Belfast City Council

Statement of Accounts 2021

Belfast City Council

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BELFAST CITY COUNCIL
Statement of Accounts
For the year ended 31 March 2021

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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 £167.3m in 2020/21, Belfast City Council's 2,177 employees, led by 60 councillors across 10 electoral areas, carry out six principal roles:

- a civic leadership role to ensure a better quality of life for our citizens;
- provision of a number of services and facilities including planning, parks and leisure, refuse and recycling and community services;
- promoting the arts, tourism, community and economic development;
- regulating and licensing activities relating to environmental health, consumer protection, building and public safety;
- a representative role on a number of bodies and boards, including education and health; and
- 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 2021 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 and the Movement in Reserves Statement.

The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding analysis in Note 2 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 net expenditure budget for this committee for these services in 2020/21 is £43.1m with actual net expenditure for the year amounting to £43.1m. 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 this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £40.9m 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 and Parks Estates and Zoo. The total budget for net expenditure for this committee for these services was £18.0m and actual net expenditure was £20.4m. The graph below outlines the services delivered within this committee and performance against budget. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this committee in the Comprehensive Income and Expenditure Account. The net expenditure of £24.8m for this Committee 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 £83.1m and actual net expenditure was £78.0m. 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 £98.2m for this Committee includes the accounting adjustments that are required for preparing the financial statements.

Planning and Licensing

These 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 £1.4m and actual net expenditure was £2.3m. 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 each committee in the Comprehensive Income and Expenditure Account. The net expenditure of £3.1m for this Committee includes the accounting adjustments that are required for preparing the financial statements.

Further information regarding the variances between planned and actual expenditure is included in the individual committee reporting for 2020/21. Total net expenditure budget of £167.3m includes the above services budget of £145.6m and the capital financing budget of £21.7m.

COVID-19 PANDEMIC

The Covid-19 pandemic had a considerable impact on the Council and was been identified as a significant risk within the Annual Governance Statement for 2020/21 and remains so for 2021/22. The Government's initial lockdown, announced on 20th March 2020, meant that many businesses have been forced to close temporarily significantly impacting on the economy. Furthermore, 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.

In response to the forecasted financial impact the Council implemented a five step Finance Strategy to mitigate the risk of a potential deficit.

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 £20,585k, Department of Agriculture, Environment and Rural affairs (DAERA) totalling £469k and made use of the Job Retention Scheme £1,568k, 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 2020/21 financing year.

Moving forward

The changing environment and "new normal" in which we find ourselves will require the Council to review the services it provides, its delivery models and the outcomes that are of the highest priority. This will also require the Council to review the structural position of its budget and how that needs to change going forward.

The Council continues to revise and refine recovery plans - this is challenging given the degree of uncertainty regarding the pandemic and the still unknown impact on service provision and resources over time. This requires a high degree of flexibility in managing the resources (financial and workforce), to be able to respond quickly to reopen / reclose services whilst dealing with additional challenges associated with abiding by changing Covid-19 regulations, social distancing and responding to new community and business needs.

Governance

The work of Belfast City Council is overseen by the committee structure outlined below and detailed further in our Governance Statement on pages 15 - 31. This Annual Governance Statement for 2020/21 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 seven standing committees is illustrated and described below.

As outlined in the Annual Governance Statement on page 16, in response to Covid-19 the Council altered the normal decision-making processes to ensure that the Council followed Public Health Agency guidance on social distancing and essential travel was followed while maintaining continuity of critical services.

Strategic Performance

The strategic performance of the Council is incorporated in the Belfast City Council's Corporate Plan 2020-24, which includes the Improvement Plan. 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 the economy
- Living here
- City Development
- Working and learning

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. In addressing the impact of the Covid-19 pandemic, a Covid-19 Recovery Plan was agreed that focuses on the medium to long term response and priorities of Belfast that have arisen as a result of the pandemic.

The Council has also incorporated six key improvement objectives included within the Improvement Plan to ensure continuous improvement in the exercise of the Council's functions and alignment with the work the Council is doing to formulate the priorities of the Belfast Agenda.

These six key objectives are:

- Build the city's position as a magnet for Foreign Direct Investment
- Make Belfast a great place to do business by supporting entrepreneurs and business starts
- Deliver an integrated approach to employment and skills
- Design and deliver programmes to address health inequalities in the city
- Deliver the integrated tourism strategy to increase numbers of leisure and business tourists
- Deliver city centre regeneration and investment projects

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.

Financial Statements

The Council's financial performance for the year ended 31st March 2021 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 2021 (the Code) and the Department for Communities Accounts Direction, Circular LG 08/21. 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 2020/21 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 2020/21 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 2021 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 2021 are not deemed material to Belfast City Council accounts and as such are not included in the group financial statements.

The Movement in Reserves Statement

This Statement, as set out on page 44, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 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 Summary (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 115 includes the reserves of BWUH limited, contributing to an increase of £6.7k on the Group General Fund.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 45, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement. The group comprehensive income and expenditure statement on page 116 includes the consolidated income and expenditure of BWUH Ltd.

The Balance Sheet

The Balance Sheet, as set out on page 46, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are 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 117 includes relevant balances for BWUH Ltd and Beltel LLP.

The Cash Flow Statement

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. The group cashflow statement on page 118 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 2020/21.

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 budget 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 2021, the Council increased its General Fund to £54.9m. The Budget plans form part of the Revenue Estimates and in 2020/21 the total net expenditure budget for the Council was set at £167.3m.

The Council reported £1.7m 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, with a monthly finance update on the council position against the initial forecast deficit due to Covid-19. The overall position for the year ended 31 March 2021 is mainly due to measures put in place to restrict spend as

a response to the global pandemic. These included restrictions on recruitment and enhanced expenditure controls.

The Cost of Services on Continuing Operations of £167m 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 £2m.

Borrowings

For the 2020/21 year the Council has an authorised borrowing limit of £167m. 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 £130m, this ensures that the Council only borrows for capital purposes. During the year, the Council repaid external loans of £10.7m with Department of Finance. The Council repaid £5m in short term borrowing from another Council. At 31 March 2021, the total amount outstanding on external loans was £57m, of this total £0.2m 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 £21.6m. The most significant expenditure was on: Corporation Street Site £5m; Lagan Gateway Project £2.7m; Blanchflower Playing Fields £1.8m; Colin Play Park £1.7m; Templemore Leisure Centre £1.4m; Springfield Dam £1.2m and Avoniel Leisure Centre £1.2m.

Strategy and Resource allocation

When setting the district rate for 2021/22 consideration was given to the following key financial factors for the Council:

- Externally imposed increases to the Council's pay bill including the nationally negotiated pay awards and employers' pension contributions increases.

- Future revenue running costs resulting from capital investment. The Council's asset base is growing as new schemes become operational and support given to local investment partnerships. These pressures are further exacerbated by the growing cost pressures and risks associated with the maintenance of an ageing estate.

- External economic factors such as 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.

- Existing priorities including the Waste Plan, City Deal and Physical Programmes. The Council faces significant year on year increases in waste disposal costs as the arc21 residual waste contract and interim arrangements become operational. 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.

- Emerging priorities including Climate Resilience and Inclusive Growth which require a significant corporate commitment including a recurrent funding stream.

- Efficiency savings of £3.1m for 2020/21 to help offset the impact of the above pressures and strike a district rate below inflation (agreed rate increase for 2021/22 is 1.92%).

The impact of Covid-19 has been significant in 2020/21 and the following measures have been introduced by the Director of Financial Services to ensure the ongoing monitoring and reporting of the key issues.

- An interim Finance Strategy for 2020/21 (approved by SP&R in June 2020) outlining a 5 stage approach to secure the delivery of balanced budget. This included temporary controls on spend including the filling of vacant posts.

- Monthly forecasting by departments

- Monthly finance updates to SP&R on the financial impact of recovery decisions

- Monthly updates to Standing Committees

- 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 £22.6m. Details of the funding received from the various funders is detailed on page 6.

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 2021, including:

- Shortlisted as Council of the Month by Public Sector Executive Magazine – Belfast Region City Deal team

- Siobhan Toland, Director of City Services awarded MBE

- Leisure Transformation Programme – top in the leisure category for the inaugural Royal Institute of Chartered Surveyors Social Impact Awards 2020

- NI Equality & Diversity Gala Awards – BCC Shortlisted
  - Best Gender Initiative
  - Best LGBT Initiative
  - Best Disability Initiative

- NILGA award- Best Enterprise Initiative for City Start Up / Kick Start Programme – Belfast City Council

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 City Framework – the Council continues to adopt a leadership role to foster innovation working with SMEs and academia on a range of smart city programmes. It continues to attract and leverage funding to support the delivery of these projects from a range of sources including Horizon 2020. It is driving the creation of a world class Smart District and has developed a new strategic city partnership to deliver on the City's digital ambitions. The programme has been instrumental in attracting significant City Deal funding through the development of a digital pillar and associated business case.

- City Deal - the City deal model is the UK Government's innovative strategy for building stronger urban and regional growth via smarter, more localised and growth focused investment decision-making. Confirmation of the NI Executive's match funding of new investment for infrastructure, regeneration, and tourism projects will help the region's economy recover from the effects of Covid-19. There will be overall investment in the Belfast Region City Deal of £850 million, including £150m from the Belfast Region City Deal partners.

  The Executive has also agreed to provide up to an additional £100 million for complementary projects where partners can demonstrate a viable capital project which is complementary to the City/Growth Deal proposals.

- The Council continues to progress implementation of the Belfast PEACE IV Local Action Plan having previously secured £14.4m of funding from the European Union's PEACE IV Programme. The PEACE IV Programme is a cross-border initiative designed to support peace and reconciliation in Northern Ireland and the border region. The programme is managed by the Special EU Programmes Body (SEUPB) with match funding provided by The Executive Office in Northern Ireland and the Department of Rural and Community Development in Ireland. All 15 project elements within the PEACE IV Local Action Plan have now been mobilised however the Covid-19 pandemic and the Health Protection Regulations have provided a significant challenge for delivery of projects during 2020. The Council has been liaising closely with the SEUPB and delivery partners to enable project activity in compliance with government restrictions where possible.

The coronavirus pandemic has had a profound impact on all aspects of life in the Belfast City Council area. Through 2021/22 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 15 to 31.

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 28 June 2021.

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 2020/2021

The Council's Annual Governance Statement (AGS) follows the Code of Practice on Local Authority Accounting in the UK 2020/21 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

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 2021 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

In response to Covid-19 the Council altered its normal decision-making processes to ensure that it followed Public Health Agency guidance on social distancing and essential travel while maintaining continuity of critical services.

Committee and Council: The committee decision-making process was delegated to the Chief Executive under Standing Order 41 as agreed at a Special Council meeting on 13 March 2020. A process was established where the reports were issued as normal and the views of each party were collated by Democratic Services to enable the Chief Executive to make a decision, based on the levels of democratic support. A Contentious Business Committee, the Party Group Leaders, allowed for discussion of any contentious matters. Committee decision-registers, which continued to be subject to the normal call-in process were published on modern.gov as normal. A 'Procedure for the transaction of business under delegated authority' was agreed with Party Group Leaders.

This process was a temporary process with a phased approach being taken to reintroduce committees and Council meetings with a physical annual Council meeting held on Monday 1 June, the first remote Special Council meeting on Monday 8 June, the first remote Strategic Policy & Resources Committee held on Friday 19 June with another remote Council meeting held on 1 July. Council and committee meetings resumed in August 2020 (some special meetings were held in July) and all were held remotely with the chairman and lead officers only located in the City Hall committee room and all other participants on Microsoft Teams.

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.

Planning and Licensing Committee: a separate process was established for the Planning and Licensing Committees where it is considered inappropriate to have party positions on particular applications. Therefore the views of each of the individual committee members was collated by Democratic Services before a decision was taken by the Chief Executive under delegated authority.

Following the amendment to Standing Orders in March 2020, the Council also contacted the Department for Infrastructure (DfI) to seek approval of those delegated arrangements as required by planning legislation. However DfI confirmed that since the changes were to Standing Orders as opposed to the Scheme of Delegation there was no requirement for Departmental approval.

Our committee structure, which is based on the full council and seven standing committees is illustrated and described on the next page.

On 4 May 2021, council agreed to establish a new Standards and Business Committee (pending) which will: 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 any review of Standing Orders. Note: The decision to establish the Standards and Business Committee was called in for reconsideration under Section 41(1)a of the 2014 Act. Following consideration by an ad-hoc committee and reconsideration of the decision by full council, the decision to establish the Standards and Business Committee was upheld. The Committee was to be established with effect from 1st September 2021 following changes to Standing Orders. A report was brought to SP&R Committee on 20 August outlining a number of subsequent decisions which were required to be taken to allow for the establishment of the Standards and Business Committee, including agreeing Terms of Reference and changes to Standing Orders. Following this report, the decision to by SP&R Committee to change the Standing Orders was called in for reconsideration and was therefore not approved or adopted by Council. The Standards and Business Committee cannot therefore be established until such time as this most recent call in has been resolved.

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 is 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).

In addition to the Committees listed in the diagrams above there are ten 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 three times during 2020/21. The Panel did not meet in June 2020 as all meetings of working groups were cancelled from mid-March 2020 to August 2020 as part of our organisational response to the impact of Covid-19.

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 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
- Agreement to establish a Standards and Business Committee (pending)
- Accessibility Statement for the updated website

B: Ensuring openness

- New process for committee decision making under delegated authority during the pandemic
- 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 and annual report to Equality Commission published on BCC website
- Partnership / legal agreements with GLL, Active Belfast, arc21, BWUH Ltd, Visit 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
- 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 Senior Managers
- PDPs for officers and Members
- Member capacity building plan delivered in 2019/20
- 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 regular recommendations monitoring process

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 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 preparatory work for the 2022/23 revenue estimates and medium term financial plan will include the integration of strategic plans and resources. In addition CIPFA have completed a report on whole life costing and it is anticipated that the recommended training will be rolled out to departments in the 2021/22 financial year.

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-coordinating the preparation of the Annual Governance Statement which is then reviewed and agreed by the Corporate Management Team, Audit Assurance Board and Audit and Risk Panel, before being reviewed by Strategic Policy and Resources committee and signed by the Chair of Strategic Policy & Resources, the Chief Executive and the Deputy Chief Executive and Director of Finance and Resources.

The were no breaches of personal data reported to the Information Commissioner's Office (ICO) during 2020/21.

Corporate Management Team (CMT) endorsed the guidance set out in Public Procurement Note (PPN) 02/20 on 8th April 2020. In total, three supplier relief applications were received. One application was approved by CMT on 8th May 2020. The other two applications received were rejected as they failed to comply with the requirements of the PPN.

