

# Financial Statements

For the year ended  
31 March 2024



Ards and  
North Down  
Borough Council

## Contents

Narrative Report.....	3
Statement of Responsibilities .....	17
Annual Governance Statement .....	19
Remuneration Report.....	43
Certificate of the Chief Financial Officer .....	50
Council Approval of Statement of Accounts .....	50
Independent Auditor’s Report to the members .....	51
Comprehensive Income and Expenditure Statement .....	58
Movement in Reserves Statement .....	59
Balance Sheet.....	61
Cash Flow Statement.....	62
Notes to the Financial Statements.....	63
Accounts Authorised for Issue Certificate.....	127

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# Narrative Report

## Introduction

These statements set out Ards and North Down Borough Council's financial performance during the financial year 2023/24 and its financial position at the end of that year. The Council's financial performance for the year ended 31 March 2024 is as set out in the Comprehensive Income and Expenditure Statement (page 58) and the Movement of Reserves Statement (pages 59-60). Its financial position is as set out in the Balance Sheet (page 61) and Cash Flow Statement (page 62).

The financial statements follow approved accounting standards and are necessarily technical in parts. It is the purpose of this narrative report to explain, in an easily understandable way, the financial facts in relation to the Council in addition to its main objectives, strategies and the principal risks it faces.

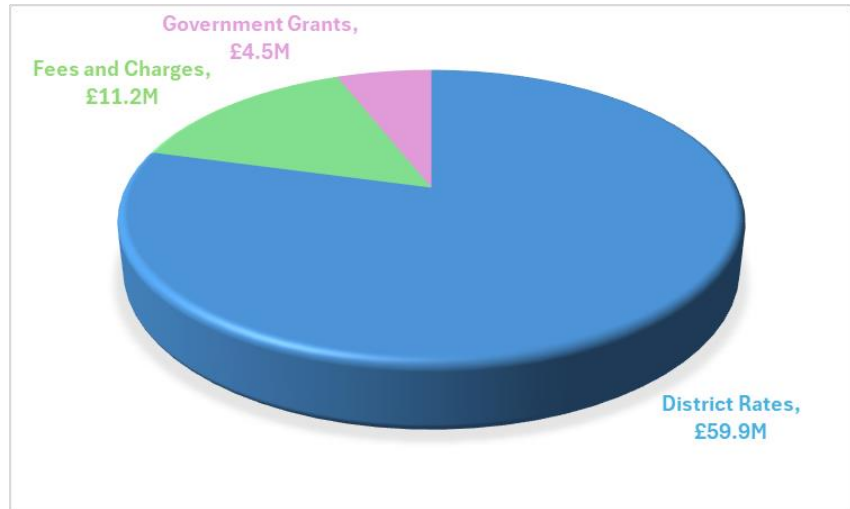
These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31 March 2024 (the Code) and the Department for Communities Accounts Direction, Circular LG 05/24 dated 16 January 2024 and are the 'Statement of Accounts' the Council is required to prepare under Regulation 7 of the Local Government (Accounts and Audit) Regulations 2015.

## Organisation Overview and External Environment

The Council operates a traditional model of decision making for local government and is organised into five directorates plus the Chief Executive's Office. Each of these directorates are further divided into Services as follows:



The Council delivers a broad range of local services covering among others: building control, community development, economic development, environmental health, leisure, parks and cemeteries, planning, off-street car parking, tourism and waste collection and disposal. It directly employs over 900 staff and has a budget of £78M. In addition, it participates in a number of strategic partnerships with other councils, private operators, public bodies and third sector organisations in order to deliver its vision for the Borough.



It draws income from the provision of some services and from government grants. The remaining balance of income comes from the district rates, which is a local property tax.

The Council is in an advanced stage in agreeing a new Corporate Plan that is based around the vision of a Sustainable Borough.

Service Plans are produced and published on an annual basis, detailing how the Council intends to meet the Corporate Objectives. Key improvement activities are also published annually in the Council's Performance Improvement Plan (PIP).



