

Belfast City Council

Statement of Accounts 2022



Belfast
City Council

BELFAST CITY COUNCIL
Statement of Accounts
For the year ended 31 March 2022

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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 345,207 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 £170.6m in 2021/22, Belfast City Council's 2,150 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 2022 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.

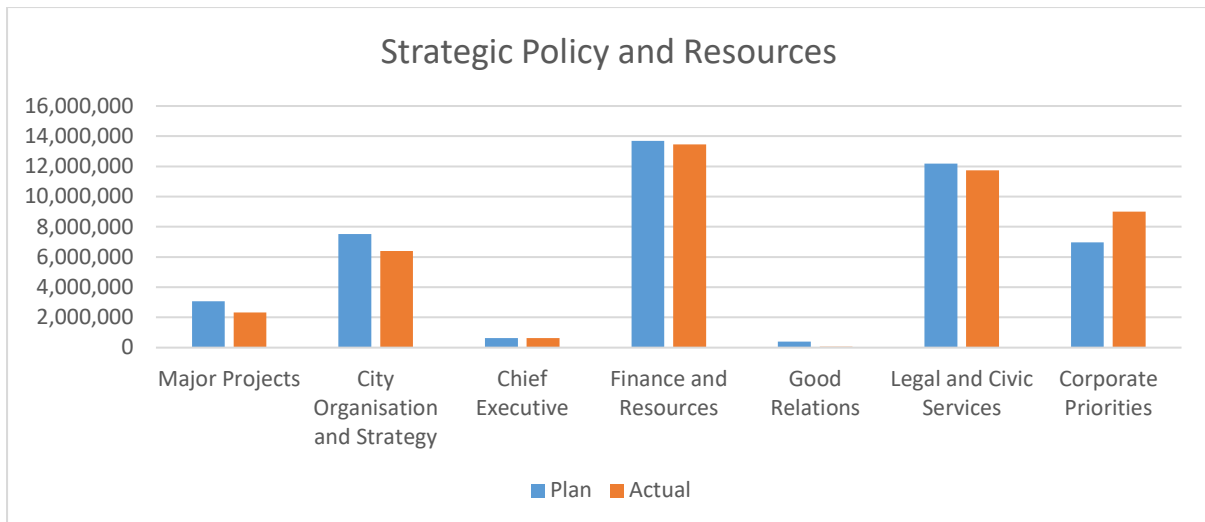
The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments on 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 2021/22 was £44.4m, with actual net expenditure for the year amounting to £43.6m.

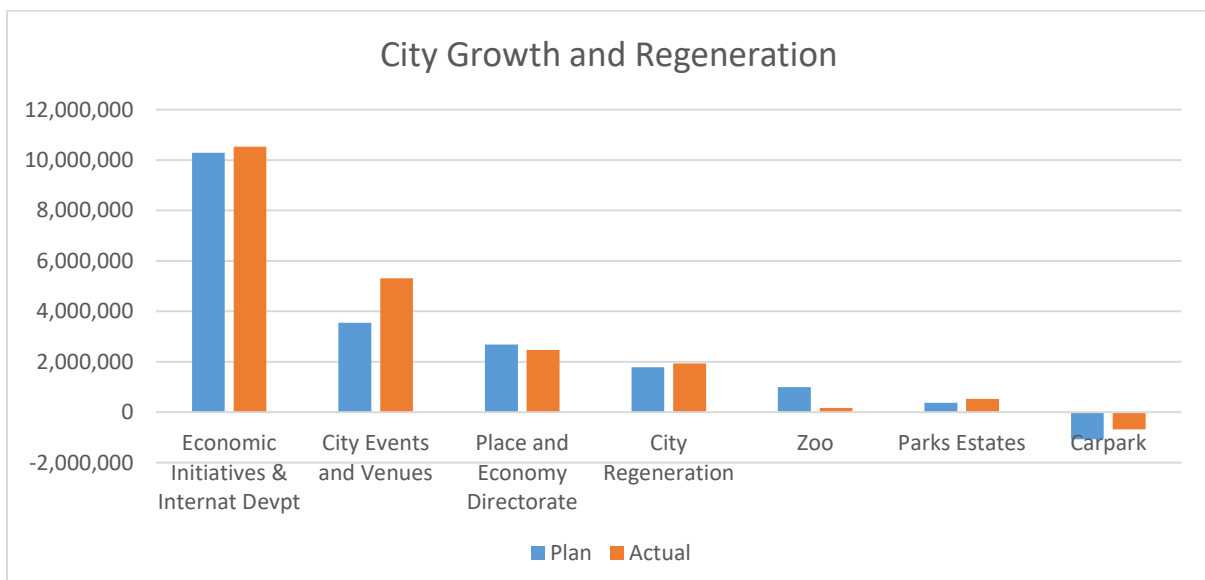
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £61.7m 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 £18.6m and actual net expenditure was £20.3m.

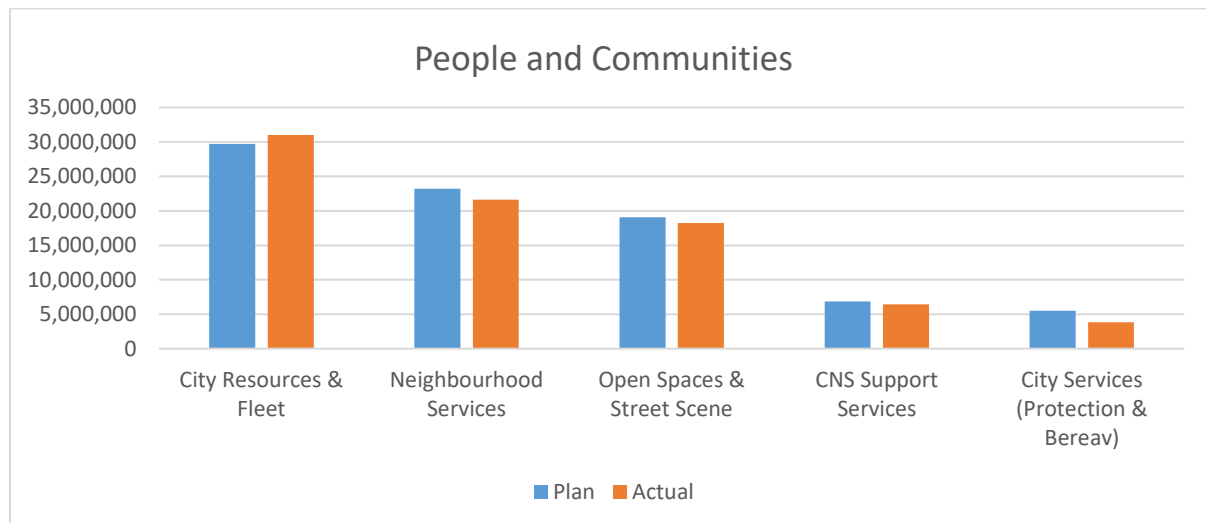
The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £26.3m 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 £84.4m and actual net expenditure was £81.1m.

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 £104.3m 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

These two committees are responsible for delivery of all of the Council's planning functions and policy and legislation in relation to licensing issues. The net expenditure includes Planning and Building Control services. The total budget for net expenditure for this committee for these services was £1.5m and actual net expenditure was £2.0m.

The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for each committee in the Comprehensive Income and Expenditure Account. The net expenditure of £3.7m 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 2021/22. Total net expenditure budget of £170.6m includes the above committees budgets totalling £148.9m and the capital financing budget of £21.7m.

COVID-19 PANDEMIC

The Covid-19 pandemic had a considerable impact on the Council and was identified as a significant risk within the Annual Governance Statement for 2020/21. The Council has had to put considerable resources into ensuring that critical services are delivered during this period and that the most vulnerable in our community are cared for. This comes with additional cost pressures. The lifting of restrictions also came with additional costs to ensure services and buildings were ready to be occupied in line with Regulations and guidance.

The Council reset its Medium Term Financial Plan (MTFP) in recognition of the impact of the pandemic and the Council's strategic objectives. The Covid-19 crisis meant that the Council had to review what its most critical services were, and which were required to still be operational even during a global pandemic.

Financial Impact

The Council incurred substantial losses across many of its largest streams of income. These include parking, commercial waste, licensing fees, registrars and planning fees. As with any recession, investment income is anticipated to reduce which will create further pressures on the Council's finances. Due to the Council's reliance on fees and charges, rates income and consequently its exposure to the economic cycle, the Council has sought in recent years to build up the General Fund balance to ensure the Council is financially resilient in a recession.

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

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

During the year the Council secured funding from Department for Communities (DfC) totalling £2,915k, Department of Agriculture, Environment and Rural affairs (DAERA) totalling

£313k and £253k from the Job Retention Scheme (Furlough). This along with strict vacancy control measures and stringent expenditure controls meant the Council did not need to use steps 3-5 in order to balance the budget for the 2021/22 financing year.

Moving forward

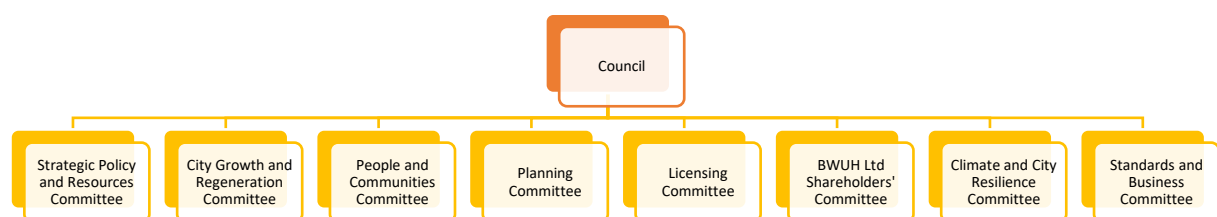
Belfast City Council's financial planning processes take on greater importance given the current economic climate and the local government elections in 2023.

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

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

Governance

The work of Belfast City Council is overseen by the committee structure outlined below and detailed further in our Governance Statement on pages 16 - 28. This Annual Governance Statement for 2021/22 highlights the Council's governance arrangements during the year and how significant governance issues are being addressed and actions implemented. A programme management framework is in place to manage both revenue and capital streams of activity for the Council. Directors and Members have oversight in accordance with the terms of reference for the relevant Committee as well as finance reports covering all aspects of Council expenditure being presented to Committee on a quarterly basis. The Committee structure, which is based on the full council and eight standing committees, is illustrated and described below.



There were two new committees set up in 2021/22, a Climate and City Resilience Committee (first meeting 10/2/22) and a Standards and Business Committee (first meeting 26/10/21). The Brexit Committee was decommissioned on 3/2/2022.

The Annual Governance Statement on page 17, outlines the current decision-making processes in place in response to Covid-19.

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.

Through the Council's 2021-22 improvement plan, it now wants to build on this; to look ahead and help the city recover and bounce back even stronger. This year, to ensure the focus remains on helping the city deal with and recover from the pandemic, the improvement objectives are based on the Belfast recovery plan. The Council's recovery plan has six main pillars, which form the basis of the improvement plan, focusing on the City, Services, Communities, Economy, Environment and Digital Innovation.

The six improvement objectives are:

1. We will support our city to recover
2. We will adapt and improve our services
3. We will support our communities
4. We will support people into employment
5. We will protect the environment and improve sustainability
6. We will improve digital inclusion and enhance infrastructure

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 2022 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 2022 (the Code) and the Department for Communities Accounts Direction, Circular LG 02/22. 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 2021/22 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 2021/22 have been prepared on the assumption that the Council will continue in existence for the foreseeable future. It is not foreseen that the impact of Covid-19 will change this position over the period covered by this report.

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 2022 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 2022 are not deemed material to Belfast City Council accounts and as such are not included in the group financial statements.

The Movement in Reserves Statement

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

The group Movement in Reserves Statement on page 100, includes the reserves of BWUH Ltd, contributing to an increase of £4.8k on the Group General Fund.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 43, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

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

The Balance Sheet

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

- The first category of reserves are *usable reserves*, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of

reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

- The second category of reserves are *unusable reserves* i.e. those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

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

The Cash Flow Statement

The Cash Flow Statement, as set out on page 45, shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

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

Expenditure and Funding Analysis

The resourcing of the Council's activities is outlined in the Annual Report, demonstrating the funding available and what services this funding provided for 2021/22.

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 2022, the Council increased its General Fund to £62.2m. The Budget plans form part of the Revenue Estimates and in 2021/22 the total net expenditure budget for the Council was set at £170.6m.

The Council reported £1.8m under spend on service delivery at the year end. Performance against budget for each of the Committees is continuously monitored throughout the year. This performance is reported to the Strategic Policy and Resources Committee on a quarterly basis as agreed at Strategic Policy and Resources on 19th February 2021. The overall position for the year ended 31 March 2022 is mainly due to measures put in place to restrict spend as a response to the global pandemic in 2020/21. These included restrictions on recruitment and enhanced expenditure controls. These in turn have created temporary underspends in 2021/22 as recruitments take place and services return to operation depending on restrictions.

The Cost of Services on Continuing Operations of £196m 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 £6.9m (net deficit on the provision of services).

Borrowings

For the 2021/22 year the Council has an authorised borrowing limit of £154m. 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 £135m, this ensures that the Council only borrows for capital purposes. During the year, the Council repaid external loans of £8m with Department of Finance. At 31 March 2022, the total amount outstanding on external loans was £49m, of this total £0.1m represents the outstanding debt of the former Belfast Corporation Services which is now the responsibility of the Northern Ireland Housing Executive, and on whose behalf the Council is administering the loans.

Capital Expenditure

Expenditure on capital projects during the year amounted to £46.9m. The most significant expenditure was on: Belfast Story Site £11.9m; Templemore Leisure Centre £7.6m; Avoniel Leisure Centre £6.6m; Fleet Replacement Programme 2021/22 £3.9m; 2 Royal Avenue Building £3.4m; Blanchflower Playing Fields £2.1m and Colin Play Park £2.1m.

Strategy and Resource allocation

When setting the district rate for 2022/23 consideration was given to the following key financial factors for the Council:

- The impact of Covid – The University of Ulster Economic Policy Centre (UUEPC) was commissioned to develop a rates impact economic model on behalf of all Councils, providing different scenarios on the potential economic impacts of Covid.
- External income – at the time of rate setting, Councils had concerns about the level of rate income due to rate base contraction and income losses as a result of Covid. The Director of Finance and Resources, in conjunction with NILGA and SOLACE, sought assurances from the Ministers for Finance and Communities that rate income for 2021/22 would be guaranteed at 2020/21 levels. Rates for 2021/22 were struck in the absence of written assurance around Executive support. Given this lack of clarity for funding in 2021/22, Members agreed to set up two reserves totalling £9.85m to help offset potential income losses arising from Covid and rate base contraction.
- External economic factors including Brexit and inflation. The uncertainty around Brexit and levels of government funding make it difficult for services to budget for central

government and European funding streams. Inflation is a further external pressure over which the Council has no control.

- Uncontrollable costs including the nationally negotiated pay awards and employers' pension contributions increases.
- Existing commitments – these include previously agreed rate increases to support priorities including the Cultural Strategy and the City Deal. All City Deals require the councils to make a financial contribution to the delivery of their own capital projects, such as the City's Visitor Attraction and Members agreed to include rate supported funding to help build the City Deal fund for Belfast.
- Growth Proposals – departments were asked to fund growth proposals through the prioritisation and realignment of their own existing budgets. However Members did support two proposals for additional alleygate funding and the transfer to the Council of two community assets.
- Efficiency savings of £1.3m were largely secured through a review of vacant posts, the vacancy scheme and supplies and services budgetary reductions. These helped offset additional costs, allowing the Council to set a district rate increase of 1.92% in 2021/22.

The impact of Covid-19 has been significant in 2021/22 in terms of the ability to fully recover services. For 2021/22 the Councils' underpinning financial management strategy was committed to:

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

In support of this, the following monitoring and reporting measures were put in place:

- The continuation of the interim Finance Strategy for 2021/22. This was approved by Strategic Policy and Resources Committee (SP&R) in June 2020 and outlined a 5 stage approach to secure the delivery of balanced budget including temporary controls.
- Reverting back to the quarterly reporting of the financial position to Strategic Policy and Resources and Standing Committees in line with Financial Regulations. The monthly reporting to SP&R adopted in 2020/21 helped ensure that key financial decisions were considered from an organisational perspective. However with a more planned approach to finances in 2021/22 Directors reported to their Committees on financial matters. Finances were reviewed monthly and any emerging issues reported to Committee by the Director of Finance and Resources.
- Following successful lobbying of government departments by all Northern Ireland Councils and the opportunity to avail of the Job Retention Scheme, Belfast City Council received COVID-19 support totalling £3.5m. Details of the funding received from the various funders is detailed on page 7.