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 2020/21, 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 2020/21 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 revised our audit plan in consultation with management during the first few months of the pandemic 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 government guidelines. Member and management agreement of this revised plan combined with delivery of the majority of this plan, during a time when the organisation was going through a period of unprecedented change, signifies members and managers recognition of the importance of receiving independent assurance over the Council's "new normal" 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 revised audit plan for 20/21; project, programme and other advisory work undertaken; our role in reviewing changes to financial governance arrangements 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 2020/2021, in that AGRS has been able to provide positive statements of assurance with the majority of audits falling into the 'some improvement needed' category - the 2nd tier of assurance in the 4-tier model
- `Real-time' assurance and advisory work including the facilitation of readiness workshops for major programmes and projects and project advice and assurance on the implementation of new IT systems.
- AGRS review of the financial procedures that were amended by management since 18th March 2020 in order to take account of new working practices, policies and risks due to the impact of Covid-19 helped ensure that management were maintaining systems of internal control during the pandemic
- The work that was undertaken to fundamentally review the corporate risk profile of the council taking account of the impact of the pandemic, and the associated processes to assign ownership of these risks, develop the risk mitigation plans and for these risks to be reviewed and reported quarterly.

- The work that was undertaken to review the Corporate Fraud Risk Assessments in the light of Covid-19.
- 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 2020/21 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 2020/21, five areas resulted in `major improvement' assurance levels:
  - Performance Management audit area 2: Performance Management Framework
  - Pitches Strategy 2011 - 2021
  - Property maintenance
  - Government Procurement Cards
  - Gifts and hospitality / conflicts of interest

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

Looking ahead, the ongoing response to and recovery from the pandemic continues to present risks and affect corporate priorities and organisational capacity and has the potential to also affect the adequacy and effectiveness of risk control and governance arrangements. It is important that; management continue to place importance on maintenance of these risk, control and governance 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 21/22.

Public Sector Internal Audit Standards

I can confirm that the AGRS Service has conformed to Public Sector Internal Audit Standards during 2020/21. 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. We are currently preparing for our next external review due to take place in 2022/23.

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

- a process whereby senior managers are required to sign annual assurance statements;
- a process whereby Directors are required to sign quarterly assurance statements;
- embedding risk management and developing the arrangements for oversight of the management of these risks;
- business planning and related performance reporting arrangements;
- an Audit and Risk Panel;
- a professional internal audit function, which has been reviewed for effectiveness against the Public Sector Internal Audit Standards; and
- a Health & Safety Assurance Board.

Update on the Significant Governance Issues that were declared last year

Five issues were declared last year and all of these continue to be declared as issues in this year's statement.

Significant Governance Issues for the year-end 2021

The significant governance issues for the year-end 2021 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 five issues carried over from last year (issues 1 – 5) and two new issues:

1. Financial position
2. Organisational Recovery
3. City and Community Recovery
4. Digital information security
5. The relationship between Elected Members and officers
6. Brexit implementation programme for Port Health
7. Succession planning

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

1. <u>Financial position</u>

The Covid-19 pandemic had a major impact on the 20/21 budget, with key financial risks around; loss of income; cash flow; rates income; debt; job retention scheme and; Covid-19 support. A 5-step Finance Strategy was agreed with Members on an approach to securing the finances of the Council with general reserves only to be used as a last resort. The five-step Finance Strategy comprised:

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

As a result of stringent financial management controls put in place during 20/21 the council was able to balance its budget without the use of steps 3-5 above.

Due to the pandemic the financial position of the Council continues to be a significant governance issue and the five-step Finance Strategy applied in 20/21 has been extended into 21/22 and will be reviewed quarterly.

In addition to this, members have agreed to the creation of two additional specified reserves to deal with 21/22 Covid costs / income losses and also rate base losses. These reserves are to be financed through a combination of 20/21 year end savings, in-year savings for 21/22 and general reserves, if required.

2. Organisational Recovery

Organisational recovery has presented challenges across the organization and in particular for the City & Neighbourhood Services Department.

City & Neighbourhood Services (C&NS) Department

The C&NS department has experienced a turbulent and challenging year, which has impacted significantly on their Transition and Improvement programme and has meant that the implementation of structural and accountability alignment has been stalled. Resource issues and fatigue within C&NS may also impact on the level and pace of service recovery.

To address this issue, C&NS along with dedicated corporate support from Continuous Improvement, intend to develop an action plan to support the department in streamlining structures and accountability, including portfolio alignments with the appointment of a third operational director and importantly deal with resource shortages and pressure points. In addition, the business planning process will be streamlined and used to agree and manage expectations in terms of deliverables within available resources.

Organisational Recovery

During 20/21 an Organisational Recovery Group was established and was responsible for ensuring that the challenges associated with organisation recovery were managed in a consistent and coordinated way. Challenges include; adherence to the six principles of internal recovery; compliance with health, safety and wellbeing requirements; management of the additional information security risks arising from large scale remote working; management of the financial impact of recovery and realignment of corporate priorities and programmes. This group ensured that there was appropriate reporting to members and fed into the emergency preparedness at NI level.

Organisational recovery continues to be a major programme of work into 2021. Work is underway to refine our overall approach to organisational recovery for this year, with revised Covid-19 Management and Recovery Principles, which will continue to be aligned to the NI Executive Roadmap to Recovery and the current Pathway out of Restrictions. Our recovery will also be shaped by wider Government direction; the roll-out of the vaccination programme; any variant developments, practicalities of managing safe return to the office; the ongoing need to respond to changing restrictions etc. Therefore, our approach will be phased and flexible.

As Covid-19 remains a global pandemic, Covid-19 management (and recovery) will become more of a managed process for the foreseeable future. On this basis, during 2021, we are streamlining our operational recovery governance, coordination and processes as set out below.

The new operational recovery governance and co-ordination involves:

- A smaller Recovery Co-ordination Group will oversee recovery and will replace the previous Operational Recovery Groups
- A Return to Office working group will inform the recovery for office based services / functions.
- Where required, Directors or Recovery Leads will escalate issues to CMT by exception
- Continuous Improvement will maintain a Master Recovery Spreadsheet to record recovery sign-off and capture any issues/ risks/ mitigations that have been escalated or identified.

The new operational recovery process involves the readiness assessment being replaced with a checklist that Departments can use as a guide to continue to operate safely or prepare to operate safely and in a viable form. This includes 'checks' relating to health and safety; cleaning; customers; digital; finance; workforce etc., and requires director sign off. Each department will have a nominated 'Departmental Recovery Link' person to help co-ordination of recovery.

3. City and Community Recovery

City Recovery

The global pandemic continues to significantly affect the Belfast economy and the plans that have been put in place to support economic regeneration in the city.

During 20/21 Council officers have been working closely with partner organisations in the public, private and statutory sectors to understand the scale of the challenge and develop collaborative solutions to mitigate the impact of Covid-19 on the local economy and community, supporting businesses to reopen in a safe way, providing employment opportunities and vibrancy to local communities and city centre. Significant engagement has taken place with relevant government departments involved in the regional response to the pandemic, particularly Department for Communities, Department for Infrastructure and Department for the Economy. While some commitments have been able to progress, such as delivering on the Belfast Bolder Vision, there continues to be a need to re-focus some activities to take account of the impact of Covid-19.

With recovery largely being paused from November 2020 following various restrictions being introduced during the second wave and then followed by the winter lockdown the crisis continues to highlight vulnerabilities within key systems and the structures of our economy and society, however, some benefits will be felt by the city from the behavioural change brought about in response to the crisis (such as less car usage, flexible working arrangements, more community interaction, support for front line workers). It is important that we understand what these are, and how feasible it is to sustain these behaviours over time. Our overall approach to city recovery will be aligned to the NI Executive Roadmap to Recovery and the current Pathway out of Restrictions.

Given the scale, complexity and uncertainty which existed, an internal Recovery Leadership Group had been established, with resources aligned to support and principles in place to guide the development and implementation of a phased and integrated recovery programme 'Respond, Rebuild, Recovery, that adheres to the NI Executive's 5 Step Pathway to Recovery. The recovery plan is focused on four interrelated pillars – economic, social and community, environmental and digital innovation.

Council has been able to secure £4.039m in funding from DfC, DfI and DAERA via the DfC Covid-19 Town Centre Revitalisation Fund to assist with city recovery measures.

The strong commitment by Council to support communities, businesses and vulnerable people during these challenging times is set out in the document "Belfast: Our Recovery." The document seeks to mitigate the immediate and short-term impacts of the pandemic including for example job losses, the need for skilling and re-skilling to access employment opportunities, risks around vulnerable people and social isolation, and providing targeted support. Emphasis is given to how we maximise social value of our own capital investments and grants programme to support recovery, as well as the opportunities presented by our procurement, to promote inclusive growth, support local businesses and supply chains and create local jobs. The document highlights the need for a people and jobs led approach to recovery.

Community Recovery

The need for Council and other partners to work together with local communities to jointly plan and maximise the impact of interventions, services and investments, and to ensure these approaches are tailored to meet local priorities and needs, has never been greater.

During 20/21 we continued to work with our Community / voluntary partners with a focus on ensuring those communities / individuals that had been disproportionately affected by the pandemic are supported to access local community services. The Council continued to develop our area team model and oversaw the delivery of an additional £3m investment into the sector. The investment sustained critical community services around issues such as food support, advice, counselling services etc.

The Council had planned to further enhance our collaborative work with the sector through the commitments made as part of Belfast: Our Recovery. Through this we had planned to engage with city partners and communities, using a co-design approach to develop area community recovery plans, whilst refreshing our area working approach to build confidence, capacity and community resilience across neighbourhoods. Unfortunately as a result of the winter lockdown this work has been significantly impacted and delayed and key outcomes were unable to be achieved. Looking ahead this work will be picked up and further developed during 21/22, subject to further easing of restrictions.

4. 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, which will continue into the new financial year, as attackers seek to exploit the heightened anxiety of large numbers of home workers worried about the effects of Coronavirus.

Digital Services has already implemented additional controls to deal with the growing threats that have resulted from the Covid-19 pandemic 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

Delivering a secure infrastructure is a constantly evolving process and consideration is being given to changing threats and risks which must be aligned to the delivery of the council's goals and objectives. Consequently, after the completion of a refreshed maturity assessment of our current security controls with our contracted external security specialists, a new security strategy and a revised programme of work will be presented to CMT and the Strategic Policy & Resources committee in June 2021.

Digital Services has also arranged a desk based Cyber Incident response exercise with the National Cyber Security Centre, to review our cyber security incident response processes, alongside colleagues from Audit, Governance and Risk services, Marketing and Communications and Emergency Response.

The Digital information Security programme of work will 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

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

- Regular vulnerability and penetration testing to determine external vulnerabilities and issues carried out by independent third parties
- 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
- Key support & maintenance contracts with key suppliers
- Robust change management controls
- Template for response to a major security incident
- Maintaining knowledge of advanced threats
- Regular staff phishing simulation exercises.

5. The relationship between Elected Members and officers

Belfast City Council is a political organisation and as such, this can often present a challenging working environment for officers, one that is particularly unique in public sector in the UK and Ireland. It is important for Elected Members to be cognisant of the organisation's duty of care to all employees while they fulfil their obligations as Elected Members. The legal rights of staff and individual officers must also be recognised. Governance is in place in order for Members and officers to follow due process. Operating outside that agreed governance could have a detrimental impact on relationships; therefore impacting on the effective delivery of the organisation's overall strategy and priorities, and damaging the image and reputation of the organisation. This could also undermine the confidence and morale of staff who, at all times, are required to carry out their duties in an impartial and balanced way, acting in the best interests of the organisation, and offering their expert advice and opinion without any political influence or bias. Staff need to have confidence that any interaction between officers and Elected Members, particularly on sensitive issues, takes place within that agreed governance, and that Members should consider this when making any comments on public forums or in the media.

A new policy incorporating a standards regime and monitoring is being developed to introduce new safeguards and strengthen those that currently exist for the member / officer interface. Senior officers and Party Group Leaders will continue to meet periodically to ensure alignment of objectives and to promote a shared understanding of the working environment.

As part of the Coll Report recommendations the council will undertake to deliver training and awareness of the appropriateness and importance of the challenge function in decision-making and in the delivery of functions. An Organisational Crisis Response Protocol is also being developed to define the roles of both Members and officers during unprecedented crisis scenarios.

A new Standards and Business Committee will be established in August 2021 (pending consideration of the call-in by an ad-hoc committee and reconsideration of the decision by full council). One of the aims of the new Committee will be to promote positive joint working across political groups and between officers and Members. This will be supported by a programme of facilitative leadership training planned to take place with the Party Group Leaders and the Council's Corporate Management Team.

6. 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.

The Council will also need to secure permanent adequate funding and resources to ensure effective delivery of the Council's responsibilities under the NI Protocol at Belfast Port. This will include a review of the suitability of existing facilities to determine whether they are sufficient to carry out the controls required at Belfast Port pursuant to the NI Protocol.

7. Succession Planning

Bearing in mind the ambitious long-term plans and programmes that are in place for the city and the organisation, including the Belfast Agenda, Belfast: Our Recovery, the Resilience Strategy and the Belfast Region City Deal, it is imperative that there is effective succession planning in place. 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.

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

Signed: .....
Chief Executive Officer

Signed: .....
Chief Financial Officer

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2021

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 2020 were issued by the Department for Communities on 3 April (Circular LG 08/2020). 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.

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	2020/21		2019/20	
	Total Allowances	Number of Councillors	Total Allowances	Number of Councillors
Basic Allowance	927,095	60	898,245	60
Special Responsibility	117,166	46	103,281	49
Lord Mayor Allowance	34,800	1	34,332	1
Deputy Lord Mayor Allowance	6,250	1	6,250	1
PCSP Allowance	8,760	21	10,800	29
High Sheriff's Allowance	6,250	1	6,250	1
Subsistence	-	-	2,098	10
Mileage Allowance	1,683	21	7,249	34
Courses/ Conferences Visits (registration & joining fees)	145	1	8,540	12
Telephone rental	-	-	285	5
Miscellaneous costs	-	-	-	
Other Travel allowance	-	-	4,705	10
TOTAL ALLOWANCES	1,102,149		1,082,035	

Details of the allowances paid to individual councillors in 2020/21 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. The following table provides details of the remuneration paid to senior employees:

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

Officers	2020/21				2019/20			
	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	140-145	0	0	140-145	140-145	0	0	140-145
Director of Finance & Resources - Ronan Cregan	115-120	0	0	115-120	110-115	0	0	110-115
Director of Physical Programmes - Gerry Millar*	0	0	0	0	25-30 (105-110)	0	0	25-30 (105-110)
Director of Physical Programmes - Sinead Grimes	90-95	0	0	90-95	80-85	0	0	80-85
Director of City & Neighbourhood Services - Nigel Grimshaw**	45-50 (110-115)	0	0	45-50 (110-115)	105-110	0	0	105-110
City Solicitor - John Walsh	105-110	0	0	105-110	105-110	0	0	105-110
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	100-105	0	0	100-105
Commissioner for Resilience - Grainia Long***	70-75 (85-90)	0	0	70-75 (85-90)	85-90	0	0	85-90

*Director of Physical Programmes Gerry Millar left the post on 30 June 2019
**Director of City & Neighbourhood Services Nigel Grimshaw left the post on 11 September 2020
***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 in the financial year 2020/21 was £140-145k. This was 5.3 times the median remuneration of the workforce, which was £27,041.

