)	27,630,178
People & Communities	101,871,533	(21,727,160)	123,598,693	89,247,095	(22,814,069)	112,061,164
Planning & Licensing	3,242,324	(177,190)	3,419,514	2,542,801	(1,406,987)	3,949,788
Net Cost of Services	182,579,990	(33,176,304)	215,756,294	169,726,769	(38,547,682)	208,274,451
Other Income and Expenditure	(183,063,057)	29,089,298	(212,152,355)	(166,323,987)	19,568,517	(185,892,504)
Surplus or Deficit	(483,067)	(4,087,006)	3,603,939	3,402,782	(18,979,165)	22,381,947
Opening General Fund			58,815,944			62,218,726
Surplus/(Deficit) on General Fund Balance in Year			483,067			(3,402,782)
Closing General Fund			59,299,011			58,815,944

Councils are required to report on the basis of how they are structured and how they operate, monitor and manage financial performance. The purpose of the Expenditure and Funding Analysis is to bring together the operating framework and accounting framework. The adjustments referenced above are detailed in Note 2b.

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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
2023/24

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	(4,200,477)	(761,928)	(175,217)	(1,341,353)	(6,478,975)
City Growth & Regeneration	(5,452,484)	(180,885)	(94,336)	934,726	(4,792,979)
People & Communities	(20,629,845)	(969,402)	(127,913)	-	(21,727,160)
Planning & Licensing	-	(151,054)	(26,136)	-	(177,190)
Net Cost of Services	(30,282,806)	(2,063,269)	(423,602)	(406,627)	(33,176,304)
Other Income and Expenditure from the Expenditure and Funding Analysis	25,558,260	1,349,269	-	2,181,769	29,089,298
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(4,724,546)	(714,000)	(423,602)	1,775,142	(4,087,006)

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)
Net Cost of Services	(24,022,843)	(18,345,608)	613,865	3,206,904	(38,547,682)
Other Income and Expenditure from the Expenditure and Funding Analysis	25,815,442	(3,781,392)	-	(2,465,533)	19,568,517
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,792,599	(22,127,000)	613,865	741,371	(18,979,165)

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		2023/24	2022/23
	Note	£	£
Employee Benefits Expenses	7	110,380,690	100,843,596
Other Services Expenditure		141,726,318	144,766,750
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	30,282,807	24,022,845
Interest Payments	9	985,734	1,045,535
(Gain)/Loss on the Disposal of Assets	8	(200,507)	632,442
Other Expenditure	9	(852,000)	4,257,000
Total Expenditure		282,323,042	275,568,168

Income		2023/24	2022/23
	Note	£	£
Fees, Charges and Other Service Income		(70,647,268)	(60,006,318)
Interest and Investment Income	9	(9,532,097)	(6,783,347)
District Rate Income	10	(186,546,800)	(173,245,893)
Government Grants and Contributions	10	(11,992,938)	(13,150,663)
Support Service Income		-	-
Other Income		-	-
Total Income		(278,719,103)	(253,186,221)

Deficit on the Provision of Services		3,603,939	22,381,947
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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	2023/24	2022/23
	£	£
Strategic Policy & Resources	4,767,681	3,354,932
City Growth & Regeneration	1,181,877	1,261,912
People & Communities	6,356,005	5,335,662
Total included in Comprehensive Income and Expenditure Statement	12,305,563	9,952,506

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 2024	31st March 2023
	Note	£	£
Receivables, which are included in Debtors		-	-
Contract Assets	15	556,847	496,180
Contract Liabilities		(35,000)	(113,110)
Other		-	-
Total included in Net Assets		521,847	383,070

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	2023/24		2022/23	
		£	£	£	£
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:					
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	(1,609,311)		(210,629)	
Depreciation charged in the year on non-current assets	11	30,392,118	28,782,807	24,885,696	24,675,067
Net Revenue expenditure funded from capital under statute	12		-		-
Carrying amount of non current assets sold	8, 11	137,193		2,318,167	
Proceeds from the sale of PP&E, investment property and intangible assets	8, 24	(337,700)	(200,507)	(1,685,725)	632,442
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		17,155,000		37,209,000
Direct revenue financing of Capital Expenditure	12, 25		(9,594,430)		(10,473,681)
Capital Grants and Donated Assets Receivable and Applied in year	10		(5,610,831)		(8,006,292)
Capital Grants Receivable and Unapplied in year	10		-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	26		423,603		(613,865)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment	26		-		-
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	26		(8,652,492)		(8,620,132)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(16,441,000)		(15,082,000)
			5,862,150		19,720,539

b Net transfers (to)/from statutory and other earmarked reserves:					
		2023/24	2023/24	2022/23	2022/23
	Note	£	£	£	£
Capital Fund					
Interest		-		-	
From Capital		-		-	
Other	25c	696,480	696,480	(2,327,765)	(2,327,765)
Leisure Mobilisation Fund					
Interest		-		-	
Other	25d	77,356	77,356	9,410	9,410
Capital Receipts Reserve					
Interest		-		-	
Other	25a	-	-	-	-
Neighbourhood Regeneration Fund					
Interest		-		-	
Other	25e	(52,016)	(52,016)	-	-
Other Funds and earmarked reserves					
Interest		(62,745)		(28,353)	
From Other funds		-		-	
Other	25f	(252,447)	(315,192)	(860,196)	(888,549)
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			406,628		(3,206,904)

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 2023/24 was £263,965 (2022/23 £nil).

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.

	2023/24	2022/23
	£	£
External Audit Fees	126,000	115,000
National Fraud Initiative	-	-
Performance Improvement work	26,250	25,000
	152,250	140,000

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 £6,240,729 (previous year: £6,338,844). 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:

	2023/24		2022/23	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease rentals receivable:				
No later than 1 year	6,279,489	-	6,260,407	-
Later than 1 year and no later than 5 years	22,144,987	-	21,975,075	-
Later than 5 years	406,277,932	-	411,533,926	-
	434,702,408	-	439,769,408	-

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

	2023/24		2022/23	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	92,955,000	-	93,480,000	-
Accumulated depreciation and impairments at 1 April	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairments	30,000	-	(45,000)	-
Revaluations	1,470,000	-	(610,000)	-
Transfers and reclassifications	-	-	130,000	-
Additions	-	-	-	-
Disposals	-	-	-	-
	94,455,000	-	92,955,000	-

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:

	2023/24	2022/23
	£	£
Other Land and Buildings	985,467	890,465
Vehicles, Plant, Furniture and Equipment	-	-
	985,467	890,465

d Operating Leases (Council as lessee)

The Council is also leasing land with a lease term of 25 years, a number of buildings with lease terms up to 15 years and vehicles/equipment with a lease term of up to 5 years

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

	2023/24		2022/23	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	302,343	146,687	338,594	138,365
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
	302,343	146,687	338,594	138,365

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 2024		31st March 2023	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Not later than 1 year	318,641	146,687	324,582	140,354
Later than 1 year and no later than 5 years	945,035	147,791	1,132,008	225,315
Later than 5 years	197,714	-	298,743	-
	1,461,390	294,478	1,755,333	365,669

7 Employee Costs and Member Allowances

a Staff Costs	2023/24	2022/23
	£	£
Salaries and Wages	85,274,611	77,786,989
Employers NIC	8,691,938	8,281,974
Employers Superannuation	16,414,141	14,774,633
Total staff costs	110,380,690	100,843,596

The above staff costs include the costs of voluntary redundancies in 2023/24. These costs total £383,187 (2022/23 £392,294) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £8,589,688 (2022/23 £9,060,881).

The Council's contribution rate to the NILGOSC scheme in 2023/24 was 19%. At the last actuarial valuation dated 31/02/22 there was a surplus of £1,004.4m relative to the liabilities and funding level was 111%.

Average Number of Employees - where FTE represents fulltime equivalent employees

b Average Number of Employees	2023/24	2022/23
	FTE	FTE
Strategic Policy & Resources	590	592
City Growth & Regeneration	197	180
People & Communities	1,206	1,223
Planning & Licensing	151	145
Total Number	2,144	2,140

	2023/24	2022/23
	Actual Numbers	Actual Numbers
Full-time numbers employed	1,968	1,970
Part-time numbers employed	322	308
Total Number	2,290	2,278

c Senior Employees' Remuneration	2023/24	2022/23
	£	£
£50,001 to £60,000	149	148
£60,001 to £70,000	74	38
£70,001 to £80,000	2	4
£80,001 to £90,000	6	4
£90,001 to £100,000	5	8
£100,001 to £110,000	8	6
£110,001 to £120,000	5	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
Total Number	250	210

d Members' Allowances

	2023/24	2022/23 (restated)
	£	£
Salaries	-	-
Basic Allowance	929,294	922,694
Special Responsibility Allowance	113,581	117,154
Lord Mayor Allowance	34,800	34,706
Deputy Lord Mayor Allowance	6,029	6,250
PCSP Allowance	11,100	7,680
High Sheriff Allowance	6,250	6,250
Public Transport & Other Travel	1,890	2,486
Mileage Allowance	1,399	1,394
Subsistence (including Accommodation)	1,657	2,292
	-	-
Total	1,106,000	1,100,906

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 2020 scheme valuation has been finalised. The outcome of this valuation informed contribution rates from April 2023 for both employers and employees.

For 2023/24, employers' contributions of £352,883 (2022/23 £372,043) 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 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2023.

8 Other Operating Income & Expenditure

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

	2023/24	2022/23
	£	£
Proceeds from sale	(337,700)	(1,685,725)
Carrying amount of non-current assets sold (excl Investment Properties)	137,193	2,318,167
	(200,507)	632,442

b Other Operating Income/ Expenditure

	2023/24	2022/23
	£	£
Income	(5,502,943)	-
Expenditure	-	-
	(5,502,943)	-

This income relates to compensation from an ongoing VAT court case. For further information, see note 23 on Contingent Asset.

Other Operating Expenditure	2023/24	2022/23
	£	£
(Surplus) / Deficit on Non Current Assets	(200,507)	632,442
Other Operating (Income) / Expenditure	(5,502,943)	-
	(5,703,450)	632,442

9 Financing and Investment Income and Expenditure

a Interest Payable and Similar Charges

	2023/24	2022/23 (restated)
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	919,489	1,013,682
Commercial Loan Interest	-	-
Other interest	66,245	31,853
	985,734	1,045,535

b Interest and Investment Income

	2023/24	2022/23
	£	£
Bank Interest	875,080	412,393
Employee car loan interest	1,543	1,103
NIHE Loan interest receivable	-	2,654
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Election Fund	62,745	28,353
Other Investment income	-	-
	939,368	444,503

c Pensions interest costs and expected return on pensions assets

	2023/24	2022/23
	£	£
Net interest on the net defined benefit liability (asset)	(852,000)	4,257,000
Past service cost increase		
	(852,000)	4,257,000

d Surplus/ (Deficit) on trading operations

	2023/24	2022/23
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2023/24	2022/23
	£	£
Income/Expenditure from Investment Properties		
Income including rental income	(6,240,729)	(6,338,844)
Expenditure	634,484	700,200
<i>Net income from investment properties</i>	(5,606,245)	(5,638,644)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
Changes in Fair Value of Investment Properties	(1,500,000)	652,222
	(7,106,245)	(4,986,422)

Financing and Investment Income and Expenditure

	2023/24			2022/23 (restated)		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	985,734	-	985,734	1,045,535	-	1,045,535
Interest and Investment Income	-	(939,368)	(939,368)	-	(444,503)	(444,503)
Pensions interest cost	-	(852,000)	(852,000)	4,257,000	-	4,257,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	634,484	(6,240,729)	(5,606,245)	700,200	(6,338,844)	(5,638,644)
Changes in Fair Value of Investment Properties	-	(1,500,000)	(1,500,000)	652,222	-	652,222
	1,620,218	(9,532,097)	(7,911,879)	6,654,957	(6,783,347)	(128,390)

10 Taxation and Non Specific Grant Income

a Revenue Grants

	2023/24	2022/23
	£	£
General	(6,382,107)	(5,144,371)
Other	-	-
	(6,382,107)	(5,144,371)

b Revenue Grants - Unapplied

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	-	-

c Capital Grants and Donated Assets - Applied

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and applied in year	(4,428,028)	(7,188,914)
Government & Other Grants - Transfer from receipts in advance	(1,182,803)	(817,378)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(5,610,831)</u>	<u>(8,006,292)</u>

d Capital grants from capital receipts unapplied

	2023/24	2022/23(restated)
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Capital grants from capital receipts unapplied	-	-
	<u>-</u>	<u>-</u>

e District Rates

	2023/24	2022/23(restated)
	£	£
Current year	(187,441,550)	(173,514,937)
Clawback/ (Finalisation) - previous year	894,750	269,044
Transitional Relief	-	-
Clawback/ (Finalisation) - other years	2,712	-
	<u>(186,544,088)</u>	<u>(173,245,893)</u>

Taxation and Non Specific Grant Income Summary		2023/24	2022/23(restated)
		£	£
District Rate Income		(186,544,088)	(173,245,893)
Revenue Grants		(6,382,107)	(5,144,371)
Capital Grants from capital receipts unapplied		-	-
Capital Grants and Contributions		(5,610,831)	(8,006,292)
		<u>(198,537,026)</u>	<u>(186,396,556)</u>

Belfast City Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2024

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
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2023	112,007,504	535,655,715	5,093,674	-	54,101,042	53,798,477	50,767,895	5,446,001	816,870,308	9,643,064	-	826,513,372
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	112,007,504	535,655,715	5,093,674	-	54,101,042	53,798,477	50,767,895	5,446,001	816,870,308	9,643,064	-	826,513,372
Additions	1,500	1,457,699	-	-	3,551,694	194,835	11,208,448	-	16,414,175	15,001	-	16,429,176
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	27,500	(3,473,458)	-	-	-	-	15	-	(3,445,943)	42,890	-	(3,403,053)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	300,000	(509,646)	-	-	-	-	(239,215)	-	(448,861)	(5,290)	-	(454,151)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,139,172)	-	-	-	(4,139,172)	-	-	(4,139,172)
Derecognition - Other	-	-	-	-	(152,460)	-	-	-	(152,460)	-	-	(152,460)
Reclassifications & Transfers	-	22,799,309	-	-	104,165	6,842,570	(30,738,929)	-	(992,885)	413,289	-	(579,597)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	112,336,504	555,929,618	5,093,674	-	53,465,269	60,835,882	30,998,214	5,446,001	824,105,162	10,108,954	-	834,214,116

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 2023	-	201,401	1,131,820	-	32,760,547	8,849,493	-	-	42,943,261	27,261	-	42,970,522
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	-	201,401	1,131,820	-	32,760,547	8,849,493	-	-	42,943,261	27,261	-	42,970,522
Depreciation Charge	-	23,494,247	169,794	-	3,861,777	2,387,520	-	-	29,913,338	119,740	-	30,033,078
Depreciation written out on Revaluation Reserve	-	(22,943,088)	-	-	-	-	-	-	(22,943,088)	(119,740)	-	(23,062,828)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(563,462)	-	-	-	-	-	-	(563,462)	-	-	(563,462)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,001,979)	-	-	-	(4,001,979)	-	-	(4,001,979)
Derecognition - Other	-	-	-	-	(134,824)	-	-	-	(134,824)	-	-	(134,824)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	-	189,098	1,301,614	-	32,485,521	11,237,013	-	-	45,213,246	27,261	-	45,240,507
Balance as at 31 March 2024	112,336,504	555,740,520	3,792,060	-	20,979,748	49,598,869	30,998,214	5,446,001	778,891,916	10,081,693	-	788,973,609

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
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2022	113,942,503	511,719,705	5,093,674	-	52,397,814	46,626,489	42,940,032	5,396,001	778,116,218	9,254,328	-	787,370,546
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2022	113,942,503	511,719,705	5,093,674	-	52,397,814	46,626,489	42,940,032	5,396,001	778,116,218	9,254,328	-	787,370,546
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
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	535,655,715	5,093,674	-	54,101,042	53,798,477	50,767,895	5,446,001	816,870,308	9,643,064	-	826,513,372

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	-	30,442,554	6,599,602	-	-	38,158,253	27,261	-	38,185,514
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2022	-	154,071	962,026	-	30,442,554	6,599,602	-	-	38,158,253	27,261	-	38,185,514
Depreciation Charge	-	18,499,787	169,794	-	3,629,849	2,249,891	-	-	24,549,321	109,950	-	24,659,271
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	-	32,760,547	8,849,493	-	-	42,943,261	27,261	-	42,970,522

Net Book Values

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
Balance as at 31 March 2024	112,336,504	555,740,520	3,792,060	-	20,979,748	49,598,869	30,998,214	5,446,001	778,891,916	10,081,693	-	788,973,609

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 20% of these assets are revalued discretely by physical inspection each year, and the remainder are revalued annually by a desktop exercise.