Outlook

The Council is fully aware that it is continuing to operate in a continually challenging environment with the ongoing Covid-19 pandemic. 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 2022, including:

- BCC shortlisted for CIPR Excellence Awards – Best Use of Social Media & City Matters Magazine.
- Silver Diversity Mark – BCC first Public Sector organisation in NI to be awarded in recognition of commitment to promoting equality and diversity within the workforce.
- Belfast Zoo – British & Irish Association of Zoos and Aquariums Awards (BIAZA):
 - Behaviour and Welfare Bronze Award
 - Education Bronze Award
 - Marketing and Digital Events Bronze Certificate
- Belfast Zoo achieves Silver Green Tourism Award – in recognition of sustainable practices within the Zoo.
- Belfast honoured with Learning City Award – UNESCO Learning City Award for 2021 in recognition for work promoting lifelong learning across the city.
- All-Ireland Urban Land Institute with CBRE's ULI Excellence in Placemaking Award - Belfast Entries Project team picked up the Ulster region award in the Best Public/Private Sector category.
- St Georges Market – Best Slow Food Market in NI Award.

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

- Smart Belfast – Urban Innovation Framework – the Council has developed a new framework to support its leadership role to foster city innovation and working cross sector delivering a range of significant innovation programmes. It continues to attract and leverage funding to support the delivery of collaborative innovation projects from a range of sources including central government innovation funding and Horizon 2020. It is driving the creation of a world class Smart District and a testbed programme and continues to support the Innovation City Belfast partnership as it drives the delivery of programmes towards the City's digital innovation ambitions. The Urban Innovation programme is attracting private sector co-investment and significant City Deal funding to support the City's new Smart District with the development of business cases for advanced wireless infrastructure and innovation challenge funding underway.
- Belfast Region City Deal - In its 2018 autumn budget, the UK Government committed £350m of funding to the Belfast Region City Deal (BRCD). In May 2020, the NI Executive committed to match the £350m of UK Government funding, with the six participating councils and the two Universities committing a further £150m in total. In March 2019, the Secretary of State, BRCD partners and the Northern Ireland Civil Service signed a Heads of Terms document, enabling business cases to be prepared for the projects proposed. The BRCD partners then began working with the UK and NI

departments to develop Outline Business Cases (OBC) for their individual projects and to agree the process for approval. Following a number of OBC approvals towards the end of 2021, in December the BRCD partners and the two governments signed a final Deal Document to establish the supporting governance and finance frameworks that would enable Deal delivery. Once a Contract for Funding is finalised and signed with Belfast City Council, as the Accountable Body for the Deal, funding will begin to flow to those projects which have approval. Agreement on a Contract for Funding is now at an advanced stage

- Implementation of the £14.4m Belfast PEACE IV Local Action Plan continues to progress. The PEACE IV Programme is a unique initiative designed to support peace and reconciliation in Northern Ireland and the Border Region of Ireland. Cross community peace building activities is delivered through 15 project elements and to date over 3,000 residents have engaged in activities. Preliminary analysis of programme impacts indicate a small positive change in attitudes about relationships between the two main communities. The Programme is financed through the European Union and managed by the Special EU Programmes Body (SEUPB) and represents substantial investment in the City.

The coronavirus pandemic has had a profound impact on all aspects of life in the Belfast City Council area. Through 2022/23 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 as the city continues to navigate the ongoing challenges presented by Covid-19.

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 both the pandemic, ongoing tightening of government spending agendas, amongst other challenges. Key risks and planned mitigations are included in our Governance Statement on pages 16 to 28.

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

The Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its chief financial officer and these arrangements shall be carried out under the supervision of its chief financial officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution, to approve the accounts.

These accounts were approved by the Chief Finance Officer on 27 June 2022.

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 2021/2022

The Council's Annual Governance Statement (AGS) follows the Code of Practice on Local Authority Accounting in the UK 2021/22 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 2021/22

Scope of responsibility

Belfast City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively. The Council also has a duty under Part 12 of the Local Government Act (Northern Ireland) 2014 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

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

The purpose of the governance framework

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

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

The governance framework continues to be in place at Belfast City Council for the year ending 31st March 2022 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.

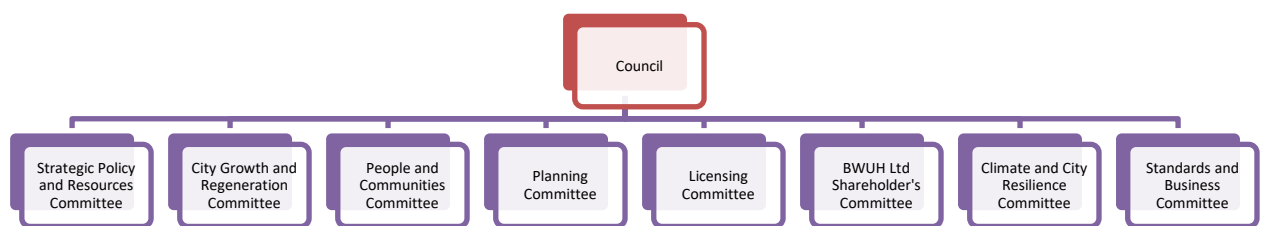
The governance framework

As reported in last year's statement, a process for committee decision making under delegated authority was in place for the period March 2020 – June 2020 in response to the pandemic and the need to follow guidance on social distancing and essential travel.

The process for committee decision making under delegated authority was reintroduced on 4th May 2021 following the expiry of the legislation permitting the hosting of remote meetings from 6th May 2021. This process involves continuing to hold remote committee meeting, with the committee making recommendations to the Chief Executive or appropriate Chief Officer to exercise delegated authority to implement the recommendations. New legislation came into effect on 27th August 2021 providing for the return of remote/hybrid committee meetings with full decision making authority.

The Coronavirus Act 2020 (Extension of Provisions Relating to Local Authority Meetings) Order (Northern Ireland) 2022 provides councils with the flexibility to hold meetings by remote or hybrid means until 24 September 2022. The extension is an interim measure until such time as permanent legislation can be made.

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



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

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

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

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

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

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

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

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

The Brexit Committee which was responsible for researching, monitoring, and reviewing the financial, resource or operational impact upon the council and the district as a result of the UK leaving the European Union and for making recommendations to council on such issues (or the relevant standing committee where appropriate), was reconfigured as the Climate and City Resilience Committee with effect from 9 February 2022.

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 new Standards and Business Committee had its first meeting in October 2021. The terms of reference of the committee are to: promote, sustain and safeguard the conduct of Councillors within the Council; promote a collaborative working relationship between senior officers and Members; ensure the probity of all the council's proceedings; and review and improve processes in relation to bringing business before the Council, including review of all Notices of Motion, any review of Standing Orders and the Council's Scheme of Delegation.

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

The Audit & Risk Panel provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is relied upon by the Council, to the extent that it exposes it to risk and weakens the control environment. The Panel reports to the Strategic Policy and Resources Committee. The Audit & Risk Panel met four times during 2021/22.

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

Our seven principles of good governance

A: Behaving with integrity

- Shared values communicated via corporate plan, community plan and key strategies
- Codes of conduct for Members & staff
- PDP / appraisal process for Members & staff
- Gifts and hospitality and conflicts of interest policies & registers in place
- Fraud & whistleblowing (raising concerns) policies and investigations
- Good Relations Unit
- Equality & 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 and development of organisational values and behaviours
- Establishment of Standards and Business Committee
- Accessibility Statement for the updated website

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 & trade unions
- Corporate communications
- Annual financial report published on the BCC website
- Annual report to Equality Commission available through the BCC website
- Partnership / legal agreements 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
- Development of a Belfast Region City Deal Investment Plan
- Cultural Strategy
- Corporate plan outlines the annual contribution to the Belfast Agenda
- City centre regeneration & investment strategy
- Physical Investment Programme
- Leisure transformation programme
- Grant funding processes
- Equality Impact Assessments
- Belfast Resilience Strategy – the city's first climate plan

D: Optimising the achievement of outcomes

- Corporate plan aligned to delivery of Belfast Agenda and Belfast: Our Recovery
- Key partner in the Belfast Region City Deal
- Consultation and engagement processes
- Strategic financial management framework in place, including quarterly challenge process.
- 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

- Achieving Through People Framework and development of organisational values and behaviours
- 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 delivered in 2021/22
- Continuing Development Programme in place for the Planning Committee
- Party group briefings

F: Finance, performance and risk management

- Five Step Financial Strategy to address impact of the pandemic
- Strategic financial management framework in place
- Assessment of compliance with the CIPFA Financial Management Code
- Efficiency programme
- Performance management framework
- Financial resilience review
- Risk management strategy
- Corporate risk management framework
- Regular reporting of finance, risk & performance
- Audit and Risk Panel
- Internal audit function / annual internal audit strategy & 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; performance improvement report and annual report to Equality Commission
- 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

The Deputy Chief Executive and Director of Finance and Resources 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 identified over better integration of strategic plans and resources and more robust option appraisal. The work for the 2022/23 year will include the integration of strategic plans and resources through the alignment of reserves and the preparatory work for the revenue estimates and medium term financial plan process for 23/24 will also follow these principles. In addition it is hoped that the implementation of a new financial system will aid whole life costing, medium term planning and scenario planning .

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

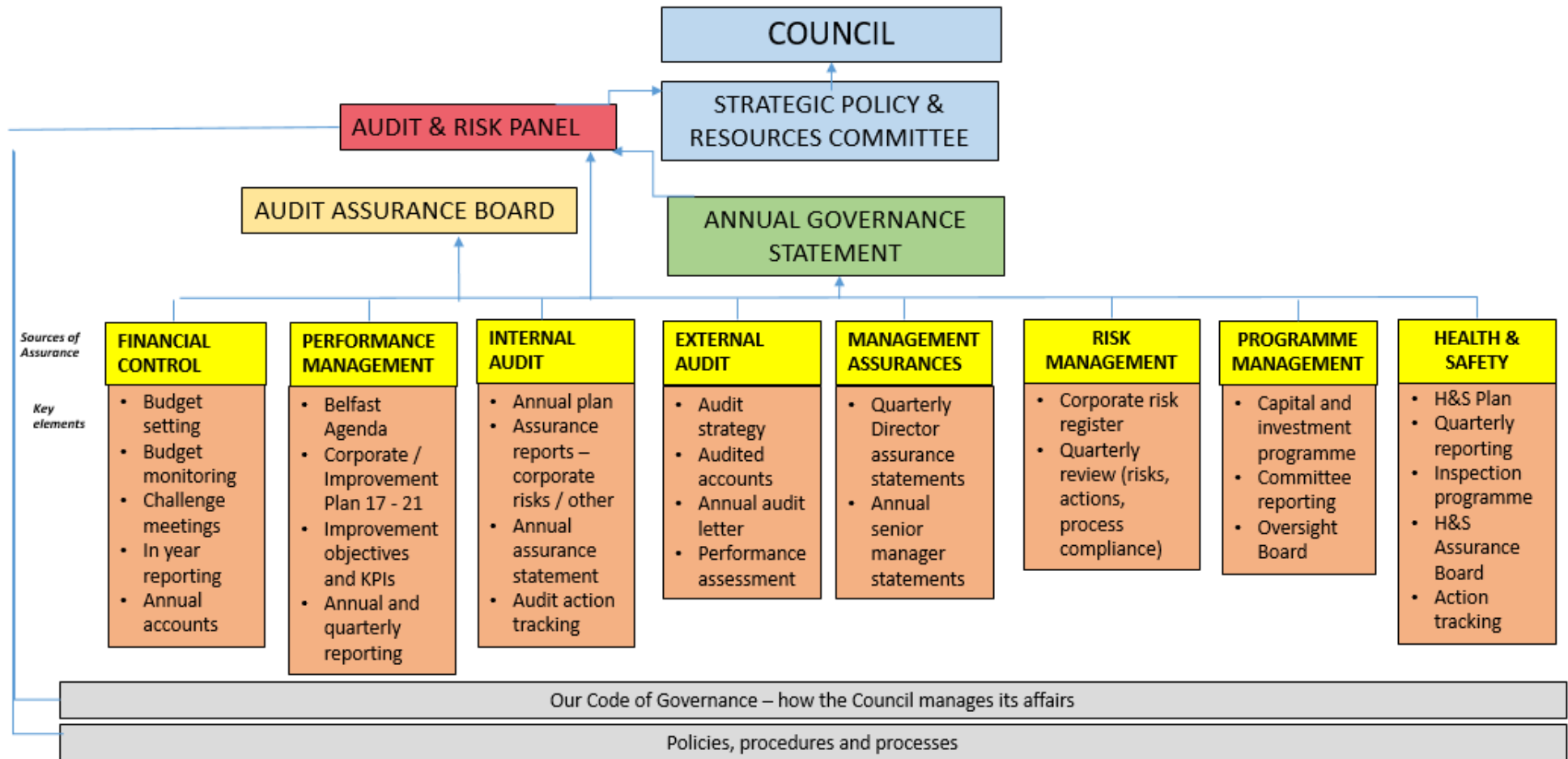
The CIPFA Statement on the Role of the Head of Internal Audit (2019) outlines the five principles that set out the organisation's responsibilities to ensure the Head of Internal Audit (HIA) is able to operate effectively and perform their core duties. The Statement also sets out the core responsibilities 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-ordinating 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, the Chief Executive and the Deputy Chief Executive and Director of Finance and Resources.

The Council reported one breach of personal data involving six members of staff to the Information Commissioner's Office (ICO) during 2021/22. The ICO took no regulatory action.

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.

Key Components of the Council's Assurance Framework



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

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

- the annual review and update of the Code of Governance;
- comments or recommendations made by the external auditors during their annual audit; and
- the Head of Audit Governance and Risk Services (AGRS) annual assurance statement for the period ending 2021/22, which gives an opinion on the Council's risk and control environment.

Head of Internal Audit Opinion

An extract from the Head of AGRS Annual Assurance Statement for the period ending 2021/22 is given below:

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

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

My opinion is based on completion of audits in the audit plan for 21/22; programme and project assurance and advisory work undertaken for a number of fundamental corporate IT projects; other advisory work completed in relation to new processes and; quarterly assurance statements from senior management on compliance with risk management and internal control systems.

Specifically my opinion is based on the following:

- Evidence from areas subject to detailed internal audit during 2021/2022, 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 four tier model.
- Provision of assurance and advisory work for major programmes and projects in addition to real time advisory work on key processes.
- The work that was undertaken to support management in their quarterly review and update on the management of the corporate risks that could potentially impact on delivery of our corporate plan and priorities.

- The work that was undertaken to complete the review of the Corporate Fraud Risk Assessments in the light of the impact Covid-19 and to support management in the development of associated fraud risk mitigation plans.
- Completion of the National Fraud Initiative for 2020/21.
- Quarterly assurances from senior management on the management of key risks and maintenance of internal control systems during the pandemic response and recovery efforts.
- The evidence set out in the review of the Council's Code of Governance and Annual Governance Statement regarding the range of key assurance and governance arrangements that the Council has in place to direct / oversee its activities.

However, some weaknesses and areas for improvement have been identified through audit work. These have been reported in detail to the Council's Audit Assurance Board and Audit and Risk Panel during 2021/22 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 2021/22, three areas resulted in 'major improvement needed' assurance levels:

- Fleet management
- Income and Accounts Receivable
- Developers Contributions (Planning)

It is important that the action plans to address these are implemented in as timely a manner as possible.

In addition, while our audit of the grant funding provided to support communities and businesses during the pandemic resulted in an overall opinion of some improvement, it is important that the level of control that was acceptable during the emergency situation is not be seen as acceptable on an ongoing basis and I have highlighted this to management.

Looking ahead, the ongoing recovery from the pandemic, changes at Chief Officer level and the planned implementation of a number of major IT systems during 22/23, has the potential to affect the adequacy and effectiveness of the councils risk control and governance arrangements. It is important that; management continue to place importance on maintenance of these risk, control and governance arrangements and that they have sufficient oversight of the effectiveness of these arrangements; that audit recommendations to address control weakness are implemented timely; and that AGRS continue to receive cooperation on delivery of the audit plan throughout 22/23.

I can confirm that the AGRS Service has conformed to Public Sector Internal Audit Standards during 2021/22. 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 review of AGRS took place in 2017/18 and this confirmed the Service's compliance with professional standards. An external quality assessment of AGRS commenced in May 2022 and will be reported to the next Audit & Risk Panel.

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

- a process whereby senior managers are required to sign annual assurance statements;
- a process whereby Directors are required to sign quarterly assurance statements;

- embedding risk management and developing the arrangements for oversight of the management of these risks;
- business planning and related performance reporting arrangements;
- an Audit and Risk Panel;
- a professional internal audit function, which has been reviewed for effectiveness against the Public Sector Internal Audit Standards; and
- a Health & Safety Assurance Board.