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

	2020/21 £'000	2019/20 £'000
Salary Band of Highest Paid member of the Executive	140-145	140-145
Median Total Remuneration	27.0	23.8
Ratio	5.3	6

In 2020/21, no employees received remuneration in excess of the highest paid member of the Corporate Management Team.

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 2020/21 (audited information)

Severance Package Cost Band	2020/21				2019/20			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	0	0	0	0	1	1	8
£20,001 - £40,000	0	5	5	161	0	9	9	259
£40,001 - £60,000	0	4	4	206	0	5	5	254
£60,001 - £80,000	0	3	3	226	0	2	2	134
£80,001 - £100,000	0	2	2	181	0	1	1	85
£100,001 - £150,000	0	0	0	0	0	2	2	237
£150,001 - £200,000	0	2	2	354	0	0	0	0
Total	0	16	16	1,128	0	20	20	977

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 2019, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £15,000	5.5%
2	£15,001 - £22,900	5.8%
3	£22,901 - £38,300	6.5%
4	£38,301 - £46,400	6.8%
5	£46,401 - £91,900	8.5%
6	More than £91,900	10.5%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. Contribution rates for the 2020/21 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 employer contribution rates for 2021/22 and 2022/23 remain under review due to the possible impact of the Covid-19 crisis.

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 2020/21 was £183,135 (19/20 £184,788).

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 2020/21 (audited information)

Officers	Accrued Pension and Lump Sum (LS) at pension age as at 31/03/21 £'000	Real Increase in pension and related lump sum at pension age £'000	CETV at 31/03/21 £'000	CETV at 31/03/20 £'000 (restated)	Real increase in CETV £'000
Suzanne Wylie	55-60	0-2.5	1,103	1,031	59
	105-110 (LS)	0-2.5 (LS)			
Ronan Cregan	55-60	2.5-5	1,065	983	65
	90-95 (LS)	0-2.5 (LS)			
Sinead Grimes	25-30	2.5-5	352	301	42
	25-30 (LS)	0-2.5 (LS)			
Nigel Grimshaw	10-15	0-2.5	133	115	12
	0 (LS)	0 (LS)			
John Walsh	40-45	2.5-5	824	764	44
	60-65 (LS)	0-2.5 (LS)			
John Tully	20-25	0-2.5	288	248	28
	0 (LS)	0 (LS)			
Alistair Reid	5-10	0-2.5	90	55	23
	0 (LS)	0 (LS)			
Grainia Long	0-5	0-2.5	46	30	9
	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.

Adjustments to 2019/20 CETV
Due to changes to non-Club transfer factors, provided by the Government's Actuary Department during the 2020/21 year, some CETV calculations for the 2019/20 year may have been re-run and provided as the starting input CETV value for the start of the 2020/21 year. This only affects those members who have a Guaranteed Minimum Pension (GMP) held with NILGOSC, or require conversion factors on their 'critical retirement age'.

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

Chief Executive

Certificate of the Chief Financial Officer

I certify that:

(a) The Statement of Accounts for the year ended on pages 44 to 130 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 48 to 71 and page 119.

(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 2021.

Chief Financial Officer

Date 21 September 2021

These accounts were approved by resolution of the Strategic Policy & Resource Committee on 24 September 2021.

Chairperson

Date 24 September 2021

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

Opinion on financial statements

I have audited the financial statements of Belfast City Council and its group for the year ended 31 March 2021 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, together with the Group Accounts and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting on the United Kingdom supported by International Financial Reporting Standards (IFRS) as adopted by the European Union.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21, of the financial position of Belfast City Council and its group as at 31 March 2021 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of Belfast City Council in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Belfast City Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2021 is consistent with the financial statements.

Matters on which I report by exception

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

I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or

- the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or

- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Belfast City Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on Belfast City Council's compliance with laws and regulations;

- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Belfast City Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

This report is made solely to the Members of Belfast City Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Certificate

I certify that I have completed the audit of accounts of Belfast City Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Colette Kane
Local Government Auditor
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

30th September 2021

Belfast City Council
Movement in Reserves Statement for the year ended 31 March 2021

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

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
Balance as at 1 April 2019	**25,796,988**	**27,793,772**	**5,200,457**	**58,791,217**	**487,588,834**	**546,380,051**
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(12,487,676)	-	-	(12,487,676)	-	(12,487,676)
Other Comprehensive Income and Expenditure	-	-	-	-	6,663,428	6,663,428
Total Comprehensive Income and Expenditure	**(12,487,676)**	-	-	**(12,487,676)**	**6,663,428**	**(5,824,248)**
Adjustments between accounting basis & funding under regulations	14,558,904	342,300	4,572,001	19,473,205	(22,498,871)	(3,025,666)
Net Increase before transfers to Statutory and Other Reserves	**2,071,228**	**342,300**	**4,572,001**	**6,985,529**	**(15,835,443)**	**(8,849,914)**
Transfers to / from Statutory and Other Reserves	(856,388)	856,388	-	-	-	-
Other movements	1,680,845	(94,388)	-	**1,586,457**	(156,902)	1,429,555
Increase/ Decrease in year	**2,895,685**	**1,104,300**	**4,572,001**	**8,571,986**	**(15,992,345)**	**(7,420,359)**
Balance as at 31 March 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	(17,594,173)	(126,087)
Net increase before transfers to Statutory and Other Reserves	**19,010,063**	**(1,745,115)**	**(1,810,000)**	**15,454,948**	**(40,633,537)**	**(25,178,589)**
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 in year	**26,231,433**	**462,144**	**(1,810,000)**	**24,883,577**	**(43,049,537)**	**(18,165,960)**
Balance as at 31 March 2021	**54,924,106**	**29,360,216**	**7,962,458**	**92,246,780**	**428,546,951**	**520,793,731**

Belfast City Council
Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

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

		2020/21			2019/20		
Service Expenditure	Notes	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Strategic Policy & Resources	2	72,668,440	(31,739,096)	40,929,344	65,875,784	(13,685,316)	52,190,468
City Growth & Regeneration	2	31,313,623	(6,464,091)	24,849,532	32,164,175	(9,715,544)	22,448,631
People & Communities	2	115,946,789	(17,727,216)	98,219,573	120,253,125	(15,574,828)	104,678,297
Planning & Licensing	2	8,281,185	(5,219,447)	3,061,738	8,145,681	(6,360,679)	1,785,002
Cost of Services on Continuing Operations		**228,210,037**	**(61,149,850)**	**167,060,187**	**226,438,765**	**(45,336,367)**	**181,102,398**
Other Operating Expenditure/ Income	8	774,738	(1,957,505)	(1,182,767)	954,852	(1,192,650)	(237,798)
Financing and Investment Income and Expenditure	9	14,012,164	(4,835,056)	9,177,108	9,657,481	(10,744,838)	(1,087,357)
(Surplus) or Deficit on Discontinued Operations				-			-
Net Operating Expenditure		**242,996,939**	**(67,942,411)**	**175,054,528**	**237,051,098**	**(57,273,855)**	**179,777,243**
Taxation and Non-Specific Grant Income	10	954,293	(173,995,683)	(173,041,390)	1,794,150	(169,083,717)	(167,289,567)
(Surplus)/Deficit on the Provision of Services		**243,951,232**	**(241,938,094)**	**2,013,138**	**238,845,248**	**(226,357,572)**	**12,487,676**
(Surplus)/Deficit on revaluation of non-current assets	11			(3,104,636)			(27,846,428)
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			26,144,000			21,183,000
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	29		-	-			-
Other Comprehensive Income and Expenditure				**23,039,364**			**(6,663,428)**
Total Comprehensive Income and Expenditure				**25,052,502**			**5,824,248**

Belfast City Council
Balance Sheet as at 31 March 2021

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

	Note	31st March 2021	31st March 2020 Restated
		£	£
Fixed Assets	11	783,916,562	789,071,594
Long Term Investments		-	-
Investment in Associates and Joint Ventures	29	3,436,859	3,436,859
Long Term Debtors	15	885,206	439,542
Contract Assets		-	-
Contract Costs		-	-
LONG TERM ASSETS		**788,238,627**	**792,947,995**
Short Term Investments		-	-
Inventories	14	298,361	370,474
Short Term Debtors	15	20,702,751	20,851,890
Cash and Cash Equivalents	24	37,932,317	16,728,224
Assets Held for Sale	11	-	1,340,000
Contract Assets	3, 15	275,808	378,981
CURRENT ASSETS		**59,209,237**	**39,669,569**
Bank Overdraft	24	-	-
Short Term Borrowing	16	2,000,000	9,739,488
Short Term Creditors	17	38,001,652	32,515,006
Provisions	18	3,040,441	3,131,517
Contract Liabilities	17	-	277,387
CURRENT LIABILITIES		**43,042,093**	**45,663,398**
Long Term Creditors	17	30,440	50,386
Provisions	18	1,844,093	1,822,694
Long Term Borrowing	16	55,032,121	62,967,173
Other Long Term Liabilities	20	225,692,942	182,307,942
Donated Assets Account	21	430,000	430,000
Capital Grants Receipts in Advance	21, 22	582,444	416,279
LONG TERM LIABILITIES		**283,612,040**	**247,994,474**
NET ASSETS		**520,793,731**	**538,959,692**
USABLE RESERVES			
Capital Receipts Reserve	25	7,962,458	9,772,458
Deferred capital receipts	25	342,300	342,300
Capital Fund	25	19,296,139	19,369,748
Leisure Mobilisation Fund	25	630,245	887,800
Neighbourhood Regeneration Fund	25	8,000,000	8,000,000
Other Balances and Reserves	25	1,091,532	298,224
General Fund	25	54,924,106	28,692,673
		92,246,780	**67,363,203**
UNUSABLE RESERVES			
Capital Adjustment Account	26	480,998,871	476,124,339
Revaluation Reserve	26	175,881,878	179,341,950
Pensions Reserve	26	(225,692,942)	(182,307,942)
Accumulated Absences Account	26	(2,452,610)	(1,363,705)
Provisions Discount Rate Reserve	26	(188,246)	(198,153)
		428,546,951	**471,596,489**
NET WORTH		**520,793,731**	**538,959,692**

Belfast City Council

Cash Flow Statement at 31 March 2021

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

	Note	2020/21	2019/20
		£	£
Net Deficit on the provision of services		(2,013,138)	(12,487,676)
Adjustment for non-cash movements	24	61,547,986	41,007,732
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(9,620,198)	(10,200,474)
Net cash flows from operating activities		**49,914,650**	**18,319,582**
Cash flows from Investing Activities	24	(13,036,017)	(34,983,455)
Net Cash flows from Financing Activities	24	(15,674,540)	9,817,681
Net increase or decrease in cash and cash equivalents		**21,204,093**	**(6,846,192)**
Cash and cash equivalents at the beginning of the reporting period	24	16,728,224	23,574,416
Cash and cash equivalents at the end of the reporting period		**37,932,317**	**16,728,224**

1 **Accounting Policies**

a **General Principles**

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. 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 2020/21, 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**

- 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, eg 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.

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

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

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

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

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

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.

During preparations of the financial statements for the year ended 31 March 2021, an error was identified in the reporting of the balances of the Revaluation Reserve and Capital Adjustment Account, and movements between the two reserves. The correct presentation is shown in Note 31.

viii) **Financial Instruments**

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

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

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

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 (ie 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 debits 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 significiantly 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 & 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**

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 (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- 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 note xiv
- 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. Depreciation is calculated on the following bases:
- straight-line allocation of the estimated useful lives
- depreciation 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) **The Carbon Reduction Commitment Scheme (CRC)**

The Council is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme. The scheme is currently in the last year of its introductory phase, which ends on 31st March 2014. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions, i.e. carbon dioxide produced as energy is used. As carbon dioxide is produced (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Council is recognised and reported in the costs of the Councils services and is apportioned to services on the basis of energy consumption. There were no costs to be disclosed in 2020-21.

xxviii) **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 and the income from this electricity generation is reducing year on year due to environmental and other uncontrollable variables. In 2020-21 the costs of production of gas outweighed the income which resulted net loss of £41k. 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.

xxix) **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.

xxx) **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) Definition of a Business: Amendments to IFRS 3 Business Combinations

b) Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

c) Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

d) On implementation of IFRS16 for local government, there will be a requirement for Councils that are lessees to recognise most leases on their balance sheet as a right of use assets with corresponding lease liabilities (with exemptions for low value and short term leases)

c **Critical Judgements in Applying Accounting Policies**

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

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 2021 and the projected service cost for the year ending 31 March 2021 is set out in Note 20.

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a **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, and rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2020/21			2019/20		
	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	35,262,806	(5,666,538)	40,929,344	45,216,695	(6,973,773)	52,190,468
City Growth & Regeneration	19,083,862	(5,765,670)	24,849,532	16,699,905	(5,748,726)	22,448,631
People & Communities	78,045,776	(20,173,797)	98,219,573	81,714,666	(22,963,631)	104,678,297
Planning & Licensing	2,074,011	(987,727)	3,061,738	888,983	(896,019)	1,785,002
Net Cost of Services	**134,466,455**	**(32,593,732)**	**167,060,187**	**144,520,249**	**(36,582,149)**	**181,102,398**
Other Income and Expenditure	**(160,697,888)**	**4,349,161**	**(165,047,049)**	**(147,415,934)**	**21,198,788**	**(168,614,722)**
Surplus or Deficit	**(26,231,433)**	**(28,244,571)**	**2,013,138**	**(2,895,685)**	**(15,383,361)**	**12,487,676**
Opening General Fund			**28,692,673**			**25,796,988**
Surplus/(Deficit) on General Fund Balance in Year			**26,231,433**			**2,895,685**
Closing General Fund			**54,924,106**			**28,692,673**

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b

Note to the Expenditure and Funding Analysis

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

Adjustments between Funding and Accounting Basis 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)

Adjustments between Funding and Accounting Basis 2019/20

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	(3,213,467)	(4,918,654)	48,169	1,110,179	(6,973,773)
City Growth & Regeneration	(4,572,468)	(920,616)	(1,851)	(253,791)	(5,748,726)
People & Communities	(17,087,160)	(5,865,716)	(10,755)	-	(22,963,631)
Planning & Licensing	-	(909,674)	13,655	-	(896,019)
					-
Net Cost of Services	**(24,873,095)**	**(12,614,660)**	**49,218**	**856,388**	**(36,582,149)**
Other Income and Expenditure from the Expenditure and Funding Analysis	24,816,973	(1,937,340)	-	(1,680,845)	21,198,788
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(56,122)	(14,552,000)	49,218	(824,457)	(15,383,361)

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
The net expenditure includes Planning and Building Control services.