In the 2023/24 year, land and buildings including investment properties were valued as at 31 March 2024. The valuations were carried out by Land and Property Services (LPS), a part of the Department of Finance.

Capital Commitments

A total of 8 capital contracts were entered into during the period:

Project Name	Date	Capital Commitment £
City Hall Statues Carney&McCracken	06/04/2023	245,000
WFH - Solar Panels	06/06/2023	104,806
Belfast Story/Destination Hub	25/09/2023	2,100,263
Cathedral Gardens/Fire Service Belfast Blitz Memorial	08/08/2023	421,444
Belfast Story/Destination Hub	17/10/2023	3,929,505
Covered Cycle Stands(Active Travel-Misc	20/12/2023	181,935
NRC-Brook-Changing Pavilion	10/01/2024	191,500
Woodvale 3G Pitch-Misc Project Costs	13/03/2024	137,865
	Total	7,312,318

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 sale 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 and revaluation losses

There were no material impairments to property during the period.

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 (2022/23: £nil) and a gross cost before amortisation of £16,700k (2022/23: £16,700k); and purchased licensed software and related implementation costs with a net book value of £1,511k (2022/23: £1,315k), and a gross costs before amortisation of £4,674k (2022/23: £4,120k).

Intangible Assets	2023/24	2022/23
	£	£
Balance at start of year:		
Gross carrying amounts	20,888,569	19,994,839
Accumulated amortisation	(19,573,074)	(19,346,649)
Net carrying amount at start of year	1,315,495	648,190
Additions	(25,503)*	8,544
Amortisation for the period	(359,040)	(226,425)
Reclassification and transfer from WIP	579,597	885,186
Gross carrying amount of assets derecognised in the year	-	-
Accumulated amortisation on assets derecognised during the year	-	-
Net carrying amount at end of year	1,510,549	1,315,495
Comprising:		
Gross carrying amounts as previously published	21,442,663	20,888,569
Derecognise intangible assets for the year	-	-
Gross carrying amounts restated	21,442,663	20,888,569
Accumulated amortisation as previously published	(19,932,114)	(19,573,074)
Derecognise intangible assets for the year	-	-
Accumulated amortisation	(19,932,114)	(19,573,074)
Net carrying amount at end of year	1,510,549	1,315,495

*This amount includes £33,519 of additions in year and reversal of accruals in respect of 2022/23

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	2023/24	2022/23
	£	£
Rental Income from Investment Activities	6,240,729	6,338,844
Direct Operating expenses arising from investment properties	(634,484)	(700,200)
Net gain/(loss)	5,606,245	5,638,644

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

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

Investment Properties	2023/24	2022/23
	£	£
Balance at start of the year	92,955,000	93,480,000
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	1,500,000	(652,222)
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	-	130,000
Other changes	-	(2,778)
Balance at end of the year	94,455,000	92,955,000

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

Investment Property	2023/24	2022/23
	£	£
Industrial Estates	75,770,000	74,560,000
Commercial Units	18,685,000	18,395,000
Balance at end of the year	94,455,000	92,955,000

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 2023	773,927,047	9,615,803	92,955,000	1,315,495	877,813,345
Net change in cost or valuation	7,234,854	465,890	1,500,000	554,094	9,754,838
Depreciation and Impairment in the year	(2,269,985)	-	-	(359,040)	(2,629,025)
Net movement for the year	4,964,869	465,890	1,500,000	195,054	7,125,813
Net Book Value as at 31 March 2024	778,891,916	10,081,693	94,455,000	1,510,549	884,939,158

Fair Value Hierarchy

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2024 and 31 March 2023 are as follows

2023/24 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 2024
	£	£	£	£
Industrial Estates and Commercial Units	-	94,455,000	-	-
Total	-	94,455,000	-	-

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	-	-

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 2023/24, all Investment Properties were measured using the same methodology as in 2022/23, 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 2024. 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 169 of these items recorded by Belfast City Council.

Heritage assets- additions		2023/24	2022/23
		£	£
	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
	Frederick Douglass Statue	155,709	
	Winifred Carney & Mary Anne McCracken Statues	257,579	
	Portrait of Councillor Kate Nicholl	15,000	
	Michael Longley 'Light from Two Windies'	1	
Total		428,290	157,586

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
	£	£	£
Cost or Valuation			
Balance as at 1 April 2023	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	-	-	-
Balance as at 31 March 2024	2,520,001	-	2,520,001
Impairment			
Balance as at 1 April 2023	-	-	-
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	-	-	-
Balance as at 31 March 2024	-	-	-
Net Book Values			
Balance as at 31 March 2024	2,520,001	-	2,520,001
Balance as at 31 March 2023	2,520,001	-	2,520,001

During 2023/24, non-current assets with a fair value of £2,520,001, which is the lower of the value when the sale was agreed and fair value, less costs to sell 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
	£	£	£
Cost or Valuation			
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	-	-	-
Balance as at 31 March 2023	2,520,001	-	2,520,001
Impairment			
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	-	-	-
Balance as at 31 March 2023	-	-	-

During 2022/23, non-current assets with a value of £2,520,001, which is the lower of the value when the sale was agreed and fair value less cost to sell, 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.

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 2024 and 31 March 2023 are as

2023/24 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 2024
	£	£	£	£
Land	-	676,001	-	676,001
Buildings	-	660,000	-	660,000
Land and Buildings combined	-	4,110,000	-	4,110,000
Total	-	5,446,001	-	5,446,001

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
Total	-	5,446,001	-	5,446,001

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 2023/24, all Surplus Assets were measured using the same methodology as in 2022/23. 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 2024. 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	2023/24 £	2022/23 £
Opening Capital Financing Requirement		129,217,677	135,132,625
Capital Investment			
Property, Plant and Equipment	11	16,429,177	23,154,472
Investment Properties		-	-
Intangible Assets	11	(25,503)	8,544
Revenue Expenditure Funded from Capital under Statute		-	-
Investments		-	-
Sources of Finance			
Capital Receipts	25a	-	-
Government Grants and Other Contributions	10c	(5,610,831)	(8,006,292)
Transfers from Earmarked Reserves	25c, 26a	(120,000)	(1,977,859)
Sums set aside from Revenue:			
Direct Revenue Contributions		(9,594,430)	(10,473,681)
Minimum Revenue Provision		(8,652,492)	(8,620,132)
Closing Capital Financing Requirement		121,643,598	129,217,677

Explanation of Movements in Year	2023/24 £	2022/23 £
Increase/(decrease) in underlying need to borrow	(7,574,079)	(5,914,948)
Assets acquired under finance leases	-	-
Assets acquired under PFI/PPP contracts	-	-
Increase/(decrease) in Capital Financing Requirement	(7,574,079)	(5,914,948)

13 Future Capital Commitments

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	29,648,285	6,321,590	23,326,695
Other Commitments	39,546,652	844,220	38,702,432
Total	69,194,937	7,165,810	62,029,127

Total net expenditure of £4,023,935 has been incurred against these projects in the year ended 31 March 2024.

14	Inventories	2023/24	2022/23
		£	£
	Central Stores	220,813	306,758
	Total	220,813	306,758

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £682,751 (2022/23 £619,113).

15	Debtors	2023/24	2022/23
		£	£
a	Long Term Debtors		
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Employee car loans	18,119	23,160
	Revenue Grants	-	-
	Capital Grants	-	-
	Interest Receivable	-	-
	Capital Debtors	-	-
	Loans and advances	-	-
	Finance lease debtors	-	-
	Trade debtors	918,640	720,939
	NIHE Loans	-	-
	Other	-	-
	Impairment of loans and receivables	-	-
	Contract Receivables	-	-
	Total Long Term Debtors	936,759	744,099

b	Short Term Debtors	2023/24	2022/23
		£	£
	Government Departments	1,384,978	1,443,212
	Other Councils	401,041	125,201
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Rates finalisation	-	-
	NIHE loans	-	-
	Employee car loans	23,591	27,264
	Revenue Grants	18,548,774	10,140,493
	Capital Grants	6,480,062	5,106,947
	Interest receivable	-	-
	Capital Debtors	-	-
	Value Added Tax	2,218,990	2,670,312
	Prepayments	4,568,566	4,825,214
	Finance lease debtors	-	-
	Other	10,946,522	5,502,425
	Trade receivables	1,778,520	1,547,292
	Impairment loss - Trade receivables	(1,074,638)	(903,799)
	Contract receivables	556,847	496,180
	Total Short Term Debtors	45,833,253	30,980,741

The total short term debtors have increased from prior year due to an increase in grants receivable.

The Council were due funding of £15.3m from government departments during 2023-24 (£8.4m 2022-23) for the payment of expenditure incurred on capital projects being delivered on behalf of organisations. This income is not included within the CIES. £9.1m of this balance is included in our grants receivable balances representing amounts outstanding from Government Departments at the year end.

Total Debtors	46,770,012	31,724,840
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Trade debtors, inclusive of VAT, can be analysed by age as follows:

	£
Less than 3 months	2,962,988
Three months to one year	1,158,399
More than one year	918,640
	5,040,027

16	Borrowings	2023/24	2022/23
		£	£
a	Short Term Borrowing		
	Loans re-payable within one year	5,375,701	5,260,558
	Finance lease principal	-	-
	Total Short Term Borrowing	5,375,701	5,260,558

b Long Term Borrowing		2023/24	2022/23
		£	£
Between 1 and 2 years		4,512,476	5,375,701
Between 2 and 5 years		13,064,416	13,298,277
Between 5 and 10 years		10,633,101	14,076,865
In more than 10 years		4,935,649	5,770,504
Government Loans Fund		33,145,642	38,521,347
Total Borrowing		38,521,343	43,781,905

17 Creditors		2023/24	2022/23
a Short Term Creditors		£	£
Government Departments		2,486,587	1,828,796
Other Councils		-	88
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		894,750	269,044
De-rating grant clawback		-	273,133
Remuneration due to employees		1,071	3,376
Accumulated absences		2,153,896	1,730,293
Loan interest payable		151,535	171,670
Capital creditors		2,749,841	4,922,816
Receipts in advance		18,324,042	10,760,338
Trade creditors		3,297,222	4,465,754
Creditor accruals		20,355,760	18,318,781
Contract payables		35,000	113,110
Total Short Term Creditors		50,449,704	42,857,199

There is a significant increase in the short term creditors balance in 2023/24 due to the increase in receipts in advance from Government Departments

The Council incurred expenditure of £16.1m during 2023-24 (£8.9m 2022-23) for capital projects being delivered on behalf of organisations. This expenditure is not included within the CIES. £169k of this balance is due to contractors at the year end and is included within creditor accruals.

b Long Term Creditors		2023/24	2022/23
<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	11,778
Contract payables		-	-
Total Long Term Creditors		11,778	11,778
Total Creditors		50,461,482	42,868,977

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 2023/24 the Council paid 75,629 (2022/23: 86,459) invoices totalling £192,418,313 (2022/23: £180,029,594).

The Council paid:

70,456 invoices within 30 calendar days target (2022/23: 79,378);
58,774 invoices within 10 working days target (2022/23: 70,303); and
5,173 invoices outside of the 30 day target (2022/23: 7,081).

The average number of days taken to pay suppliers during the year was 17 days (2022/23: 17 days).

The Council paid 93.16% of invoices within the target of 30 days, against the target objective of 90%.

Provisions	Balance as at	(Decrease)/Increase in	Utilised during	Unused	Interest cost and/or	Balance as at 31
	1 April 2023	provision during year	year	amounts	discount rate changes	March 2024
	£	£	£	£	£	£
Landfill Closure	3,203,740	124,805	(92,347)	-	-	3,236,198
Claims Management	2,377,327	1,455,616	(1,218,755)	(275,206)	-	2,338,982
EU Fine Black Mountain	-	534,648	-	-	-	534,648
Total	5,581,067	2,115,069	(1,311,102)	(275,206)	-	6,109,828

The above EU fine relates to a penalty for a non-compliance issue on Black Mountain Shared Space project. Further details are included in the Annual Governance Statement.

Current Provisions	3,736,974	2,115,069	(1,311,102)	(275,206)	-	4,265,735
Long Term Provisions	1,844,093	-	-	-	-	1,844,093
Total	5,581,067	2,115,069	(1,311,102)	(275,206)	-	6,109,828

Comparative Year

Provisions	Balance as at	(Decrease)/Increase	Utilised during	Unused	Interest cost and/or	Balance as at 31
	1 April 2022	in provision during	year	amounts	discount rate changes	March 2024
	£	£	£	£	£	£
Landfill Closure	3,393,052	(129,620)	(59,692)	-	-	3,203,740
Claims Management	1,989,324	388,153	(150)	-	-	2,377,327
Total	5,382,376	258,533	(59,842)	-	-	5,581,067

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

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 £3,236,198.

Claims Management

A provision of £2,338,982 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 2024, the total liability for legal cases notified but not processed amounted to an estimated maximum liability of £5,530,349.

19 Financial Instruments

Financial Assets as at 31 March 2024

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 £1,074,638 for 2023/24 (2022/23 £903,799).