**Ards and North Down is a Sustainable Borough**

1. Increased economic growth attracting more jobs and businesses
2. Reduced carbon emissions as we transition to net zero
3. Improved wellbeing through social inclusion and reduced inequality

1. We have an engaged Borough with citizens and businesses who have opportunities to influence the delivery of services, plans and investment
2. We are an environmentally sustainable and resilient Council and Borough meeting our net zero carbon targets
3. We have a thriving and sustainable economy
4. We have a vibrant, attractive, sustainable Borough for citizens, visitors, businesses and investors
5. We have safe welcoming and inclusive communities that are flourishing
6. We have opportunities for people to be active and healthy
7. Ards and North Down Borough Council is a high performing organisation

**17 Strategic Action to achieve the outcomes and priorities**

Annual Service Plans developed in tandem with the rate setting process to specific each service areas annual activities aligned with the Corporate Plan

The Council operates in the context of [The Big Plan](#) , which is the Community Plan for the Borough (see below). The Big Plan is the sovereign plan for Ards and North Down and at its heart is an integrated approach to strategic development, not only for the Council, but for everyone in the Borough who has an interest in making Ards and North Down a better place to live, work, visit and invest. In 2022, a review of the Big Plan was completed. [The Big Plan Part II | Our Big Priorities](#) identified 10 priorities for the Community Planning Partnership to focus on. The Council's Corporate Plan, which sits below, and is aligned to, the Community Plan, is supported by key strategies including the Integrated Strategy for Tourism, Regeneration and Economic Development, Integrated Strategy for Arts and Heritage, Estates Strategy and a Medium-Term Financial Plan. Internally the Council is working to deliver an agenda of transformation to enhance

and improve internal processes, as well as delivering, better engagement with, and services for, the communities we serve.

The Council builds its culture around the values below:



- **Progressive** – We will be proactive, ambitious, innovative, forward thinking and outward looking.
- **Respect** – We will treat everyone in a fair and equitable manner, respecting diversity and each other’s roles.
- **Integrity** – We will always be open, honest, transparent, trustworthy and accountable in our business relationships.
- **Delivery** – We will ensure a “can do” attitude, being passionate about achieving results, performance driven, and outcome focussed.
- **Excellence** – We will strive to deliver continuously improving and excellent quality services, whilst ensuring value for money.

## Governance

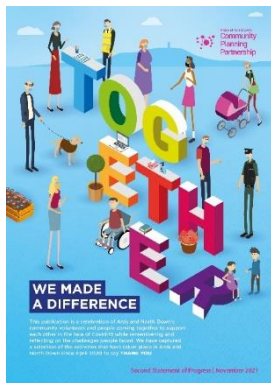
The governance arrangements of the Council are set out in the Governance Statement (page [20](#)) and there have been no significant changes in approach in the course of the year, with the exception of the lapsing of legislation allowing for remote Council meetings.

## Operational Model

The Council published the Big Plan for Ards and North Down in March 2017. This details a commitment from all partners who are members of the Strategic Community Planning Partnership on the five outcomes they will collectively work towards achieving for the people of Ards and North Down. In accordance with Community Planning Guidance, the first Statement of Progress was published in November 2019. This initiated a review of the existing implementation methodology and the agreement of a refined list of ten community planning collaborative priorities. A second statement of progress was published in November 2021. The Big Plan Part II was published in



April 2022. This updated the whole population indicators and set out the issues the Strategic Community Plan will focus its attention on.



The Big Plan provides an overarching context for the Council's Corporate Plan. Activities to progress the outcomes and priorities resulting from the Big Plan and Corporate Plan are set out in the Council's annual Service Delivery Plans for each of its 18 Services. Service budgets are aligned to the annual Plans.

## Inputs

- Council receives almost 80% of its funding through the local property tax (often referred to as the district rates) and a further 15% from fees and charges for the use of a range of services.
- Council employs more than 900 staff. These staff are recruited according to the Local Government Staff Commission guidance. The Council's Learning and Development Strategy provides the framework for maintaining and enhancing the skills of the workforce, through on the job training, appraisal scheme, formal training, part-time study and mentoring.
- The Council owns over 350 properties, over 290 hectares of Parks and other open spaces and has a fleet of approximately 200 vehicles, all of which are maintained in a proactive manner.
- The Council works with a number of strategic partners in order to deliver its services including arc21 waste management group, the Northern Community Leisure Trust to deliver some of its leisure services and the Department for Infrastructure in connection with provision of its planning portal and management of some of its off-street carparking facilities.

## Activities and Outputs

The Council is organised into five directorates and Chief Executive's Office that are further divided into 18 service units with an aim to provide customer and outcome focussed services to residents, businesses and visitors. Although these services concentrate specialised skills around common themes, the Council endeavours to provide unified and complementary services using a range of collaborative forums, such as Corporate Leadership Team, Heads of Service Team and Service Unit Managers Forum, in addition to addressing ad hoc or specialist issues.

The Council's Planning Service relies on extensive detailed input from a range of statutory consultees that are outside the Council's authority, such as government departments, and which continue to experience resourcing issues relating to staff in post and expertise. This has had a direct impact on the processing of planning applications and, therefore, on the achievement of the statutory performance indicators.