3 a Expenditure and Income Analysed by Nature

Expenditure	Notes	2020/21 £	2019/20 £
Employee Benefits Expenses	7	89,144,595	89,672,827
Other Services Expenditure		128,213,934	123,015,131
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	22,205,671	21,084,420
Interest Payments	9	1,586,799	2,038,668
(Gain) on the Disposal of Assets	8	(1,182,767)	(237,798)
Other Expenditure	9	3,983,000	3,272,000
Total Expenditure		**243,951,233**	**238,845,248**

Income	Notes	2020/21 £	2019/20 £
Fees, Charges and other service Income		(64,018,177)	(48,329,017)
Interest and Investment Income	9	(4,835,056)	(10,744,838)
District rate income	10	(161,073,859)	(155,996,334)
Government grants and Contributions	10	(12,011,002)	(11,287,383)
Support Service Income		-	-
Other Income		-	-
Total Income		**(241,938,094)**	**(226,357,572)**
Deficit on the Provision of Services		**2,013,138**	**12,487,676**

COVID-19 support received in year totalled £22,622,867 and of this amount £13,449,461 has been included in the total of Fees, Charges and other service income in the table above. The remaining balance of £9,173,406 has been taken to reserves and is included in the 'Other Movements' balance in Note 25g General Fund.

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	Notes	2020/21 £	2019/20 £
Strategic Policy & Resources		4,673,129	3,932,921
City Growth & Regeneration		1,413,358	3,052,209
People & Communities		2,798,386	975,138
Total included in Comprehensive Income and Expenditure Statement		8,884,873	7,960,268

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

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

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

	Notes	31st March 2021 £	31st March 2020 £
Receivables, which are included in debtors		-	-
Contract Assets		275,808	378,981
Contract Liabilities		-	(277,387)
Other		-	-
Total included in Net Assets		275,808	101,594

4 Adjustments between an Accounting Basis and Funding Basis under Regulations

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

	Notes	2020/21 £	£	2019/20 £	£
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	7,772,272		1,605,228	
Depreciation charged in the year on non-current assets	11	22,457,761	30,230,033	19,364,089	20,969,317
Net Revenue expenditure funded from capital under statute	12		-		-
Carrying amount of non current assets sold	11	774,738		4,704,852	
Proceeds from the sale of PP&E, investment property and intangible assets	8, 24	(1,957,505)	(1,182,767)	(4,942,650)	(237,798)
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		28,568,000		30,234,000
Direct revenue financing of Capital Expenditure	12,25		(8,358,472)		(7,870,253)
Capital Grants and Donated Assets Receivable and Applied in year	10		(7,662,693)		(5,252,737)
Capital Grants Receivable and Unapplied in year	10		-		(5,087)
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	26		1,088,905		5,880
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment	26		-		(55,098)
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		(7,916,805)		(7,547,320)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(13,743,000)		(15,682,000)
			21,023,201		14,558,904

b Net transfers (to)/from statutory and other earmarked reserves:	Notes	2020/21 £	2020/21 £	2019/20 £	2019/20 £
Capital Fund					
Interest		-		-	
From Capital		-		-	
Other	25c	(1,671,506)	(1,671,506)	(2,081,597)	(2,081,597)
Leisure Mobilisation Fund					
Interest		-		-	
Other	25d	257,555	257,555	553,902	553,902
Capital Receipts Reserve					
Interest		-		-	
Other	25	-	-	-	-
Other Funds and earmarked reserves					
Interest		(1,135)		(3,300)	
From Other funds		-		-	
Other	25f	(792,173)	(793,308)	674,607	671,307
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			(2,207,259)		(856,388)

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.

There was no expenditure under the power of competence during 2020/21 (2019/20 £20k).

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.

	2020/21 £	2019/20 £
External Audit Fees	95,000	89,000
National Fraud Initiative	-	-
Performance Improvement work	7,500	7,500
	102,500	96,500

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 £4,808,398 (previous year: £6,715,859). No contingent rents were recognised. Due to COVID-19 the council offered tenants a one-off three month rental holiday from April 2020 to June 2020, that resulted in a loss of rental income £1,611,972 in 2020/21 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 125 years. Future minimum lease income is set out below:

	2020/21		2019/20	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease rentals receivable:				
No later than 1 year	6,161,932		6,121,046	
Later than 1 year and no later than 5 years	21,982,582		21,353,343	
Later than 5 years	399,871,376		419,413,365	
	428,015,889	-	446,887,754	-

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

	2020/21		2019/20	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	93,650,000	-	96,880,000	-
Accumulated depreciation and impairments at 1 April	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairments	(185,000)	-	(80,000)	-
Revaluations	(7,839,362)	-	195,103	-
Transfers and reclassifications	99,361	-	404,897	-
Additions	1		-	
Disposals	-	-	(3,750,000)	-
	85,725,000	-	93,650,000	-

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:

	2020/21	2019/20
	£	£
Other Land and Buildings	659,094	676,789
Vehicles, Plant, Furniture and Equipment	-	-
	659,094	676,789

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:

	2020/21		2019/20	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	288,758	92,509	282,971	144,784
Contingent rentals				
Less: Sublease payments receivable				
	288,758	92,509	282,971	144,784

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 2021		31st March 2020	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Not later than 1 year	294,986	93,572	290,041	143,466
Later than 1 year and no later than 5 years	1,137,536	41,597	941,165	10,474
Later than 5 years	814,919	-	1,272,247	-
	2,247,441	135,169	2,503,453	153,940

7 Employee Costs and Member Allowances

a Staff Costs

	2020/21	2019/20
	£	£
Salaries and Wages	68,894,566	69,303,352
Employers NIC	6,640,823	6,617,311
Employers Superannuation	13,609,206	13,752,164
Total staff costs	89,144,595	89,672,827

The above staff costs include the costs of voluntary redundancies in 2020/21. These costs total £1,128,006 (19/20 £977,075) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £5,198,526 (2019/20 £5,626,073).

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

	2020/21	2019/20
	FTE	FTE
Strategic Policy & Resources	626	620
City Growth & Regeneration	142	146
People & Communities	1,131	1,162
Planning & Licensing	131	140
Total Number	2,030	2,068

	2020/21	2019/20
	Actual Numbers	Actual Numbers
Full-time numbers employed	1,872	1,880
Part-time numbers employed	305	331
Total Number	2,177	2,211

c Senior Employees' Remuneration

	2020/21	2019/20
	£	£
£50,001 to £60,000	64	62
£60,001 to £70,000	26	22
£70,001 to £80,000	6	6
£80,001 to £90,000	3	6
£90,001 to £100,000	7	5
£100,001 to £110,000	3	4
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1
Total Number	111	107

d Members' Allowances

	2020/21	2019/20
	£	£
Salaries	-	-
Basic Allowance	927,095	898,245
Mayor & Deputy Mayor's Allowance	41,050	40,582
Special Responsibility Allowance	117,166	103,281
High Sheriff's Allowance	6,250	6,250
Mileage	1,683	7,249
Conference & Courses	145	8,540
Travel & Subsistence	-	6,803
Miscellaneous Costs	-	-
PCSP Allowance	8,760	10,800
Telephone Rental	-	285
Total	1,102,149	1,082,035

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 2020-21, employers' contributions of £352,469 (2019-20 £327,779) 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)

	2020/21	2019/20
	£	£
Proceeds from sale	(1,957,505)	(1,192,650)
Carrying amount of non-current assets sold (excl Investment Properties)	774,738	954,852
	(1,182,767)	(237,798)

b Other Operating Income/ Expenditure

	2020/21	2019/20
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2020/21	2019/20
	£	£
(Surplus) / Deficit on Non Current Assets	(1,182,767)	(237,798)
Other Operating (Income) / Expenditure	-	-
	(1,182,767)	(237,798)

9 Financing and Investment Income and Expenditure

a Interest Payable and Similar Charges

	2020/21	2019/20
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,536,686	1,974,258
Commercial Loan Interest	-	-
Other interest	50,113	64,410
	1,586,799	2,038,668

b Interest and Investment Income

	2020/21	2019/20
	£	£
Bank Interest	16,004	142,013
Employee car loan interest	1,041	2,153
NIHE Loan interest receivable	8,478	16,410
Investment income on Fund Balances		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Election Fund	1,135	3,300
Other Investment income	-	-
	26,658	163,876

c Pensions interest costs and expected return on pensions assets

	2020/21	2019/20
	£	£
Net interest on the net defined benefit liability (asset)	3,983,000	3,272,000
	3,983,000	3,272,000

d Surplus/ (Deficit) on trading operations

	2020/21	2019/20
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2020/21	2019/20
Income/Expenditure from Investment Properties:	£	£
Income including rental income	(4,808,398)	(6,715,859)
Expenditure	418,003	596,813
Net income from investment properties	(4,390,395)	(6,119,046)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	(3,750,000)
Carrying amount of investment properties sold	-	3,750,000
(Surplus)/deficit on sale of Investment Properties:	-	-
Changes in Fair Value of Investment Properties	8,024,362	(115,103)
	3,633,967	(6,234,149)

Financing and Investment Income and Expenditure	2020/21			2019/20		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,586,799	-	1,586,799	2,038,668	-	2,038,668
Interest and Investment Income	-	(26,658)	(26,658)	-	(163,876)	(163,876)
Pensions interest cost	3,983,000	-	3,983,000	3,272,000	-	3,272,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	418,003	(4,808,398)	(4,390,395)	4,346,813	(10,465,859)	(6,119,046)
Changes in Fair Value of Investment Properties	8,024,362	-	8,024,362	-	(115,103)	(115,103)
	14,012,164	(4,835,056)	9,177,108	9,657,481	(10,744,838)	(1,087,357)

10 Taxation and Non Specific Grant Income

a Revenue Grants

	2020/21	2019/20
	£	£
General	(4,348,309)	(6,029,559)
Other	-	-
	(4,348,309)	(6,029,559)

b Revenue Grants - Unapplied

	2020/21	2019/20
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	-	-

c Capital Grants and Donated Assets - Applied

	2020/21	2019/20
	£	£
Government & Other Grants - Conditions met and applied in year	(7,158,138)	(4,523,587)
Government & Other Grants - Transfer from receipts in advance	(504,555)	(729,150)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(7,662,693)	(5,252,737)

d Capital grants from capital receipts unapplied

	2020/21	2019/20
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Capital grants from capital receipts unapplied	-	(5,087)
	-	(5,087)

e District Rates

	2020/21	2019/20
	£	£
Current year	(162,028,152)	(157,796,334)
Clawback - previous year	954,293	1,800,000
Transitional Relief	-	-
Clawback - other years	43,471	(5,850)
	(161,030,388)	(156,002,184)

Taxation and Non Specific Grant Income	2020/21	2019/20
	£	£
District Rate Income	(161,030,388)	(156,002,184)
Revenue Grants	(4,348,309)	(6,029,559)
Capital Grants from capital receipts unapplied	-	(5,087)
Capital Grants and Contributions	(7,662,693)	(5,252,737)
	(173,041,390)	**(167,289,567)**

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 2020	104,391,303	467,266,524	5,774,607	-	46,505,354	39,249,303	46,248,371	5,539,001	**714,974,463**	9,192,723	-	**724,167,186**
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	22,000	-	**22,000**
Balance as at 1 April 2020	104,391,303	467,266,524	5,774,607	-	46,505,354	39,249,303	46,248,371	5,539,001	714,974,463	9,214,723	-	724,189,186
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)	-	**(228,538)**	-	-	**(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**	-	**47,853,672**	**41,653,745**	**30,587,787**	**6,199,001**	**722,040,837**	**9,117,243**	-	**731,158,080**

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	-	-	**33,683,692**	27,261	-	**33,710,953**
Balance as at 31 March 2021	110,063,503	480,512,419	4,301,443	-	19,577,655	37,115,338	30,587,787	6,199,001	688,357,145	9,089,982	-	697,447,127

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 2019	101,444,001	418,784,515	5,774,607	-	42,744,747	47,025,764	48,154,248	5,689,001	**669,616,883**	9,158,827	-	**678,775,710**
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	(164)	-	**(164)**
Prior year purchase										-		-
Balance as at 1 April 2019	101,444,001	418,784,515	5,774,607	-	42,744,747	47,025,764	48,154,248	5,689,001	669,616,883	9,158,663	-	678,775,546
Additions	38	701,639	-	-	5,152,118	743,971	37,095,535	10,674	**43,703,975**	151,994	-	**43,855,969**
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	2,546,720	11,560,018	-	-	-	-	-	-	**14,106,738**	51,758	-	**14,158,496**
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	(218,574)	(3,290,973)	-	-	-	(400,302)	-	115,000	**(3,794,849)**	(265,217)	-	**(4,060,066)**
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,823,708)	(14,000)	-	(540,000)	**(2,377,708)**	-	-	**(2,377,708)**
Derecognition - Other	-	(4,149,100)	-	-	-	(21,071)	-	-	**(4,170,171)**	-	-	**(4,170,171)**
Reclassifications & Transfers	619,118	43,660,425	-	-	432,197	(8,271,333)	(39,001,412)	1,604,326	**(956,679)**	95,525	-	**(861,154)**
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	186,274	-	(1,340,000)	**(1,153,726)**	-	-	**(1,153,726)**
Balance as at 31 March 2020	104,391,303	467,266,524	5,774,607	-	46,505,354	39,249,303	46,248,371	5,539,001	714,974,463	9,192,723	-	724,167,186

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 2019	-	-	513,171	-	25,547,939	2,925,228	-	-	28,986,338	133,740	-	29,120,078
Adjustments between cost/value & depreciation/impairment	-	-	-	-	(1,037,101)	-	-	-	**(1,037,101)**	-	-	**(1,037,101)**
Balance as at 1 April 2019	-	-	513,171	-	24,510,838	2,925,228	-	-	27,949,237	133,740	-	28,082,977
Depreciation Charge	-	14,166,164	192,492	-	3,019,763	1,713,203	-	-	**19,091,622**	101,555	-	**19,193,177**
Depreciation written out on Revaluation Reserve	-	(13,687,932)	-	-	-	-	-	-	**(13,687,932)**	-	-	**(13,687,932)**
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,131,861)	-	-	-	-	-	-	**(2,131,861)**	(208,034)	-	**(2,339,895)**
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,503,188)	-	-	-	**(1,503,188)**	-	-	**(1,503,188)**
Derecognition - Other	-	(374,937)	-	-	-	(6,559)	-	-	**(381,496)**	-	-	**(381,496)**
Reclassifications & Transfers	-	2,028,566	-	-	-	(2,028,566)	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	705,663	-	26,027,413	2,603,306	-	-	29,336,382	27,261	-	29,363,643
Net Book Values												
Balance as at 31 March 2020	104,391,303	467,266,524	5,068,944	-	20,477,941	36,645,997	46,248,371	5,539,001	685,638,081	9,165,462	-	694,803,543
Balance as at 31 March 2021	110,063,503	480,512,419	4,301,443	-	19,577,655	37,115,338	30,587,787	6,199,001	688,357,145	9,089,982	-	697,447,127

Valuations

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

In the 2020/21 year, land and buildings including investment properties were valued as at 31 March 2021. The valuations were carried out by Land and Property Services (LPS), a part of the Department of Finance. The valuations were reported by LPS during the period of the COVID-19 pandemic that was first declared in March 2020, and are made on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to these valuations than would normally be the case.