Update on the Significant Governance Issues that were declared last year

Seven issues were declared last year and four of these continue to be declared as issues in this year's statement. An update on the work that was completed last year to manage the three issues that are no longer considered significant, is set out below.

In response to the previous significant governance issue around **Organisational Recovery** management put in place governance arrangements over the recovery process; agreed a recovery approach; sought specialist advice / support and; put in place operational support. In April 2022, Strategic Policy and Resources Committee agreed a phased approach to recovering frontline services followed by a wider return to office, in line with the review of the relevant risk assessments.

In response to the previous significant governance issue around **City and Community Recovery**, management are put in place programmes of work to support city and community recovery which are now mainstreamed into corporate and departmental plans and are being monitored through the relevant governance structures.

In response to the previous significant governance issue around the **relationship between Elected Members and officers**, management continue to recognise the crucial strategic importance of maintaining good working relationships between Members and officers. To help ensure this relationship is maintained there is regular reporting to standing committees and Party Leaders' Forum; Established political management arrangements; Member development programme (including media training) and Members and Officers Codes of conduct, working relationship protocol and dispute resolution protocol (which are communicated via the Member Development Programme). Management have also established the Standards & Business Committee and a process for managing Notices of Motion; .

Significant Governance Issues for the year-end 2021/22

The significant governance issues for the year-end 2021/22 were identified through a fundamental 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 include four issues carried over from last year (issues one – four) and one new issue:

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

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

1. Financial Planning

Our financial planning processes take on greater importance given the current economic climate and the local government elections in 2023.

It is critical that we have adequate financial resources in place to fund the councils future requirements, ambitions and priorities regarding waste management, climate, innovation, and capital investment. In addition, we are cognisant of the current economic backdrop and the impact this will have on future pay negotiations as well as other cost implications. The implementation of a new financial accounting system by 1st April 2023 adds another layer of complexity to our financial planning processes.

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

Project management and governance arrangements are in place to support the delivery of the new financial accounting system.

2. Digital Information Security

Digital Information Security will continue to be a significant governance issue and is overseen through the Council's risk management processes by the Council's Corporate Management Team.

There has been a major increase in security threats from March 2020, and this is set to continue. The National Cyber Security Centre has provided advice to public sector organisations to continue to take action to improve their cyber resilience due to the heightened cyber threat due to the war in Ukraine.

Digital Services has already implemented additional controls to deal with and have better visibility of the growing threats including:

- Two factor authentication across Office365 accounts
- Logons to Office365 accounts have been blocked outside UK and Ireland
- Logons to VPN accounts have been blocked outside UK and Ireland
- Two factor authentication for F5 VPN accounts for all Council staff
- Covid19 themed phishing exercise
- Initial stages of implementing a PKI infrastructure to enhance network access control
- Weekly information sharing across local government
- Regional WARP (Warning, Advice and Reporting Point) in place

Delivering a secure infrastructure is a constantly evolving process and consideration is being given to changing threats and risks which must be aligned the delivery of the council's goals and objectives. Consequently, after the completion of a refreshed maturity assessment of our security controls with our contracted external security specialists, a new security strategy and a revised programme of work is being implemented.

The Digital information Security programme will continue to focus on priority areas from the maturity assessment that are most important to enhance the council's Cyber security controls. These areas will include:

- Cyber Security Incident Response
- Identity management
- Cloud Strategy
- Maturity Assessment Priorities

A desk based Cyber Incident response exercise has already taken place with key services and a follow-up presentation has been given to the Council's critical services to ensure a co-ordinated corporate response to any cyber incident. All critical services are in the process of reviewing their business continuity plans with particular focus on the actions required in the event of a serious cyber incident. Feedback from the refreshed business continuity plans will be used to ensure alignment with the council's emergency, cyber incident response and critical services business continuity plans.

This work will enhance the security controls that are already in place which include:

- Regular vulnerability (internal and external) and penetration testing to determine vulnerabilities and issues
- Security contract with external security experts
- ICT Infrastructure designed for resilience, redundancy and security in conjunction with contracted security experts
- Business Continuity Plan in place and regularly reviewed
- Cyber Incident response plan
- Key support & maintenance contracts with key suppliers
- Robust change management controls
- Maintaining knowledge of advanced threats
- Regular staff phishing simulation exercises.

3. Brexit Implementation Programme for Port Health

Whilst the Council does not operate the Port of Belfast, it is responsible for making sure the port meets environmental health standards. The Council's duties include overseeing the import of food into Belfast, including checks on High Risk Food not of Animal Origin and fish and fishery products for human consumption. The Council is also responsible for carrying out inspections on board ships and other vessels to check they comply with food safety and hygiene standards and monitoring the Port of Belfast and George Best Belfast City Airport for infectious disease.

There has been a significant impact on these duties as a result of Brexit and the additional responsibilities resulting from the NI Protocol. Clarification will be required as to the roles and responsibilities of the central Competent Authorities in relation to funding, provision of IT systems and other responsibilities relating to carrying out inspections at Belfast Port.

Significant political uncertainty remains, and this has caused delays to completion of new inspection facilities, development of IT processes, and development of a sustainable resourcing model for the future.

In the interim the programme of work over the past year has focused on securing temporary funding for 2022/23, implementing and reviewing a temporary staffing model (including addressing recruitment and retention issues relating to the professionally qualified specialist staff that are required to carry out its functions), and upgrading the temporary facilities at Corry Place to enable the Council to carry out its duties.

Further work being taken forward under this programme includes further development of processes and IT systems, inputting to the design and development of a new build purpose built inspection facility at Belfast Port, development of a longer term staffing model and securing a sustainable funding arrangement to support the service going forward.

The key strategic risks around EU exit and being accountable for the Port Health function remain in relation to political uncertainty, sustainable financial funding model, capacity and resilience of people. Our management of these risks are through a number of mechanism,

CMT Brexit Board reporting, reporting to Brexit Committee / Climate and City Resilience Committee and having a SOLACE lead on DAERA Project Board.

4. Recruitment Challenges

There has been significant change at Chief Officer level and recruitment is either underway or being planned for a number of senior staff posts during 2022/23, including the Strategic Director of City and Neighbourhood Services, the Strategic Director of Place and Economy and the Strategic Director of Finance & Resources. The council has been unable to recruit the Strategic Director of City and Neighbourhood Services, following two previous recruitment exercises and there is a recognition that it may be difficult to attract people into these posts. In addition, there are other challenges around recruitment across the organisation, for example security staff, environmental health officers and quantity surveyors, combined with difficulties in engaging agency staff.

As we move forward there needs to be a stronger focus on attracting and recruiting a younger diverse pool of talent to the organisation and upskilling our existing talent to have adequate succession plans to fulfil vacancies at all levels including senior management. This action will be taken forward as part of the review and implementation of the People Strategy.

5. Belfast Region City Deal

Prior to the signing of the deal document for the Belfast Region City Deal, Outline Business Cases were required for each of the projects to be included in the deal and to have approvals in place for the most advanced projects across the programme. Alongside the challenges of creating the deal and progressing the business cases during the pandemic, this has delayed the signing of the deal document until December 2021.

Updated governance arrangements, including arrangements for the operation and financing of the accountable body for BRCD funds, have been developed for the next phase of the deal. However, these could not be finalised and implemented until agreement is reached on the Contract for Funding between government departments and the Accountable Body. The above mentioned delays in agreeing the deal and the need for specific arrangements to reflect the approach to City Deals in NI will prevent agreement on the Contract for Funding and implementation of the arrangements for the Accountable Body until the first quarter of 2022. Delays beyond this period would create additional costs and risks for the most advanced projects.

Signed:

Chair Strategic Policy and Resources Committee

Signed:

Chief Executive Officer

Signed:

Chief Financial Officer

Belfast City Council
REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2022

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 2021 were issued by the Department for Communities on 8 March 2021 (Circular LG 07/2021). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new Councils for a four year term. Belfast City Council has 60 elected Members representing 10 District Electoral Areas in 2021/22.

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	2021/22		2020/21	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	929,160	60	927,095	60
Special Responsibility	117,774	39	117,166	46
Lord Mayor Allowance	34,800	1	34,800	1
Deputy Lord Mayor Allowance	6,250	1	6,250	1
PCSP Allowance	11,460	27	8,760	21
High Sheriff's Allowance	6,250	1	6,250	1
Subsistence	171	3	-	-
Mileage Allowance	731	5	1,683	21
Courses/ Conferences Visits	-	-	145	1
Telephone rental	-	-	-	-
Miscellaneous costs	-	-	-	-
Other Travel allowance	1,513	5	-	-
TOTAL ALLOWANCES	1,108,109		1,102,149	

Details of the allowances paid to individual Councillors in 2021/22 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	2021/22				2020/21			
	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 - Suzanne Wylie*	120-125 (145-150)	0	0	120-125 (145-150)	140-145	0	0	140-145
Chief Executive - John Walsh*	0-5 (130-135)	0	0	0-5 (130-135)	0	0	0	0
City Solicitor - John Walsh*	105-110	0	0	105-110	105-110	0	0	105-110
Director of Finance & Resources - Ronan Cregan	115-120	0	0	115-120	115-120	0	0	115-120
Director of Physical Programmes - Sinead Grimes	95-100	0	0	95-100	90-95	0	0	90-95
Director of City & Neighbourhood Services - Nigel Grimshaw**	0	0	0	0	45-50 (110-115)	0	0	45-50 (110-115)
Director of City & Organisational Strategy - John Tully	105-110	0	0	105-110	105-110	0	0	105-110
Strategic Director of Place & Economy - Alistair Reid***	105-110	0	0	105-110	105-110	0	0	105-110
Commissioner for Resilience - Grainia Long****	0	0	0	0	70-75 (85-90)	0	0	70-75 (85-90)

*Suzanne Wylie left the post of Chief Executive on 31 January 2022 and was replaced by John Walsh on 21 March 2022.

**Director of City & Neighbourhood Services Nigel Grimshaw left the post on 11 September 2020.

***Strategic Director of Place & Economy Alistair Reid left the post on 31 March 2022.

****Commissioner for Resilience Grainia Long left the post on 31 January 2021.

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 2022 was £130-135k. This was 5 times the median remuneration of the workforce, which was £26,446.

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)

	2021/22 £'000	2020/21 £'000
Salary Band of Highest Paid member of the CMT	130-135	140-145
Median Total Remuneration	26.4	27.0
Ratio	5.0	5.3

*Highest paid member of the CMT in post at 31 March 2022.

In 2021/22, no employees received remuneration in excess of the highest paid member of the CMT.

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

Salary:

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

Benefits in Kind:

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Exit Packages for staff

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

Table 4: Exit Packages in 2021/22 (audited information)

Severance Package Cost Band	2021/22				2020/21			
	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	1	1	2	0	0	0	0
£20,001 - £40,000	0	1	1	33	0	5	5	161
£40,001 - £60,000	0	0	0	0	0	4	4	206
£60,001 - £80,000	0	0	0	0	0	3	3	226
£80,001 - £100,000	0	0	0	0	0	2	2	181
£100,001 - £150,000	0	1	1	123	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	2	2	354
Total	0	3	3	158	0	16	16	1,128

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 2021, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £15,000	5.50%
2	£15,001 - £23,000	5.80%
3	£23,001 - £38,400	6.50%
4	£38,401 - £46,600	6.80%
5	£46,601 - £92,300	8.50%
6	More than £92,300	10.50%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. Contribution rates for the 2021/22 year were set from the triennial actuarial valuation of the fund as at 31 March 2016. A formal triennial actuarial valuation of the Fund as at 31 March 2019 was carried out in 2019/20 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:

Table 6: Employer Contribution Rates

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all Councillors during 2021/22 was £193,026 (2020/21 £183,135).

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 2021/22 (audited information)

Officers	Accrued Pension and Lump Sum (LS) at pension age as at 31/03/22 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/22 £'000	CETV at 31/03/21 £'000	Real increase in CETV £'000
Suzanne Wylie	55-60	0-2.5	1,153	1,103	15
	110-115 (LS)	(0)-(2.5) (LS)			
Ronan Cregan	55-60	0-2.5	1,138	1,065	28
	90-95 (LS)	(0)-(2.5) (LS)			
Sinead Grimes	25-30	0-2.5	382	352	9
	25-30 (LS)	0 (LS)			
John Walsh	45-50	0-2.5	880	824	19
	60-65 (LS)	(0)-(2.5) (LS)			
John Tully	20-25	0-2.5	328	288	19
	0 (LS)	0 (LS)			
Alistair Reid	5-10	0-2.5	126	90	22
	0 (LS)	0 (LS)			

The Cash Equivalent Transfer Value (CETV)

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

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Chief Executive

Certificate of the Chief Financial Officer

I certify that:

- (a) The Statement of Accounts for the year ended on pages 42 to 115 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 46 to 58 and page 104.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2022.

Chief Financial Officer

Date September 2022

These accounts were approved by resolution of the Strategic Policy & Resource Committee on September 2022.

Chairperson

Date September 2022

Independent Auditor Report

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[Pages 35 to 41]

Belfast City Council

Movement in Reserves Statement for the year ended 31 March 2022

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 2020	28,692,673	28,898,072	9,772,458	67,363,203	471,596,489	538,959,692
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(2,013,138)	-	-	(2,013,138)	-	(2,013,138)
Other Comprehensive Income and Expenditure	-	-	-	-	(23,039,364)	(23,039,364)
Total Comprehensive Income and Expenditure	(2,013,138)	-	-	(2,013,138)	(23,039,364)	(25,052,502)
Adjustments between accounting basis & funding under regulations	21,023,201	(1,745,115)	(1,810,000)	17,468,086	(17,594,174)	(126,088)
Net increase before transfers to Statutory and Other Reserves	19,010,063	(1,745,115)	(1,810,000)	15,454,948	(40,633,538)	(25,178,590)
Transfers to / from Statutory and Other Reserves	(2,207,259)	2,207,259	-	-	-	-
Other movements	9,428,629	-	-	9,428,629	(2,416,000)	7,012,629
Increase/ (Decrease) in year	26,231,433	462,144	(1,810,000)	24,883,577	(43,049,538)	(18,165,961)
Balance as at 31 March 2021	54,924,106	29,360,216	7,962,458	92,246,780	428,546,951	520,793,731
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(6,864,926)	-	-	(6,864,926)	-	(6,864,926)
Other Comprehensive Income and Expenditure	-	-	-	-	109,566,943	109,566,943
Total Comprehensive Income and Expenditure	(6,864,926)	-	-	(6,864,926)	109,566,943	102,702,017
Adjustments between accounting basis & funding under regulations	9,959,575	(6,063,128)	(6,893,875)	(2,997,428)	3,469,104	471,676
Net increase before transfers to Statutory and Other Reserves	3,094,649	(6,063,128)	(6,893,875)	(9,862,354)	113,036,047	103,173,693
Transfers to / from Statutory and Other Reserves	(1,276,041)	1,276,041	-	-	-	-
Other movements	5,476,012	-	-	5,476,012	784,000	6,260,012
Increase/ (Decrease) in year	7,294,620	(4,787,087)	(6,893,875)	(4,386,342)	113,820,047	109,433,705
Balance as at 31 March 2022	62,218,726	24,573,129	1,068,583	87,860,438	542,366,998	630,227,436

Belfast City Council
Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2) and the Movement in Reserves Statement.