Councillors participate in a range of regional bodies and officers participate in a wide range of local government professional groups, in order to provide co-ordination across local government in Northern Ireland.

## Outcomes

The Council, as facilitator of community planning for the Borough, works with statutory partners, government departments and the community and voluntary sector to work towards these high-level aspirational outcomes. Workstreams (formally referred to as thematic groups) have been established to help focus Council (all partners) resources on these outcomes. Workstreams have been set up for all five outcomes.

The Council's new Corporate Plan includes outcomes that are Council specific but feed into the more overarching outcomes of the Big Plan. To achieve the Council's vision of 'A Sustainable Borough', the Corporate Plan is centred on three priorities, seven outcomes and 17 strategic actions.

The seven outcomes of the Council's Corporate Plan and the five outcomes of the Borough's Big Plan align as demonstrated in the table below:

### The Big Plan Outcomes

All people in Ards and North Down ...

1. Fulfil their lifelong potential
2. Enjoy good health and wellbeing
3. Live in communities where they are respected, safe and feel secure
4. Benefit from a prosperous economy
5. Feel pride having access to a well managed sustainable environment

### Corporate Plan Outcomes

- We have an engaged Borough with citizens and businesses who have opportunities to influence the delivery of services, plans and investment
- We have opportunities for people to be active and healthy
- We have safe, welcoming and inclusive communities that are flourishing
- We have a thriving and sustainable economy
- We have a vibrant, attractive, sustainable Borough for citizens, visitors, businesses and investors
- We are an environmentally sustainable and resilient Council and Borough meeting our net zero carbon targets
- Council is a high performing organisation

The Big Plan outcomes are worked towards via numerous issue specific workstream groups. A workstream that is a sub-group of our Strategic Community Planning Partnership is focused on public estate and land issues. The purpose of this group is to share information about capital build projects and to identify areas where collaboration will improve the outcomes for our citizens. The Council has shared the review of its estate with Strategic Partners and this had led to an 'Expressions of Interest' being put forward to co-locate front facing services in, for example, the proposed Newtownards Citizen Hub. Other discussions are ongoing about the land requirements of different partners and a shared project to map land ownership on Council's Geographic Information System (GIS) portal is underway.

Aligning Corporate Plan and Community Plan outcomes has resulted in increased levels of collaboration across Council directorates to the benefit of the citizen. The Council applied to be part of the World Health Organisation's Age Friendly Programme in recognition of our ageing population. An Age Friendly Alliance has been established with representation from government departments and community planning partners. Internally, cross-directorate programmes have been developed that recognise the contribution each service makes to ensuring all people in Ards and North Down



live in communities where they are respected, safe and feel secure. Resources are being shared to develop walkability audits of public spaces that will demonstrate high levels of stakeholder engagement and that we are listening to our citizens. An Over 50s Council has been established and members have developed a new Age Friendly Action Plan that will be informed by their needs, opinions and experiences. A hard copy (and digital version) Big Guide to Age Friendly Services was produced and distributed via our Age Friendly Alliance.

A Dementia Friendly Partnership (aligned with Age Friendly) has also been established and has undertaken an extensive consultation exercise with people living with dementia and their carers. The information gathered will help the Partnership to develop an action plan for the South Eastern Health Trust area that can then be localised to reflect the support needed within Ards and North Down. Council has run internal training for front line staff, developed an e-learning module and appointed an Elected Member and Officer Dementia Friendly Champion.

Ards and North Down has been selected as the first early adopter site to take forward a whole system approach to obesity initiative being led by Public Health Agency. An evidence-based approach to decision making has been used to identify a sub-population (children between year 1 and year 8 at school) and a geographical locale (Newtownards DEA) based on the recognised link between deprivation and unhealthy weight.

Facilitation, and participating, in the community planning process has enabled the Council to use its resources to contribute to important agendas such as health reform and how local health commissioning will happen in the future. Collaboration is happening between community development, education, and the police to improve how young people have a voice via the establishment of a Youth Council. This is directly contributing to our outcome that all people in Ards and North Down fulfil their lifelong potential.

In collaboration with government departments and key stakeholders, Council has established a Labour Market Partnership (LMP) which is working to help improve employability outcomes and labour market conditions locally. The LMP works through a co-ordinated, collaborative, multi-agency approach to meet local needs, providing opportunities and pathways into employment, connecting employers with employees. The Partnership not only impacts the local economy but affords the opportunity to all people to fulfil their lifelong potential.