For the avoidance of doubt, this does not mean that the valuations cannot be relied upon. Rather, this 'material valuation uncertainty' declaration has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared as at 31 March 2021.

Capital Commitments

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

Project Name	Date	Capital Commitment
New Crematorium	27/07/2020	837,390
Grosvenor 3G Pitch	04/09/2020	138,029
LTP - Templemore	23/09/2020	13,600,000
Peace IV Blackmountain Shared Space	04/11/2020	319,045
Peace IV Shared Womens Centre	24/11/2020	328,000
Girdwood Sports Complex	25/01/2021	767,856
Reservoir Safety Works	17/02/2021	148,315
Peace IV Forth Meadow Greenway	13/03/2021	2,642,765
	Total	**18,781,401**

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 no material impairments to property during the period.

11 c Property, plant and equipment

Depreciation
The useful lives and depreciation rates applied to calculate the depreciation are outlined in Note1.

d Intangible Assets

Intangible assets relate to landfill closure costs with a net book value of £nil (2019/20: £nil) and a gross cost before amortisation of £16,700k (2019/20: £16,700k); and purchased licensed software and related implementation costs with a net book value of £744k (2019/20: £618k), and a gross costs before amortisation of £3,114k (2019/20: £2,796k).

Intangible Assets	2020/21	2019/20
	£	£
Balance at start of year:		
Gross carrying amounts	19,565,003	19,108,746
Accumulated amortisation	(18,946,952)	(18,776,040)
Net carrying amount at start of year	618,051	332,706
Additions	192,711	-
Amortisation for the period	(191,795)	(170,912)
Reclassification and transfer from WIP	125,467	456,257
Gross carrying amount of assets derecognised in the year	-	(68,887)
Accumulated amoritsation on assets derecognised during the year	-	68,887
Net carrying amount at end of year	744,434	618,051
Comprising:		
Gross carrying amounts as previously published	19,883,181	19,565,003
Derecognise intangible assets for the year	-	(68,887)
Gross carrying amounts restated	19,883,181	19,496,116
Accumulated amortisation as previously published	(19,138,747)	(18,946,952)
Derecognise intangible assets for the year	-	68,887
Accumulated amortisation	(19,138,747)	(18,878,065)
Net carrying amount at end of year	744,434	618,051

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	31/03/2021	31/03/2020
	£	£
Rental Income from Investment Activities	4,808,398	6,715,859
Direct Operating expenses arising from investment properties	(418,003)	(596,813)
Net gain/(loss)	**4,390,395**	**6,119,046**

Due to COVID-19 the council offered tenants a one-off three month rental holiday from April 2020 to June 2020, that resulted in a loss of rental income £1,611,972 in 2020/21.

The following table summarises the movement in the fair value of investment properties over the year:

Investment Properties	2020/21	2019/20
	£	£
Balance at start of the year	93,650,000	96,880,000
Additions	1	-
Disposals	-	(3,750,000)
Net gains/losses from fair value adjustments	(8,024,362)	115,103
Transfers to/ from inventories	-	254,897
Transfers to/ from property, plant and equipment	103,070	150,000
Other changes	(3,709)	-
Balance at end of the year	85,725,000	93,650,000

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

Investment Property	2020/21	2019/20
	£	£
Industrial Estates	65,350,000	72,500,000
Commercial Units	20,375,000	21,150,000
Balance at end of the year	85,725,000	93,650,000

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

Non-current assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	£	£	£	£	£
Net Book Value as at 31 March 2020	**685,638,082**	**9,165,463**	**93,650,000**	**618,051**	**789,071,596**
Net change in cost or valuation	7,066,374	(75,480)	99,362	318,177	7,408,433
Depreciation and Impairment in the year	(4,347,310)	-	(8,024,362)	(191,795)	(12,563,467)
Net movement for the year	**2,719,064**	**(75,480)**	**(7,925,000)**	**126,382**	**(5,155,034)**
Net Book Value as at 31 March 2021	688,357,146	9,089,983	85,725,000	744,433	783,916,562

Fair Value Hierarchy

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2021 and 2020 are as follows

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**	-	-

2019/20 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 2018
	£	£	£	£
Industrial Estates and Commercial Units	-	93,650,000	-	-
Total	-	**93,650,000**	-	-

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 2020/21, all Investment Properties were measured using the same methodology as in 2019/20, 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 2021. 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.

In the 2020/21 year, investment property valuations were reported by LPS during the period of the COVID-19 pandemic that was first declared in March 2020, and are made on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to these valuations than would normally be the case.

For the avoidance of doubt, this does not mean that the valuations cannot be relied upon. Rather, this 'material valuation uncertainty' declaration has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared as at 31 March 2021.

The decrease in valuations of investment property in 2020/21 reflect the yields for the council's properties in the current market conditions.

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 168 of these items recorded by Belfast City Council.

Heritage assets- additions	31/03/2021	31/03/2020
Tropical Ravine	-	130,992
9 Adelaide Art Collection	-	20,000
Shapes of Home Painting	-	1,000
Botanic Gardens - Palm House (land)	-	1
Botanic Gardens - Tropical Ravine (land)	-	1
Total	**-**	**151,994**

The Celtic Myths and Legends Window was recognised as being a heritage asset during 2020/21 at a cost of £22,000. There were no other additons, 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 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	-	-	-
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	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
Balance as at 31 March 2021	-	-	-
Net Book Value			
Balance as at 31 March 2021	-	-	-
Balance as at 31 March 2020	**1,340,000**	-	**1,340,000**

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

The gain on assets classified as held for sale and sold during the year was £1,050,000.

Assets Held for Sale	Current	Non Current	Total
	£	£	£
Cost or Valuation			
Balance as at 1 April 2019	266,607	-	**266,607**
Adjustments between cost/value & depreciation/impairment		-	-
Transferred from Non-Current Assets during year	1,340,000	-	**1,340,000**
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	(80,333)	-	**(80,333)**
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for	-	-	-
Transferred to Property, Plant & Equipment during year	(186,274)	-	**(186,274)**
Balance as at 31 March 2020	**1,340,000**	-	**1,340,000**
Impairment			
Balance as at 1 April 2019	-	-	-
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	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
Balance as at 31 March 2020	-	-	-

Two non-current assets were reclassified to assets held for sale during 2019/20.

The gain on assets classified to held for sale and sold during 2019/20 was £130k

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 2021 and 2020 are as follows:

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**

2019/20 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
	£	£	£	£
Land	-	1,924,001	-	**1,924,001**
Buildings	-	620,000	-	**620,000**
Land and Buildings combined	-	2,995,000	-	**2,995,000**
Total	-	**5,539,001**	-	**5,539,001**

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 2020/21, all Surplus Assets were measured using the same methodology as in 2019/20. 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 2021. 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.

In the 2020/21 year, surplus assets valuations were reported by LPS during the period of the COVID-19 pandemic that was first declared in March 2020, and are made on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to these valuations than would normally be the case.

For the avoidance of doubt, this does not mean that the valuations cannot be relied upon. Rather, this 'material valuation uncertainty' declaration has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared as at 31 March 2021.

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		2020/21 £	2019/20 £
Opening Capital Financing Requirement		138,181,616	115,001,044
Capital Investment			
Property, Plant and Equipment	11	21,374,593	43,855,969
Investment Properties		1	-
Intangible Assets		192,711	-
Revenue Expenditure Funded from Capital under Statute		-	-
Investments		-	-
Sources of Finance			
Capital Receipts		(3,750,000)	-
Government Grants and Other Contributions	10	(7,662,693)	(5,257,824)
Transfers from Earmarked Reserves		(1,745,115)	-
Sums set aside from Revenue:			
Direct Revenue Contributions		(8,358,472)	(7,870,253)
Minimum Revenue Provision		(7,916,805)	(7,547,320)
Closing Capital Financing Requirement		**130,315,836**	**138,181,616**

Explanation of Movements in Year	2020/21 £	2019/20 £
Increase/(decrease) in underlying need to borrow	(7,865,780)	23,180,572
Assets acquired under finance leases	-	-
Assets acquired under PFI/PPP contracts	-	-
Increase/(decrease) in Capital Financing Requirement	**(7,865,780)**	**23,180,572**

13 Future Capital Commitments

		Gross Cost £	Grant Aid £	Net Cost £
Schemes underway		92,692,446	10,731,506	81,960,940
Other Commitments		29,589,370	49,370	29,540,000
Total		**122,281,816**	**10,780,876**	**111,500,940**

Total net expenditure of £3,541,015 has been incurred against these projects in the year ended 31 March 2021.

14 Inventories	2020/21 £	2019/20 £
Central Stores	298,361	370,474
Total	**298,361**	**370,474**

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £681,327 (19/20 £591,234).

15 Debtors a Long Term Debtors	2020/21 £	2019/20 £
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	34,202	49,664
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	-	-
Finance lease debtors	-	-
Trade debtors	772,374	218,298
NIHE Loans	78,630	171,580
Other	-	-
Impairment of loans and receivables	-	-
Contract Receivables	-	-
Total Long-Term Debtors	**885,206**	**439,542**

b Short Term Debtors	2020/21 £	2019/20 £
Government Departments	2,428,715	856,648
Other Councils	105,834	229,001
Public corporations and trading funds	-	-
Bodies external to general government	-	-
NIHE loans	92,950	87,280
Employee car loans	31,457	41,483
Revenue Grants	5,124,741	5,856,018
Capital Grants	3,657,464	2,374,703
Interest Receivable	-	-
Capital Debtors	-	-
Value Added Tax	2,032,245	2,524,478
Prepayments	4,186,916	3,999,514
Finance lease debtors	-	-
Other	2,227,407	3,298,710
Trade receivables	1,634,267	2,389,943
Impairment loss - Trade receivables	(819,245)	(805,888)
Contract Receivables	275,808	378,981
Total Short-Term Debtors	**20,978,559**	**21,230,871**
Total Debtors	**21,863,765**	**21,670,413**

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

		£
Less than 3 months		3,963,319
Three months to one year		481,307
More then one year		772,374
		5,216,999

16 Borrowings a Short Term Borrowing		2020/21 £	2019/20 £
Loans re-payable within one year		2,000,000	9,739,488
Finance Lease Principal		-	-
Total Short Term Borrowing		**2,000,000**	**9,739,488**

b Long Term Borrowing		2020/21 £	2019/20 £
Between 1 and 2 years		1,061,000	4,000,000
Between 2 and 5 years		3,589,529	4,469,327
Between 5 and 10 years		33,664,137	3,500,000
In more than 10 years		16,717,455	50,997,846
Government Loans Fund		**55,032,121**	**62,967,173**
Total Borrowing		**57,032,121**	**72,706,661**

17 **Creditors**

a Short Term Creditors		2020/21 £	2019/20 £
Government Departments		1,589,519	1,585,600
Other Councils		1,018	4,040
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		954,293	1,800,000
De-rating grant clawback		945,000	-
Remuneration due to employees		3,638	403,046
Accumulated Absences		2,452,610	1,363,705
Loan Interest Payable		244,684	346,162
Capital Creditors		2,544,712	2,096,936
Receipts in advance		8,278,015	6,374,183
Trade creditors		4,170,686	4,801,202
Creditor Accruals		16,817,477	13,740,133
Contract Payables		-	277,387
Total Short Term Creditors		**38,001,652**	**32,792,394**

b Long Term Creditors Other creditors falling due after more than one year		2020/21 £	2019/20 £
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	50,386
Contract Payables		-	-
Total Long Term Creditors		30,440	50,386
Total Creditors		**38,032,092**	**32,842,780**

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 20/21 the Council paid 51,593 (19/20 67,810) invoices totalling £154,605,481 (19/20 £182,900,458).

The Council paid:
48,218 invoices within 30 calendar days target (2019/20: 63,385);
39,959 invoices within 10 working days target (2019/20: 50,885); and
3,375 invoices outside of the 30 day target (2019/20: 4,425).

The average number of days taken to pay suppliers during the year was 17 days (2019/20: 10 days).

The Council paid 93% of invoices within the target of 30 days, against the target objective of 90%.

18 Provisions

	Balance as at 1 April 2020 £	(Decrease)/Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 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**

Comparative Year

Provisions	Balance as at 1 April 2019 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Restated Balance as at 31 March 2020 £
Landfill Closure	3,550,409	(26,957)	(52,732)	-	(21,719)	**3,449,001**
Claims Management	1,133,757	445,220	(73,767)	-	-	**1,505,210**
Total	**4,684,166**	**418,263**	**(126,499)**	**-**	**(21,719)**	**4,954,211**
Current Provisions	2,894,851	418,263	(126,499)	-	(55,098)	**3,131,517**
Long Term Provisions	1,789,315	-	-	-	33,379	**1,822,694**
Total	**4,684,166**	**418,263**	**(126,499)**	**-**	**(21,719)**	**4,954,211**

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 £3,477,916.

Claims Management

A provision of £1,406,618 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 2021, the total liability for legal cases notified but not processed amounted to an estimated maximum liability of £2,650,463.

19 Financial Instruments

Financial Assets as at 31 March 2021

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 as well as balances with NIHE 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 £819,245 for 2020/21 (19/20 £805,888).

The employee car loan rate is currently 2.2%, in comparison to the HMRC official rate of 2.25%.

Financial Liabilities as at 31 March 2021

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 £63,054,778 (2019-20 £76,353,871).

20 Retirement Benefits

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

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

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

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

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

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

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

	Note	2020/21 £	2019/20 £
Net cost of services:			
Current service cost		24,228,000	26,101,000
Past service cost/(gain)		357,000	861,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		3,983,000	3,272,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		28,568,000	30,234,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(28,568,000)	(30,234,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		13,743,000	15,682,000
Net adjustment to General Fund		**(14,825,000)**	**(14,552,000)**

The service cost figures include an allowance for administration expenses of £327k (19/20 £325k).

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	2020/21 £	2019/20 £
Liability gains/(losses) due to change in assumptions		(155,674,000)	15,149,000
Liability gains/(losses) due to demographic changes		-	25,468,000
Liability experience gains/(losses) arising in the year		7,090,000	3,948,000
Actuarial gains/(losses) on plan assets		122,440,000	(65,748,000)
Other		-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		**(26,144,000)**	**(21,183,000)**

c

Assets and liabilities in relation to retirement benefits Reconciliation of present value of the scheme liabilities:	Note	2020/21 £	2019/20 £
Balance as at 1 April		734,376,000	749,718,000
Current service cost		24,228,000	26,101,000
Interest cost		16,717,000	17,812,000
Contributions by members		4,411,000	4,379,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		155,674,000	(15,149,000)
Actuarial gains/losses arising from demographic changes		-	(25,468,000)
Actuarial gains/losses arising on liabilities from experience		(7,090,000)	(3,948,000)
Other (if applicable)		-	-
Past service costs/(gains)*		357,000	861,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(709,000)	(730,000)
Estimated benefits paid		(19,521,000)	(19,200,000)
Balance as at 31 March		**908,443,000**	**734,376,000**

Reconciliation of present value of the scheme assets:	Note	2020/21 £	2019/20 £
Balance as at 1 April		554,526,058	605,603,058
Interest Income		12,734,000	14,540,000
Contributions by members		4,411,000	4,379,000
Contributions by employer		13,034,000	14,952,000
Contributions in respect of unfunded benefits		709,000	730,000
Remeasurement gain/(loss)		122,440,000	(65,748,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(709,000)	(730,000)
Benefits paid		(19,521,000)	(19,200,000)
Balance as at 31 March		**687,624,058**	**554,526,058**

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 2021.