	Note	2021/22			2020/21		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Service Expenditure							
Strategic Policy & Resources	2	75,501,060	(13,750,151)	61,750,909	72,668,440	(31,739,096)	40,929,344
City Growth & Regeneration	2	39,051,976	(12,781,596)	26,270,380	31,313,623	(6,464,091)	24,849,532
People & Communities	2	124,277,276	(19,930,448)	104,346,828	115,946,789	(17,727,216)	98,219,573
Planning & Licensing	2	8,700,308	(5,034,714)	3,665,594	8,281,185	(5,219,447)	3,061,738
Cost of Services on Continuing Operations		247,530,620	(51,496,909)	196,033,711	228,210,037	(61,149,850)	167,060,187
Other Operating Expenditure/ Income	8	9,756	(479,947)	(470,191)	774,738	(1,957,505)	(1,182,767)
Financing and Investment Income and Expenditure	9	6,346,787	(15,392,163)	(9,045,376)	14,012,164	(4,835,056)	9,177,108
(Surplus) or Deficit on Discontinued Operations				-			-
Net Operating Expenditure		253,887,163	(67,369,019)	186,518,144	242,996,939	(67,942,411)	175,054,528
Taxation and Non-Specific Grant Income	10	-	(179,653,218)	(179,653,218)	954,293	(173,995,683)	(173,041,390)
(Surplus)/Deficit on the Provision of Services		253,887,163	(247,022,237)	6,864,926	243,951,232	(241,938,094)	2,013,138
(Surplus)/Deficit on revaluation of non-current assets	11			(29,808,943)			(3,104,636)
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			(79,758,000)			26,144,000
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	29			-			-
Other Comprehensive Income and Expenditure				(109,566,943)			23,039,364
Total Comprehensive Income and Expenditure				(102,702,017)			25,052,502

Belfast City Council
Balance Sheet as at 31 March 2022

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 2022	31st March 2021
	Note	£	£
Fixed Assets	11	843,313,222	783,916,562
Long Term Investments		-	-
Investment in Associates and Joint Ventures	29	3,436,859	3,436,859
Long Term Debtors	15	583,167	885,206
Contract Assets		-	-
Contract Costs		-	-
LONG TERM ASSETS		847,333,248	788,238,627
Short Term Investments		-	-
Inventories	14	310,394	298,361
Short Term Debtors	15	28,541,613	20,702,751
Cash and Cash Equivalents	24	20,488,231	37,932,317
Assets Held for Sale	11	2,520,001	-
Contract Assets	3, 15	415,102	275,808
Contract Costs		-	-
CURRENT ASSETS		52,275,341	59,209,237
Bank Overdraft	24	-	-
Short Term Borrowing	16	5,209,832	2,000,000
Short Term Creditors	17	43,415,999	38,001,652
Provisions	18	3,538,283	3,040,441
Contract Liabilities	17	-	-
CURRENT LIABILITIES		52,164,114	43,042,093
Long Term Creditors	17	30,440	30,440
Provisions	18	1,844,093	1,844,093
Long Term Borrowing	16	43,781,910	55,032,121
Other Long Term Liabilities	20	169,221,942	225,692,942
Contract Liabilities		-	-
Donated Assets Account	21	430,000	430,000
Capital Grants Receipts in Advance	21, 22	1,908,654	582,444
LONG TERM LIABILITIES		217,217,039	283,612,040
NET ASSETS		630,227,436	520,793,731
USABLE RESERVES			
Capital Receipts Reserve	25	1,068,583	7,962,458
Deferred Capital Receipts	25	-	342,300
Capital Fund	25	12,220,031	19,296,139
Leisure Mobilisation Fund	25	621,287	630,245
Neighbourhood Regeneration Fund	25	10,000,000	8,000,000
Other Balances and Reserves	25	1,731,811	1,091,532
General Fund	25	62,218,726	54,924,106
		87,860,438	92,246,780
UNUSABLE RESERVES			
Capital Adjustment Account	26	514,174,235	480,998,871
Revaluation Reserve	26	199,892,679	175,881,878
Pensions Reserve	26	(169,221,942)	(225,692,942)
Accumulated Absences Account	26	(2,344,158)	(2,452,610)
Provisions Discount Rate Reserve	26	(133,816)	(188,246)
		542,366,998	428,546,951
NET WORTH		630,227,436	520,793,731

Belfast City Council
Cash Flow Statement at 31 March 2022

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.

		2021/22	2020/21
	Note	£	£
(Surplus)/Deficit on the Provision of Services		(6,864,926)	(2,013,138)
Adjustment for non-cash movements	24	42,061,760	61,547,986
Adjust for items included in the (Surplus)/Deficit on the Provision of Services that are investing and financing activities	24	(9,333,005)	(9,620,198)
Net cash flows from operating activities		25,863,829	49,914,650
Cash flows from Investing Activities	24	(35,267,536)	(13,036,017)
Net Cash flows from Financing Activities	24	(8,040,379)	(15,674,540)
Net increase or decrease in cash and cash equivalents		(17,444,086)	21,204,093
Cash and cash equivalents at the beginning of the reporting period	24	37,932,317	16,728,224
Cash and cash equivalents at the end of the reporting period		20,488,231	37,932,317

1 Accounting Policies

a General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. 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 2021/22, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

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

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

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

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

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

ii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in six months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

iii) Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

iv) **Employee Benefits**

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

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

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

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

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

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

Within the Cost of Services

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

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

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

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

Northern Ireland Civil Service (NICS) Pension Scheme

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

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

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

1) Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

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

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

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

vi) **Exceptional Items**

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

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

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

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

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

viii) **Financial Instruments**

Financial Liabilities

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

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

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

Financial Assets

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

There are three main classes of financial assets measured at:

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

Financial Assets Measured at Fair Value through Profit or Loss

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

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

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

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

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

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

ix) Foreign Currency Translation

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

x) Government Grants and Contributions

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

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

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

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xi) Inventories and Long Term Contracts

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

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

xii) Overheads and Support Services

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

xiii) Landfill Allowance Scheme

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

xiv) **Intangible Assets**

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

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

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £5,000) the Capital Receipts Reserve.

xv) **Investment Property**

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

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

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

xvi) **Leases**

Finance Leases

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

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

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

The Council as Lessee - Finance Lease

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

Lease payments are apportioned between:

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

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

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

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

The Council as Lessor - Finance Lease

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

Lease rentals receivable are apportioned between:

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

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

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

The Council as Lessor - Operating Lease

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xvii) **Surplus Assets**

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

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

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

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

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

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

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

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.
- all other assets: service potential (current value).

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

Valuation

The Council operates a rolling programme for the revaluation of Land and Buildings with approximately 25% of these being revalued by physical inspection each year and the remainder being revalued by a desktop exercise. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

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

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

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

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

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

Depreciation

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

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

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

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

Amortisation is calculated on the following basis:

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

Componentisation

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

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

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

Revaluations

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

xx) **Community Assets**

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

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

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

xxi) **Heritage Assets**

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

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

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

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

xxii) **Provisions**

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

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

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

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

xxiii) **Reserves**

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

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

xxiv) **Charges to Revenue for Non-Current Assets**

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

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

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

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

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

xxvi) **Value Added Tax**

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

xxvii) **Landfill Exploration and Evaluation**

The Council considers the facts and circumstances to determine whether an exploration and evaluation asset should be recognised in respect of the landfill site including assessment of the amount, timing and certainty of future cash flows under IFRS 6. The Council's landfill site produces gas to generate electricity. During 2021/22, a number of Global Geo-political factors led to increased utility prices, which in turn resulted in the income from the Electricity Generation increasing significantly resulting in a net income position of £422k. 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) Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS.
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard.
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material.
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- b) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- c) On implementation of IFRS 16 for local government, there will be a requirement for councils that are lessees to recognise most leases on their balance sheet as right of use assets with corresponding liabilities (with exemptions for low value and short term leases).

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 2022 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 2022 and the projected service cost for the year ending 31 March 2022 is set out in Note 20.

2

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.

	2021/22			2020/21		
	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	50,930,164	(10,820,745)	61,750,909	35,262,806	(5,666,538)	40,929,344
City Growth & Regeneration	19,514,842	(6,755,538)	26,270,380	19,083,862	(5,765,670)	24,849,532
People & Communities	80,641,410	(23,705,418)	104,346,828	78,045,776	(20,173,797)	98,219,573
Planning & Licensing	2,095,752	(1,569,842)	3,665,594	2,074,011	(987,727)	3,061,738
Net Cost of Services	153,182,168	(42,851,543)	196,033,711	134,466,455	(32,593,732)	167,060,187
Other Income and Expenditure	(160,476,788)	28,691,997	(189,168,785)	(160,697,888)	4,349,161	(165,047,049)
Surplus or Deficit	(7,294,620)	(14,159,546)	6,864,926	(26,231,433)	(28,244,571)	2,013,138
Opening General Fund			54,924,106			28,692,673
Surplus/(Deficit) on General Fund Balance in Year			7,294,620			26,231,433
Closing General Fund			62,218,726			54,924,106

2

b Note to the Expenditure and Funding Analysis

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

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

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

**Adjustments between Funding and Accounting Basis
2020/21**

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	(3,366,917)	(4,314,811)	(390,664)	2,405,854	(5,666,538)
City Growth & Regeneration	(4,621,195)	(866,617)	(79,264)	(198,594)	(5,765,670)
People & Communities	(14,217,560)	(5,431,020)	(525,217)	-	(20,173,797)
Planning & Licensing	-	(893,968)	(93,759)	-	(987,727)
Net Cost of Services	(22,205,672)	(11,506,416)	(1,088,904)	2,207,260	(32,593,732)
Other Income and Expenditure from the Expenditure and Funding Analysis	17,096,375	(3,318,584)	-	(9,428,630)	4,349,161
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(5,109,297)	(14,825,000)	(1,088,904)	(7,221,370)	(28,244,571)

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		2021/22	2020/21
	Note	£	£
Employee Benefits Expenses	7	88,962,292	89,144,595
Other Services Expenditure		135,569,557	128,213,935
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	23,997,230	22,205,671
Interest Payments	9	1,338,275	1,586,799
(Gain) on the Disposal of Assets	8	(470,191)	(1,182,767)
Other Expenditure	9	4,490,000	3,983,000
Total Expenditure		253,887,163	243,951,232

Income		2021/22	2020/21
	Note	£	£
Fees, Charges and Other Service Income		(51,976,853)	(64,018,177)
Interest and Investment Income	9	(15,392,163)	(4,835,056)
District Rate Income	10	(165,356,846)	(161,073,859)
Government Grants and Contributions	10	(14,296,375)	(12,011,002)
Support Service Income		-	-
Other Income		-	-
Total Income		(247,022,237)	(241,938,094)

Deficit on the Provision of Services		6,864,926	2,013,138
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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	2021/22	2020/21
	£	£
Strategic Policy & Resources	1,818,437	4,673,129
City Growth & Regeneration	2,510,120	1,413,358
People & Communities	7,389,235	2,798,386
Total included in Comprehensive Income and Expenditure Statement	11,717,792	8,884,873

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 recycle. 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 2022	31st March 2021
Note	£	£
Receivables, which are included in Debtors	-	-
Contract Assets	415,102	275,808
Contract Liabilities	-	-
Other	-	-
Total included in Net Assets	415,102	275,808

4 Adjustments between an Accounting Basis and Funding Basis under Regulations

a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

	Note	2021/22		2020/21	
		£	£	£	£
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	(8,539,269)		7,772,272	
Depreciation charged in the year on non-current assets	11	23,321,499	14,782,230	22,457,761	30,230,033
Net Revenue expenditure funded from capital under statute	12		-		-
Carrying amount of non current assets sold	8, 11	9,756		774,738	
Proceeds from the sale of PP&E, investment property and intangible assets	8, 24	(479,947)	(470,191)	(1,957,505)	(1,182,767)
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		38,130,000		28,568,000
Direct revenue financing of Capital Expenditure	12, 25		(11,156,835)		(8,358,472)
Capital Grants and Donated Assets Receivable and Applied in year	10		(8,853,058)		(7,662,693)
Capital Grants Receivable and Unapplied in year	10		-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	26		(108,452)		1,088,905
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		(8,305,119)		(7,916,805)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(14,059,000)		(13,743,000)
		9,959,575		21,023,201	

b Net transfers (to)/from statutory and other earmarked reserves:		2021/22	2021/22	2020/21	2020/21
	Note	£	£	£	£
Capital Fund					
Interest		-		-	
From Capital		-		-	
Other	25c	1,355,280	1,355,280	(1,671,506)	(1,671,506)
Leisure Mobilisation Fund					
Interest		-		-	
Other	25d	8,958	8,958	257,555	257,555
Capital Receipts Reserve					
Interest		-		-	
Other	25a	-	-	-	-
Neighbourhood Regeneration Fund					
Interest		-		-	
Other	25e	(2,000,000)	(2,000,000)	-	-
Other Funds and earmarked reserves					
Interest		(5,602)		(1,135)	
From Other funds		-		-	
Other	25f	(634,677)	(640,279)	(792,173)	(793,308)
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			(1,276,041)		(2,207,259)

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 2021/22 was £259,790 (2020/21 £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.

	2021/22	2020/21
	£	£
External Audit Fees	95,000	95,000
National Fraud Initiative	-	-
Performance Improvement work	25,000	7,500
	120,000	102,500

The 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 £6,146,840 (previous year: £4,808,398). No contingent rents were recognised. Due to COVID-19 the Council offered tenants a two month rental holiday from May 2021 to June 2021 that resulted in a loss of rental income £94,270 (previous year £1,611,972), as this income will not be recouped by the Council.

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:

	2021/22		2020/21	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease rentals receivable:				
No later than 1 year	6,236,968	-	6,161,932	-
Later than 1 year and no later than 5 years	22,055,547	-	21,982,582	-
Later than 5 years	392,284,598	-	399,871,376	-
	420,577,113	-	428,015,889	-

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

	2021/22		2020/21	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	85,725,000	-	93,650,000	-
Accumulated depreciation and impairments at 1 April	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairments	235,000	-	(185,000)	-
Revaluations	8,980,000	-	(7,839,362)	-
Transfers and reclassifications	(1,460,000)	-	99,361	-
Additions	-	-	1	-
Disposals	-	-	-	-
	93,480,000	-	85,725,000	-

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:

	2021/22	2020/21
	£	£
Other Land and Buildings	610,464	659,094
Vehicles, Plant, Furniture and Equipment	-	-
	610,464	659,094

d Operating Leases (Council as lessee)

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

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

	2021/22		2020/21	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	298,584	100,821	288,758	92,509
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
	298,584	100,821	288,758	92,509

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 2022		31st March 2021	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Not later than 1 year	315,221	94,814	294,986	93,572
Later than 1 year and no later than 5 years	1,142,406	19,526	1,137,536	41,597
Later than 5 years	550,355	-	814,919	-
	2,007,982	114,340	2,247,441	135,169

7 Employee Costs and Member Allowances

a Staff Costs	2021/22	2020/21
	£	£
Salaries and Wages	68,602,289	68,894,566
Employers NIC	6,825,156	6,640,823
Employers Superannuation	13,534,847	13,609,206
Total staff costs	88,962,292	89,144,595

The above staff costs include the costs of voluntary redundancies in 2021/22. These costs total £157,804 (2020/21 £1,128,006) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £7,053,574 (2020/21 £5,198,526).

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

Average Number of Employees - where FTE represents fulltime equivalent employees

b Average Number of Employees	2021/22	2020/21
	FTE	FTE
Strategic Policy & Resources	577	626
City Growth & Regeneration	163	142
People & Communities	1,126	1,131
Planning & Licensing	143	131
Total Number	2,009	2,030

	2021/22	2020/21
	Actual Numbers	Actual Numbers
Full-time numbers employed	1,825	1,872
Part-time numbers employed	325	305
Total Number	2,150	2,177

c Senior Employees' Remuneration	2021/22	2020/21
	£	£
£50,001 to £60,000	88	64
£60,001 to £70,000	25	26
£70,001 to £80,000	7	6
£80,001 to £90,000	3	3
£90,001 to £100,000	9	7
£100,001 to £110,000	1	3
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	-
£140,001 to £150,000	-	1
Total Number	135	111

d Members' Allowances

	2021/22	2020/21
	£	£
Salaries	-	-
Basic Allowance	929,160	927,095
Mayor & Deputy Mayor's Allowance	41,050	41,050
Special Responsibility Allowance	117,774	117,166
High Sheriff's Allowance	6,250	6,250
Mileage	731	1,683
Conference & Courses	-	145
Travel & Subsistence	1,684	-
Miscellaneous Costs	-	-
PCSP Allowance	11,460	8,760
Telephone Rental	-	-
Total	1,108,109	1,102,149

e Northern Ireland Civil Service Pension Arrangements

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

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation has been finalised. The outcome of this valuation informed contribution rates from April 2019 for both employers and employees.