The employee car loan rate at 31 March 2024 was 2.45%, in comparison to the HMRC official rate of 2.25%.

Financial Liabilities as at 31 March 2024

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 £35,861,380 (2022/23 £41,380,434).

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	2023/24 £	2022/23 £
Net cost of services:			
Current service cost		17,890,000	32,686,000
Past service cost/(gain)		117,000	266,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net interest on net defined benefit Liability (asset)		(852,000)	4,257,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		17,155,000	37,209,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(17,155,000)	(37,209,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		16,441,000	15,082,000
Net adjustment to General Fund		(714,000)	(22,127,000)

The service cost figures include an allowance for administration expenses of £412k (2022/23 £363k).

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	2023/24 £	2022/23 £
Liability gains/(losses) due to change in assumptions		22,238,000	336,404,000
Liability gains/(losses) due to demographic changes		10,269,000	(4,013,000)
Liability experience gains/(losses) arising in the year		(8,528,000)	(59,926,000)
Actuarial gains/(losses) on plan assets		32,168,000	(75,194,000)
Adjustment due to restriction of surplus (para 64 IAS19)		(72,297,000)	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(16,150,000)	197,271,000

c Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities			
	Note	2023/24 £	2022/23 £
Balance as at 1 April		646,002,000	878,684,000
Current service cost		17,890,000	32,686,000
Interest cost		29,949,000	23,506,000
Contributions by members		5,579,000	4,968,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(22,238,000)	(336,404,000)
Actuarial gains/losses arising from demographic changes		(10,269,000)	4,013,000
Actuarial gains/losses arising on liabilities from experience		8,528,000	59,926,000
Other (if applicable)		-	-
Past service costs/(gains)		117,000	266,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(684,000)	(651,000)
Estimated benefits paid		(23,129,000)	(20,992,000)
Balance as at 31 March		651,745,000	646,002,000

Reconciliation of present value of the scheme assets			
	Note	2023/24 £	2022/23 £
Balance as at 1 April		656,014,058	713,552,058
Interest Income		30,801,000	19,249,000
Contributions by members		5,579,000	4,968,000
Contributions by employer		15,757,000	14,431,000
Contributions in respect of unfunded benefits		684,000	651,000
Remeasurement gain/(loss)		32,168,000	(75,194,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(684,000)	(651,000)
Benefits paid		(23,129,000)	(20,992,000)
Balance as at 31 March		717,190,058	656,014,058

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 2024.

The actual return on scheme assets in the year was a gain of £62,969,000 (2022/23: loss £55,945,000).

Fair Value of Plan Assets	2023/24 £	2022/23 £
Equity investments	284,724,453	270,933,806
Bonds	140,569,251	152,195,261
Property	66,698,675	68,881,476
Multi Asset Credit	93,234,708	85,937,842
Cash	88,931,567	38,704,829
Other	43,031,404	39,360,843
	717,190,058	656,014,058

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

	2023/24 £	2022/23 £
Fair Value of Employer Assets	717,190,058	656,014,058
Present value of funded defined benefit obligation	(644,893,000)	(638,463,000)
Pension asset/(liability) of Funded Scheme	72,297,058	17,551,058
Present Value of unfunded defined benefit obligation	(6,852,000)	(7,539,000)
Adjustment due to restriction of surplus (para 64 IAS19)	(72,297,000)	-
Net asset/(liability) arising from the defined benefit obligator	(6,851,942)	10,012,058
Amount in the Balance sheet:		
Liabilities	(651,745,000)	(646,002,000)
Assets	717,190,058	656,014,058
Adjustment due to restriction of surplus (para 64 IAS19)	(72,297,000)	-
Net Asset/(Liability)	(6,851,942)	10,012,058

d Scheme History		
Analysis of scheme assets and liabilities	2023/24	2022/23
	£	£
Fair Value of Assets in pension scheme	717,190,058	656,014,058
Present Value of Defined Benefit Obligation	(651,745,000)	(646,002,000)
Adjustment due to restriction of surplus (para 64 IAS19)	(72,297,000)	-
Surplus/(deficit) in the Scheme	(6,851,942)	10,012,058

Amount recognised in Other Comprehensive Income and Expenditure:		
	2023/24	2022/23
	£	£
Actuarial gains/(losses)	(16,150,000)	197,271,000
Expected Return on Plan Assets	-	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(16,150,000)	197,271,000
Cumulative actuarial gains and losses	176,389,000	192,539,000
History of experience gains and losses:		
Experience gains and (losses) on assets	32,168,000	(75,194,000)
Experience gains and (losses) on liabilities	(8,528,000)	(59,926,000)

The Council has a net pension asset at 31 March 2024 mainly due to higher asset returns. The Council has restricted the surplus under para 64 of IAS 19 and this is reflected in notes b,c and d.

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2025

	31/03/2025	31/03/2025
	£	%
Projected current cost	17,102,000	100.5%
Net Interest on the net defined benefit liability (asset)	(79,000)	-0.5%
Past service cost	-	-
Gains and losses on settlements or curtailments	-	-
	17,023,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2025 is £17,027k (2023/24 £15,098k).

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2023/24 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2024.

	2023/24	2022/23
	%	%
Experience gains and (losses) on Assets	4.49%	-11.46%
Experience gains and (losses) on Liabilities	1.31%	9.28%

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:	2023/24 %	2022/23 %
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	21.7	22.2
Women	24.6	25.0
<i>Longevity at 65 for future pensioners:</i>		
Men	22.7	23.2
Women	25.6	26.0
Inflation/Pension Increase Rate	2.60%	2.70%
Salary Increase Rate	4.10%	4.20%
Discount Rate	4.80%	4.70%
Pension accounts revaluation rate	2.60%	2.70%
Take-up of option to convert annual pension into retirement lump sum		
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 2024 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	633,930,000	655,856,000
% change in the present value of the total obligation	-1.70%	1.70%
Projected service cost	16,469,000	17,752,000
Approximate % change in projected service cost	-3.70%	3.80%
Rate of General Increase in Salaries		
	+0.1%p.a.	-0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	646,828,000	642,958,000
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost	17,102,000	17,102,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to pension increase rate		
Present value of the total obligation	653,922,000	635,864,000
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	17,752,000	16,469,000
Approximate % change in projected service cost	3.80%	-3.70%
Post Retirement Mortality Assumption		
	- 1 Year	+ 1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	661,660,000	628,126,000
% change in the present value of the total obligation	2.60%	-2.60%
Projected service cost	17,718,000	16,486,000
Approximate % change in projected service cost	3.60%	-3.60%

* 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.

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:

	31/03/2024 %	31/03/2023 %
Equity investments	39.70%	41.30%
Government Bonds	15.00%	20.50%
Corporate Bonds	4.60%	2.70%
Property	9.30%	10.50%
Multi Asset Credit	13.00%	13.10%
Cash	12.40%	5.90%
Other	6.00%	6.00%
Total	100.00%	100.00%

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 completed by October 2023. 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 2024.

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

Reconciliation of present value of the scheme liabilities		2023/24	2022/23
	Note	£	£
Balance as at 1 April		613,000	760,000
Current service cost		-	-
Interest cost		26,000	19,000
Contributions by members		-	-
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(2,000)	(75,000)
Actuarial gains/losses arising from demographic changes		(12,000)	-
Actuarial gains/losses arising on liabilities from experience		4,000	55,000
Other (if applicable)		-	-
Past service costs/(gains)		-	-
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Net benefits paid		(130,000)	(146,000)
Balance as at 31 March		499,000	613,000

Reconciliation of present value of the scheme assets		2023/24	2022/23
	Note	£	£
Balance as at 1 April		407,000	550,000
Interest Income		16,000	13,000
Contributions by members		-	-
Contributions by employer		-	-
Remeasurement gain/(loss)		(11,000)	(10,000)
Assets distributed on settlements		-	-
Net Benefits paid		(130,000)	(146,000)
Balance as at 31 March		282,000	407,000

Analysis of scheme assets and liabilities		2023/24	2022/23
	Note	£	£
Fair Value of Assets in pension scheme		282,000	407,000
Present Value of Defined Benefit Obligation		499,000	613,000
Net Asset/(Liability) recognised on the balance sheet		(217,000)	(206,000)

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	497,000	501,000
% change in the present value of the total obligation	-0.50%	0.50%
Rate of Increase to Pensions in Payment accounts assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	501,000	497,000
% change in the present value of the total obligation	0.50%	-0.50%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	-1 Year	+1 Year
Present value of the total obligation	535,000	464,000
% change in the present value of the total obligation	7.30%	-7.00%

* 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.

	2023/24 %	2022/23 %
Government Bonds	45.70%	31.00%
Cash	54.30%	69.00%
Total	100.00%	100.00%
Mortality assumptions:		
Members aged 85 at accounting date	Years	Years
Men	6.7	6.9
Women	7.7	7.9
Inflation/Pension Increase Rate	2.60%	2.70%
Discount Rate	4.80%	4.80%

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 2024 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 2024.

At 31 March 2024 there were 12 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	31/03/2024 £	31/03/2023 £
INCOME AND EXPENDITURE STATEMENT:		
INCOME		
Investment Income	3,156	2,803
EXPENDITURE		
Pensions Paid	(125,578)	(135,555)
Administration Expenses	(4,850)	(10,097)
Surplus/(Deficit) for the Year	(127,272)	(142,849)
NET ASSET MOVEMENTS:		
Brought forward balance	337,507	480,261
Unrealised gain	69,910	69,276
Opening Value of Fund	407,417	549,537
Add contribution from City Council	0	0
Add surplus/(deficit) for the year	(127,272)	(142,849)
CHANGE IN MARKET VALUES OF INVESTMENTS		
Realised gain for year	0	0
Unrealised gain/(loss) for year	2,888	729
Closing value of fund	283,033	407,417
FINANCED BY:		
UK Index Linked Investments	128,930	126,073
Cash deposits and at bank	153,423	280,696
Debtors	678	647
	283,031	407,416
Bank Balance	-	-
Creditors	-	-
	-	-
Closing value of fund	283,031	407,416

Summary Net Asset/Liability recognised on the Balance Sheet	2023/24	2022/23
Northern Ireland Local Government Officer's Pension Fund	(6,851,942)	10,012,058
Gas Pension Fund	(217,000)	(206,000)
Belfast Waterfront & Ulster Hall Limited	0	842,000
Total Net Asset/(Liability) recognised on the Balance Sheet	(7,068,942)	10,648,058

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 2024 within the net total for Belfast City Council. The net pension asset of BWUH Ltd has been restricted under para 64 of IAS 19 by £1.498m

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	2023/24 £	2022/23 £
Opening balance		443,856	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 (conditions met)		-	-
		443,856	443,856

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	2023/24 £	2022/23 £
Neil Shawcross "Writers of Belfast" collection		430,000	430,000
Animal Welfare Van Vauxhall Combo Cargo		13,856	13,856
		443,856	443,856

Capital Receipts Unapplied	Note	2023/24 £	2022/23 £
Opening balance		111,725	111,725
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released		-	-
		111,725	111,725

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	Note	2023/24 £	2022/23 £
Opening balance		1,599,918	1,796,929
Add: new capital grants received in advance (condition of use not met)		204,800	620,367
Less: amounts released to the Comprehensive Income and Expenditure Statement other projects		0	
Less: amounts released to the Comprehensive Income and Expenditure Statement		(1,182,803)	(817,378)
		621,915	1,599,918

Analysis of Capital Grants Receipts in Advance Balance

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

Capital Grants Receipts in Advance	Note	2023/24 £	2022/23 £
Forth Meadow DFC		211,731	104,256
Loughside Trim Trail-UKSPF Green Spaces		-	240,367
Belfast Bikes Asset Upgrade		4,233	4,233
Paisley Park Refurb		147,034	934,152
Belfast Castle LWWP		1,000	1,000
Forthriver LWWP		5,327	5,327
Ballysillan PF LWWP		221,151	310,583
Botanic Upsurge		31,439	
		621,915	1,599,918

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 has recognised £5,502,943 in compensation payments in respect of ongoing legal action against HMRC to recover previously overdeclared output VAT in respect of leisure and recreational income. These amounts are included in Note 8b as Other Income. If resolution is reached on the remaining elements of this legal action, it will take time to conclude the matter and assess any associated financial impact.

Since March 2024, a further compensation payout of £1.64m was received by the Council in August 2024. The remaining amount of £1.66m is still awaiting resolution.

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			
	Note	2023/24 £	2022/23 £
Depreciation	4a, 11	30,392,118	24,885,696
Impairment & downward revaluations (& non-sale derecognitions)	4a, 11	(1,609,311)	(210,629)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	85,945	3,636
(Increase)/Decrease in Debtors	15	(15,216,011)	(2,200,664)
Increase/(Decrease) in impairment provision for bad debts	15	170,839	15,706
Increase/(Decrease) in Creditors	17	7,168,902	36,403
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20b	714,000	22,127,000
Carrying amount of non-current assets sold	4a, 8a, 11	137,193	2,318,167
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		875,424	4,702,777
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		-	-
		22,719,099	51,678,092

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
	Note	2023/24 £	2022/23 £
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	(337,700)	(1,685,725)
Capital grants included in Taxation & non-specific grant income	10c	(5,610,831)	(8,006,292)
		(5,948,531)	(9,692,017)

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:

	Note	2023/24 £	2022/23 £
Cash and Bank Balances		1,499,122	19,140,662
Short Term Deposits (considered to be cash equivalents)		12,000,000	-
Short Term Investments (considered to be cash equivalents)		-	-
Bank Overdraft		-	-
		13,499,122	19,140,662

c Cash flows from Investing Activities

	Note	2023/24 £	2022/23 £
Purchase of PP&E, investment property and intangible assets	11	18,576,649	24,420,195
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		919,489	1,013,682
Proceeds from the sale of PP&E, investment property and intangible assets	4a, 8a, 9e	(337,700)	(1,685,725)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received	10c	(5,610,831)	(8,006,292)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		13,547,607	15,741,860

d Cash flows from Financing Activities		2023/24	2022/23
		£	£
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		(5,260,562)	(5,209,837)
Other payments for Financing Activities		-	-
Net Cash flows from Financing Activities		(5,260,562)	(5,209,837)

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		31/03/2024	31/03/2023
		£	£
		Note	
At 1 April		642,458	1,068,583
Transfers between Statutory & Other Reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	8, 9e	216,000	1,685,725
Capital Receipts used to finance capital expenditure	12	-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		(129,450)	(2,111,850)
At 31 March		729,008	642,458

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		31/03/2024	31/03/2023
		£	£
		Note	
At 1 April		-	-
Other movements		-	-
At 31 March		-	-

c Capital Fund

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

Capital Fund		31/03/2024	31/03/2023
Note		£	£
At 1 April		15,096,990	12,220,031
Transfers between statutory & other reserves & the General Fund	4b	(696,480)	2,327,765
Transfer to Neighbourhood Regeneration Fund		-	-
Financing from CCIF		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12, 26a	9,450	549,194
At 31 March		14,409,960	15,096,990
		£	£
Local Investment Fund		348,433	579,545
Belfast Investment Fund		4,807,700	4,638,532
City Centre Investment Fund		8,246,713	8,237,263
Social Outcomes Fund		1,007,114	1,641,650
Total		14,409,960	15,096,990

The movement and purpose of these funds is outlined below:

Local Investment Fund		31/03/2024	31/03/2023
Note		£	£
Opening balance		579,545	800,741
Add: new contributions to fund		-	-
Less: financing drawn down from fund	4b	(231,112)	(221,196)
At 31 March		348,433	579,545

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 2024 is £348,433

Belfast Investment Fund		31/03/2024	31/03/2023
Note		£	£
Opening balance		4,638,532	1,368,532
Add: new contributions to fund	4b	1,270,000	3,270,000
Less: financing drawn down from fund	4b	(1,100,832)	-
Less: transfer to Neighbourhood Regeneration fund		-	-
At 31 March		4,807,700	4,638,532

There is a balance of £4,807,700 on the Belfast Investment Fund at year end 31 March 2024. This fund was established to support partnership projects across the City.