The actual return on scheme assets in the year was a gain of £135,174k (2019/20 loss of £51,208k).

Fair Value of Plan Assets	2020/21 £	2019/20 £
Equity investments	318,369,939	236,228,134
Bonds	245,481,789	214,601,562
Property	61,198,541	55,452,600
Cash	36,444,075	26,062,722
Other	26,129,714	22,181,040
	687,624,058	**554,526,058**

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

	2020/21 £	2019/20 £
Fair Value of Employer Assets	687,624,058	554,526,058
Present value of funded defined benefit obligation	(898,471,000)	(724,096,000)
Pension asset/(liability) of Funded Scheme	(210,846,942)	(169,569,942)
Present Value of unfunded defined benefit obligation	(9,972,000)	(10,280,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(220,818,942)	(179,849,942)
Amount in the Balance sheet:		
Liabilities	(908,443,000)	(734,376,000)
Assets	687,624,058	554,526,058
Net Asset/(Liability)	**(220,818,942)**	**(179,849,942)**

d **Scheme History**

Analysis of scheme assets and liabilities	2020/21 £	2019/20 £
Fair Value of Assets in pension scheme	687,624,058	554,526,058
Present Value of Defined Benefit Obligation	(908,443,000)	(734,376,000)
Surplus/(deficit) in the Scheme	**(220,818,942)**	**(179,849,942)**

Amount recognised in Other Comprehensive Income and Expenditure:	2020/21 £	2019/20 £
Actuarial gains/(losses)	(26,144,000)	(21,183,000)
Expected Return on Plan Assets	-	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(26,144,000)	(21,183,000)
Cumulative actuarial gains and losses	(84,490,000)	(58,346,000)
History of experience gains and losses:		
Experience gains and (losses) on assets	122,440,000	(65,748,000)
Experience gains and (losses) on liabilities	7,090,000	3,948,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £220,818,942 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 2022

	31/03/2022 £	31/03/2022
Projected current cost	34,152,000	88.4%
Net interest on the net defined benefit liability (asset)	4,491,000	11.6%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	38,643,000	**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 2022 is £13,983k.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2020/21 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2021.

		2020/21 %	2019/20 %
Experience (gains and (losses) on Assets		17.81%	-11.86%
Experience gains and (losses) on Liabilities		-0.78%	-0.54%

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:	2020/21 %	2019/20 %
Mortality assumptions:		
Longevity at 65 current pensioners:	Years	Years
Men	21.9	21.8
Women	25.1	25.0
Longevity at 65 for future pensioners:		
Men	23.3	23.2
Women	26.5	26.4
Inflation/Pension Increase Rate	2.70%	2.00%
Salary Increase Rate	4.20%	3.50%
Discount Rate	2.10%	2.30%
Pension accounts revaluation rate	2.70%	2.00%
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 2021 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	881,400,000	915,542,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	33,059,000	35,279,000
Approximate % change in projected service cost	-3.20%	3.30%
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	902,065,000	894,877,000
% change in the present value of the total obligation	0.40%	-4.40%
Projected service cost	34,152,000	34,152,000
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	911,948,000	884,994,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	35,279,000	33,059,000
Approximate % change in projected service cost	3.30%	-3.20%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	**- 1 Year**	**+ 1 Year**
Present value of the total obligation	930,816,000	866,126,000
% change in the present value of the total obligation	3.60%	-3.60%
Projected service cost	35,552,000	32,752,000
Approximate % change in projected service cost	4.10%	-4.10%

* 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 then 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:

	31/03/2021 %	31/03/2020 %
Equity investments	46.30%	42.60%
Government Bonds	23.60%	26.10%
Corporate Bonds	12.10%	12.60%
Property	8.90%	10.00%
Cash	5.30%	4.70%
Other	3.80%	4.00%
Total	**100.00%**	**100.00%**

g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was 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 2021.

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

Reconciliation of present value of the scheme liabilities:	Note	2020/21 £	2019/20 £
Balance as at 1 April		859,000	1,040,000
Current service cost			-
Interest cost		18,000	23,000
Contributions by members			-
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		29,000	-
Actuarial gains/losses arising from demographic changes			-
Actuarial gains/losses arising on liabilities from experience		(11,000)	(4,000)
Other (if applicable)			-
Past service costs/(gains)			-
Losses/(gains) on curtailments			-
Liabilities extinguished on settlements			-
Net benefits paid		(178,000)	(200,000)
Balance as at 31 March		**717,000**	**859,000**

Reconciliation of present value of the scheme assets:	Note	2020/21 £	2019/20 £
Balance as at 1 April		864,000	1,061,000
Interest Income		18,000	23,000
Contributions by members			
Contributions by employer			
Remeasurement gain/(loss)		(13,000)	(20,000)
Assets distributed on settlements			
Net Benefits paid		(178,000)	(200,000)
Balance as at 31 March		**691,000**	**864,000**

Analysis of scheme assets and liabilities	Note	2020/21 £	2019/20 £
Fair Value of Assets in pension scheme		691,000	864,000
Present Value of Defined Benefit Obligation		717,000	859,000
Net Asset/(Liability) recognised on the balance sheet		**(26,000)**	**5,000**

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	713,000	721,000
% 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	721,000	713,000
% change in the present value of the total obligation	0.50%	-0.50%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	**-1yr**	**+1yr**
Present value of the total obligation	767,000	688,000
% change in the present value of the total obligation	7.00%	-6.80%

* 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.

	Note	2020/21 %	2019/20 %
Government Bonds		17.30%	49.10%
Cash		82.70%	50.90%
Total		**100.00%**	**100.00%**

Mortality assumptions:		
Members aged 85 at accounting date	Years	Years
Men	7.3	7.0
Women	8.2	7.8

Inflation/Pension Increase Rate	2.70%	2.10%
Discount Rate	2.10%	2.30%

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 2021 is assessed by the Councils 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 2021.

At 31 March 2021 there were 23 pensioners left in the Gas Pensions Fund and the balances relating to the Gas Pension Fund are fully consolidated in the Group financial statements.

INCOME AND EXPENDITURE STATEMENT	31/03/2021 £	31/03/2020 £
INCOME:		
Investment Income	6,300	9,866
EXPENDITURE		
Pensions Paid	(172,225)	(194,436)
Administration Expenses	(5,423)	(5,361)
Surplus/(Deficit) for the Year	**(171,348)**	**(189,931)**
NET ASSET MOVEMENTS		
Brought forward balance	709,994	899,929
Unrealised gain	157,791	165,164
Opening Value of Fund	**867,785**	**1,065,093**
Add Contribution from City Council		
Add surplus/(deficit) for the year	(171,348)	(189,931)
CHANGE IN MARKET VALUES OF INVESTMENTS		
Realised gain for year	92,870	0
Unrealised gain/(loss) for year	(97,529)	(7,377)
Closing value of fund	**691,778**	**867,785**
FINANCED BY:		
UK Index Linked Investments	119,716	424,347
Cash deposits and at bank	571,545	439,628
Debtors	517	3,810
	691,778	867,785
Bank Balance	-	-
Creditors	-	-
Closing value of fund	**691,778**	**867,785**

Summary Net Asset/Liability recognised on the Balance Sheet		31/03/2021	31/03/2020
Northern Ireland Local Government Officer's Pension Fund		(220,818,942)	(179,849,942)
Gas Pension Fund		(26,000)	5,000
Belfast Waterfront & Ulster Hall Limited		(4,848,000)	(2,463,000)
Total Net Asset/Liability recognised on the Balance Sheet		**(225,692,942)**	**(182,307,942)**

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 2021 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 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 GMP's in line with CPI inflation for those reaching State Pension Age 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	2020/21 £	2019/20 £
Opening balance			430,000	430,001
Add: new donated assets received (condition of use not met)			-	-
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account			-	- 1
			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	2020/21 £	2019/20 £
Neil Shawcross "Writers of Belfast" collection		430,000	430,000
		430,000	430,000

Capital Receipts Unapplied	Note	2020/21 £	2019/20 £
Opening balance		111,725	116,812
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released		-	(5,087)
		111,725	111,725

The amount of £250k in capital receipts unapplied relates to the proceeds from a disposal to the NIHE of which £138k has been used to finance a playground.

22 Capital Grants Received in Advance

	Note	2020/21 £	2019/20 £
Opening balance		304,554	901,871
Add: new capital grants received in advance (condition of use not met)		670,720	159,404
Less: amounts released to the Comprehensive Income and Expenditure Statement other projects		(504,555)	(27,571)
Less: amounts released to the Comprehensive Income and Expenditure Statement		-	(729,150)
		470,719	304,554

Analysis of Capital Grants Receipts in Advance Balance

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

Capital Grants Receipts in Advance	Note	2020/21 £	2019/20 £
Springfield Dam		-	304,554
Ballymacarrett Greenway		257	-
Forth Meadow		450,000	-
City Cemetery		20,462	-
		470,719	304,554

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 noncash movements	Notes	2020/21	2019/20
		£	£
Depreciation	11	22,457,761	19,364,089
Impairment & downward revaluations (& non-sale derecognitions)	11	7,772,272	1,605,228
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories		72,112	(94,184)
(Increase)/Decrease in Debtors		(206,710)	(4,704,741)
Increase/(decrease) in impairment provision for bad debts		13,357	522,294
Increase/(Decrease) in Creditors		4,100,405	2,689,248
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20	14,825,000	14,552,000
Carrying amount of non-current assets sold	8a, 11e	774,738	4,704,852
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		11,739,051	2,368,947
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account	21	-	(1)
Contract Costs		-	-
Contract Assets		-	-
Contract Liabilities		-	-
Deferred revenue		-	-
		61,547,986	41,007,732

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2020/21	2019/20
		£	£
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		(1,957,505)	(4,942,650)
Capital grants included in "Taxation & non-specific grant income"		(7,662,693)	(5,257,824)
		(9,620,198)	(10,200,474)

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:

		2020/21	2019/20
		£	£
Cash and Bank balances		2,932,317	8,728,224
Short Term Deposits (considered to be Cash Equivalents)		35,000,000	8,000,000
Short Term Investments (considered to be Cash Equivalents)		-	-
Bank Overdraft		-	-
		37,932,317	16,728,224

The balance previously held within an escrow bank account with the BIG Lottery Fund in relation to the funding of the Connswater Greenway project has now been reduced to nil (19/20 £606,630). This balance was not included in the above total.

c Cash flows from Investing Activities

		2020/21	2019/20
		£	£
Purchase of PP&E, investment property and intangible assets		21,119,529	43,209,670
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		1,536,686	1,974,259
Proceeds from the sale of PP&E, investment property and intangible assets		(1,957,505)	(4,942,650)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(7,662,693)	(5,257,824)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		**13,036,017**	**34,983,455**

d Cash flows from Financing Activities

	2020/21	2019/20
	£	£
Cash Receipts from Short and Long Term Borrowing	-	30,000,000
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	(15,674,540)	(20,182,319)
Other payments for Financing Activities	-	-
Net Cash flows from Financing Activities	**(15,674,540)**	**9,817,681**

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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		9,772,458	5,200,457
Movement			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	8, 9e	1,940,000	4,572,001
Capital Receipts used to finance capital expenditure		(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		**7,962,458**	**9,772,458**

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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		342,300	-
Movement			
Other movements		-	342,300
At 31 March		**342,300**	**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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		19,369,748	25,288,151
Transfers between statutory & other reserves & the General Fund	4b	1,671,506	2,081,597
Transfer to Neighbourhood Regeneration Fund		-	(8,000,000)
Financing from CCIF		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	(1,745,115)	-
At 31 March		**19,296,139**	**19,369,748**

	£	£
Local Investment Fund	1,056,624	1,171,489
Belfast Investment Fund	1,908,136	723
City Centre Investment Fund	13,408,897	15,154,012
Social Outcomes Fund	2,922,482	3,043,524
Total	**19,296,139**	**19,369,748**

The movement and purpose of these funds is outlined below:

Local Investment Fund			31/03/2021	31/03/2020
			£	£
Opening balance			1,171,489	1,425,280
Add: new contributions to fund			-	-
Less: financing drawn down from fund		4b	(114,865)	(253,791)
At 31 March			**1,056,624**	**1,171,489**

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 2021 is £1,056,624.

Belfast Investment Fund			31/03/2021	31/03/2020
			£	£
Opening balance			723	5,559,723
Add: new contributions to fund		4b	3,270,000	3,270,000
Less: financing drawn down from fund		4b	(1,362,587)	(829,000)
Less: transfer to Neighbourhood Rengeneration fund			-	(8,000,000)
At 31 March			1,908,136	723

There is a balance of £1,908,136 on the Belfast Investment Fund at year end 31 March 2021. This fund was established to support partnership projects across the City.

City Centre Investment Fund			31/03/2021	31/03/2020
			£	£
Opening balance			15,154,012	15,154,012
Add: new contributions to fund			-	-
Less: amounts drawn down from fund			(1,745,115)	-
At 31 March			13,408,897	15,154,012

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 2021 is £13,408,897.

Social Outcomes Fund			31/03/2021	31/03/2020
			£	£
Opening balance			3,043,524	3,149,136
Add: transfer from Belfast Investment fund				-
Less: amounts drawn down from fund		4b	(121,042)	(105,612)
At 31 March			2,922,482	3,043,524

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 2021 is £2,922,482.

d Leisure Mobilisation Fund

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

Leisure Mobilisation Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		887,800	1,441,702
Transfers between statutory & other reserves & the General Fund	4b	(257,555)	(553,902)
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
At 31 March		630,245	887,800

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 (Nothern Ireland) 2011.