For 2021/22, employers' contributions of £363,374 (2020/21 £352,469) were payable to the NICS pension arrangements at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

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

8 Other Operating Income & Expenditure

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

	2021/22	2020/21
	£	£
Proceeds from sale	(479,947)	(1,957,505)
Carrying amount of non-current assets sold (excl Investment Properties)	9,756	774,738
	(470,191)	(1,182,767)

b Other Operating Income/ Expenditure

	2021/22	2020/21
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2021/22	2020/21
	£	£
(Surplus) / Deficit on Non Current Assets	(470,191)	(1,182,767)
Other Operating (Income) / Expenditure	-	-
	(470,191)	(1,182,767)

9 Financing and Investment Income and Expenditure

a Interest Payable and Similar Charges

	2021/22	2020/21
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,323,624	1,536,686
Commercial Loan Interest	-	-
Other interest	14,651	50,113
	1,338,275	1,586,799

b Interest and Investment Income

	2021/22	2020/21
	£	£
Bank Interest	16,923	16,004
Employee car loan interest	1,852	1,041
NIHE Loan interest receivable	5,946	8,478
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Election Fund	5,602	1,135
Other Investment income	-	-
	30,323	26,658

c Pensions interest costs and expected return on pensions assets

	2021/22	2020/21
	£	£
Net interest on the net defined benefit liability (asset)	4,490,000	3,983,000
Past service cost increase		
	4,490,000	3,983,000

d Surplus/ (Deficit) on trading operations

	2021/22	2020/21
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2021/22	2020/21
	£	£
Income/Expenditure from Investment Properties		
Income including rental income	(6,146,840)	(4,808,398)
Expenditure	518,512	418,003
Net income from investment properties	(5,628,328)	(4,390,395)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
(Surplus)/deficit on sale of Investment Properties:	-	-
Changes in Fair Value of Investment Properties	(9,215,000)	8,024,362
	(14,843,328)	3,633,967

Financing and Investment Income and Expenditure

	2021/22			2020/21		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,338,275	-	1,338,275	1,586,799	-	1,586,799
Interest and Investment Income	-	(30,323)	(30,323)	-	(26,658)	(26,658)
Pensions interest cost	4,490,000	-	4,490,000	3,983,000	-	3,983,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	518,512	(6,146,840)	(5,628,328)	418,003	(4,808,398)	(4,390,395)
Changes in Fair Value of Investment Properties	-	(9,215,000)	(9,215,000)	8,024,362	-	8,024,362
	6,346,787	(15,392,163)	(9,045,376)	14,012,164	(4,835,056)	9,177,108

10 Taxation and Non Specific Grant Income
a Revenue Grants

	2021/22	2020/21
	£	£
General	(5,443,317)	(4,348,309)
Other	-	-
	(5,443,317)	(4,348,309)

b Revenue Grants - Unapplied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	-	-

c Capital Grants and Donated Assets - Applied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and applied in year	(8,532,751)	(7,158,138)
Government & Other Grants - Transfer from receipts in advance	(320,307)	(504,555)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(8,853,058)	(7,662,693)

d Capital grants from capital receipts unapplied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Capital grants from capital receipts unapplied	-	-
	-	-

e District Rates

	2021/22	2020/21
	£	£
Current year	(165,173,988)	(162,028,152)
Clawback/ (Finalisation) - previous year	(182,858)	954,293
Transitional Relief	-	-
Clawback/ (Finalisation) - other years	3	43,471
	(165,356,843)	(161,030,388)

Taxation and Non Specific Grant Income Summary	2021/22	2020/21
	£	£
District Rate Income	(165,356,843)	(161,030,388)
Revenue Grants	(5,443,317)	(4,348,309)
Capital Grants from capital receipts unapplied	-	-
Capital Grants and Contributions	(8,853,058)	(7,662,693)
	(179,653,218)	(173,041,390)

Belfast City Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

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 2021	110,063,504	480,589,455	5,093,674	-	47,853,672	41,653,745	30,587,787	6,199,001	722,040,838	9,117,243	-	731,158,081
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	110,063,504	480,589,455	5,093,674	-	47,853,672	41,653,745	30,587,787	6,199,001	722,040,838	9,117,243	-	731,158,081
Additions	1,700,703	3,230,200	-	-	4,564,957	61,280	37,271,975	-	46,829,115	10,735	-	46,839,850
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	1,473,998	11,588,798	-	-	-	-	-	482,741	13,545,537	133,380	-	13,678,917
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	704,299	(482,369)	-	-	-	-	-	64,259	286,189	(3,030)	-	283,159
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	(2,343,503)	-	(2,343,503)	-	-	(2,343,503)
Derecognition - Disposals	-	-	-	-	(1,130,225)	-	-	-	(1,130,225)	-	-	(1,130,225)
Derecognition - Other	-	(7,200)	-	-	(5,224)	-	-	-	(12,424)	(4,000)	-	(16,424)
Reclassifications & Transfers	-	16,800,821	-	-	1,114,633	4,911,465	(22,576,228)	(1,350,000)	(1,099,309)	-	-	(1,099,309)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	113,942,504	511,719,705	5,093,674	-	52,397,813	46,626,490	42,940,031	5,396,001	778,116,218	9,254,328	-	787,370,546

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	-	77,036	792,232	-	28,276,018	4,538,407	-	-	33,683,693	27,261	-	33,710,954
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	-	77,036	792,232	-	28,276,018	4,538,407	-	-	33,683,693	27,261	-	33,710,954
Depreciation Charge	-	17,488,301	169,794	-	3,290,934	2,061,195	-	-	23,010,224	103,373	-	23,113,597
Depreciation written out on Revaluation Reserve	-	(16,053,393)	-	-	-	-	-	-	(16,053,393)	(76,633)	-	(16,130,026)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,357,873)	-	-	-	-	-	-	(1,357,873)	(26,740)	-	(1,384,613)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,120,469)	-	-	-	(1,120,469)	-	-	(1,120,469)
Derecognition - Other	-	-	-	-	(3,929)	-	-	-	(3,929)	-	-	(3,929)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	154,071	962,026	-	30,442,554	6,599,602	-	-	38,158,253	27,261	-	38,185,514
Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	21,955,259	40,026,888	42,940,031	5,396,001	739,957,965	9,227,067	-	749,185,032

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 2020	104,391,304	467,266,524	5,774,607	-	46,505,354	39,249,303	46,248,371	5,539,001	714,974,464	9,192,723	-	724,167,187
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	22,000	-	22,000
Balance as at 1 April 2020	104,391,304	467,266,524	5,774,607	-	46,505,354	39,249,303	46,248,371	5,539,001	714,974,464	9,214,723	-	724,189,187
Additions	5,045,281	1,209,744	-	-	1,373,233	22,216	13,724,119	-	21,374,593	-	-	21,374,593
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	210,132	(13,343,924)	-	-	-	-	-	-	(13,133,792)	(91,420)	-	(13,225,212)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	502,724	(682,367)	-	-	-	-	-	50,000	(129,643)	(6,060)	-	(135,703)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(81,030)	-	-	-	(1,031,641)	-	-	-	(1,112,671)	-	-	(1,112,671)
Derecognition - Other	-	(110,140)	-	-	(203,434)	(2)	-	(80,000)	(393,576)	-	-	(393,576)
Reclassifications & Transfers	(4,907)	26,249,618	(680,933)	-	1,210,160	2,382,228	(29,384,703)	-	(228,537)	-	-	(228,537)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	690,000	690,000	-	-	690,000
Balance as at 31 March 2021	110,063,504	480,589,455	5,093,674	-	47,853,672	41,653,745	30,587,787	6,199,001	722,040,838	9,117,243	-	731,158,081

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 2020	-	-	705,663	-	26,027,413	2,603,306	-	-	29,336,382	27,261	-	29,363,643
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	-	-	705,663	-	26,027,413	2,603,306	-	-	29,336,382	27,261	-	29,363,643
Depreciation Charge	-	16,703,703	169,794	-	3,356,746	1,935,101	-	-	22,165,344	100,622	-	22,265,966
Depreciation written out on Revaluation Reserve	-	(16,238,778)	-	-	-	-	-	-	(16,238,778)	(91,070)	-	(16,329,848)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(378,241)	-	-	-	-	-	-	(378,241)	(9,552)	-	(387,793)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(987,932)	-	-	-	(987,932)	-	-	(987,932)
Derecognition - Other	-	(5,939)	-	-	(203,434)	-	-	-	(209,373)	-	-	(209,373)
Reclassifications & Transfers	-	(3,709)	(83,225)	-	83,225	-	-	-	(3,709)	-	-	(3,709)
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	77,036	792,232	-	28,276,018	4,538,407	-	-	33,683,693	27,261	-	33,710,954

Net Book Values

Balance as at 31 March 2021	110,063,504	480,512,419	4,301,442	-	19,577,654	37,115,338	30,587,787	6,199,001	688,357,145	9,089,982	-	697,447,127
Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	21,955,259	40,026,888	42,940,031	5,396,001	739,957,965	9,227,067	-	749,185,032

Valuations

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

Capital Commitments

A total of 7 capital contracts were entered into during the period:

Project Name	Date	Capital Commitment £
Waterfront Replacement Escalators	19/05/2021	1,048,800
Balmoral Bowling Club	07/06/2021	139,329
Boodles Dam	08/06/2021	422,243
City Cemetery HLF	13/09/2021	100,952
New Crematorium	08/12/2021	3,097,079
Whiterock 3G Pitch	15/02/2022	149,763
Ballysillian 3G Pitch	10/03/2022	174,943
Total		5,133,109

Effects of Changes in Estimates

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

Surplus Assets

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

Impairment

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

Asset	Amount of impairment £	Asset class	Reason
Blanchflower Playing Fields	(845,623)	Operational building	Valuation at 31.03.2022
Land at 92-100 Royal Avenue	(2,343,503)	Land awaiting development	Valuation at 31.03.2022
Sum of material impairments over £500,000	(3,189,126)		

While the playing fields and buildings were temporarily withdrawn from operational use to undergo a major redevelopment, the site was held at depreciated historic cost. The site was brought back into operational use in October 2021, and its value was re-measured at 31 March 2022 to depreciated replacement cost, the valuation basis for this type of specialised property, to reflect its current estimated service potential.

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

11 c Property, plant and equipment

Depreciation

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

d Intangible Assets

Intangible assets relate to landfill closure costs with a net book value of £nil (2020/21: £nil) and a gross cost before amortisation of £16,700k (2020/21: £16,700k); and purchased licensed software and related implementation costs with a net book value of £648k (2020/21: £744k), and a gross costs before amortisation of £3,226k (2020/21: £3,114k).

Intangible Assets	2021/22	2020/21
	£	£
Balance at start of year:		
Gross carrying amounts	19,883,181	19,565,003
Accumulated amortisation	(19,138,747)	(18,946,952)
Net carrying amount at start of year	744,434	618,051
Additions	72,350	192,711
Amortisation for the period	(207,902)	(191,795)
Reclassification and transfer from WIP	39,308	125,467
Gross carrying amount of assets derecognised in the year	-	-
Accumulated amortisation on assets derecognised during the year	-	-
Net carrying amount at end of year	648,190	744,434
Comprising:		
Gross carrying amounts as previously published	19,994,839	19,883,181
Derecognise intangible assets for the year	-	-
Gross carrying amounts restated	19,994,839	19,883,181
Accumulated amortisation as previously published	(19,346,649)	(19,138,747)
Derecognise intangible assets for the year	-	-
Accumulated amortisation	19,346,649	19,138,747
Net carrying amount at end of year	648,190	744,434

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	2021/22	2020/21
	£	£
Rental Income from Investment Activities	6,146,840	4,808,398
Direct Operating expenses arising from investment properties	(518,512)	(418,003)
Net gain/(loss)	5,628,328	4,390,395

Due to COVID-19, the Council offered tenants a two month rental holiday from May 2021 to June 2021, that resulted in a loss of rental income of £94,270 in 2021/22 (2020/21: £1,611,972).

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

Investment Properties	2021/22	2020/21
	£	£
Balance at start of the year	85,725,000	93,650,000
Additions	-	1
Disposals	-	-
Net gains/losses from fair value adjustments	9,215,000	(8,024,362)
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	(1,460,000)	103,070
Other changes	-	(3,709)
Balance at end of the year	93,480,000	85,725,000

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

Investment Property	2021/22	2020/21
	£	£
Industrial Estates	73,730,000	65,350,000
Commercial Units	19,750,000	20,375,000
Balance at end of the year	93,480,000	85,725,000

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 2021	688,357,145	9,089,982	85,725,000	744,434	783,916,562
Net change in cost or valuation	56,075,380	137,085	(1,460,000)	111,658	54,864,123
Depreciation and Impairment in the year	(4,474,560)	-	9,215,000	(207,902)	4,532,538
Net movement for the year	51,600,820	137,085	7,755,000	(96,244)	59,396,661
Net Book Value as at 31 March 2022	739,957,965	9,227,067	93,480,000	648,190	843,313,222

Fair Value Hierarchy

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

2021/22 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2020
	£	£	£	£
Industrial Estates and Commercial Units	-	93,480,000	-	-
Total	-	93,480,000	-	-

2020/21 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 2019
	£	£	£	£
Industrial Estates and Commercial Units	-	85,725,000	-	-
Total	-	85,725,000	-	-

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 2021/22, all Investment Properties were measured using the same methodology as in 2020/21, 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 2022. 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	2021/22	2020/21
	£	£
Portrait of Alderman Frank McCoubrey	10,735	-
Total	10,735	-

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

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

The gain on assets classified 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 2020	1,340,000	-	1,340,000
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	(650,000)	-	(650,000)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	(690,000)	-	(690,000)
Balance as at 31 March 2021	-	-	-
Impairment			
Balance as at 1 April 2020	-	-	-
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 2021	-	-	-

During 2020/21, non-current assets with a fair value of £690,000 no longer met the criteria to be recognised as assets held for sale and were reclassified to property, plant and equipment as at 31 March 2021.

The gain on assets classified to held for sale and sold during 2020/21 was £1,050,000.

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 2022 and 2021 are as follows:

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

2020/21 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 2021
	£	£	£	£
Land	-	624,001	-	624,001
Buildings	-	300,000	-	300,000
Land and Buildings combined	-	5,275,000	-	5,275,000
Total	-	6,199,001	-	6,199,001

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 2021/22, all Surplus Assets were measured using the same methodology as in 2020/21. 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 2022. 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		2021/22	2020/21
Note		£	£
Opening Capital Financing Requirement		130,315,836	138,181,616
Capital Investment			
Property, Plant and Equipment	11	46,839,850	21,374,593
Investment Properties		-	1
Intangible Assets	11	72,350	192,711
Revenue Expenditure Funded from Capital under Statute Investments		-	-
Sources of Finance			
Capital Receipts	25a	(7,700,000)	(3,750,000)
Government Grants and Other Contributions	10c	(8,853,058)	(7,662,693)
Transfers from Earmarked Reserves	25c, 26a	(6,080,399)	(1,745,115)
Sums set aside from Revenue:			
Direct Revenue Contributions		(11,156,835)	(8,358,472)
Minimum Revenue Provision		(8,305,119)	(7,916,805)
Closing Capital Financing Requirement		135,132,625	130,315,836

Explanation of Movements in Year	2021/22	2020/21
	£	£
Increase/(decrease) in underlying need to borrow	4,816,789	(7,865,780)
Assets acquired under finance leases	-	-
Assets acquired under PFI/PPP contracts	-	-
Increase/(decrease) in Capital Financing Requirement	4,816,789	(7,865,780)

13 Future Capital Commitments

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	37,800,667	4,949,447	32,851,220
Other Commitments	27,439,644	459,644	26,980,000
Total	65,240,311	5,409,091	59,831,220

Total net expenditure of £12,123,806 has been incurred against these projects in the year ended 31 March 2022.

14	Inventories	2021/22 £	2020/21 £
	Central Stores	310,394	298,361
	Total	310,394	298,361

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £583,169 (2020/21 £681,327).

15	Debtors	2021/22 £	2020/21 £
a	Long Term Debtors		
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Employee car loans	29,857	34,202
	Revenue Grants	-	-
	Capital Grants	-	-
	Interest Receivable	-	-
	Capital Debtors	-	-
	Loans and advances	-	-
	Finance lease debtors	-	-
	Trade debtors	553,310	772,374
	NIHE Loans	-	78,630
	Other	-	-
	Impairment of loans and receivables	-	-
	Contract Receivables	-	-
	Total Long Term Debtors	583,167	885,206

b	Short Term Debtors	2021/22 £	2020/21 £
	Government Departments	3,271,962	2,428,715
	Other Councils	148,214	105,834
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Rates finalisation	182,858	-
	NIHE loans	78,630	92,950
	Employee car loans	31,691	31,457
	Revenue Grants	8,611,484	5,124,741
	Capital Grants	5,202,594	3,657,464
	Interest Receivable	-	-
	Capital Debtors	-	-
	Value Added Tax	1,966,311	2,032,245
	Prepayments	3,957,174	4,186,916
	Finance lease debtors	-	-
	Other	3,292,638	2,227,407
	Trade receivables	2,686,150	1,634,267
	Impairment loss - Trade receivables	(888,093)	(819,245)
	Contract Receivables	415,102	275,808
	Total Short Term Debtors	28,956,715	20,978,559

Total Debtors	29,539,882	21,863,765
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Trade debtors, inclusive of VAT, can be analysed by age as follows:

	£
Less than 3 months	5,450,710
Three months to one year	1,070,718
More than one year	553,310
	7,074,738

16	Borrowings	2021/22 £	2020/21 £
a	Short Term Borrowing		
	Loans re-payable within one year	5,209,832	2,000,000
	Finance Lease Principal	-	-
	Total Short Term Borrowing	5,209,832	2,000,000

b Long Term Borrowing		2021/22	2020/21
		£	£
Between 1 and 2 years		5,260,558	1,061,000
Between 2 and 5 years		18,673,978	3,589,529
Between 5 and 10 years		13,237,918	33,664,137
In more than 10 years		6,609,456	16,717,455
Government Loans Fund		43,781,910	55,032,121
Total Borrowing		48,991,742	57,032,121

17 Creditors		2021/22	2020/21
a Short Term Creditors		£	£
Government Departments		2,151,488	1,589,519
Other Councils		-	1,018
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	954,293
De-rating grant clawback		14,053	945,000
Remuneration due to employees		1,729	3,638
Accumulated Absences		2,344,158	2,452,610
Loan Interest Payable		219,388	244,684
Capital Creditors		6,179,995	2,544,712
Receipts in advance		9,493,961	8,278,015
Trade creditors		4,049,536	4,170,686
Creditor Accruals		18,961,691	16,817,477
Contract Payables		-	-
Total Short Term Creditors		43,415,999	38,001,652

b Long Term Creditors		2021/22	2020/21
<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		30,440	30,440
Contract Payables		-	-
Total Long Term Creditors		30,440	30,440
Total Creditors		43,446,439	38,032,092

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 2021/22 the Council paid 71,202 (2020/21: 51,593) invoices totalling £187,290,662 (2019/20: £154,605,481).