City Centre Investment Fund		31/03/2024	31/03/2023
Note		£	£
Opening balance		8,237,263	7,688,069
Add: new contributions to fund		129,450	2,527,053
Less: amounts drawn down from fund		(120,000)	(1,977,859)
At 31 March		8,246,713	8,237,263

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 2024 is £8,246,713.

Social Outcomes Fund		31/03/2024	31/03/2023
Note		£	£
Opening balance		1,641,650	2,362,689
Add: transfer from Belfast Investment fund		-	-
Less: amounts drawn down from fund	4b	(634,536)	(721,039)
At 31 March		1,007,114	1,641,650

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 2024 is £1,007,114.

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		31/03/2024	31/03/2023
		£	£
At 1 April	Note	611,877	621,287
Transfers between statutory & other reserves & the General Fund	4b	(77,356)	(9,410)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
At 31 March		534,521	611,877

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		31/03/2024	31/03/2023
		£	£
At 1 April	Note	10,000,000	10,000,000
Transfers between statutory & other reserves & the General Fund	4b	280,000	-
Less: amounts drawn down from fund		(227,982)	-
At 31 March		10,052,018	10,000,000

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

f Other Balances & Reserves

Other Balances & Reserves		31/03/2024	31/03/2023
		£	£
At 1 April	Note	2,620,360	1,731,811
Transfers between statutory & other reserves & the General Fund	4b	315,192	888,549
Transfer to BWUH Subvention Fund		131,673	94,771
Transfer to BWUH Sinking Fund		(131,673)	(94,771)
At 31 March		2,935,552	2,620,360

	£	£
Election Fund	62,745	913,390
BWUH Subvention Fund	1,078,513	909,283
BWUH Sinking Fund	1,794,294	797,687
Total	2,935,552	2,620,360

The movement and purpose of these funds is outlined below:

Election Fund		31/03/2024	31/03/2023
		£	£
Opening balance	Note	913,390	735,037
Add: new contributions to fund		62,745	178,353
Less: financing drawn down from fund		(913,390)	-
At 31 March		62,745	913,390

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		31/03/2024	31/03/2023
		£	£
Opening balance	Note	909,283	703,151
Add: new contributions to fund		300,903	300,903
Less: amounts drawn down from fund		-	-
Less: amounts transferred to Sinking Fund		(131,673)	(94,771)
At 31 March		1,078,513	909,283

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

BWUH Sinking Fund		31/03/2024	31/03/2023
		£	£
Opening balance	Note	797,687	293,623
Add: new contributions to fund		1,211,480	619,015
Less: amounts drawn down from fund		(214,873)	(114,951)
At 31 March		1,794,294	797,687

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		2023/24	2022/23
		£	£
	Note		
At 1 April		58,815,944	62,218,726
Prior year adjustment			
Applied Capital Grants	10, 12	(5,610,831)	(8,006,292)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	(9,594,430)	(10,473,681)
Depreciation and Impairment adjustment	4	28,782,807	24,675,067
Statutory Provision for financing Capital Investment	4	(8,652,492)	(8,620,132)
Net Revenue expenditure funded from capital under statute	4, 12	-	-
Surplus/(Deficit) on the Provision of Services	CIES	(3,603,939)	(22,381,947)
Transfers between Statutory and Other Reserves and the General Fund	4	406,628	(3,206,904)
Net movements on Pension Reserve	4, 20	714,000	22,127,000
Disposal of Fixed Assets/Capital Sales	4, 11	(200,507)	632,442
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	26b	423,603	(613,865)
Other Movements		(2,181,772)	2,465,530
At 31 March		59,299,011	58,815,944

This fund represents the surplus of income over expenditure. It can be used to supplement income and unexpected expenditure in future years. Of the £59.3m, £46.1m relates to expenditure committed at the year end (2022/23 £58.8m, £44.8m committed).

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		2023/24	2022/23
		£	£
	Note		
At 1 April		522,981,947	514,174,235
Applied Capital Grants	10, 12	5,610,831	8,006,292
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	9,594,430	10,473,681
Depreciation & Impairment adjustment	11	(28,782,807)	(24,675,067)
Statutory Provision for financing Capital Investment	4, 12	8,652,492	8,620,132
Net Revenue expenditure funded from Capital under statute	4, 12	-	-
Disposal of Fixed Assets/ Capital Sales	4, 11	(42,759)	(2,298,278)
Capital Receipts used to finance capital expenditure	4, 12	-	-
Other Movements		7,966,965	6,703,093
Transfers between Capital Fund & CAA to finance capital expenditure	12	120,000	1,977,859
At 31 March		526,101,099	522,981,947

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	2023/24 £	2022/23 £
At 1 April		231,519,930	199,892,679
Revaluation & Impairment	11	19,659,775	38,330,341
Movements from associates & joint ventures		-	-
Other Movements		(7,966,965)	(6,703,090)
At 31 March		243,212,740	231,519,930

c Pension Reserve

Pension Reserve	Note	2023/24 £	2022/23 £
At 1 April		10,648,058	(169,221,942)
Net Movements on Pension Reserve	4, 20	(714,000)	(22,127,000)
Revaluation & Impairment	20	(16,150,000)	197,271,000
Gas pension & BWUH movement		(853,000)	4,726,000
At 31 March		(7,068,942)	10,648,058

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	31/03/2024 £	31/03/2023 £
At 1 April		(1,730,293)	(2,344,158)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(423,603)	613,865
At 31 March		(2,153,896)	(1,730,293)

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		31/03/2024	31/03/2023
Note		£	£
At 1 April		(4,196)	(133,816)
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
At 31 March		(4,196)	(4,196)

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	2023/24	2022/23
	£	£
Rental Income	5,412,765	5,427,914
Rental Expenditure	(97,248)	(166,500)
Net income	5,315,517	5,261,414

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 £16,488 (2022/23 £19,028) across the 3 entities.

29 Joint Arrangements

During 2023/24 Belfast City Council did not make a financial contribution to Beltel LLP relating to the redevelopment of the Belfast Telegraph Building (2022/23 Enil).

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.

The amount in the table below of £3,436,859 represents financial contributions made to date. The underlying value of the asset in Beltel LLP fluctuates year on year depending on market conditions.

The recoverability of this amount is contingent on the market value of the underlying asset at the conclusion of the project.

	2023/24	2022/23
	£	£
Long term assets	3,231,429	3,231,429
Current assets	242,435	242,435
Current liabilities	(37,005)	(37,005)
Long term liabilities	-	-
Net Assets	3,436,859	3,436,859

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 Transaction 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 2024 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 2023/24 financial year the Council commissioned £3,212,622 (2022/23 £3,273,063) 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 £3,916,364 (2022/23 £3,298,632) 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 2023/24 the Council had expenditure of £484,568 (2022/23 £582,308) to other Councils and income received of £2,481,414 (2022/23 £1,279,764) from other Councils, of which £401,041 (2022/23 £125,201) was outstanding at 31 March 2024. These amounts mainly related to services provided.

a Other Organisations

	Councillors	2023/24 £	2022/23 £
Active Communities Network	1	40,688	41,002
Arellian Nursery School	1	0	1,000
Aware NI	1	0	950
Belfast City of Sanctuary	1	16,663	0
Belfast Community Sports Development Network	1	34,678	25,730
Belfast Film Festival	1	62,000	90,800
Belfast Harbour Commissioners	5	916,241	138,879
Belfast Health and Social Care Trust	2	159,200	49,147
Belfast Hills Partnership	1	72,134	46,220
Belfast Metropolitan College	1	0	38,709
Belmont Primary School	1	1,000	0
Belvoir Area Residents' Group	1	0	3,344
Black Mountain Shared Spaces Project	1	180,243	8,699
Blackie River Centre	2	122,459	62,600
Board of Libraries NI	1	0	140
Boundary Brewing Cooperative	3	0	6,500
Coláiste Feirste	1	0	51,426
Colin Neighbourhood Partnership	1	48,142	40,968
Common Youth	1	3,432	3,353
Coiste Na Niarchimi	1	0	150
Cumann Cultúrtha Mhic Reachtain	1	43,500	0
Duncairn Community Partnership	2	9,020	20,360
Education Authority	1	0	425,200
Feile an Phobail	1	527,454	548,385
Foodstock Charity	1	15,156	0
Glencairn Community Project	1	0	1,200
Grand Opera House Trust	1	3,241	21,040
Greater Shankill Community Council	1	0	127,950
Greater Shankill Partnership Board	2	53,984	8,658
Groundwork	1	1,920	0
Hanwood Trust	1	92,201	73,883
Harmony Primary and Nursery School	1	0	500
Henderson Retail	1	1,605	0
Here NI	1	7,132	0
Impact Training	1	15,194	13,000
James Connolly Visitor Centre	1	148	0
Lagan Valley Regional Park	2	67,000	0
Lagmore Youth Project	2	16,630	5,702
Ligoniel Amateur Boxing Club	1	5,260	2,150
Ligoniel Community Centre Committee	1	0	10,653
Ligoniel Improvement Association	1	444,077	0
Lower Ormeau Residents Action Group (LORAG)	1	176,887	271,945
Lower Shankill Community Association	2	3,120	5,490
Lyric Theatre Education Advisory Panel	1	0	153,155
Mount Eagles/Lagmore Youth & Community Association	1	24,317	18,293

Mount Vernon Community Development Forum	1	0	13,500
National Association of Councillors	10	0	4,736
New Lodge/Duncairn Healthy Living Centre	1	0	3,631
Nettlefield Multi-Sports	1	736	0
NI Local Government Association	5	71,385	98,116
NI Youth Forum	1	0	27,117
Open University	1	299	2,685
PIPS Charity	1	24,000	683
Queens University Belfast	2	250	0
Roden Street Community Development Group	1	291,910	158,176
Rosario Youth Centre	1	5,584	52,002
Royal Institute of Chartered Surveyors	1	0	2,356
Royal Society of Ulster Architects	1	187	0
Shaftesbury Recreation Centre	1	0	96
Shankill Womens' Centre	1	0	25,310
Somme Advisory Council	1	0	1,800
Spectrum Centre Trust	1	24,933	0
Stratagem NI Limited	1	0	47,321
St. Teresa's Youth Centre	1	4,086	0
Templemore Avenue Schools Trust	1	3,007	2,023
The Bar Library	1	0	85
Tullycarnet Boxing Club	1	4,450	1,200
Ulster Orchestra	1	180,491	150,283
Upper Andersonstown Community Forum	0	0	291,996
Upper Springfield Development Trust	1	140,320	95,744
Visit Belfast	2	3,212,622	3,273,063
Westland Community and Residents Association	1	0	2,591
At 31 March		7,128,986	6,571,695

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	2023/24 £	2022/23 £
Eastside Partnership (East Belfast Partnership Board)	1	137,037	144,389
North Belfast Partnership Board	0	0	0
Forward South (previously South Belfast Partnership Board)	5	133,311	201,219
West Belfast Partnership Board	6	195,064	125,869
Total		465,412	471,477

c Joint Committees

Belfast City Council made payments to the following Joint Committees:

	Councillors	2023/24 £	2022/23 £
Arc 21	1	16,789,193	10,500,172

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 Greenwich Leisure Limited

Belfast City Council entered into an agreement with Greenwich Leisure Limited (GLL) for the provision of leisure services. These financial statements include expenses of £10,732,762 (2022/23 £9,398,594) for the provision of these services in the year ended 31 March 2024. During 2023/24 the Council also received a profit share of £1,220,190 (2022/23 £1,216,914) which has been recorded in reserves.

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 2024 was £41,710 (2022/23 £50,424).

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 2023/24 the Council invoiced BWUH Ltd for £3,398,659 for expenditure incurred on its behalf and also received invoices from the Company for £2,971,707 mainly for the management fee. At 31 March 2024, £139,323 (2022/23 £70,711) was owed to the company by the Council and £1,321,695 (2022/23 £725,937) receivable from the company.

g Beltel LLP

During 2023/24, Belfast City Council did not make a financial contribution to Beltel LLP (2022/23 Enil), 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 ES BT Holdings 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 2024

	General Fund Summary £	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
Balance as at 1 April 2022	62,229,141	24,573,129	1,068,583	87,870,853	542,366,998	630,237,851
Movement in reserves during the year						
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
Total Comprehensive Income and Expenditure	(23,400,512)	-	-	(23,400,512)	235,601,341	212,200,829
Adjustments between accounting basis & funding under regulations	20,642,811	549,194	1,685,725	22,877,730	(19,278,893)	3,598,837
Net increase before transfers to Statutory and Other Reserves	(2,757,701)	549,194	1,685,725	(522,782)	216,322,448	215,799,666
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
Increase/ (Decrease) in year	(3,400,076)	3,756,098	(426,125)	(70,103)	221,048,448	220,978,345
Balance as at 31 March 2023	58,829,065	28,329,227	642,458	87,800,750	763,415,446	851,216,196
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(3,777,026)	-	-	(3,777,026)	-	(3,777,026)
Other Comprehensive Income and Expenditure	-	-	-	-	3,509,775	3,509,775
Total Comprehensive Income and Expenditure	(3,777,026)	-	-	(3,777,026)	3,509,775	(267,251)
Adjustments between accounting basis & funding under regulations	6,080,577	9,450	216,000	6,306,027	(5,985,414)	320,613
Net increase before transfers to Statutory and Other Reserves	2,303,551	9,450	216,000	2,529,001	(2,475,639)	53,362
Transfers to / from Statutory and Other Reserves	406,628	(406,628)	-	-	-	-
Other movements	(2,228,772)	-	(129,450)	(2,358,222)	(853,000)	(3,211,222)
Increase/ (Decrease) in year	481,407	(397,178)	86,550	170,779	(3,328,639)	(3,157,860)
Balance as at 31 March 2024	59,310,472	27,932,049	729,008	87,971,529	760,086,807	848,058,335