Neighbourhood Regeneration Fund	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		8,000,000	-
Add: transfer from Belfast Investment Fund		-	8,000,000
Less: amounts drawn down from fund		-	-
At 31 March		**8,000,000**	**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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		298,224	1,063,919
Transfers between statutory & other reserves & the General Fund	4b	793,308	(671,307)
Transfer to BWUH Subvention Fund		-	(187,168)
Transfer to BWUH Sinking Fund		-	92,780
At 31 March		**1,091,532**	**298,224**

	£	£
Election Fund	379,435	3,300
BWUH Subvention Fund	436,402	135,499
BWUH Sinking Fund	275,695	159,425
Total	**1,091,532**	**298,224**

The movement and purpose of these funds is outlined below:

Election Fund			31/03/2021	31/03/2020
			£	£
Opening balance			3,300	674,607
Add: new contributions to fund		4b	376,135	153,300
Less: financing drawn down from fund			-	(824,607)
At 31 March			**379,435**	**3,300**

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			31/03/2021	31/03/2020
			£	£
Opening balance			135,499	322,667
Add: new contributions to fund			300,903	300,903
Less: amounts drawn down from fund			-	(188,071)
Less: amounts transferred to Sinking Fund			-	(300,000)
At 31 March			**436,402**	**135,499**

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

BWUH Sinking Fund			31/03/2021	31/03/2020
			£	£
Opening balance			159,425	66,645
Add: new contributions to fund			200,000	300,000
Less: amounts drawn down from fund			(83,730)	(207,220)
At 31 March			**275,695**	**159,425**

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	Notes	2020/21	2019/20
		£	£
At 1 April		28,692,673	25,796,988
Prior year adjustment			
Applied Capital Grants	10, 12	(7,662,693)	(5,257,824)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	(8,358,472)	(7,870,253)
Depreciation and Impairment adjustment	4	30,230,033	20,969,317
Statutory Provision for financing Capital Investment	4	(7,916,805)	(7,547,320)
Net Revenue expenditure funded from capital under statute	4, 12	-	-
Surplus/(Deficit) on the Provision of Services	CIES	(2,013,138)	(12,487,676)
Transfers between Statutory and Other Reserves and the General Fund	4	(2,207,259)	(856,388)
Net movements on Pension Reserve	4, 20	14,825,000	14,552,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11, 23	(1,182,767)	(237,798)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		1,088,905	(49,218)
Other Movements		9,428,629	1,680,845
At 31 March		**54,924,106**	**28,692,673**

This fund represents the surplus of income over expenditure. It can be used to supplement income and unexpected expenditure in future years. Of the £54,924k, £40,929k relates to expenditure committed at the year end (19/20 £28,693k, £15,792k committed).

Other movements of £9,429k includes two amounts received from Department for Communities; £7,075k Covid funding to help alleviate the future impact of Covid-19, and £2,098k Covid Recovery Revitalisation programme grant.

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.

During preparations of the financial statements for the year ended 31 March 2021, an error was identified in the presentation the Capital Adjustment Account, and movements between it and the Revaluation Reserve. The balances as at 1 April 2019 and 31 March 2020 and the transactions reported for year ended 31 March 2020 have been restated. A description of the restatement and the financial effect is set out in Note 31.

Capital Adjustment Account	Notes	2020/21	2019/20 Restated
		£	£
At 1 April		476,124,339	470,959,253
Prior year restatement	31		5,649,901
At 1 April (restated)			476,609,154
Applied Capital Grants	10, 12	7,662,693	5,257,824
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	8,358,472	7,870,253
Depreciation & Impairment adjustment	11	(30,230,033)	(20,969,317)
Statutory Provision for financing Capital Investment	4, 12	7,916,805	7,547,320
Net Revenue expenditure funded from Capital under statute	4, 12	-	-
Disposal of Fixed Assets/ Capital Sales	4; 11	(915,233)	(8,493,528)
Capital Receipts used to finance capital expenditure	4, 12	3,750,000	-
Other Movements		6,586,713	8,302,633
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	1,745,115	-
At 31 March		**480,998,871**	**476,124,339**

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.

During preparations of the financial statements for the year ended 31 March 2021, an error was identified in the presentation the Revaluation Reserve, and movements between it ant the Capital Adjustment Account. The balances as at 1 April 2019 and 31 March 2020 and the transactions reported for year ended 31 March 2020 have been restated. A description of the restatement and the financial effect is set out in Note 31.

Revaluation Reserve	Notes	2020/21	2019/20 Restated
		£	£
At 1 April		179,341,950	164,611,507
Prior year restatement			(5,649,901)
At 1 April (restated)			158,961,606
Revaluation & Impairment	11	3,104,636	27,846,428
Movements from associates & joint ventures			-
Other Movements		(6,564,707)	(7,466,084)
At 31 March		**175,881,878**	**179,341,950**

c Pension Reserve

Pension Reserve	Notes	2020/21	2019/20
		£	£
At 1 April		(182,307,942)	(146,360,942)
Net Movements on Pension Reserve	4, 20	(14,825,000)	(14,552,000)
Revaluation & Impairment	20	(26,144,000)	(21,183,000)
Gas pension & BWUH movement		(2,416,000)	(212,000)
At 31 March		**(225,692,942)**	**(182,307,942)**

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 Comphensive 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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(1,363,705)	(1,357,825)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(1,088,905)	(5,880)
At 31 March		**(2,452,610)**	**(1,363,705)**

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	Notes	31/03/2021	31/03/2020
		£	£
At 1 April		(198,153)	(263,159)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	55,098
Other Movements		9,907	9,908
At 31 March		**(188,246)**	**(198,153)**

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	2020/21	2019/20
	£	£
Rental Income	4,073,565	5,662,183
Rental Expenditure	(107,446)	(130,335)
Net income	**3,966,119**	**5,531,848**

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 £8,045 (2019/20 £12,316) across the 3 entities.

29 Joint Arrangements

During 2020/21 Belfast City Council did not make a financial contribution to Beltel LLP relating to the redevelopment of the Belfast Telegraph Building (19/20 £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.

	2020/21	2019/20
	£	£
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 30 f.

30 Related Party Transactions

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

Central government has significant influence over the general operations of the council - it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties. Grant receipts outstanding at 31 March 2021 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 2020/21 financial year the Council commissioned £2,807,872 (2019/20 £3,175,796) 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 £3,257,804 (2019/20 £1,928,687) 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 2020/21 the Council had expenditure of £464,252 (2019/20 £488,842) to other Councils and income received of £1,042,167 (2019/20 £1,035,750) from other Councils, of which £105,834 (2019/20 £229,001) was outstanding at 31 March 2021. These amounts mainly related to services provided.

The Council also repaid a £5m loan from another Local Authority within the UK during 2020/21, which had been borrowed in 2019/20.

a Other Organisations

	Councillors	2020/21	2019/20
		£	£
Action Cancer	1	2,828	420
Arellian Nursery School	1	2,462	0
Association of Port Health Authorities	1	1,260	124
Belfast City Centre Management Board	2	103,273	207,185
Belfast Community Sports Development Network	1	16,675	0
Belfast Harbour Commissioners	6	52,051	31,482
Belfast Hills Partnership	2	36,900	0
Belfast Metropolitan College	1	5,361	7,878
Belvoir Area Residents' Group	1	1,000	964
Black Mountain Shared Spaces Project	2	1,223	0
Blackie River Centre	2	42,280	22,604
Board of Ulster Orchestra Society Ltd	1	149,283	300,973
Castlereagh FC 82	1	0	170
Cathedral Quarter Trust	2	62,000	99,920
Colin Neighbourhood Partnership	2	52,846	39,430
Colin Safer Neighbourhood Project	1	0	800
Community Food Bank	1	1,000	0
Concorde Community Centre Committee	0	0	600
Cregagh Wanderers Club	1	1,854	11,600
Dee Street Community Centre Committee	0	0	600
Donegall Pass Community Centre Committee	0	2,138	0
Duncairn Community Centre Committee	0	0	600
Duncairn Community Partnership	1	12,796	8,251
Early Years Company Ltd	1	0	28,541
East Side Arts	0	45,407	106,230
Falls Community Council	1	496,296	407,491
Feile an Phobail	1	278,820	0
Glentoran Football Club	1	1,000	0
Grand Opera House Trust	1	31,850	37,034
Greater Shankill Partnership Board	6	157,293	94,622
Greater Village Regeneration Trust	0	20,047	67,327
Groundwork NI	2	2,965	1,842
Impact Training	2	8,820	10,180
Intercomm Ireland Ltd	1	114,814	3,011
Inverary Community Centre Committee	1	0	600

Knocknagoney Community Centre Committee	1	0	759
Lagan Village Youth and Community Group	1	19,308	20,873
Lighthouse (Ireland)	1	0	2,355
Ligoniel Amateur Boxing Club	1	3,460	7,528
Ligoniel Community Centre Committee	1	9,665	600
Ligoniel Improvement Association	1	188,669	0
Linenhall Library Board	1	31,377	38,017
Local Strategic Partnership on Travellers Issues	1	500	0
Lower Ormeau Residents Action Group (LORAG)	1	222,037	0
Lower Shankill Community Association	1	1,620	0
Lyric Theatre Education Advisory Panel	2	77,498	100,000
Mount Vernon Community Development Forum	1	13,000	27,196
MS Socierty NI	1	675	0
National Association of Councillors	8	3,560	3,560
New Lodge/Duncairn Healthy Living Centre	1	269	0
NI Amenity Council	1	0	2,330
NI Local Government Association	10	88,118	90,740
NI Youth Forum	1	19,990	0
North Belfast Working Mens Club	1	12,020	0
Northern Regional College	1	0	522
Oh Yeah Centre, Belfast	1	85,975	43,865
PIPS Charity	1	2,500	0
Queens University Belfast	1	41,000	21,670
Roden Street Community Development Group	1	105,950	0
Rosario Youth Football Club	1	30,998	0
Royal Society of Ulster Architects	1	0	4,408
Somme Advisory Council	3	1,800	0
St Teresa's Primary School	1	996	0
Stratagem NI Limited	1	24,201	25,638
Ulster-Scots Community Network	1	1,818	400
Upper Andersonstown Community Forum	0	545,062	39,860
Upper Springfield Development Trust	1	20,196	6,884
Visit Belfast	4	2,807,872	3,175,796
Welcome Organisation	1	1,000	0
Woodvale Community Centre Committee	0	0	1,003
At 31 March		**6,065,676**	**5,104,484**

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	2020/21	2019/20
		£	£
East Belfast Partnership Board	8	1,224,289	103,947
North Belfast Partnership Board	1	0	0
South Belfast Partnership Board	4	200,126	21,578
West Belfast Partnership Board	8	175,160	26,131
		1,599,575	**151,656**

c Joint Committees

Belfast City Council made payments to the following Joint Committees;

	Councillors	2020/21	2019/20
		£	£
Arc 21	3	8,257,440	9,133,672

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 £8,500,637 (2019/20 £7,708,057) for the provision of these services in the year ended 31 March 2021.

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 2021 was £65,659 (2019/20 £91,147).

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 2020/21 the Council invoiced BWUH Ltd for £2,268,141 for expenditure incurred on it's behalf and also received invoices from the Company for £4,156,474 mainly for the management fee. At 31 March 2021, £644,870 (2019/20 £424,927) was owed to the company by the Council and £647,035 (2019/20 £796,280) receivable from the company.

g Beltel LLP

During 2020/21, Belfast City Council did not make a financial contribution to Beltel LLP (2019/20 £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.

31 Prior Year Restatement

During preparations of the financial statements for the year ended 31 March 2021, an error was identified in the reporting of the balances of the Revaluation Reserve and Capital Adjustment Account, and movements between the two reserves.

The assets had been correctly reclassified or eliminated from the fixed asset portion of the balance sheet, and any gains or losses had been reported correctly in the financial statements for the periods reported.

However, the adjustments to the reserves between the Revaluation Reserve and the Capital Adjustment Account were reported incorrectly in the published financial statements, and the adjustments are summarised in the table below.

Small computational errors were also identified and have been corrected.

Three properties were sold between 1 April 2016 and 31 March 2020 that had amounts transferred from the Revaluation Reserve to the Capital Adjustment Account on sale totalling £1.8m.

Seven properties were demolished between 1 April 2016 and 31 March 2020 that had amounts transferred from the Revaluation Reserve to the Capital Adjustment Account on derecognition totalling £5.9m.

An asset was reclassified during 2017-18 to investment property, at which point the Revaluation Reserve balance on that property was transferred to the Capital Adjustment Account: £575k.

The adjustments are set out in summary in the table below.

	PPE sold	PPE demolished	Investment property	Other corrections	Total
Opening restatement prior to 31.3.2019	1,353,982	3,804,686	574,999	-83,765	**5,649,901**
Restatement for the year to 31.3.2020	423,750	2,106,927	0	52,703	**2,583,380**
Total	**1,777,732**	**5,911,612**	**574,999**	**-31,062**	**8,233,281**

The effects of the representation of the Revaluation Reseve are set out below.

Revaluation Reserve	31/03/2020
	£
At 1 April	164,611,507
Prior year restatement	(5,649,901)
At 1 April (restated)	158,961,606
Revaluation & Impairment	27,846,428
Movements from associates & joint	-
Other Movements	(4,882,704)
Other Movements (additional movement)	(2,583,380)
At 31 March	**179,341,950**

The effects of the representation of the Capital Adjustment Account are set out below.

Capital Adjustment Account	31/03/2020
	£
At 1 April	470,959,253
Prior year restatement	5,649,901
At 1 April (restated)	476,609,154
Applied Capital Grants	5,257,824
Direct Revenue Financing	7,870,253
Depreciation & Impairment adjustment	(20,969,317)
Statutory Provision for financing Capital	7,547,320
Disposal of Fixed Assets/ Capital Sales	(8,493,528)
Other Movements	5,719,253
Other Movements (additional movement)	2,583,380
At 31 March	**476,124,339**

Belfast City Council
Group Movement In Reserves Statement for the year ended 31 March 2021

	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 2019	**25,803,465**	**27,793,772**	**5,200,457**	**58,797,694**	**487,588,834**	**546,386,528**
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(13,148,384)	-	-	(13,148,384)	-	(13,148,384)
Other Comprehensive Income and Expenditure	-	-	-	-	6,663,428	6,663,428
Total Comprehensive Income and Expenditure	**(13,148,384)**	**-**	**-**	**(13,148,384)**	**6,663,428**	**(6,484,956)**
Adjustments between accounting basis & funding under regulations	15,168,831	342,300	4,572,001	20,083,132	(22,498,871)	(2,415,739)
Net Increase before transfers to Statutory and Other Reserves	**2,020,447**	**342,300**	**4,572,001**	**6,934,748**	**(15,835,443)**	**(8,900,695)**
Transfers to / from Statutory and Other Reserves	(856,388)	856,388	-	-	-	-
Other movements	1,731,845	(94,388)	-	1,637,457	(156,902)	1,480,555
Increase/ Decrease in year	**2,895,904**	**1,104,300**	**4,572,001**	**8,572,205**	**(15,992,345)**	**(7,420,140)**
Balance as at 31 March 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 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**

Belfast City Council
Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

		2020/21			2019/20		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Service Expenditure	Notes	£	£	£	£	£	£
Strategic Policy & Resources	2	72,668,440	(31,739,096)	40,929,344	65,875,784	(13,685,316)	52,190,468
City Growth & Regeneration	2	31,034,307	(5,666,673)	25,367,634	37,728,035	(14,669,696)	23,058,339
People & Communities	2	115,946,789	(17,727,216)	98,219,573	120,253,125	(15,574,828)	104,678,297
Planning & Licensing	2	8,281,185	(5,219,447)	3,061,738	8,145,681	(6,360,679)	1,785,002
Cost of Services on Continuing Operations		227,930,721	(60,352,432)	167,578,289	232,002,625	(50,290,519)	181,712,106
Other Operating Expenditure	8	774,738	(1,957,505)	(1,182,767)	954,852	(1,192,650)	(237,798)
Financing and Investment Income and Expenditure	9	14,065,164	(4,835,056)	9,230,108	9,708,481	(10,744,838)	(1,087,357)
Net Operating Expenditure		242,770,623	(67,144,993)	175,625,630	242,665,958	(62,228,007)	180,386,951
Taxation and Non-Specific Grant Income	10	954,293	(173,995,683)	(173,041,390)	1,794,150	(169,083,717)	(167,289,567)
(Surplus)/Deficit on the Provision of Services		243,724,916	(241,140,676)	2,584,240	244,460,108	(231,311,724)	13,148,384
(Surplus)/Deficit on revaluation of non-current assets	11			(3,104,636)			(27,846,428)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	11			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			26,144,000			21,183,000
Other Comprehensive Income and Expenditure				23,039,364			(6,663,428)
Total Comprehensive Income and Expenditure				25,623,604			6,484,956