The Council paid:

66,649 invoices within 30 calendar days target (2020/21: 48,218);
57,882 invoices within 10 working days target (2020/21: 39,959); and
4,553 invoices outside of the 30 day target (2020/21: 3,375).

The average number of days taken to pay suppliers during the year was 17 days (2020/21: 17 days).

The Council paid 93.6% of invoices within the target of 30 days, against the target objective of 90%.

Provisions	Balance as at	(Decrease)/Increase	Utilised during	Unused amounts	Interest cost and/or	Balance as at 31
	1 April 2021	in provision during	year	reversed	discount rate	March 2022
	£	year	year	£	changes	£
Landfill Closure	3,477,916	(54,430)	(30,434)	-	-	3,393,052
Claims Management	1,406,618	625,475	(42,769)	-	-	1,989,324
Total	4,884,534	571,045	(73,203)	-	-	5,382,376

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

Comparative Year

Provisions	Balance as at	Increase in	Utilised during	Unused amounts	Interest cost and/or	Restated Balance
	1 April 2020	provision during	year	reversed	discount rate	as at 31 March
	£	year	year	£	changes	2021
Landfill Closure	3,449,001	36,870	(29,354)	-	21,399	3,477,916
Claims Management	1,505,210	(97,792)	(800)	-	-	1,406,618
Total	4,954,211	(60,922)	(30,154)	-	21,399	4,884,534

Current Provisions	3,131,517	(60,922)	(30,154)	-	-	3,040,441
Long Term Provisions	1,822,694	-	-	-	21,399	1,844,093
Total	4,954,211	(60,922)	(30,154)	-	21,399	4,884,534

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 £3,393,052.

Claims Management

A provision of £1,989,324 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 2022, the total liability for legal cases notified but not processed amounted to an estimated maximum liability of £3,512,207.

19 Financial Instruments

Financial Assets as at 31 March 2022

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 £888,093 for 2021/22 (2020/21 £819,245).

The employee car loan rate is currently 2.2%, in comparison to the HMRC official rate of 2%.

Financial Liabilities as at 31 March 2022

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 £51,321,507 (2020/21 £63,054,778).

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	2021/22 £	2020/21 £
Net cost of services:			
Current service cost		33,151,000	24,228,000
Past service cost/(gain)		489,000	357,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		4,490,000	3,983,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		38,130,000	28,568,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(38,130,000)	(28,568,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		14,059,000	13,743,000
Net adjustment to General Fund		(24,071,000)	(14,825,000)

The service cost figures include an allowance for administration expenses of £331k (2020/21 £327k).

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	2021/22 £	2020/21 £
Liability gains/(losses) due to change in assumptions		59,376,000	(155,674,000)
Liability gains/(losses) due to demographic changes		8,908,000	-
Liability experience gains/(losses) arising in the year		(1,785,000)	7,090,000
Actuarial gains/(losses) on plan assets		13,259,000	122,440,000
Other		-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		79,758,000	(26,144,000)

c Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities:			
	Note	2021/22 £	2020/21 £
Balance as at 1 April		908,443,000	734,376,000
Current service cost		33,151,000	24,228,000
Interest cost		18,915,000	16,717,000
Contributions by members		4,487,000	4,411,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(59,376,000)	155,674,000
Actuarial gains/losses arising from demographic changes		(8,908,000)	-
Actuarial gains/losses arising on liabilities from experience		1,785,000	(7,090,000)
Other (if applicable)		-	-
Past service costs/(gains)*		489,000	357,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(680,000)	(709,000)
Estimated benefits paid		(19,622,000)	(19,521,000)
Balance as at 31 March		878,684,000	908,443,000

Reconciliation of present value of the scheme assets:			
	Note	2021/22 £	2020/21 £
Balance as at 1 April		687,624,058	554,526,058
Interest Income		14,425,000	12,734,000
Contributions by members		4,487,000	4,411,000
Contributions by employer		13,379,000	13,034,000
Contributions in respect of unfunded benefits		680,000	709,000
Remeasurement gain/(loss)		13,259,000	122,440,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(680,000)	(709,000)
Benefits paid		(19,622,000)	(19,521,000)
Balance as at 31 March		713,552,058	687,624,058

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 2022.

The actual return on scheme assets in the year was a gain of £27,684,000 (2020/21: gain £135,174,000).

Fair Value of Plan Assets	2021/22 £	2020/21 £
Equity investments	289,702,136	318,369,939
Bonds	184,809,983	245,481,789
Property	77,777,174	61,198,541
Multi Asset Credit	92,048,215	-
Cash	44,240,228	36,444,075
Other	24,974,322	26,129,714
	713,552,058	687,624,058

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

	2021/22 £	2020/21 £
Fair Value of Employer Assets	713,552,058	687,624,058
Present value of funded defined benefit obligation	(869,947,000)	(898,471,000)
Pension asset/(liability) of Funded Scheme	(156,394,942)	(210,846,942)
Present Value of unfunded defined benefit obligation	(8,737,000)	(9,972,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(165,131,942)	(220,818,942)
Amount in the Balance sheet:		
Liabilities	(878,684,000)	(908,443,000)
Assets	713,552,058	687,624,058
Net Asset/(Liability)	(165,131,942)	(220,818,942)

d Scheme History		
Analysis of scheme assets and liabilities		
	2021/22	2020/21
	£	£
Fair Value of Assets in pension scheme	713,552,058	687,624,058
Present Value of Defined Benefit Obligation	(878,684,000)	(908,443,000)
Surplus/(deficit) in the Scheme	(165,131,942)	(220,818,942)

Amount recognised in Other Comprehensive Income and Expenditure:		
	2021/22	2020/21
	£	£
Actuarial gains/(losses)	79,758,000	(26,144,000)
Expected Return on Plan Assets	-	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	79,758,000	(26,144,000)
Cumulative actuarial gains and losses	(4,732,000)	(84,490,000)
History of experience gains and losses:		
Experience gains and (losses) on assets	13,259,000	122,440,000
Experience gains and (losses) on liabilities	(1,785,000)	7,090,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £165,131,942 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

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

	31/03/2023	31/03/2023
	£	%
Projected current cost	31,041,000	87.9%
Net Interest on the net defined benefit liability (asset)	4,269,000	12.1%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	35,310,000	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 2023 is £14,171k.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2021/22 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2022.

	2021/22	2020/21
	%	%
Experience gains and (losses) on Assets	1.86%	17.81%
Experience gains and (losses) on Liabilities	0.20%	-0.78%

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 2019.

Pension scheme assumptions:	2021/22 %	2020/21 %
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
	Years	Years
Men	21.8	21.9
Women	25.0	25.1
<i>Longevity at 65 for future pensioners:</i>		
Men	23.2	23.3
Women	26.4	26.5
Inflation/Pension Increase Rate	3.00%	2.70%
Salary Increase Rate	4.50%	4.20%
Discount Rate	2.70%	2.10%
Pension accounts revaluation rate	3.00%	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 2022 is set out below.

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

Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	853,418,000	886,476,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	30,017,000	32,096,000
Approximate % change in projected service cost	-3.30%	3.40%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	873,427,000	866,467,000
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	31,041,000	31,041,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	882,996,000	856,898,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	32,096,000	30,017,000
Approximate % change in projected service cost	3.40%	-3.30%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	- 1 Year	+ 1 Year
Present value of the total obligation	900,395,000	839,499,000
% change in the present value of the total obligation	3.50%	-3.50%
Projected service cost	32,283,000	29,799,000
Approximate % change in projected service cost	4.00%	-4.00%

* 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.

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

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

	31/03/2022	31/03/2021
	%	%
Equity investments	40.60%	46.30%
Government Bonds	24.10%	23.60%
Corporate Bonds	1.80%	12.10%
Property	10.90%	8.90%
Multi Asset Credit	12.90%	0.00%
Cash	6.20%	5.30%
Other	3.50%	3.80%
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 carried out as at 31 March 2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2022.

h Assets and liabilities in relation to retirement benefits of the Gas Pension Fund

Reconciliation of present value of the scheme liabilities:		2021/22	2020/21
	Note	£	£
Balance as at 1 April		717,000	859,000
Current service cost		-	-
Interest cost		13,000	18,000
Contributions by members		-	-
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(3,000)	29,000
Actuarial gains/losses arising from demographic changes		(17,000)	-
Actuarial gains/losses arising on liabilities from experience		201,000	(11,000)
Other (if applicable)		-	-
Past service costs/(gains)		-	-
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Net benefits paid		(151,000)	(178,000)
Balance as at 31 March		760,000	717,000

Reconciliation of present value of the scheme assets:		2021/22	2020/21
	Note	£	£
Balance as at 1 April		691,000	864,000
Interest Income		13,000	18,000
Contributions by members		-	-
Contributions by employer		-	-
Remeasurement gain/(loss)		(3,000)	(13,000)
Assets distributed on settlements		-	-
Net Benefits paid		(151,000)	(178,000)
Balance as at 31 March		550,000	691,000

Analysis of scheme assets and liabilities		2021/22	2020/21
	Note	£	£
Fair Value of Assets in pension scheme		550,000	691,000
Present Value of Defined Benefit Obligation		760,000	717,000
Net Asset/(Liability) recognised on the balance sheet		(210,000)	(26,000)

Funded Pension Scheme Benefits- Gas Pension Fund Sensitivity Analysis

Discount Rate Assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	756,000	764,000
% 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	764,000	756,000
% 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	820,000	702,000
% change in the present value of the total obligation	8.00%	-7.60%

* 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.

	2021/22 %	2020/21 %
Government Bonds	22.80%	17.30%
Cash	77.20%	82.70%
Total	100.00%	100.00%
Mortality assumptions:		
Members aged 85 at accounting date	Years	Years
Men	6.9	7.3
Women	7.8	8.2
Inflation/Pension Increase Rate	3.30%	2.70%
Discount Rate	2.80%	2.10%

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 2022 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 2022.

At 31 March 2022 there were 18 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	31/03/2022 £	31/03/2021 £
INCOME AND EXPENDITURE STATEMENT:		
INCOME		
Investment Income	2,562	6,300
EXPENDITURE		
Pensions Paid	(145,522)	(172,225)
Administration Expenses	(5,040)	(5,423)
Surplus/(Deficit) for the Year	(148,000)	(171,348)
NET ASSET MOVEMENTS:		
Brought forward balance	628,225	709,994
Unrealised gain	63,553	157,791
Opening Value of Fund	691,778	867,785
Add contribution from City Council	0	0
Add surplus/(deficit) for the year	(148,000)	(171,348)
CHANGE IN MARKET VALUES OF INVESTMENTS		
Realised gain for year	0	92,870
Unrealised gain/(loss) for year	5,759	(97,529)
Closing value of fund	549,537	691,778
FINANCED BY:		
UK Index Linked Investments	125,439	119,716
Cash deposits and at bank	423,545	571,545
Debtors	553	517
Bank Balance	549,537	691,778
Bank Balance	-	-
Creditors	-	-
Closing value of fund	549,537	691,778

Summary Net Asset/Liability recognised on the Balance Sheet	2021/22	2020/21
Northern Ireland Local Government Officer's Pension Fund	(165,131,942)	(220,818,942)
Gas Pension Fund	(210,000)	(26,000)
Belfast Waterfront & Ulster Hall Limited	(3,880,000)	(4,848,000)
Total Net Asset/Liability recognised on the Balance Sheet	(169,221,942)	(225,692,942)

The figures above include a pension liability 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 liability under this scheme up to 31 March 2022 within the net liability total for Belfast City Council.

Allowance for the McCloud Judgement and GMP Indexation / Equalisation

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

McCloud Judgement

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

The Ministry of Housing, Communities and Local Government (MHCLG) published its McCloud consultation for the LGPS (England and Wales) on 16 July 2020, setting out proposed changes aimed at removing the unlawful age discrimination in the LGPS. The consultation closed on 8 October 2020, but MHCLG have not yet published its consultation response.

The Current Service Cost includes a prospective allowance for McCloud liabilities of 3.2% of Pensionable Pay over the 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.

21 Donated Assets Account	Note	2021/22 £	2020/21 £
Opening balance		430,000	430,000
Add: new donated assets received (condition of use not met)		-	-
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account		-	-
		430,000	430,000

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	2021/22 £	2020/21 £
Neil Shawcross "Writers of Belfast" collection		430,000	430,000
		430,000	430,000

Capital Receipts Unapplied	Note	2021/22 £	2020/21 £
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		2021/22	2020/21
Note		£	£
Opening balance		470,719	304,554
Add: new capital grants received in advance (condition of use not met)		1,647,038	670,720
Less: amounts released to the Comprehensive Income and Expenditure Statement other projects		(521)	(504,555)
Less: amounts released to the Comprehensive Income and Expenditure Statement		(320,307)	-
		1,796,929	470,719

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		2021/22	2020/21
Note		£	£
Ballymacarrett Greenway		-	257
Forth Meadow DFC		555,731	450,000
City Cemetery		-	20,462
Belfast Bikes Asset Upgrade		4,233	
Paisley Park Refurb		900,884	
Belfast Castle LWWP		1,000	
Forthriver LWWP		7,950	
Ballysillan PF LWWP		327,131	
		1,796,929	470,719

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.

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	2021/22 £	2020/21 £
Depreciation	4a, 11	23,321,499	22,457,761
Impairment & downward revaluations (& non-sale derecognitions)	4a, 11	(8,539,269)	7,772,272
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories	14	(12,033)	72,112
(Increase)/Decrease in Debtors	15	(7,744,965)	(206,710)
Increase/(Decrease) in impairment provision for bad debts	15	68,848	13,357
Increase/(Decrease) in Creditors	16	5,522,799	4,100,405
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20b	24,071,000	14,825,000
Carrying amount of non-current assets sold	4a, 8a, 11	9,756	774,738
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		5,364,125	11,739,051
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		-	-
		42,061,760	61,547,986

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
	Note	2021/22 £	2020/21 £
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	(479,947)	(1,957,505)
Capital grants included in Taxation & non-specific grant income	10c	(8,853,058)	(7,662,693)
		(9,333,005)	(9,620,198)

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	2021/22 £	2020/21 £
Cash, Bank and Short Term Deposits		20,488,231	37,932,317
Short Term Investments (considered to be cash equivalents)		-	-
Bank Overdraft		-	-
		20,488,231	37,932,317

c Cash flows from Investing Activities		2021/22	2020/21
		£	£
	Note		
Purchase of PP&E, investment property and intangible assets	11	43,276,917	21,119,529
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		1,323,624	1,536,686
Proceeds from the sale of PP&E, investment property and intangible assets	4a, 8a, 9e	(479,947)	(1,957,505)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received	10c	(8,853,058)	(7,662,693)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		35,267,536	13,036,017

d Cash flows from Financing Activities		2021/22	2020/21
		£	£
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		(8,040,379)	(15,674,540)
Other payments for Financing Activities		-	-
Net Cash flows from Financing Activities		(8,040,379)	(15,674,540)

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		31/03/2022	31/03/2021
		£	£
	Note		
At 1 April		7,962,458	9,772,458
Transfers between Statutory & Other Reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	8, 9e	806,125	1,940,000
Capital Receipts used to finance capital expenditure	12	(7,700,000)	(3,750,000)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
At 31 March		1,068,583	7,962,458

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		31/03/2022	31/03/2021
		£	£
	Note		
At 1 April		342,300	342,300
Other movements		(342,300)	-
At 31 March		-	342,300

c Capital Fund

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

Capital Fund	Note	31/03/2022 £	31/03/2021 £
At 1 April		19,296,139	19,369,748
Transfers between statutory & other reserves & the General Fund	4b	(1,355,280)	1,671,506
Transfer to Neighbourhood Regeneration Fund		-	-
Financing from CCIF		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12, 26a	(5,720,828)	(1,745,115)
At 31 March		12,220,031	19,296,139

	£	£
Local Investment Fund	800,741	1,056,624
Belfast Investment Fund	1,368,532	1,908,136
City Centre Investment Fund	7,688,069	13,408,897
Social Outcomes Fund	2,362,689	2,922,482
Total	12,220,031	19,296,139

The movement and purpose of these funds is outlined below:

Local Investment Fund	Note	31/03/2022 £	31/03/2021 £
Opening balance		1,056,624	1,171,489
Add: new contributions to fund		-	-
Less: financing drawn down from fund	4b	(255,883)	(114,865)
At 31 March		800,741	1,056,624

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 2022 is £800,741.