Belfast City Council

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

	Note	2023/24			2022/23		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	£	£
Service Expenditure							
Strategic Policy & Resources	2	75,536,309	(16,062,459)	59,473,850	81,554,315	(16,920,994)	64,633,321
City Growth & Regeneration	2	56,455,885	(26,971,561)	29,484,324	48,477,180	(19,927,437)	28,549,743
People & Communities	2	146,947,180	(23,348,487)	123,598,693	134,266,533	(22,205,369)	112,061,164
Planning & Licensing	2	9,755,547	(6,336,033)	3,419,514	9,169,502	(5,219,714)	3,949,788
Cost of Services on Continuing Operations		288,694,921	(72,718,540)	215,976,381	273,467,530	(64,273,514)	209,194,016
Other Operating Expenditure	8	137,193	(5,840,643)	(5,703,450)	2,318,167	(1,685,725)	632,442
Financing and Investment Income and Expenditure	9	1,573,218	(9,532,097)	(7,958,879)	6,753,957	(6,783,347)	(29,390)
Net Operating Expenditure		290,405,332	(88,091,280)	202,314,052	282,539,654	(72,742,586)	209,797,068
Taxation and Non-Specific Grant Income	10	897,462	(199,434,488)	(198,537,026)	269,044	(186,665,600)	(186,396,556)
(Surplus)/Deficit on the Provision of Services		291,302,794	(287,525,768)	3,777,026	282,808,698	(259,408,186)	23,400,512
(Surplus)/Deficit on revaluation of non-current assets	11			(19,659,775)			(38,330,341)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	11			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			16,150,000			(197,271,000)
Other Comprehensive Income and Expenditure				(3,509,775)			(235,601,341)
Total Comprehensive Income and Expenditure				267,251			(212,200,829)

Belfast City Council
Group Balance Sheet as at 31 March 2024

		31st March 2024	31st March 2023
	Note	£	£
Fixed Assets	G4	888,510,053	881,462,908
Long Term Investments		129,000	126,000
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	G6	936,759	744,099
Contract Assets		-	-
LONG TERM ASSETS		889,575,812	882,333,007
Short Term Investments		-	-
Inventories		220,813	306,758
Short Term Debtors	G6	45,196,930	30,959,304
Cash and Cash Equivalents	G8	20,415,261	25,680,953
Assets Held for Sale		2,520,001	2,520,001
Contract Assets		556,847	496,180
CURRENT ASSETS		68,909,852	59,963,196
Bank Overdraft		-	-
Short Term Borrowing		5,375,701	5,260,558
Short Term Creditors	G7	57,464,717	50,029,385
Provisions		4,265,735	3,736,974
Contract Liabilities		35,000	113,110
CURRENT LIABILITIES		67,141,153	59,140,027
Long Term Creditors	G7	50,003	67,099
Provisions		1,844,093	1,844,093
Long Term Borrowing		33,145,642	38,521,347
Other Long Term Liabilities		7,068,942	(10,648,058)
Contract Liabilities		-	-
Donated Assets Account		443,856	443,856
Capital Grants Receipts in Advance		733,640	1,711,643
LONG TERM LIABILITIES		43,286,176	31,939,980
NET ASSETS		848,058,335	851,216,196
USABLE RESERVES			
Capital Receipts Reserve		729,008	642,458
Deferred Capital Receipts		-	-
Capital Fund		14,409,960	15,096,990
Leisure Mobilisation Fund		534,521	611,877
Neighbourhood Regeneration Fund		10,052,018	10,000,000
Other Balances and Reserves		2,935,552	2,620,360
General Fund		59,310,472	58,829,065
		87,971,531	87,800,750
UNUSABLE RESERVES			
Capital Adjustment Account		526,101,099	522,981,947
Revaluation Reserve		243,212,740	231,519,930
Pensions Reserve		(7,068,942)	10,648,058
Accumulated Absences Account		(2,153,896)	(1,730,293)
Provisions Discount Rate Reserve		(4,196)	(4,196)
		760,086,805	763,415,446
NET WORTH		848,058,335	851,216,196

Belfast City Council
Group Cash Flow Statement at 31 March 2024

	Note	2023/24	2022/23
		£	£
Net Deficit on the Provision of Services		(3,777,026)	(23,400,512)
Adjustment for non-cash movements	G8	23,497,819	53,867,584
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G8	(5,948,531)	(9,692,017)
Net cash flows from operating activities		13,772,262	20,775,055
Cash flows from Investing Activities	G8	(13,777,393)	(15,924,690)
Net Cash flows from Financing Activities	G8	(5,260,562)	(5,209,837)
Net increase or decrease in cash and cash equivalents		(5,265,692)	(359,472)
Cash and cash equivalents at the beginning of the reporting period		25,680,953	26,040,425
Cash and cash equivalents at the end of the reporting period		20,415,261	25,680,953

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.

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 £11,461 at 31 March 2024 (2022/23: £13,121). There was no profit/loss on ordinary activities before taxation for the period to 31 March 2024 (2022/23: £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 asset was restricted to nil in 2023/24 in accordance with Paragraph 64 of IAS 19.

The latest set of accounts is for the year to 31 March 2024 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 2024, 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 £217,000 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:

	2023/24	2022/23
	£	£
Long term assets	128,930	126,073
Current assets	154,102	281,343
Long term liabilities	(500,032)	(613,416)
Net liability	(217,000)	(206,000)

The Council has not consolidated its interests in Belfast Gasworks Management Co Ltd or 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 2023/24 was to increase the Council's reserves and net assets by £11,461 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:

	2023/24		2022/23	
	£	£	£	£
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:				
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	(1,609,311)		(210,629)	
Depreciation charged in the year on non-current assets	30,529,545	28,920,234	25,016,968	24,806,339
Net Revenue expenditure funded from capital under Carrying amount of non current assets sold	137,193		2,318,167	
Proceeds from the sale of PP&E, investment property and intangible assets	(337,700)	(200,507)	(1,685,725)	632,442
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		17,635,000		38,464,000
Direct revenue financing of Capital Expenditure		(9,594,430)		(10,473,681)
Capital Grants and Donated Assets Receivable and Applied in year		(5,610,831)		(8,006,292)
Capital Grants Receivable and Unapplied in year		-		-
Rates Claw-Back Reserve		-		-
Adjustments in relation to Short-term compensated absences		423,603		(613,865)
Adjustments in relation to Lessor Arrangements		-		-
Provisions Discount Rate Reserve Adjustment		-		-
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year				
Statutory Provision for the financing of Capital Investment		(8,652,492)		(8,620,132)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners		(16,840,000)		(15,546,000)
		6,080,577		20,642,811

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 2023	112,007,504	535,655,715	5,093,674	-	54,905,004	53,798,477	50,767,895	5,446,001	817,674,270	9,643,064	-	827,317,334
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	112,007,504	535,655,715	5,093,674	-	54,905,004	53,798,477	50,767,895	5,446,001	817,674,270	9,643,064	-	827,317,334
Additions	1,500	1,457,699	-	-	3,593,458	194,835	11,208,448	-	16,455,940	15,001	-	16,470,941
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	27,500	(3,473,458)	-	-	-	-	15	-	(3,445,943)	42,890	-	(3,403,053)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	300,000	(509,646)	-	-	-	-	(239,215)	-	(448,861)	(5,290)	-	(454,151)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,139,172)	-	-	-	(4,139,172)	-	-	(4,139,172)
Derecognition - Other	-	-	-	-	(152,460)	-	-	-	(152,460)	-	-	(152,460)
Reclassifications & Transfers	-	22,799,309	-	-	104,165	6,842,570	(30,738,929)	-	(992,885)	413,289	-	(579,596)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	112,336,504	555,929,619	5,093,674	-	54,310,995	60,835,882	30,998,214	5,446,001	824,950,889	10,108,954	-	835,059,843

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 2023	-	201,401	1,131,820	-	33,182,421	8,849,493	-	-	43,365,135	27,261	-	43,392,396
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	-	201,401	1,131,820	-	33,182,421	8,849,493	-	-	43,365,135	27,261	-	43,392,396
Depreciation Charge	-	23,494,247	169,794	-	3,989,261	2,387,520	-	-	30,040,822	119,740	-	30,160,562
Depreciation written out on Revaluation Reserve	-	(22,943,088)	-	-	-	-	-	-	(22,943,088)	(119,740)	-	(23,062,828)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(563,462)	-	-	-	-	-	-	(563,462)	-	-	(563,462)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,001,979)	-	-	-	(4,001,979)	-	-	(4,001,979)
Derecognition - Other	-	-	-	-	(134,824)	-	-	-	(134,824)	-	-	(134,824)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	-	189,098	1,301,614	-	33,034,879	11,237,013	-	-	45,762,604	27,261	-	45,789,865

Net Book Values

Balance as at 31 March 2024	112,336,504	555,740,521	3,792,060	-	21,276,116	49,598,869	30,998,214	5,446,001	779,188,285	10,081,693	-	789,269,978
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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
	£	£	£	£	£	£	£	£	£	£	£	£
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	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period adjustment		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 (Note 11)	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	Assets (Restated)	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
Balance as at 31 March 2024	112,336,504	555,740,521	3,792,060	-	21,276,116	49,598,869	30,998,214	5,446,001	779,188,285	10,081,693	-	789,269,978

Belfast City Council
Notes to the Group Financial Statements
FOR THE YEAR ENDED 31 MARCH 2024

Intangible Assets	2023/24	2022/23
	£	£
Balance at start of year:		
Gross carrying amounts	20,987,999	20,094,269
Accumulated amortisation	(19,626,932)	(19,390,564)
Net carrying amount at start of year	1,361,067	703,705
Additions*	(25,503)	8,544
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	(368,983)	(236,368)
Other Changes	579,597	885,186
Net carrying amount at end of year	1,546,178	1,361,067

Investment Properties	2023/24	2022/23
	£	£
Balance at start of the year	96,176,881	96,718,670
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	1,500,000	(652,222)
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	-	130,000
Other changes	16,996	(19,567)
Balance at end of the year	97,693,877	96,176,881

Investment Property	2023/24	2022/23
	£	£
Industrial Estates	75,770,000	74,560,000
Commercial Units	21,923,877	21,616,881
Balance at end of the year	97,693,877	96,176,881

G5

Employee Costs and Member Allowances		
Staff Costs	2023/24	2022/23
	£	£
Salaries and Wages	88,820,646	80,751,362
Employers NIC	8,986,887	8,536,534
Employers Superannuation	16,831,395	15,239,578
Total staff costs	114,638,928	104,527,474

The above staff costs include the costs of voluntary redundancies in 2023/24. These costs total £383,187 (2022/23 £392,294) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £8,589,688 (2022/23 £9,060,881).

The Council's contribution rate to the NILGOSC scheme in 2023/24 was 19%. At the last actuarial valuation dated 31/02/22 there was a surplus of £1,004.4m relative to the liabilities and funding level was 111%.

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

Average Number of Employees		
	2023/24	2022/23
	FTE	FTE
Strategic Policy & Resources	590	592
City Growth & Regeneration	268	245
People & Communities	1,206	1,223
Planning and Licencing	151	145
Total Number	2,215	2,205

	2023/24	2022/23
	Actual Numbers	Actual Numbers
Full-time numbers employed	2,039	2,040
Part-time numbers employed	540	547
Total Number	2,579	2,587

Senior Employees' Remuneration		
	2023/24	2022/23
	£	£
£50,001 to £60,000	149	148
£60,001 to £70,000	74	38
£70,001 to £80,000	2	4
£80,001 to £90,000	6	4
£90,001 to £100,000	5	8
£100,001 to £110,000	8	6
£110,001 to £120,000	5	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
Total Number	250	210

G6 Debtors		2023/24	2022/23
a Long Term Debtors		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Employee car loans		18,119	23,160
Revenue Grants		-	-
Capital Grants		-	-
Interest Receivable		-	-
Capital Debtors		-	-
Loans and advances		-	-
Finance lease debtors		-	-
Trade debtors		918,640	720,939
NIHE Loans		-	-
Other		-	-
Impairment of loans and receivables		-	-
Contract Receivables		-	-
Total Long Term Debtors		936,759	744,099
b Short Term Debtors		2023/24	2022/23
		£	£
Government Departments		1,384,978	1,443,212
Other Councils		401,041	125,201
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates finalisation		-	-
NIHE loans		-	-
Employee car loans		23,591	27,264
Revenue Grants		18,548,774	10,140,493
Capital Grants		6,480,062	5,106,947
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		2,218,990	2,670,312
Prepayments		4,568,566	4,825,214
Finance lease debtors		-	-
Other		10,946,522	5,502,425
Trade receivables		1,699,045	2,022,035
Impairment loss - Trade receivables		(1,074,638)	(903,799)
Contract Receivables		556,847	496,180
Total Short-Term Debtors		45,753,778	31,455,484
Total Debtors		46,690,537	32,199,583

G7 Creditors			
a Short Term Creditors			
	2023/24	2022/23	
	£	£	
Government Departments	2,486,587	1,828,796	
Other Councils	-	88	
Public corporations and trading funds	-	-	
Bodies external to general government	-	-	
Rates clawback	894,750	269,044	
De-rating grant clawback	-	273,133	
Remuneration due to employees	1,071	3,376	
Accumulated Absences	2,153,896	1,730,293	
Receipts in advance	18,324,042	10,760,338	
Trade creditors	3,297,222	4,465,754	
Loan interest	151,535	171,670	
Capital Creditors	2,749,841	4,922,816	
Creditor Accruals	27,405,773	25,604,076	
Contract Payables	35,000	113,110	
Total Short Term Creditors	57,499,717	50,142,494	

b Long Term Creditors			
Other creditors falling due after more than one year			
	2023/24	2022/23	
	£	£	
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	50,003	67,099	
Contract Payables	-	-	
Total Long Term Creditors	50,003	67,099	
Total Creditors	57,549,720	50,209,593	

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	2023/24	2022/23
	£	£
Depreciation	30,529,545	25,016,968
Impairment & downward revaluations (& non-sale derecognitions)	(1,609,311)	(210,629)
Amortisation (included with depreciation above)	-	-
(Increase)/Decrease in Inventories	85,945	3,636
(Increase)/Decrease in Debtors	(14,661,793)	(1,473,804)
Increase/(decrease) in impairment provision for bad debts	170,839	15,706
Increase/(Decrease) in Creditors	6,916,524	203,702
Increase/(Decrease) in Interest Creditors	-	-
Payments to NILGOSC	795,000	22,918,000
Carrying amount of non-current assets sold	137,193	2,318,167
AIC/WIP written off to Net Cost of Services	-	-
Contributions to Other Reserves/Provisions	1,133,877	5,075,838
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	-	-
	23,497,819	53,867,584

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

	2023/24	2022/23
	£	£
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	(337,700)	(1,685,725)
Capital grants included in "Taxation & non-specific grant income"	(5,610,831)	(8,006,292)
	(5,948,531)	(9,692,017)

b Cash and Cash Equivalents

	2023/24	2022/23
	£	£
Cash and Bank balances	8,415,261	25,680,953
Short Term Deposits (considered to be cash equivalents)	12,000,000	-
Short Term Investments (considered to be cash equivalents)	-	-
Bank Overdraft	-	-
	20,415,261	25,680,953

c	Cash flows from Investing Activities		2023/24	2022/23
			£	£
	Purchase of PP&E, investment property and intangible		18,677,435	24,477,025
	Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
	Purchase of Long Term Investments		129,000	126,000
	Other Payments for Investing Activities		919,489	1,013,682
	Proceeds from the sale of PP&E, investment property and intangible assets		(337,700)	(1,685,725)
	Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
	Proceeds from Long Term Investments		-	-
	Capital Grants and Contributions Received		(5,610,831)	(8,006,292)
	Other Receipts from Investing Activities		-	-
	Net Cash flows from Investing Activities		13,777,393	15,924,690

d	Cash flows from Financing Activities		2023/24	2022/23
			£	£
	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		(5,260,562)	(5,209,837)
	Other payments for Financing Activities		-	-
	Net Cash flows from Financing Activities		(5,260,562)	(5,209,837)

Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on September 2024.