Having a thriving and sustainable economy is one of the key objectives of our Community and Corporate Plans. To help drive this ambition Council has collaborated with the other NI Councils to deliver a new flexible service to encourage new entrepreneurs and to support our local businesses to develop and grow.

An 'outcomes approach' is still relatively new. It relies on having access to an evidence base that can be used to measure whether the work Council and its partners are undertaking is making a difference. We have used our resources to undertake a comprehensive assessment of wellbeing that helps us identify the issues we need to focus on to contribute to the five outcomes identified.

Despite the continuing challenge of inflation the Council continued to deliver positive outcomes for residents and businesses showing a high degree of innovation and effectiveness.

How the Council spent its resources is set out in its Comprehensive Income and Expenditure statement on page [58](#).

### **Risks and Opportunities**

In all its strategic planning activities the Council identifies risk and opportunities, as well as seeking to identify mitigations and to take advantage of potential positive outcomes.

## Risks

### ✦ **Brexit**

The UK transition period formally came to an end on 31 December 2020. A number of 'grace' periods remain in operation until October 2024.

The Windsor Framework is a key piece of legislation which is being implemented in a phased approach. SOLACE continues to co-ordinate the activities of councils in this regard.

Uncertainty exists on future funding, such as access to the UK Shared Prosperity Fund, to replace EU funds, which Council has relied on to optimise delivery of many support programmes. This will put a strain on Council resources should it not be in place post March 2025 or be forthcoming in a timely manner.

### ✦ **Regional Political Situation**

After a two-year period of collapse, the Northern Ireland Assembly and Executive was restored at the end of January 2024. It is hoped this will bring increased clarity and certainty to the Council's planning in the short to medium term, especially in respect of multi-year programmes and capital projects.

Some local government services are at risk because of budget cuts that are expected due to the very tight budgetary settlement for the Executive. This uncertainty will have implications for delivery of community, economic development and regeneration activities. This funding risk is further complicated by the single year budget allocations, which creates uncertainty and prevents longer term planning.

### ✦ **Resourcing**

The Council has ambitious plans and strategies for the pursuit of prosperity in the Borough. Resourcing these plans requires finance, assets and talent. Currently, in common with many organisations, the Council is experiencing difficulties in recruiting staff and in managing rising utility costs. These pressures will inhibit the Council's ability to deliver on its plans.

Council must both prioritise, and regularly assess, its appetite and tolerance for risk in order to ensure it is fit for purpose to deliver on the objectives set.

## Opportunities

### ✓ **Sustainability commitments**

Ards and North Down Borough Council was the first local authority in Northern Ireland to declare a climate emergency and has developed a Roadmap to Sustainability (which was approved in March 2021). We view sustainability as a unique selling point for the Council, which can help us to deliver better services for residents, businesses and visitors. We are committed to integrating sustainability into all business practices moving forward and progress has been made on this throughout the reporting period ([Sustainability Case Studies](#)). 'A Sustainable Borough' is the overarching vision of the Council's new Corporate Plan (currently in draft). A **Sustainable Borough** is one where economic, environmental, and social wellbeing are interdependent and decisions that are taken are well-balanced and equitable. To deliver on this the Council has agreed three priorities, seven outcomes and 17 strategic actions that will be progressed over the four year period of the new plan (2024-28).



✓ **Belfast Region City Deal (BRCD)**

The BRCD executive body comprises this Council along with Antrim and Newtownabbey Borough Council, Belfast City Council, Lisburn and Castlereagh City Council, Mid and East Antrim Borough Council, Newry, Mourne and Down District Council, the Queen’s University Belfast and the Ulster University (the Belfast Region).

The objective of the BRCD is to deliver a step change in the region’s economic fortunes and help achieve inclusive growth. It will see the UK Government invest £350 million into the Belfast Region over the next 15 years. This figure will be matched by the Northern Ireland Executive and a further co-investment of upwards of £150 million from Belfast Region City Deal partners. By leveraging additional private sector investment, the partners will deliver a programme with an overall value well over £1 billion.

Four “pillars” for the BRCD proposition have been established:

- Employability and skills
- Innovation and digital
- Infrastructure
- Tourism and Regeneration

Ards and North Down contributes to the regional Employability and Skills programme and benefits from capital funding towards a regional digital programme and projects as outlined below.

The Council is due to receive circa £40M towards the Bangor Waterfront Redevelopment, our ambitious plans to redevelop Bangor’s beautiful seafront with new, sustainable, tourism and leisure attractions.



It will also benefit from funding to create an Innovation Hub to support creative and digital industries in the Borough.