Belfast Investment Fund	Note	31/03/2022 £	31/03/2021 £
Opening balance		1,908,136	723
Add: new contributions to fund	4b	3,270,000	3,270,000
Less: financing drawn down from fund	4b	(3,809,604)	(1,362,587)
Less: transfer to Neighbourhood Rengeneration fund		-	-
At 31 March		1,368,532	1,908,136

There is a balance of £1,368,532 on the Belfast Investment Fund at year end 31 March 2022. This fund was established to support partnership projects across the City.

City Centre Investment Fund	Note	31/03/2022 £	31/03/2021 £
Opening balance		13,408,897	15,154,012
Add: new contributions to fund		41,682	-
Less: amounts drawn down from fund		(5,762,510)	(1,745,115)
At 31 March		7,688,069	13,408,897

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 2022 is £7,688,069.

Social Outcomes Fund	Note	31/03/2022 £	31/03/2021 £
Opening balance		2,922,482	3,043,524
Add: transfer from Belfast Investment fund		-	-
Less: amounts drawn down from fund	4b	(559,793)	(121,042)
At 31 March		2,362,689	2,922,482

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 2022 is £2,362,689.

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		31/03/2022	31/03/2021
		£	£
Note			
At 1 April		630,245	887,800
Transfers between statutory & other reserves & the General Fund	4b	(8,958)	(257,555)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
At 31 March		621,287	630,245

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		31/03/2022	31/03/2021
		£	£
Note			
At 1 April		8,000,000	8,000,000
Transfers between statutory & other reserves & the General Fund	4b	2,000,000	-
Less: amounts drawn down from fund		-	-
At 31 March		10,000,000	8,000,000

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

f Other Balances & Reserves

Other Balances & Reserves		31/03/2022	31/03/2021
		£	£
Note			
At 1 April		1,091,532	298,224
Transfers between statutory & other reserves & the General Fund	4b	640,279	793,308
Transfer to BWUH Subvention Fund		34,154	-
Transfer to BWUH Sinking Fund		(34,154)	-
At 31 March		1,731,811	1,091,532
		£	£
Election Fund		735,037	379,435
BWUH Subvention Fund		703,151	436,402
BWUH Sinking Fund		293,623	275,695
Total		1,731,811	1,091,532

The movement and purpose of these funds is outlined below:

Election Fund		31/03/2022	31/03/2021
		£	£
Note			
Opening balance		379,435	3,300
Add: new contributions to fund		355,602	376,135
Less: financing drawn down from fund		-	-
At 31 March		735,037	379,435

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		31/03/2022	31/03/2021
		£	£
Note			
Opening balance		436,402	135,499
Add: new contributions to fund		300,903	300,903
Less: amounts drawn down from fund		-	-
Less: amounts transferred to Sinking Fund		(34,154)	-
At 31 March		703,151	436,402

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

BWUH Sinking Fund		31/03/2022	31/03/2021
		£	£
Note			
Opening balance		275,695	159,425
Add: new contributions to fund		234,154	200,000
Less: amounts drawn down from fund		(216,226)	(83,730)
At 31 March		293,623	275,695

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

g General Fund

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

General Fund	Note	2021/22 £	2020/21 £
At 1 April		54,924,106	28,692,673
Prior year adjustment			
Applied Capital Grants	10, 12	(8,853,058)	(7,662,693)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	(11,156,835)	(8,358,472)
Depreciation and Impairment adjustment	4	14,782,230	30,230,033
Statutory Provision for financing Capital Investment	4	(8,305,119)	(7,916,805)
Net Revenue expenditure funded from capital under statute	4, 12	-	-
Surplus/(Deficit) on the Provision of Services	CIES	(6,864,926)	(2,013,138)
Transfers between Statutory and Other Reserves and the General Fund	4	(1,276,041)	(2,207,259)
Net movements on Pension Reserve	4, 20	24,071,000	14,825,000
Disposal of Fixed Assets/Capital Sales	4, 11	(470,191)	(1,182,767)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	26b	(108,452)	1,088,905
Other Movements		5,476,012	9,428,629
At 31 March		62,218,726	54,924,106

This fund represents the surplus of income over expenditure. It can be used to supplement income and unexpected expenditure in future years. Of the £62,218k, £48,145k relates to expenditure committed at the year end (2020/21 £54,924k, £40,929k committed).

Other movements of £5,476k includes £2,915k of Covid grant funding and £2,364k of prior year income from GLL (Note 30d).

26 Unusable Reserves a Capital Adjustment Account

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

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

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

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

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Note	2021/22 £	2020/21 £
At 1 April		480,998,871	476,124,339
Applied Capital Grants	10, 12	8,853,058	7,662,693
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	11,156,835	8,358,472
Depreciation & Impairment adjustment	11	(14,782,230)	(30,230,033)
Statutory Provision for financing Capital Investment	4, 12	8,305,119	7,916,805
Net Revenue expenditure funded from Capital under statute	4, 12	-	-
Disposal of Fixed Assets/ Capital Sales	4, 11	(12,495)	(915,233)
Capital Receipts used to finance capital expenditure	4, 12	7,700,000	3,750,000
Other Movements		6,234,249	6,586,713
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	5,720,828	1,745,115
At 31 March		514,174,235	480,998,871

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	2021/22 £	2020/21 £
At 1 April		175,881,878	179,341,950
Revaluation & Impairment	11	29,808,943	3,104,635
Movements from associates & joint ventures			-
Other Movements		(5,798,142)	(6,564,707)
At 31 March		199,892,679	175,881,878

c Pension Reserve

Pension Reserve	Note	2021/22 £	2020/21 £
At 1 April		(225,692,942)	(182,307,942)
Net Movements on Pension Reserve	4, 20	(24,071,000)	(14,825,000)
Revaluation & Impairment	20	79,758,000	(26,144,000)
Gas pension & BWUH movement		784,000	(2,416,000)
At 31 March		(169,221,942)	(225,692,942)

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	31/03/2022 £	31/03/2021 £
At 1 April		(2,452,610)	(1,363,705)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		108,452	(1,088,905)
At 31 March		(2,344,158)	(2,452,610)

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	Note	31/03/2022 £	31/03/2021 £
At 1 April		(188,246)	(198,153)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		54,430	9,907
At 31 March		(133,816)	(188,246)

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	2021/22 £	2020/21 £
Rental Income	5,400,399	4,073,565
Rental Expenditure	(137,542)	(107,446)
Net income	5,262,857	3,966,119

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 £16,001 (2020/21 £8,045) across the 3 entities.

29 Joint Arrangements

During 2021/22 Belfast City Council did not make a financial contribution to Beltel LLP relating to the redevelopment of the Belfast Telegraph Building (2020/21 £nil).

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

	2021/22 £	2020/21 £
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 Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions.

Central government has significant influence over the general operations of the council - it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties. Grant receipts outstanding at 31 March 2022 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 2021/22 financial year the Council commissioned £2,874,621 (2020/21 £2,807,872) 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 £3,528,624 (2020/21 £3,257,804) 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 2021/22 the Council had expenditure of £526,945 (2020/21 £464,252) to other Councils and income received of £1,168,367 (2020/21 £1,042,167) from other Councils, of which £148,214 (2020/21 £105,834) was outstanding at 31 March 2022. These amounts mainly related to services provided.

a Other Organisations

	Councillors	2021/22 £	2020/21 £
Action Cancer	1	0	2,828
Arellian Nursery School	1	5,456	2,462
Ashfield Girls High School*	1	5,000	0
Association of Port Health Authorities	1	1,722	1,260
Aware NI*	1	1,700	0
Belfast City Centre Management Board	2	82,400	103,273
Belfast City of Sanctuary*	1	1,464	0
Belfast Community Sports Development Network	1	26,673	16,675
Belfast Harbour Commissioners	5	94,403	52,051
Belfast Hills Partnership	1	75,300	36,900
Belfast Metropolitan College	1	28,676	5,361
Belvoir Area Residents' Group	1	2,000	1,000
Black Mountain Shared Spaces Project	2	17,317	1,223
Blackie River Centre	2	16,011	42,280
Board of Ulster Orchestra Society Ltd	1	153,283	149,283
Cardinal O'Donnell's GAA Club*	1	3,760	0
Cathedral Quarter Trust	1	85,960	62,000
CLARE CIC*	1	5,000	0
Clonard Residents Association*	1	5,000	0
Colin Neighbourhood Partnership	1	79,691	52,846
Community Food Bank	1	0	1,000
Coiste Na Niarchimi*	1	5,000	0
Corpus Christi Youth Club*	1	7,735	0
Cregagh Wanderers Club	0	0	1,854
Donegall Pass Community Centre Committee	0	0	2,138
Duncairn Community Partnership	2	5,000	12,796
Early Years Company Ltd	1	7,229	0
East Side Arts*	0	0	45,407
Falls Community Council	1	549,863	496,296
Feile an Phobail	1	583,570	278,820
Glentoran Football Club	1	1,737	1,000
Grand Opera House Trust	1	15,396	31,850
Greater Shankill Partnership Board	7	5,267	157,293
Greater Village Regeneration Trust*	0	0	20,047
Groundwork NI	1	0	2,965
Impact Training	2	26,270	8,820
Intercomm Ireland Ltd	1	127,870	114,814
Lagan Navigation Trust*	1	25,500	0
Lagan Village Youth and Community Group	1	24,259	19,308
Lagmore Youth Project*	1	12,042	0
Ligoniel Amateur Boxing Club	1	5,500	3,460
Ligoniel Community Centre Committee	1	8,200	9,665
Ligoniel Improvement Association	1	172,886	188,669
Linenhall Library Board	1	48,431	31,377
Local Strategic Partnership on Travellers Issues	1	0	500

Lower Ormeau Residents Action Group (LORAG)	1	214,152	222,037
Lower Shankill Community Association	1	6,340	1,620
Lyric Theatre Education Advisory Panel	2	232,040	77,498
Mount Vernon Community Development Forum	1	20,700	13,000
MS Society NI*	0	0	675
National Association of Councillors	16	1,176	3,560
New Lodge/Duncairn Healthy Living Centre	1	7,511	269
NI Local Government Association	15	94,753	88,118
NI Youth Forum	1	30,424	19,990
North Belfast Working Mens Club*	0	0	12,020
Oh Yeah Centre, Belfast*	0	0	85,975
PIPS Charity	1	5,367	2,500
Queens University Belfast*	0	0	41,000
Queens University Belfast Students Union*	1	1,600	0
Roden Street Community Development Group	1	190,788	105,950
Rosario Youth Football Club*	0	0	30,998
Rosario Youth Centre*	1	5,000	0
RUC Athletic Association*	1	2,500	0
Somme Advisory Council	4	0	1,800
St Teresa's Primary School	1	0	996
Stratagem NI Limited	1	53,138	24,201
Sustainable NI*	1	5,000	0
The Bar Library*	1	568	0
Ulster-Scots Community Network	1	0	1,818
Upper Andersonstown Community Forum	0	291,422	545,062
Upper Springfield Development Trust	1	40,593	20,196
Visit Belfast	4	2,874,621	2,807,872
Welcome Organisation	1	2,983	1,000
At 31 March		6,403,245	6,065,676

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

b Payments to Community Groups

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

	Councillors	2021/22 £	2020/21 £
East Belfast Partnership Board	2	162,188	1,224,289
North Belfast Partnership Board	0	0	0
South Belfast Partnership Board	4	160,941	200,126
West Belfast Partnership Board	10	35,904	175,160
Total		359,033	1,599,575

c Joint Committees

Belfast City Council made payments to the following Joint Committees:

	Councillors	2021/22 £	2020/21 £
Arc 21	3	9,257,594	8,257,440

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

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

d Active Belfast Limited

Belfast City Council with Active Belfast Limited entered into an agreement with GLL for the provision of leisure services. These financial statements include expenses of £8,712,494 (2020/21 £8,500,637) for the provision of these services in the year ended 31 March 2022. During 2021/22, the Council also received a profit share in relation to 2019/20 and 2020/21, totalling £2,364,406 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 2022 was £61,548 (2020/21 £65,659).

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 2021/22 the Council invoiced BWUH Ltd for £2,416,539 for expenditure incurred on its behalf and also received invoices from the Company for £5,298,672 mainly for the management fee. At 31 March 2022, £999,156 (2020/21 £644,870) was owed to the company by the Council and £288,982 (2020/21 £647,035) receivable from the company.

g Beltel LLP

During 2021/22, Belfast City Council did not make a financial contribution to Beltel LLP (2020/21 £nil), relating to the redevelopment of the Belfast Telegraph Building (as outlined in Note 29). The Council is represented by two officers on the Management Board of the LLP and Timec 1523 Limited is also represented by two members on the Management Board.

Belfast City Council
Group Movement in Reserves Statement for the year ended 31 March 2022

	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 2020	28,699,369	28,898,072	9,772,458	67,369,899	471,596,489	538,966,388
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services*	(2,584,240)	-	-	(2,584,240)	-	(2,584,240)
Other Comprehensive Income and Expenditure	-	-	-	-	(23,039,364)	(23,039,364)
Total Comprehensive Income and Expenditure	(2,584,240)	-	-	(2,584,240)	(23,039,364)	(25,623,604)
Adjustments between accounting basis & funding under regulations	21,541,303	(1,745,115)	(1,810,000)	17,986,188	(17,594,174)	392,014
Net increase before transfers to Statutory and Other Reserves	18,957,063	(1,745,115)	(1,810,000)	15,401,948	(40,633,538)	(25,231,590)
Transfers to / from Statutory and Other Reserves	(2,207,259)	2,207,259	-	-	-	-
Other movements	9,481,630	-	-	9,481,630	(2,416,000)	7,065,630
Increase/ (Decrease) in year	26,231,434	462,144	(1,810,000)	24,883,578	(43,049,538)	(18,165,960)
Balance as at 31 March 2021	54,930,803	29,360,216	7,962,458	92,253,477	428,546,951	520,800,428
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(7,873,487)	-	-	(7,873,487)	-	(7,873,487)
Other Comprehensive Income and Expenditure	-	-	-	-	109,566,943	109,566,943
Total Comprehensive Income and Expenditure	(7,873,487)	-	-	(7,873,487)	109,566,943	101,693,456
Adjustments between accounting basis & funding under regulations	10,867,292	(6,063,128)	(6,893,875)	(2,089,711)	3,469,104	1,379,393
Net increase before transfers to Statutory and Other Reserves	2,993,805	(6,063,128)	(6,893,875)	(9,963,198)	113,036,047	103,072,849
Transfers to / from Statutory and Other Reserves	(1,276,041)	1,276,041	-	-	-	-
Other movements	5,575,012	-	-	5,575,012	784,000	6,359,012
Increase/ (Decrease) in year	7,292,776	(4,787,087)	(6,893,875)	(4,388,186)	113,820,047	109,431,861
Balance as at 31 March 2022	62,223,579	24,573,129	1,068,583	87,865,291	542,366,998	630,232,289