Belfast City Council
Group Balance Sheet as at 31 March 2021

	Note	31st March 2021	31st March 2020
		£	£
Fixed Assets		787,679,416	792,859,755
Long Term Investments		120,000	424,000
Investment in Associates and Joint Ventures		-	-
Long Term Debtors		465,206	439,542
Contract Assets		-	-
LONG TERM ASSETS		788,264,622	793,723,297
Short Term Investments		-	-
Inventories		298,361	370,474
Short Term Debtors		21,006,015	21,069,701
Cash and Cash Equivalents		41,870,729	20,516,975
Assets Held for Sale		-	1,340,000
Contract Assets		275,808	378,981
CURRENT ASSETS		63,450,913	43,676,131
Bank Overdraft		-	-
Short Term Borrowing		2,000,000	9,739,488
Short Term Creditors		42,220,388	37,276,256
Provisions		3,040,441	3,131,517
Contract Liabilities			277,387
CURRENT LIABILITIES		47,260,829	50,424,648
Long Term Creditors		72,678	64,304
Provisions		1,844,093	1,822,694
Long Term Borrowing		55,032,121	62,967,173
Other Long Term Liabilities		225,692,942	182,307,942
Contract Liabilities		-	-
Donated Assets Account		430,000	430,000
Capital Grants Receipts in Advance		582,444	416,279
LONG TERM LIABILITIES		283,654,278	248,008,392
NET ASSETS		**520,800,428**	**538,966,388**
USABLE RESERVES			
Capital Receipts Reserve		7,962,458	9,772,458
Deferred capital receipts		342,300	342,300
Capital Fund		19,296,139	19,369,748
Leisure Mobilisation Fund		630,245	887,800
Neighbourhood Regeneration Fund		8,000,000	8,000,000
Other Balances and Reserves		1,091,532	298,224
General Fund		54,930,803	28,699,369
		92,253,477	67,369,899
UNUSABLE RESERVES			
Capital Adjustment Account		480,998,871	476,124,339
Revaluation Reserve		175,881,878	179,341,950
Pensions Reserve		(225,692,942)	(182,307,942)
Accumulated Absences Account		(2,452,610)	(1,363,705)
Provisions Discount Rate Reserve		(188,246)	(198,153)
		428,546,951	471,596,489
NET WORTH		**520,800,428**	**538,966,388**

Belfast City Council
Group Cash Flow Statement at 31 March 2021

	Note	2020/21	2019/20
		£	£
Net Deficit on the provision of services		(2,584,240)	(13,148,384)
Adjustment for non-cash movements		62,467,747	42,021,062
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(9,620,198)	(10,200,474)
Net cash flows from operating activities		**50,263,309**	**18,672,204**
Cash flows from Investing Activities		(13,235,014)	(35,838,978)
Net Cash flows from Financing Activities		(15,674,540)	9,817,681
Net increase or decrease in cash and cash equivalents		**21,353,755**	**(7,349,093)**
Cash and cash equivalents at the beginning of the reporting period		20,516,975	27,866,068
Cash and cash equivalents at the end of the reporting period		**41,870,730**	**20,516,975**

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 £6.7k at 31 March 2021. There was no profit/loss on ordinary activities before taxation for the period to 31 March 2021 (19/20 £1.2k). 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 2021 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 2021, 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 £26,000 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:

	£
Long term assets	119,716
Current assets	572,062
Long term liabilities	717,778
Net liability	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 2020/21 was to increase the Council's reserves and net assets by £6.7k 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:

	Notes	2020/21 £	£	2019/20 £	£
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		7,772,272		1,605,228	
Depreciation charged in the year on non-current assets		22,561,863	30,334,135	19,396,016	21,001,244
funded from capital under statute			-		-
Carrying amount of non current assets sold		774,738		4,704,852	
Proceeds from the sale of PP&E, investment property and intangible assets		(1,957,505)	(1,182,767)	(4,942,650)	(237,798)
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			29,366,000		31,257,000
Direct revenue financing of Capital Expenditure			(8,358,472)		(7,870,253)
Capital Grants and Donated Assets Receivable and Applied in year			(7,662,693)		(5,252,737)
Capital Grants Receivable and Unapplied in year			-		(5,087)
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences			1,088,905		5,880
Adjustments in relation to Lessor Arrangements			-		-
Provisions Discount Rate Reserve Adjustment			-		(55,098)
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			(7,916,805)		(7,547,320)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners			(14,127,000)		(16,127,000)
			21,541,303		15,168,831

G4 Fixed Assets

a

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	104,391,303	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**
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	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	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	-	26,119,025	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

b

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 2019	101,444,001	418,784,515	5,774,607	-	43,193,148	47,025,764	48,154,248	5,689,001	**670,065,284**	9,158,827	-	**679,224,111**
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	(164)	-	**(164)**
Prior Period adjustment										-		-
Balance as at 1 April 2019	101,444,001	418,784,515	5,774,607	-	43,193,148	47,025,764	48,154,248	5,689,001	670,065,284	9,158,663	-	679,223,947
Additions (Note 11)	38	701,639	-	-	5,567,641	743,971	37,095,535	10,674	**44,119,498**	151,994	-	**44,271,492**
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	2,546,720	11,560,018	-	-	-	-	-	-	**14,106,738**	51,758	-	**14,158,496**
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	(218,574)	(3,290,973)	-	-	-	(400,302)	-	115,000	**(3,794,849)**	(265,217)	-	**(4,060,066)**
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(2,121,928)	(14,000)	-	(540,000)	**(2,675,928)**	-	-	**(2,675,928)**
Derecognition - Other	-	(4,149,100)	-	-	-	(21,071)	-	-	**(4,170,171)**	-	-	**(4,170,171)**
Reclassifications & Transfers	619,118	43,660,425	-	-	432,197	(8,271,333)	(39,001,412)	1,604,326	**(956,679)**	95,525	-	**(861,154)**
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	186,274	-	(1,340,000)	**(1,153,726)**	-	-	**(1,153,726)**
Balance as at 31 March 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

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets (Restated)	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	-	-	513,171	-	25,617,567	2,925,228	-	-	29,055,966	133,740	-	29,189,706
Adjustments between cost/value & depreciation/impairment	-	-	-	-	(1,037,101)	-	-	-	**(1,037,101)**	-	-	**(1,037,101)**
Balance as at 1 April 2019	-	-	513,171	-	24,580,466	2,925,228	-	-	28,018,865	133,740	-	28,152,605
Depreciation Charge	-	14,166,164	192,492	-	3,041,747	1,713,203	-	-	**19,113,606**	101,555	-	**19,215,161**
Depreciation written out on Revaluation Reserve	-	(13,687,932)	-	-	-	-	-	-	**(13,687,932)**	-	-	**(13,687,932)**
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,131,861)	-	-	-	-	-	-	**(2,131,861)**	(208,034)	-	**(2,339,895)**
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,503,188)	-	-	-	**(1,503,188)**	-	-	**(1,503,188)**
Derecognition - Other	-	(374,937)	-	-	-	(6,559)	-	-	**(381,496)**	-	-	**(381,496)**
Reclassifications & Transfers	-	2,028,566	-	-	-	(2,028,566)	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	705,663	-	26,119,025	2,603,306	-	-	29,427,994	27,261	-	29,455,255

Net Book Values

Balance as at 31 March 2020	104,391,303	467,266,524	5,068,944	-	20,952,033	36,645,997	46,248,371	5,539,001	686,112,173	9,165,462	-	695,277,635
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

Intangible Assets	2020/21	2019/20
	£	£
Balance at start of year:		
Gross carrying amounts	19,664,433	19,208,176
Accumulated amortisation	18,970,981	18,790,126
Net carrying amount at start of year	693,452	418,050
Additions	-	-
Assets reclassified as held for sale	192,711	
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	(201,738)	(180,855)
Other Changes	125,467	456,257
Net carrying amount at end of year	809,892	693,452

Investment Properties	2020/21	2019/20
	£	£
Balance at start of the year	96,888,667	100,111,429
Additions	1	7,238
Disposals	-	(3,750,000)
Net gains/losses from fair value adjustments	(8,024,362)	115,103
Transfers to/ from inventories	-	254,897
Transfers to/ from property, plant and equipment	103,070	150,000
Other changes	(3,909)	-
Balance at end of the year	88,963,467	96,888,667

Investment Property	2020/21	2019/20
	£	£
Industrial Estates	65,350,000	72,500,000
Commercial Units	23,613,467	24,388,667
Balance at end of the year	88,963,467	96,888,667

G5

a

Employee Costs and Member Allowances Staff Costs	2020/21	2019/20
	£	£
Salaries and Wages	71,068,873	71,988,563
Employers NIC	6,805,819	6,819,001
Employers Superannuation	13,990,414	14,196,719
Total staff costs	**91,865,106**	**93,004,283**

The above staff costs include the costs of voluntary redundancies in 2020/21. These costs total £1,128,006 (19/20 £977,075) and are disclosed separately in Table 4 of the Remuneration Report. In addition, agency costs during the year amounted to £5,198,526 (2019/20 £5,626,073).

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	2020/21	2019/20
	FTE	FTE
Strategic Policy & Resources	626	620
City Growth & Regeneration	341	369
People& Communities	1,131	1,162
Planning and Licencing	131	140
Total Number	**2,229**	**2,291**

c

	2020/21	2019/20
	Actual Numbers	Actual Numbers
Full-time numbers employed	1,917	1,927
Part-time numbers employed	336	362
Total Number	**2,253**	**2,289**

d

Senior Employees' Remuneration	2020/21	2019/20
	£	£
£50,001 to £60,000	64	62
£60,001 to £70,000	26	22
£70,001 to £80,000	6	6
£80,001 to £90,0000	3	6
£90,001 to £100,000	7	5
£100,001 to £110,000	3	4
£110,001 to £120,000	1	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1
Total Number	**111**	**107**

G6 Debtors

a

Long Term Debtors		2020/21	2019/20
		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Employee car loans		34,202	49,664
Revenue Grants		-	-
Capital Grants		-	-
Interest Receivable		-	-
Capital Debtors		-	-
Loans and advances		-	-
Finance lease debtors		-	-
Trade debtors		352,374	218,298
NIHE Loans		78,630	171,580
Other		-	-
Impairment of loans and receivables		-	-
Contract Receivables		-	-
Total Long-Term Debtors		**465,206**	**439,542**

b

Short Term Debtors		2020/21	2019/20
		£	£
Government Departments		2,428,715	856,648
Other Councils		105,834	229,001
Public corporations and trading funds		-	-
Bodies external to general government		-	-
NIHE loans		92,950	87,280
Employee car loans		31,457	41,483
Revenue Grants		5,124,741	5,856,018
Capital Grants		3,657,464	2,374,703
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		2,032,245	2,524,478
Prepayments		4,186,916	3,999,514
Finance lease debtors		-	-
Other		2,227,407	3,298,710
Trade receivables		1,937,531	2,607,754
Impairment loss - Trade receivables		(819,245)	(805,888)
Contract Receivables		275,808	378,981
Total Short-Term Debtors		**21,281,823**	**21,448,682**

Total Debtors		**21,747,029**	**21,888,224**

G7 Creditors

a

Short Term Creditors		2020/21	2019/20
		£	£
Government Departments		1,589,519	1,585,600
Other Councils		1,018	4,040
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		954,293	1,800,000
De-rating grant clawback		945,000	-
Remuneration due to employees		3,638	403,046
Accumulated Absences		2,452,610	1,363,705
Receipts in advance		8,278,015	6,374,183
Trade creditors		4,170,686	4,801,202
Loan interest		244,684	346,162
Capital Creditors		2,544,712	2,096,936
Creditor Accruals		21,036,213	18,501,382
Contract Payables		-	277,387
Total Short Term Creditors		**42,220,388**	**37,553,643**

b

Long Term Creditors		2020/21	2019/20
		£	£
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		72,678	64,304
Contract Payables		-	-
Total Long Term Creditors		72,678	64,304

Total Creditors		**42,293,066**	**37,617,947**

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 for non cash movements	Notes	2020/21	2019/20
		£	£
Depreciation		22,561,863	19,396,016
Impairment & downward revaluations (& non-sale derecognitions)		7,772,272	1,605,228
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in Inventory		72,112	(94,184)
(Increase)/Decrease in Debtors		(127,837)	(3,491,866)
Increase/(decrease) in impairment provision for bad debts		13,357	522,294
Increase/(Decrease) in Creditors		3,586,213	1,059,137
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC		15,239,000	15,130,000
Carrying amount of non-current assets sold		774,738	4,704,852
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		12,576,029	3,189,586
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account		-	(1)
Contract Costs		-	-
Contract Assets		-	-
Contract Liabilities		-	-
Deferred revenue		-	-
		62,467,747	42,021,062

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2020/21	2019/20
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(1,957,505)	(4,942,650)
Capital grants included in "Taxation & non-specific grant income"		(7,662,693)	(5,257,824)
		(9,620,198)	(10,200,474)

b Cash and Cash Equivalents

	Notes	2020/21	2019/20
		£	£
Cash and Bank balances		6,870,729	12,516,975
Short Term Deposits (considered to be Cash Equivalents)		35,000,000	8,000,000
Short Term Investments (considered to be Cash Equivalents)		-	-
Bank Overdraft		-	-
		41,870,729	20,516,975

c

Cash flows from Investing Activities		2020/21	2019/20
		£	£
Purchase of PP&E, investment property and intangible assets		21,198,526	43,625,193
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		120,000	440,000
Other Payments for Investing Activities		1,536,686	1,974,259
Proceeds from the sale of PP&E, investment property and intangible assets		(1,957,505)	(4,942,650)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(7,662,693)	(5,257,824)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		**13,235,014**	**35,838,978**

d

Cash flows from Financing Activities		2020/21	2019/20
		£	£
Cash Receipts from Short and Long Term Borrowing		-	30,000,000
Other Receipts from Financing Activities		-	-
Cash payments for the reduction of the outstanding liability		-	-
Repayment of Short and Long Term Borrowing		(15,674,540)	(20,182,319)
Other payments for Financing Activities		-	-
Net Cash flows from Financing Activities		**(15,674,540)**	**9,817,681**

Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on **30 September 2021**.