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Subject:	Falls Park Cyclocross Event – Request for Funding
Date:	20 th September, 2024
Reporting Officer:	David Sales, Director of City and Neighbourhood Services
Contact Officer:	Cormac Mccann, Lead Officer Community Provision

Restricted Reports

Is this report restricted? Yes No

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in

Is the decision eligible for Call-in? Yes No

1.0	Purpose of Report/Summary of Main Issues
1.1	

	To consider a request for funding which has been received from VC Glendale cycling club in relation to a Cyclocross event.
2.0	Recommendation
2.1	The Committee is asked to consider the request and to take such action thereon as may be determined.
3.0	Main Report
3.1	The Committee is advised that the attached request for funding for a cyclocross event was considered at the meeting of the People and Communities Committee on 10 th September.
3.2	Given that this was a request for financial support and no budget was available, that Committee agreed to refer this matter to the Strategic Policy and Resources Committee for its consideration.
3.3	Accordingly, the Committee is asked to consider the request.
	<u>Financial and Resource Implications</u>
3.4	The request for funding of up to £8,795 for the Falls Park event is not included in any revenue budgets and there is no allocation in the People and Communities budget to support ad hoc requests.
	<u>Equality or Good Relations Implications/Rural Needs Assessment</u>
	Non associated with this report.
4.0	Appendices - Documents Attached
	Appendix 1 – Report to the People and Communities Committee



Subject:	Falls Parks Cyclocross Event
Date:	10 th September 2024
Reporting Officer:	Jim Girvan, Director of Neighbourhood Services
Contact Officer:	Cormac McCann, Lead Officer Community Provision

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	To bring to Members' attention a request for funding support for an event in Falls Park, subsequent to the People and Communities Committee permission to organise the event at its meeting on 6 th August 2024.
1.2	The event organisers requested funding support from City and Neighbourhood Services and there is no funding process available to consider this request.
2.0	Recommendations
2.1	That committee consider the request for a maximum of £8,795 funding support for the Falls Park cyclocross event.
3.0	Main report

	<u>Key Issues</u>
3.1	<u>VC Glendale Falling Leaves Cyclocross - Falls Park</u> VC Glendale are a well-known local voluntary cycling club with a long history of producing some of the country's finest cyclists. Their Falling Leaves Cyclocross event has taken place at Falls Park for the last 9 years and permission to promote this year's event was agreed by committee at its 6 th August 2024 meeting.
3.2	This year's event is the first in the Cyclocross National League and attracts riders and spectators from across Ireland as riders race for the points that ultimately influence their grid positions at National Championships. The event has become a well-established fixture on the cyclocross calendar, and it is hoped that another successful event at the venue could result in Falls Park being successful in bidding as the venue for the Irish National Championships in the future.
3.3	This year the organisers have requested financial support from Council to assist with the delivery of the event and have submitted an expenditure budget to the department totalling £8,795. No income projection is provided although participants are levied an entry fee.
3.4	City and Neighbourhood Services Department does not have growth funding in its budgets. Parks Events and Outreach team are reporting an overspend on programming budgets due to the increase in activity and delivery costs. The event would have been eligible for the Departmental Parks Small Events grant of up to £3,000 but the organisers did not submit an application. The event would have been eligible for grant funding of up to £1,000 from the Departmental Support for Sport grant but the organisers did not submit an application.
3.5	A similar request for support was received for the club's 2023 event. The request was considered at the 8 th August 2023 People and Communities committee which agreed to refer the matter to the 18 th August 2023 Strategic Policy and Resources committee. Strategic Policy and Resources committee agreed to support the ad hoc request to a maximum amount of £8,207.
3.6	The key dates for the event are as follows, with full detail to be finalised; Saturday 5 th October – 10am, set up Saturday 5 th October – 12pm to 3pm, Race Day Sunday 6 th October – 8am to 4.30pm, Race Day Sunday 6 th October – 8pm – Off Site
3.7	<u>Financial & Human Resource Implications</u> The request for funding of up to £8,795 for the Falls Park event is not included in any revenue budgets and there is no allocation to support ad hoc requests.
3.8	<u>Asset and Other Implications</u> In line with routine event management, Council officers will liaise with event organisers and promoters in relation to any potential environmental impact from the event.
3.9	<u>Equality or Good Relations Implications/Rural Needs Assessment</u> There are no known implications.
4.0	Appendices
4.1	None



Subject:	Audit & Risk Panel Report and Minutes of Meeting of 16 September 2024
Date:	20 September 2024
Reporting Officer:	Sharon McNicholl, Deputy Chief Executive / Strategic Director of Corporate Services
Contact Officer:	Claire O'Prey, Head of Audit, Governance and Risk Services (AGRS)

Restricted Reports

Is this report restricted? Yes No

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision	<input type="checkbox"/>	
After Council Decision	<input type="checkbox"/>	
Sometime in the future	<input type="checkbox"/>	
Never	<input type="checkbox"/>	

Call-in

Is the decision eligible for Call-in? Yes No

1.0	Purpose of Report/Summary of Main Issues
1.1	The purpose of this report is to provide the Committee with a summary of the key issues that were considered and discussed by the Audit & Risk Panel at its September 2024 meeting and present the minutes of the last meeting of the Panel for approval.

2.0	Recommendation
2.1	That the Strategic Policy and Resources Committee notes the key issues arising at the meeting and approves the minutes of the Audit & Risk Panel of 16 September 2024 at appendix A.
3.0	Main Report
	<p data-bbox="272 398 751 432"><u>Northern Ireland Audit Office (NIAO)</u></p> <p data-bbox="165 499 1477 680">3.1 The Panel considered the Statement of Accounts of the Council for the year-end 31 March 2024. These accounts are a fundamental part of the councils overall corporate governance framework and provide assurance to Members and ratepayers on the stewardship of the council's finances and its financial position.</p> <p data-bbox="165 748 1485 983">3.2 The NIAO Manager informed the Panel that their audit of the accounts is nearing completion and based on the work completed to date, there are no major issues to report to the Panel. The NIAO Manager indicated that the Report to Those Charged with Governance (RTTCWG) should be issued in time to support the Strategic Policy and Resources Committee in approving the accounts.</p> <p data-bbox="165 1050 1469 1386">3.3 The Panel reviewed the annual statement of accounts, agreed the wording for the new significant governance issue, and subject to receipt of the RTTCWG from the NIAO, did not identify any concerns arising from the financial statements that needed to be brought to the attention of the Strategic Policy and Resources Committee. The RTTCWG, which outlines the system / control issues arising from the NIAO audit, will be circulated to the Panel for consideration prior to Strategic Policy and Resources Committee approval of the accounts on 20th September 2024.</p> <p data-bbox="272 1456 427 1489"><u>Key reports</u></p> <p data-bbox="165 1556 1469 1792">3.4 The Panel noted the progress being made against the annual audit plan, with three assignments finalised in the period June - August 2024. Regarding recent internal audits of Open Spaces and Streetscene and BWUH Ltd cyber security, data protection and finance, the Panel received an update from management on the progress being made to implement the recommendations arising.</p> <p data-bbox="165 1859 1485 2040">3.5 The Panel considered the corporate risk dashboard which provided an analysis and update on the progress being made to manage the 23 risks that are considered to present the greatest threat to the delivery corporate priorities and / or compliance with key statutory requirements. The Panel noted the quarterly assurances provided by directors regarding</p>

	the arrangements in place for the management of risk (including formal departmental risk management arrangements) and the implementation of agreed audit actions.
3.6	Regarding business continuity management , the Panel agreed for the critical services; to complete their annual exercise, review and update of their BCM plans; to provide assurance on their preparedness for Planned Emergency Power Cuts and; to review and update their Business Impact Analysis.
3.7	The Panel also received quarter 1 reports on corporate health and safety and absence management . The Panel also considered the Performance Improvement – 2023-24 Year End Assessment .
3.8	The Panel agreed to exercise the Council’s option to extend the contract for the external member to the Panel for an additional two years, in line with the contract.
	<u>Financial and Resource Implications</u>
3.9	None
	<u>Equality or Good Relations Implications/Rural Needs Assessment</u>
3.10	None known at this time.
4.0	Appendices - Documents Attached
	Appendix A - Minutes of Audit & Risk Panel 16 September 2024

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Audit and Risk Panel

Monday, 16th September, 2024

HYBRID MEETING OF AUDIT AND RISK PANEL

HELD IN THE BOARDROOM AND REMOТЕLY VIA MICROSOFT TEAMS

Members present: Councillor R. McLaughlin (Chairperson);
Councillor Groogan; and
Mr. D. Wilson (External Member).

In attendance: Mrs. S. McNicholl, Deputy Chief Executive/Director of
Corporate Services;
Ms. N. Largey, City Solicitor/Director of Legal and Civic
Services;
Mr. J. Tully, Director of City and Organisational
Strategy;
Ms. C. Sheridan, Director of Human Resources;
Mr. T. Wallace, Director of Finance;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services;
Mr. L. Mulholland, Audit, Governance and Risk
Services Manager;
Mr. M. Whitmore, Audit, Governance and Risk
Services Manager;
Ms. H. Lyons, Corporate Finance Manager;
Ms. E. Eaton, Corporate Health and Safety Manager;
and
Mrs. L. McLornan, Committee Services Officer.

Also attended: Mr. P. Barr, Northern Ireland Audit Office.

Pre-Meeting

The Audit and Risk Panel met privately with the Head of Audit, Governance and Risk Services prior to the meeting commencing, to enable the Panel members to raise any concerns around the work of internal audit or the Council's risk, control and governance arrangements.

Apologies

An apology for inability to attend was reported from Alderman Rodgers.

Minutes

The minutes of the meeting of 4th June, 2024, were approved by the Panel.

**Audit and Risk Panel,
Monday, 16th September, 2024**

Declarations of Interest

Mr. D. Wilson declared an interest in relation to agenda item 14 - Extension to Contract with External Member, in that it related to his contract and he left the meeting before it was considered.

Management update report - BWUH Ltd.

(Mr. J. Greer, Director of Economic Development, attended in connection with this item.)

The Director of Economic Development provided the Panel with an update on the progress which had been made by Senior Management to address the issues highlighted in the internal audit of BWUH Ltd., which had been completed in April 2024. The audit had examined the company's cyber security, data protection and finance controls. The outcome of the audit had been "major improvement needed".

He provided an outline of each agreed action, the timeframe for implementation and a short update on the progress which had been made to date to implement each of the actions. He highlighted to the Members that the company had taken the audit extremely seriously and that a significant amount of work had been carried out to address the issues raised. He added that the BWUH Management and Audit, Risk and Compliance Committee had been receptive to the audit report and that implementation of many of the recommendations were underway at the date of finalising the report.

A Member thanked the staff for all their hard work in getting to that point. He asked for assurance that the company would never again find itself with those issues going forward.

In response, the Director of Economic Development explained that the new SRO would have monthly management meetings with the Financial Controller. The Head of Audit Governance and Risk Services added that they were in the middle of their 2024/2025 audit of the BWUH but that AGRS would periodically come in and examine the processes and procedures to help ensure that the company retained good practices but that ultimately it was the responsibility of management to ensure that the relevant controls were in place and operating effectively.

The Panel noted the update which had been provided.

Absence Management Q/E September 2024

The Director of Human Resources drew the Panel's attention to the following report:

**Audit and Risk Panel,
Monday, 16th September, 2024**

“1.0 Purpose of Report or Summary of Main Issues

1.1 The purpose of this report is to inform the Audit Panel of the Council’s performance in managing absence at the end of quarter one, April – June 2024.

2.0 Recommendations

2.1 The Audit Panel is asked to note the contents of this report.

3.0 Main report

3.1 Key corporate indicators:

At the end of quarter one:

- **The Council’s average sickness absence rate stands at 3.59 days, a decrease of 0.29 days compared to absence for the same period last year (3.88 days).**
- **A total of 7881.86 working days was lost due to sickness absence. This accounted for 6.39% of the total working days available.**
- **The table below provides a summary of how departments are performing against the target. 2 departments did not meet the corporate quarterly target of 4.06 days for quarter one .**

End of year target	16.23					
Q1 target	4.06					
Department	Number of Employees (FTE)	Total days lost FTE	Actual absence per FTE	Variance	% of workforce	% of absence
City and Neighbourhood Services	1249.76	5336.13	4.27	0.21	56.98%	67.70%
City and Organisational Strategy	84.77	211.49	2.49	-1.57	3.86%	2.68%
Corporate Services	127.88	221.11	1.73	-2.33	5.83%	2.81%
External Affairs, Comms and Marketing	27.85	18.38	0.66	-3.40	1.27%	0.23%
Finance	48.45	110	2.27	-1.79	2.21%	1.40%
Human Resources	31.54	148.51	4.71	0.65	1.44%	1.88%
Legal and Civic Services	152.1	568.01	3.73	-0.33	6.93%	7.21%
Place and Economy	351.66	831.44	2.36	-1.70	16.03%	10.55%
Property and Projects	119.27	436.79	3.66	-0.40	5.44%	5.54%
Totals	2193.28	7881.86	3.59	-0.47		

3.2 Additional Absence information:

- There has been an increase in the number of staff with no recorded absence this period (74.32%) compared to the same time last year (74.03%).
- There has been a significant decrease in absence classified as long term (20+ days) this quarter (5340.37 days or 67.76% of total absence) compared to the same quarter last year (6056.27 days or 74.00% of the total absence).
- The number of days lost per full time equivalent decreased by almost one full day in quarter one (3.59 days) when compared to quarter four (4.56 days). This decrease is illustrated in figure 1.
- Depression/anxiety/stress (34.46% of total days lost) and musculo-skeletal (26.82% of total days lost) continue to be the top two reasons for absence. Refer to figure 2 for further information.
- From 1 April to 30 June 2024, 613 employees were off due to sickness absence (accounting for 7881.86 days). Discretion was reported as being applied to 108 employees (17.6%) which accounts for 2681.08 days (approximately 34% of the total absence for quarter one). Refer to figure 3 for further information.
- Issues were identified in how absences were being managed in 101 cases. These were discussed in detail departments during quarter one. Refer to figure 4 for further information.
- Approximately 26.26% of absence (2069.73 days) is recorded as disability related. Over half (53.5%) of disability related absence was managed as long term. Employees who reported absence with Depression / Anxiety / Mental Health (34.58%), Chronic back pain (13.87%) and Osteoarthritis (12.7%) accounted for 61% of all disability related absence days Refer to figure 5 for further information.
- The Council continued to be impacted by absence due to COVID 19 during quarter one. 51 employees were recorded as absent due to COVID19, and this accounted for 262.59 days or 3.3% of the total absence in quarter one.
- 13 employees met the trigger for a Stage4/FAH in quarter one.
 - 4 employees were retired on the grounds of ill health prior to hearing being arranged.