Belfast City Council

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

		2021/22			2020/21		
Service Expenditure	Note	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Strategic Policy & Resources	2	75,501,060	(13,750,151)	61,750,909	72,668,440	(31,739,096)	40,929,344
City Growth & Regeneration	2	40,736,575	(13,556,634)	27,179,941	31,034,307	(5,666,673)	25,367,634
People & Communities	2	124,277,276	(19,930,448)	104,346,828	115,946,789	(17,727,216)	98,219,573
Planning & Licensing	2	8,700,308	(5,034,714)	3,665,594	8,281,185	(5,219,447)	3,061,738
Cost of Services on Continuing Operations		249,215,219	(52,271,947)	196,943,272	227,930,721	(60,352,432)	167,578,289
Other Operating Expenditure	8	9,756	(479,947)	(470,191)	774,738	(1,957,505)	(1,182,767)
Financing and Investment Income and Expenditure	9	6,445,787	(15,392,163)	(8,946,376)	14,065,164	(4,835,056)	9,230,108
Net Operating Expenditure		255,670,762	(68,144,057)	187,526,705	242,770,623	(67,144,993)	175,625,630
Taxation and Non-Specific Grant Income	10	-	(179,653,218)	(179,653,218)	954,293	(173,995,683)	(173,041,390)
(Surplus)/Deficit on the Provision of Services		255,670,762	(247,797,275)	7,873,487	243,724,916	(241,140,676)	2,584,240
(Surplus)/Deficit on revaluation of non-current assets	11			(29,808,943)			(3,104,636)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	11			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(79,758,000)			26,144,000
Other Comprehensive Income and Expenditure				(109,566,943)			23,039,364
Total Comprehensive Income and Expenditure				(101,693,456)			25,623,604

Belfast City Council
Group Balance Sheet as at 31 March 2022

		31st March 2022	31st March 2021
	Note	£	£
Fixed Assets	G4	847,054,016	787,679,416
Long Term Investments		126,000	120,000
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	G6	583,167	465,206
Contract Assets		-	-
LONG TERM ASSETS		847,763,183	788,264,622
Short Term Investments		-	-
Inventories		310,394	298,361
Short Term Debtors	G6	29,743,216	21,006,015
Cash and Cash Equivalents	G8	26,040,425	41,870,729
Assets Held for Sale		2,520,001	-
Contract Assets		415,102	275,808
CURRENT ASSETS		59,029,138	63,450,913
Bank Overdraft		-	-
Short Term Borrowing		5,209,832	2,000,000
Short Term Creditors	G7	50,522,461	42,220,388
Provisions		3,538,283	3,040,441
Contract Liabilities		-	-
CURRENT LIABILITIES		59,270,576	47,260,829
Long Term Creditors	G7	102,857	72,678
Provisions		1,844,093	1,844,093
Long Term Borrowing		43,781,910	55,032,121
Other Long Term Liabilities		169,221,942	225,692,942
Contract Liabilities		-	-
Donated Assets Account		430,000	430,000
Capital Grants Receipts in Advance		1,908,654	582,444
LONG TERM LIABILITIES		217,289,456	283,654,278
NET ASSETS		630,232,289	520,800,428
USABLE RESERVES			
Capital Receipts Reserve		1,068,583	7,962,458
Deferred Capital Receipts		-	342,300
Capital Fund		12,220,031	19,296,139
Leisure Mobilisation Fund		621,287	630,245
Neighbourhood Regeneration Fund		10,000,000	8,000,000
Other Balances and Reserves		1,731,811	1,091,532
General Fund		62,223,579	54,930,803
		87,865,291	92,253,477
UNUSABLE RESERVES			
Capital Adjustment Account		514,174,235	480,998,871
Revaluation Reserve		199,892,679	175,881,878
Pensions Reserve		(169,221,942)	(225,692,942)
Accumulated Absences Account		(2,344,158)	(2,452,610)
Provisions Discount Rate Reserve		(133,816)	(188,246)
		542,366,998	428,546,951
NET WORTH		630,232,289	520,800,428

Belfast City Council
Group Cash Flow Statement at 31 March 2022

	Note	2021/22	2020/21
		£	£
Net Deficit on the Provision of Services		(7,873,487)	(2,584,240)
Adjustment for non-cash movements	G8	44,912,553	62,467,747
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G8	(9,333,005)	(9,620,198)
Net cash flows from operating activities		27,706,061	50,263,309
Cash flows from Investing Activities	G8	(35,495,987)	(13,235,014)
Net Cash flows from Financing Activities	G8	(8,040,379)	(15,674,540)
Net increase or decrease in cash and cash equivalents		(15,830,305)	21,353,755
Cash and cash equivalents at the beginning of the reporting period		41,870,730	20,516,975
Cash and cash equivalents at the end of the reporting period		26,040,425	41,870,730

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 £4,853 at 31 March 2022 (2020/21: £6,696). There was no profit/loss on ordinary activities before taxation for the period to 31 March 2022 (2020/21 £nil). No dividend payments were due to, or received by, the Authority in respect of its investment.

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

The latest set of accounts is for the year to 31 March 2022 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 2022, 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 £210,000 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:

	2021/22	2020/21
	£	£
Long term assets	125,439	119,716
Current assets	424,098	572,062
Long term liabilities	(759,537)	(717,778)
Net liability	(210,000)	(26,000)

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

Financial Impact of combination

The effect of the inclusion of the subsidiaries and associates in 2021/22 was to increase the Council's reserves and net assets by £4,853 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:

	2021/22		2020/21	
	£	£	£	£
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	(8,539,269)		7,772,272	
Depreciation charged in the year on non-current assets	23,446,216	14,906,947	22,561,863	30,334,135
Net Revenue expenditure funded from capital under Carrying amount of non current assets sold	9,756		774,738	
Proceeds from the sale of PP&E, investment property and intangible assets	(479,947)	(470,191)	(1,957,505)	(1,182,767)
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		39,265,000		29,366,000
Direct revenue financing of Capital Expenditure		(11,156,835)		(8,358,472)
Capital Grants and Donated Assets Receivable and Applied in year		(8,853,058)		(7,662,693)
Capital Grants Receivable and Unapplied in year		-		-
Rates Claw-Back Reserve		-		-
Adjustments in relation to Short-term compensated absences		(108,452)		1,088,905
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		(8,305,119)		(7,916,805)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners		(14,411,000)		(14,127,000)
		10,867,292		21,541,303

Belfast City Council
Notes to the Group Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

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 2021	110,063,504	480,589,455	5,093,674	-	48,498,353	41,653,745	30,587,787	6,199,001	722,685,519	9,117,243	-	731,802,762
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	110,063,504	480,589,455	5,093,674	-	48,498,353	41,653,745	30,587,787	6,199,001	722,685,519	9,117,243	-	731,802,762
Additions	1,700,703	3,230,200	-	-	4,667,408	61,280	37,271,975	-	46,931,566	10,735	-	46,942,301
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	1,473,998	11,588,798	-	-	-	-	-	482,741	13,545,537	133,380	-	13,678,917
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	704,299	(482,369)	-	-	-	-	-	64,259	286,189	(3,030)	-	283,159
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	(2,343,503)	-	(2,343,503)	-	-	(2,343,503)
Derecognition - Disposals	-	-	-	-	(1,130,225)	-	-	-	(1,130,225)	-	-	(1,130,225)
Derecognition - Other	-	(7,200)	-	-	(5,224)	-	-	-	(12,424)	(4,000)	-	(16,424)
Reclassifications & Transfers	-	16,800,821	-	-	1,114,633	4,911,465	(22,576,228)	(1,350,000)	(1,099,309)	-	-	(1,099,309)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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

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

Net Book Values

Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	22,401,846	40,026,888	42,940,031	5,396,001	740,404,552	9,227,067	-	749,631,619
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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 2020	104,391,303	467,266,524	5,774,607	-	47,071,058	39,249,303	46,248,371	5,539,001	715,540,167	9,192,723	-	724,732,890
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	22,000	-	22,000
Prior Period adjustment										-		-
Balance as at 1 April 2020	104,391,303	467,266,524	5,774,607	-	47,071,058	39,249,303	46,248,371	5,539,001	715,540,167	9,214,723	-	724,754,890
Additions (Note 11)	5,045,281	1,209,744	-	-	1,452,210	22,216	13,724,119	-	21,453,570	-	-	21,453,570
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	210,132	(13,343,924)	-	-	-	-	-	-	(13,133,792)	(91,420)	-	(13,225,212)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	502,724	(682,367)	-	-	-	-	-	50,000	(129,643)	(6,060)	-	(135,703)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(81,030)	-	-	-	(1,031,641)	-	-	-	(1,112,671)	-	-	(1,112,671)
Derecognition - Other	-	(110,140)	-	-	(203,434)	(2)	-	(80,000)	(393,576)	-	-	(393,576)
Reclassifications & Transfers	(4,907)	26,249,618	(680,933)	-	1,210,160	2,382,227	(29,384,703)	-	(228,538)	-	-	(228,538)
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	690,000	690,000	-	-	690,000
Balance as at 31 March 2021	110,063,503	480,589,455	5,093,674	-	48,498,353	41,653,744	30,587,787	6,199,001	722,685,517	9,117,243	-	731,802,760

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 2020	-	-	705,663	-	26,119,025	2,603,306	-	-	29,427,994	27,261	-	29,455,255
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	-	-	705,663	-	26,119,025	2,603,306	-	-	29,427,994	27,261	-	29,455,255
Depreciation Charge	-	16,703,703	169,794	-	3,450,905	1,935,101	-	-	22,259,503	100,622	-	22,360,125
Depreciation written out on Revaluation Reserve	-	(16,238,778)	-	-	-	-	-	-	(16,238,778)	(91,070)	-	(16,329,848)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(378,241)	-	-	-	-	-	-	(378,241)	(9,552)	-	(387,793)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(987,932)	-	-	-	(987,932)	-	-	(987,932)
Derecognition - Other	-	(5,939)	-	-	(203,434)	-	-	-	(209,373)	-	-	(209,373)
Reclassifications & Transfers	-	(3,709)	(83,225)	-	83,225	-	-	-	(3,709)	-	-	(3,709)
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	77,036	792,232	-	28,461,789	4,538,407	-	-	33,869,464	27,261	-	33,896,725

Net Book Values

Balance as at 31 March 2021	110,063,503	480,512,419	4,301,442	-	20,036,564	37,115,337	30,587,787	6,199,001	688,816,053	9,089,982	-	697,906,035
Balance as at 31 March 2022	113,942,504	511,565,634	4,131,648	-	22,401,846	40,026,888	42,940,031	5,396,001	740,404,552	9,227,067	-	749,631,619

Belfast City Council
Notes to the Group Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

Intangible Assets	2021/22	2020/21
	£	£
Balance at start of year:		
Gross carrying amounts	19,982,611	19,664,433
Accumulated amortisation	(19,172,719)	(18,970,981)
Net carrying amount at start of year	809,892	693,452
Additions*	72,350	192,711
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	(217,845)	(201,738)
Other Changes	39,308	125,467
Net carrying amount at end of year	703,705	809,892

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

Investment Properties	2021/22	2020/21
	£	£
Balance at start of the year	88,963,467	96,888,667
Additions	-	1
Disposals	-	-
Net gains/losses from fair value adjustments	9,215,000	(8,024,362)
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	(1,460,000)	103,070
Other changes	203	(3,909)
Balance at end of the year	96,718,670	88,963,467

Investment Property	2021/22	2020/21
	£	£
Industrial Estates	73,730,000	65,350,000
Commercial Units	22,988,670	23,613,467
Balance at end of the year	96,718,670	88,963,467

G5

Employee Costs and Member Allowances		
Staff Costs	2021/22	2020/21
	£	£
Salaries and Wages	70,896,023	71,068,873
Employers NIC	7,006,565	6,805,819
Employers Superannuation	13,920,484	13,990,414
Total staff costs	91,823,072	91,865,106

The above staff costs include the costs of voluntary redundancies in 2021/22. These costs total £157,804 (2020/21 £1,128,006) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £7,053,574 (2020/21 £5,198,526).

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

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

Average Number of Employees		
	2021/22	2020/21
	FTE	FTE
Strategic Policy & Resources	577	626
City Growth & Regeneration*	213	189
People & Communities	1,126	1,131
Planning and Licencing	143	131
Total Number	2,059	2,077

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

	2021/22	2020/21
	Actual Numbers	Actual Numbers*
Full-time numbers employed	1,869	1,912
Part-time numbers employed	441	458
Total Number	2,310	2,370

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

Senior Employees' Remuneration		
	2021/22	2020/21
	£	£
£50,001 to £60,000	88	64
£60,001 to £70,000	25	26
£70,001 to £80,000	7	6
£80,001 to £90,000	3	3
£90,001 to £100,000	9	7
£100,001 to £110,000	1	3
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	-
£140,001 to £150,000	-	1
Total Number	135	111

G6 Debtors			
a Long Term Debtors		2021/22	2020/21
		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Employee car loans		29,857	34,202
Revenue Grants		-	-
Capital Grants		-	-
Interest Receivable		-	-
Capital Debtors		-	-
Loans and advances		-	-
Finance lease debtors		-	-
Trade debtors		553,310	352,374
NIHE Loans		-	78,630
Other		-	-
Impairment of loans and receivables		-	-
Contract Receivables		-	-
Total Long Term Debtors		583,167	465,206
b Short Term Debtors		2021/22	2020/21
		£	£
Government Departments		3,271,962	2,428,715
Other Councils		148,214	105,834
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates finalisation		182,858	-
NIHE loans		78,630	92,950
Employee car loans		31,691	31,457
Revenue Grants		8,611,484	5,124,741
Capital Grants		5,202,594	3,657,464
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		1,966,311	2,032,245
Prepayments		3,957,174	4,186,916
Finance lease debtors		-	-
Other		3,292,638	2,227,407
Trade receivables		3,887,753	1,937,531
Impairment loss - Trade receivables		(888,093)	(819,245)
Contract Receivables		415,102	275,808
Total Short-Term Debtors		30,158,318	21,281,823
Total Debtors		30,741,485	21,747,029

G7 Creditors			
a Short Term Creditors			
	2021/22	2020/21	
	£	£	
Government Departments	2,151,488	1,589,519	
Other Councils	-	1,018	
Public corporations and trading funds	-	-	
Bodies external to general government	-	-	
Rates clawback	-	954,293	
De-rating grant clawback	14,053	945,000	
Remuneration due to employees	1,729	3,638	
Accumulated Absences	2,344,158	2,452,610	
Receipts in advance	9,493,961	8,278,015	
Trade creditors	4,049,536	4,170,686	
Loan interest	219,388	244,684	
Capital Creditors	6,179,995	2,544,712	
Creditor Accruals	26,068,153	21,036,213	
Contract Payables	-	-	
Total Short Term Creditors	50,522,461	42,220,388	

b Long Term Creditors			
Other creditors falling due after more than one year			
	2021/22	2020/21	
	£	£	
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	102,857	72,678	
Contract Payables	-	-	
Total Long Term Creditors	102,857	72,678	
Total Creditors	50,625,318	42,293,066	

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	2021/22	2020/21
	£	£
Depreciation	23,446,216	22,561,863
Impairment & downward revaluations (& non-sale derecognitions)	(8,539,269)	7,772,272
Amortisation (included with depreciation above)	-	-
(Increase)/Decrease in Inventories	(12,033)	72,112
(Increase)/Decrease in Debtors	(9,063,304)	(127,837)
Increase/(decrease) in impairment provision for bad debts	68,848	13,357
Increase/(Decrease) in Creditors	8,440,704	3,586,213
Increase/(Decrease) in Interest Creditors	-	-
Payments to NILGOSC	24,854,000	15,239,000
Carrying amount of non-current assets sold	9,756	774,738
AIC/WIP written off to Net Cost of Services	-	-
Contributions to Other Reserves/Provisions	5,707,635	12,576,029
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	-	-
	44,912,553	62,467,747

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	2021/22	2020/21
	£	£
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	(479,947)	(1,957,505)
Capital grants included in "Taxation & non-specific grant income"	(8,853,058)	(7,662,693)
	(9,333,005)	(9,620,198)

b Cash and Cash Equivalents

	2021/22	2020/21
	£	£
Cash and Bank balances	26,040,425	41,870,729
Short Term Deposits (considered to be cash equivalents)	-	-
Short Term Investments (considered to be cash equivalents)	-	-
Bank Overdraft	-	-
	26,040,425	41,870,729

c	Cash flows from Investing Activities	2021/22	2020/21
		£	£
	Purchase of PP&E, investment property and intangible assets	43,379,368	21,198,526
	Purchase of Short Term Investments (not considered to be cash equivalents)	-	-
	Purchase of Long Term Investments	126,000	120,000
	Other Payments for Investing Activities	1,323,624	1,536,686
	Proceeds from the sale of PP&E, investment property and intangible assets	(479,947)	(1,957,505)
	Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
	Proceeds from Long Term Investments	-	-
	Capital Grants and Contributions Received	(8,853,058)	(7,662,693)
	Other Receipts from Investing Activities	-	-
	Net Cash flows from Investing Activities	35,495,987	13,235,014

d	Cash flows from Financing Activities	2021/22	2020/21
		£	£
	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	(8,040,379)	(15,674,540)
	Other payments for Financing Activities	-	-
	Net Cash flows from Financing Activities	(8,040,379)	(15,674,540)

Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on September 2022.