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- Discretion was applied to 1 of these cases not to progress to a FAH. This was due to 1 employee returning to work at month six.
- 2 employees were dismissed.
- 1 decision was deferred by the panel as they awaited further medical information.
- 2 employees did not progress to a final hearing as further medical information was required.
- 2 employees met the trigger in late June and these hearings have been scheduled for August 2024.
- 1 employee attended a stage four hearing. Discretion was shown due to the employees poor mental health and they were given a final opportunity to improve attendance.

Corporate HR monitors how departments are managing attendance. Matters about the management of cases at the final stages of the attendance policy, are raised with departmental senior management when necessary.

3.3 Departmental improvement plans/Absence Reporting to DMT:

Corporate HR has reviewed all of the departmental improvement plans and provided feedback. Departments are currently considering the feedback. It is expected that these suggested improvements will lead to more meaningful improvement actions and updates will be provided to CMT and Audit Panel in the quarter two absence report.

7 of the 9 departments returned its absence dashboards for April, May and June. City and Neighbourhoods Services and Property and Projects did not return its absence dashboards for June as requested.

3.4 Health and Wellbeing Strategy and initiatives:

Following the launch of the new Health & Wellbeing Strategy in April, Corporate HR continue to roll out a full programme of H&WB initiatives. A total of 15 events were delivered in Q1 2024-2025 with 266 employees attending a range of in person events or webinars. In addition, 58 employees registered and took part in the Active Travel Challenge during June.

One new initiative is a regular Interlink article 'Wellbeing Wednesday' which highlights a topic and signposting to support for employee's health and wellbeing.

In addition, Corporate HR promoted a variety of wellbeing themes including Stress Awareness month and Mental Health Week with information and support being delivered by partners. An additional 'Positive mental health' face to face session was carried out at Duncrue which proved very engaging for attendees.

The Keeping Well van visited 2 CNS sites and 31 frontline staff received a 30-minute health check.

Training was organised in June to help managers deal with the more challenging aspects of implementing the Attendance Policy as well as the ongoing Understanding the Attendance Policy mandatory session for new managers. A range of management skills training is addressed in the L&D programme such as Conflict Resolution, Dealing with Difficult Conversations and Skills for Managing Performance to further support managers.

The Council's current network of 15 Health & Wellbeing Champions are supported with a monthly email of all health and wellbeing activity to promote throughout departments. Reaching out to front line staff remains a key priority and this is being achieved by utilising the screens in depots to display information on events and greater use of on-site training rooms to deliver webinars.

4.0 Resource Implications

4.1 Directors are asked to ensure that:

- Attendance management continues to be a priority item on DMT agendas and related matters discussed and appropriate actions taken forward.**
- Resources are in place to ensure that adequate monitoring and review is in place at department level.**

5.0 Equality and Good Relations Implications

5.1 Approximately 26.26% of absence (2069.73 days) is recorded as disability related.

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The use of discretion and reasonable adjustments is considered in such cases.”

The Panel noted the contents of the report.

Corporate Health and Safety Performance Report

The Corporate Health and Safety Manager reminded the Panel that it was responsible for overseeing the Council's risk, control and governance arrangements for health and safety. In undertaking this function, the Panel provided independent scrutiny of the Council's health and safety performance, with reports being presented to it on a quarterly basis.

Accordingly, she submitted for the Panel's consideration a report on corporate health and safety performance and activities for the quarter ending on 30th June, 2024.

She provided, on a Departmental basis, information on the implementation of actions associated with the key performance indicators of health and safety and fire safety and pointed out that, at a corporate level, compliance rates had been 56% and 51% respectively. She highlighted that no high priority actions remained open.

In terms of accident/incident reporting, there had, in quarter 1, been 22 employee accidents, 9 non-employee accidents, 10 RIDDOR accidents and 14 incidents of work-related violence.

She provided the details of contacts which had been received from the Health and Safety Executive Northern Ireland and the Northern Ireland Fire and Rescue Service during the quarter.

In response to a Member's query, the Corporate Health and Safety Manager provided further information in respect of an incident at the lion enclosure in the Zoo.

In response to the Panel's request, a list of departmental action plans for any actions open longer than nine months was provided. A Member expressed concern regarding the outstanding fire actions. He suggested that the Panel did not require the full detail of each individual action but rather an assurance that each action had an allocated responsible officer and an agreed timeframe for implementation. The Corporate Health and Safety Manager agreed to include that information in future reports to the Panel.

The Panel noted the update which had been provided.

Financial Statement of Accounts; and

**Northern Ireland Audit Office (NIAO) - Draft Report to
Those Charged with Governance**

The Director of Finance presented the Panel with the following report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1 The purpose of this report is to present to the Audit and Risk Panel, the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending 31 March 2024.**
- 1.2 The Statement of Accounts are an important element of the council’s overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council’s finances and its financial position.**
- 1.3 The Statement of Accounts for the year ended 31 March 2024, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 05/24 dated 16 January 2024.**
- 1.4 I can confirm that the Statement of Accounts for the year ended 31 March 2024 has been prepared in the form directed by the Department for the Communities and in my opinion the Statement of Accounts 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.**

2.0 Recommendations

- 2.1 The Panel is asked to note the Council’s Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2024. The audit of these accounts by Northern Ireland Audit Office (NIAO) is still ongoing. NIAO will provide a verbal update at this meeting on the status of the audit of these accounts and the draft Report To Those Charged with Governance for 2023/24.**
- 2.2 In prior years, the Panel is asked to recommend that Strategic Policy and Resource Committee approve the Statement of Accounts and Annual Governance Statement, however this year any recommendation would now be subject to the outcome of the verbal update being provided by NIAO at this meeting.**

It is noted the legislative requirements under Regulation 8 of the Local Government (Accounts and Audit)

Regulations (Northern Ireland) 2015 and the requirement on the Council to publish these accounts no later than 30 September.

3.0 Main report

Key Issues

3.1 Audit Opinion

We await an update on the likely completion of the local government audit for the period ending 31 March 2024 and confirmation of the Local Government Auditor’s opinion that:

- **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 2023-24, of the financial position of Belfast City Council as at 31 March 2024 and its income and expenditure for the year then ended; and**
- **the statement of accounts 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; and**
- **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 Narrative Report for the financial year ended 31 March 2024 is consistent with the financial statements.**

**3.2 Reserves
General Fund**

The credit balance on the General Fund has increased to £59.3m (of which £46.1m relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:

Table 1: Summary of Reserves Position

Opening Balance		£58.8m

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In year movement in reserves		<u>£0.5m</u>
<u>Closing Balance</u>		<u>£59.3m</u>
Specified Reserves at year end		<u>£46.1m</u>
<u>Balance Available</u>		<u>£13.2m</u>

3.3 Capital Fund £14,409,960

The Capital Fund is made up of the Belfast Investment Fund (£4,807,700). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£348,433) to fund smaller local regeneration projects, the City Centre Investment Fund (£8,246,713) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£1,007,114) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support and attraction of investment.

3.4 Neighbourhood Regeneration Fund £10,052,018

This fund was created from the Belfast Investment Fund, to support neighbourhood regeneration and tourism projects in local neighbourhoods.

3.5 Leisure Mobilisation Fund £534,521

This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.

3.6 Capital Receipts Reserve £729,008

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

3.7 Other Fund Balances and Reserves £2,935,552

This relates to the Election Reserve (£62,745) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£1,078,513) to

support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£1,794,294) to support planned maintenance and future capital works at the new exhibition centre.

3.8 Debt

The overall level of trade debtors is now standing at £5m at 31 March 2024 compared to £4.3m at 31 March 2023. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	31 March 2024	31 March 2023
Less than three months	£2,962,988	£3,129,548
Three to one year	£1,158,399	£482,337
More than one year	£918,640	£720,939
Total	£5,040,027	£4,332,824

3.9 Creditors

The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 75,629 invoices totalling £192,418,313.

The average time taken to pay creditor invoices was 17 days for the year ended 31 March 2024. The Council paid 58,774 invoices within 10 days, 70,456 invoices within 30 days, and 5,173 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.

3.10 Annual Governance Statement (AGS)

The Statement of Accounts include the Annual Governance Statement (AGS) for the year 2023/24, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.

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Specifically the AGS sets out:

- **scope of responsibility**
- **the purpose of the governance framework**
- **the governance framework in place**
- **review of effectiveness**
- **update on the significant governance issues declared last year**
- **significant governance issues for current year**

3.11 The AGS is approved by the Chair of the Strategic Policy and Resources and the Chief Executive. It is subject to review by the LGA (NIAO) as part of their annual audit.

3.12 Financial & Resource Implications

None

3.13 Equality or Good Relations Implications / Rural Needs Assessment

None.”

The Panel was apprised of a number of amendments which officers had made to the draft accounts and which had been sent to the NIAO on 12th September, 2024. The amendments included staff costs having been updated in light of the amount of pay and grading accrual of £1.126million and the figures pertaining to the Northern Ireland Civil Service Pension Arrangements to reflect the most recent valuation.

Mr. P. Barr, NIAO, confirmed that the audit of the Council’s Financial Statement of Accounts for 2023/24 was now at an advanced stage and that no major issues had been identified to date. Staff from the NIAO were working with their counterparts in the Council to resolve some minor issues and it was anticipated that a draft report would be forwarded to the Council shortly. He also provided a verbal update on the NIAO’s draft Report To Those Charged with Governance for 2023/24.

In response to a Member’s question, the Director of Finance provided clarity on the process for approving specified reserves through the Strategic Policy and Resources Committee.

The Panel noted the Council’s Statement of Accounts and incorporated Annual Governance Statement for the year ending 31st March, 2024, and agreed to recommend that the Strategic Policy and Resources Committee approve the Statement of Accounts and Annual Governance Statement.

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AGRS Progress Report August 2024

The Audit, Governance and Risk Services Manager submitted for the Panel's consideration a report providing an update on the progress which had been made on the Service's audit and related activities during the period from June to August, 2024.

He summarised the outcome of the three assignments which had been finalised during that period, namely, the Urban Villages Funding Programme, a follow up of open actions related to the implementation of the new E5 system and, in response to the Panel's request, the validation of the mapping of the programmes in the Resilience Strategy to alternative plans.

In terms of progress against delivery of the 2024/25 audit plan, 38% of planned activity was complete or underway.

He advised the Members of the various audits which were currently underway.

The Panel was also advised that preparation for the 2024 National Fraud Initiative exercise was well underway. The AGRS Manager outlined that, unlike previous years, the NIAO had highlighted that agency worker data should be uploaded, where the agency organisation had issued Privacy Notices. He advised that, while valuable, it would be a significant change for the Council and would take some time to prepare for. AGRS would liaise with Corporate HR on the feasibility of uploading data on agency workers.

The Panel was asked to consider deferring the planned internal audit of the Public Hire Bicycle Scheme (Belfast Bikes) until a new operator contract had been procured. He outlined that Management was currently preparing tender and approval documents and that it was planned to award the new contract in early 2025. A deferral of the internal audit of External Funding Opportunities was also being requested until an approach to external funding coordination was agreed with CMT and implemented.

After questions seeking further clarity on the Belfast Bikes request, the Panel noted the update which had been provided and agreed to the two deferral requests.

**Management update report -
Open Spaces and Streetscene**

(Mr. S. Leonard, Director (Operational) of City and Neighbourhood Services, attended in connection with this item)

The Director (Operational) of City and Neighbourhood Services provided the Panel with an update on the progress which had been made to address the issues which had been highlighted in the recent audit of Open Spaces and Streetscene. The audit had indicated three new high priority recommendations and three medium priority recommendations. He outlined the high priority actions which had been undertaken to date in respect of the OSS Service's Transition and Improvement Project, the development of Service Standards for former street

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cleansing and Parks staff and a stock take of the achievements under the Belfast Open Spaces Strategy and the next phase of actions for the next five years.

He also provided details in relation to the medium-term actions in respect of CRM requests, Asset Management and Contract Management.

The Panel thanked the Director for the update which had been provided.

Corporate Risk Management

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration a report on the corporate risk dashboard, which summarised the key updates from the risk reviews by management for the quarter ending 30th June, 2024. She provided an update on compliance with the Risk Strategy based on the new updated assurance statements completed by senior management for the quarter.

She sought the Panel's agreement for the inclusion of a proposed new significant governance issue on the penalty being applied to the Black Mountain Shared Space project in the Council's annual government statement.

In respect of business continuity management, the Panel was also asked to consider requesting the critical services to complete a template on preparedness for planned emergency power cuts.

The Head of AGRS also requested that the Panel would consider the BCM Improvement Action Plan, including a proposal to review and update the Business Impact Analysis (BIA's) of the 17 critical services only, rather than all BCC services.

The Panel:

- a) Noted the corporate risk management dashboard and the updates for quarter-end June 2024;
- b) Noted the assurances from senior management regarding compliance with the Risk Strategy, based on the new format assurance statements for quarter-end June 2024;
- c) Reviewed and agreed the inclusion of a proposed new significant governance for inclusion in our annual government statement, which formed part of the published financial accounts;
- d) Noted the current position regarding business continuity arrangements and agreed to request each of the 17 critical services to complete a template on preparedness for planned emergency power cuts; and
- e) Agreed the practice of reviewing and updating the Business Impact Analysis (BIA's) of the 17 critical services only (rather than all BCC services) and for this update to be completed by the end of March 2025.

Management update report - Resilience Strategy

The Director of City and Organisational Strategy presented the following report to the Panel:

“1.0 Purpose of Report

1.1 The purpose of this report is to provide members with an overview of the progress of projects outlined in the Resilience Ambitions document and the additional projects emerging from the Resilience and Sustainability Board.

2.0 Recommendations

2.1 The Panel is asked to note the contents of this report and the detailed review attached at Appendix 1.

3.0 Main report

3.1 Members will be aware that in December 2020, Belfast launched a Resilience Strategy, a framework to safeguard the city against situations (shocks and stresses) that could threaten its safety and stability over coming years. The strategy had been developed as a city rather than a council document, to be delivered in partnership with external partners across the city.

3.2 Many of the programmes contained within the Resilience Strategy are being progressed, monitored, and reported on individually through the appropriate led organisations including regular reporting to the Climate & City Resilience Committee and the Belfast Agenda Resilience & Sustainability Board.

3.3 Since its publication, a number of developments have occurred including the corporate decision to pivot the focus on climate related activity, at both a council and city level and the appointment of a Climate Commissioner and the creation of an internal climate team. Significant engagement has been undertaken to refresh the Belfast Agenda (the city’s community plan) for the period 2024-2028 with an enhanced focus on climate related priorities.

3.4 The Panel will recall that a report had been submitted to its meeting in June 2024 on the Belfast Resilience Strategy including a detailed assessment of the status

of each of the ambitions and programmes contained therein. The report sought to provide assurance in relation to the status of such programmes as well as highlighting that the responsibility for a number of commitments rested with other organisations to progress as part of their normal planning and delivery arrangements.

- 3.5 At the meeting in June, it was agreed that a further report would be brought back to the Panel outlining the work underway in relation to our Resilience Strategy commitments as well as other work underway on climate action. Attached at [Appendix 1](#) is a detailed report which recently submitted to the Climate and Resilience Committee on 8 August 2024, providing an update on work currently underway across the city, including those linked to the Resilience Strategy, to support the transition to an inclusive, resilient and low emission economy.

4.0 **Financial & Resource Implications**

There are no financial or resource implications contained within this report.

5.0 **Equality or Good Relations Implications / Rural Needs Assessment**

There is no equality, good relations of rural needs implications contained within this report.”

The Panel noted the contents.

Performance Improvement

The Director of City and Organisational Strategy submitted the following report for the Panel’s consideration:

“1.0 **Purpose of Report or Summary of main Issues**

- 1.1 To provide the Audit and Assurance Panel with an update on:

- Performance Improvement Self-Assessment 2023-24
- Performance Improvement Plan 2024-25.
- Northern Ireland Audit Office (NIAO) Section 95 Audit and Assessment 2024-25.

2.0 Recommendations

2.1 The Panel is asked to:

- i. Agree that the draft Performance Improvement Self-Assessment report 2023-24 (Appendix 1) is published by the statutory timescale of 30 September 2024, subject to SP&R Committee approval.**
- ii. The agreed Performance Improvement Plan 2024-25 (Section 3.6).**
- iii. That a mid-year 2024-25 progress report will be brought to the Audit and Assurance Panel on 3 December 2024.**
- iv. That the NIAO Section 95 Audit and Assessment 2024-25 will take place in approximately October/ November 2024.**

3.0 Main report

Background

3.1 Part 12 of the Local Government (NI) Act requires councils to agree improvement objectives on an annual basis and publish these in the form of a Performance Improvement Plan, to be published by 30 June. The Act also requires that progress is regularly monitored against the improvement objectives and reported in an annual Self-Assessment of performance, to be published by 30 September.

Performance Improvement Self-Assessment 2023-24

3.2 At the preceding Audit and Assurance Panel meeting in June 2024, the Panel were advised that they would receive:

- The statutory Performance Improvement Self-Assessment report 2023-24.**
- The final Performance Improvement Plan 2024-25.**

Councils are firstly required to undertake an annual self-assessment of their performance. In 2021-22, the NIAO also recommended that we should consider ways to ensure that ‘Self-Assessment reports’ provide a comprehensive and useful overview of how the council has performed across its wider corporate activities’.

3.3 The Panel will note that Appendix 1 fulfils both requirements above assessing the Council's performance against five agreed performance improvement objectives. A series of improvement milestones and indicators had been set out against each objective to enable success to be measured. A summary of the assessment is set out below.

- **All 5 improvement objectives have been achieved.**
- **Milestones – all 66 milestones have either been achieved (85%) or partially achieved (15%).**
- **In total there are 28 performance indicators – 8 statutory and 20 self-imposed indicators.**
- **Of the 28 performance indicators:**
 - **75% (21) of performance indicators were on target or exceeded target (within 1% or better);**
 - **7% (2) were slightly adrift of target (between 1% and 5%) and these are:**
 - **Number of adult and junior leisure centre monthly prepaid memberships (including swim school); and**
 - **Amount (tonnage) of council collected municipal waste arisings (reduce).**
 - **18% (5) were adrift of target (5% or more) and these are:**
 - **Percentage of corporate complaints resolved within timeframe;**
 - **Number of participants or businesses supported;**
 - **One Million Trees Programme - number of trees planted per annum;**
 - **Average (weeks) processing time for major planning applications; and**
 - **Average (weeks) processing time for local planning applications.**
- **Of the 28 performance indicators:**
 - **57% (16) showed a positive change from previous years.**
 - **25% (7) showed no significant change or maintained a similar level of performance as previous years, and these are:**

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- Number of parks and green spaces with green flag accreditation;
 - Number of jobs promoted through the 'Go For It' programme [statutory performance indicator];
 - Number of participants or businesses supported;
 - Carbon disclosure project (CDP) score;
 - Northern Ireland environmental benchmarking survey rating;
 - % of household waste collected that is sent for recycling (or prepared for re-use) (increase); and
 - Number of small and medium-sized enterprises (SME) and companies directly engaged in the Smart District programme.
- 18% (5) showed a negative change from previous years and these are:
- Percentage of corporate complaints resolved within timeframe;
 - One Million Trees Programme - number of trees planted per annum;
 - Amount (tonnage) of council collected municipal waste arisings;
 - Average (weeks) processing time for major planning applications; and
 - Average (weeks) processing time for local planning applications.

3.4 A rationale has been provided within Appendix 1 where targets have not been met or there has been limited or no improvement. Key factors impacting on the delivery of targets include regional issues and delays, council resource constraints as well as dependency on external factors including market forces and regulatory changes. Where targets have not been achieved or there has been no improvement, where relevant these have been carried forward to the 2024-25 Performance Improvement Plan.

NIAO recommendations

3.5 Whilst the NIAO did not make any statutory recommendations, they did make several observations. The Panel will note that all NIAO recommendations since 2020-21 have been addressed and completed as

outlined in the appendices of the Performance Improvement Self-Assessment report 2023-24.

Performance Improvement Plan 2024-25

3.6 At the preceding meeting of the Panel, members were presented with a draft Performance Improvement Plan. Following this meeting, the Improvement Plan 2024-25 was:

- formally approved by the SP&R Committee and the full Council;
- submitted to the NIAO;
- published on our website prior to the end of June in accordance with Part 12 of the Local Government Act; and
- circulated internally to all responsible and updating officers in July 2024.

The Panel will note that following approval of the Corporate Delivery Plan 2024-25 at Strategic Policy and Resources Committee on 23 August 2024 and the full council on the 2 September 2024, the target for the % of invoices paid within 30 calendar days has been revised from 95% to 90%. The published web version of the [2024-25 Performance Improvement Plan](#) will be updated accordingly.

The first update on progress against the 2024-25 Performance Improvement objectives will be presented to the Panel on 3 December 2024.

NIAO Section 95 Audit and Assessment 2024-25

3.7 Under Section 95 of the Local Government Act, the NIAO are required to conduct an annual audit and assessment of councils' performance management arrangements. In preparation for this, the Strategic Performance team are co-ordinating the completion of the NIAO Performance Improvement Audit Questionnaire 2024-25 to be submitted to the NIAO by 1 October 2024. The outcome of the audit will be reported to the Panel following receipt of the final audit report from the NIAO.

Next steps

3.8 Subject to consideration by the Audit and Assurance Panel, the proposed next steps include:

- i. This report will follow to the SP&R Committee on 20 September 2024 for approval.
- ii. The Performance Improvement Self-Assessment report 2023-24 will be published on the council website by the statutory deadline of 30 September 2024.
- iii. The Strategic Performance team will submit the NIAO Performance Improvement Audit Questionnaire 2024-25 to the NIAO by 1 October 2024.
- iv. The Panel will receive a mid-year 2024-25 Performance Improvement Plan progress report on the 3 December 2024.
- v. The NIAO Section 95 report will be presented to the Panel when received from the Audit Office.

4.0 Financial & Resource Implications

4.1 None.

5.0 Equality or Good Relations Implications / Rural Needs Assessment

5.1 There are no equality or good relations implications associated with this report.”

The Panel adopted the recommendations.

Management update report – Planning

(Ms. K. Bentley, Director of Planning and Building Control, attended in connection with this item).

The Director of Planning and Building Control provided the Panel with an update on Planning Performance, including how the Department’s performance challenges were being addressed through the Planning Service’s updated Improvement Plan.

The Panel was provided with the performance over the last nine years and for the current year to date. The current performance for processing Major applications in 2024/25 was an average processing time of 34.8 weeks against a target of 30 weeks. She outlined that that was a significant improvement from the previous year.

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She outlined that the Planning Service was subject to three statutory indicators set by the Department for Infrastructure. She highlighted that they were a simple but crude measurement which could be affected by a significant number of factors.

She explained that an analysis of the major applications determined in 2023/24 showed that the main impact on performance were delays post-Committee. In 2023/24, it had taken an average of 25 weeks to report Major applications to the Committee, which was well within the statutory target. However, the Key Performance Indicator statistics were generated from the time taken from validation to the issuing of the decision notice and so the overall processing time was 64.4 weeks.

She outlined that two withdrawn Major applications had also significantly adversely impacted the statistics, one having been withdrawn after 189 weeks and the other after 127 weeks.

The Panel was also advised of a number of delays in the signing of Section 76 Planning Agreements with developers before a decision could be issued.

Whilst the Section 76 Agreement process was the main cause of delays post-Committee, the most common reason for Major applications not achieving the 30 week target was found to be the quality of the applications.

She reiterated that the Department for Infrastructure's measurement of performance was very narrow and did not consider the quality of decision making or outcomes. She advised the Members that there was a significant amount of unmeasured work ongoing within the Planning Service in improving the quality of applications through negotiating amendments to schemes and seeking additional information to address Council policies and to satisfy consultees.

She outlined that the average processing time of local applications was 17.8 weeks against a target of 15 weeks which was a marked improvement from the previous year.

In regards to enforcement, the Planning Service had historically exceeded the statutory target of concluding 70% of cases within 39 weeks by some margin, with last years performance reaching 88.6%.

The Panel was presented with the Regional Performance statistics. The Director highlighted that, whilst direct comparisons with other planning authorities were hard to make, it was clear that Belfast City Council received and determined the most Major and Local applications in 2023/24 by some margin, with an approval rate above the NI average and demonstrating strong commitment to customer service and positive decision making.

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She provided the Panel with an overview of challenges that the Service faced in 2023/24, including the implementation of the new regional Planning Portal and the adoption of the Belfast Local Development Plan: Plan Strategy.

The Panel was reminded that the Public Accounts Committee called for fundamental reform of planning at a regional level and an Interim Regional Planning Commission was established in February 2023 to oversee the regional improvement agenda, supported by a “Planning Improvement Programme” drawn up by DfI and local government.

The Director outlined the Service’s improvement priorities for the next 12 months, which included:

- continuing to influence positive change to the NI planning system;
- development of more comprehensive performance information to provide narrative to the current KPI statistics and to illustrate more qualitative performance factors;
- the establishment of a *Belfast Planning Partnership* as a forum for collaborative working with customers;
- the development of Belfast specific information on statutory consultee performance;
- implementation of a comprehensive internal Performance monitoring of performance at service, area team, sub-team and individual staff level;
- implementation of the model planning agreements and new procedures to speed up the Section 76 planning agreement process;
- continued operational improvement of processes including the wider roll-out of learning from the lean redesign experimentation;
- adoption and publication of a validation checklist for mandating information requirements on submission of applications (based on the current Application Checklist); and
- review of PAD fees and use of Planning Performance Agreements.

She stressed that it would be challenging for the Service to meet the statutory KPIs targets until 2025/26 due to the need to bed-in new streamlined processes, reduce the backlog of live applications to more manageable levels and to clear “legacy” applications of more than two years old from the system.

The Panel thanked the Director for the update which was provided.

**Report on Freedom of Information (FOI) / Environmental
Information Regulations (EIR) Performance**

The City Solicitor/Director of Legal and Civic Services advised the Panel that the Council’s Information Governance Unit (IGU) was responsible for providing advice to individual departments in relation to data protection, Subject Access Requests (SAR), FOI and EIR requests.

She explained that the IGU assisted her in conducting internal reviews where a requestor was unhappy with the Council’s initial response, which could be due to the

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refusal to provide a response or for a delay in providing a response. They also led on responding to complaints to the Information Commissioner's Office (ICO) if a requestor remained unhappy with a response.

At a departmental level, each department had a nominated officer who was responsible for the co-ordination and issuing of FOI responses. Those officers logged an FOI/EIR or SAR request onto the Customer Relationship Management (CRM) system within their department.

The Panel was advised that Section 10 of the Freedom of Information Act 2000 provided that a public authority must provide a substantive response to FOI and EIR requests within 20 working days, subject to some limited exceptions. For example, a requestor could be asked to clarify their request if it was too wide and would incur a fee or where it was too vague. She explained that that had the effect of extending the timeframe for a response.

She advised that, unfortunately, the current CRM system could not run a report to provide overall response times. Each individual request would have to be reviewed in order to provide that information which would be a significant task in terms of officer time. There was, however, other information available which was indicative of good performance in terms of response times.

The Panel was advised that, since January 2024, the Council had received 614 FOI and EIR requests, out of a total of 803 total requests for information, and only 18 of those had been subject to internal review. Three complaints had been made to the ICO, one of which related to a delayed FOI response which was issued 2 weeks after the 20-working day due date. Whilst that complaint was upheld, no further action had been taken against the Council.

A Member expressed concern that the system was not up to date and queried what guidance was provided to staff in determining whether providing information to an Elected Member or to a member of the public fell under the normal course of business or as a Freedom of Information Request. The City Solicitor advised the Panel that the Council's bespoke CRM system was approximately 25 years old. She agreed to speak with the Member further regarding the provision of information to Elected Members and agreed to provide a future update to the Panel in respect of how best to improve the current system so that the team could collate the information that the Panel wished to be made aware of on a quarterly basis.

The Panel noted the update which had been provided.

**Audit & Risk Panel Governance - Extension to
Contract with External Member**

(Mr. D. Wilson, Independent Member, having declared an interest, left the room for the duration of this item)

The Deputy Chief Executive and Strategic Director of Corporate Services advised the Audit and Risk Panel that the contract for the Non-Executive Member of the Panel had

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reached the one-year review point and that the Panel was asked to consider extending the contract for an additional two years.

The Panel agreed to recommend that the Strategic Policy and Resources Committee would extend his contract for a further two years.

Date of next meeting

The Panel was advised that the next meeting was scheduled to take place on Tuesday, 3rd December at 12.30pm.

Chairperson

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