✓ **Redevelopment of Queen’s Parade**

Bangor Marine Ltd. continues to progress plans for the Queen’s Parade and Marine Gardens areas of Bangor Waterfront. Following the award of Levelling Up funding in January 2022, the developer has outlined plans to start work on the Marine Gardens part of the site in Autumn/late 2024. To facilitate this, site clearance works were undertaken in March 2024 and Bangor Marine continues to work towards meeting the planning pre-conditions for the £50 million regeneration project.



✓ **Strategy and Resource allocation**

The Council is seeking to provide high quality services and facilities in line with its corporate priorities. Resources are allocated to ensure we can meet these objectives along with those outlined in a variety of supporting strategies.

✓ **Tourism, Economic Development and Regeneration**

The Integrated Strategy for Tourism, Regeneration and Economic Development presents a coherent vision for the pursuit of prosperity in the Borough of Ards and North Down. It responds to the vision and outcomes of the Community Plan for the area and is to be used as the common point of reference for all those contributing to the growth of our economy, the welcoming of visitors and the improvement of our places, both urban and rural.

Through targeted interventions/ programmes and one to one advice, businesses are supported throughout their business lifecycle, helping to create, sustain and grow jobs. Working in partnership, those furthest from the labour market have been supported to achieve the skills required to be employment ready. These actions have and continue to contribute to sustaining our local economy.

The development of 'Experiences' and Food Festivals has been key to broadening the portfolio of activity available to increase visitors and revenue to the Borough. Council is also delivering on the recently developed 'Borough Strategic Direction for Events' and seeing significantly higher profile across a range of key visitor engagement platforms through the delivery of the Borough 'Marketing and Communications Strategy.' Food sector development is supported via the recently revised Food and Drink Destination Development Strategy,

✓ **Arts and Heritage**

The Integrated Arts and Heritage Strategy defines how arts and heritage will help achieve Ards and North Down's cultural, social and economic ambitions by enriching its people and places and empowering its residents to make the most of their creativity.

It responds to the vision and outcomes of the Big Plan for Ards and North Down and contributes to the delivery of the Integrated Strategy for Tourism, Regeneration and Economic Development 2018 - 2030, from the arts and heritage perspective.

✓ **Roadmap to Sustainability**

The Roadmap to Sustainability summarises the key sustainability priorities and benefits that will be realised for the Borough from the successful implementation of various Council strategies and plans, either currently in place or under development.

✓ **Capital Investment Plan**

The Council uses a project prioritisation approach to assess and prioritise potential capital investments. This involves scoring each project across a range of agreed, standardised criteria, to include elements such as strategic alignment, cost and risk. The resulting ranked project list is used as a basis for decision making on which, and how many projects will progress, depending on the desired investment level.

✓ **Medium-Term Financial Strategy**

The Council continues to consider carefully financial resilience in its budgeting cycles. This budgeting process is guided by the Medium-Term Financial Strategy, which sets out nine principles and provides a framework in which to develop future budgets. These budgets for the next financial year are developed in the context of a Medium-Term Financial Plan (MTFP). In addition, the Council has developed a 10-year district rate projection to enable it to forecast the impact of its longer-term capital investment plans. The Council's new reserves and budgeting policies seek to bring greater focus on financial resilience and multi-year budgeting.

There are a range of strategic workstreams underway to assist in delivering the Big Plan and Corporate Plan. These include the development of a comprehensive Workforce Planning Strategy,

Estates Strategy Programme and Strategic Transformation and Efficiency Programme including the agreement of a new digital strategy.

## Performance

### FINANCIAL

The results for the year are set out in the Comprehensive Income and Expenditure Statement and reflect the accounting deficit for the year to comply with International Financial Reporting Standards (IFRS). A number of adjustments are then made to this (see note 4 on page 90) to arrive at the actual surplus for the year on the Council's General Fund, as shown in the Movement in Reserves Statement (pages 59-60) and summarised below:

	2023/24	2022/23
	£'000	£'000
Cost of Services on Continuing Operations	(67,170)	(71,268)
Other Operating Expenditure or Income	19	55
Financing and Investment Income & Expenditure	(1,076)	(3,404)
Taxation and Non-Specific Grant Income	63,382	62,921
<b>Surplus/(Deficit) on the Provision of Services</b>	<b>(4,485)</b>	<b>(11,696)</b>
Adjustment between Accounting and Funding bases	6,086	8,982
Net Transfers (to) or from Reserves and Funds	(417)	2,670
<b>Surplus / (Deficit)</b>	<b>824</b>	<b>(44)</b>
Balance brought forward	5,444	5,488
<b>General Fund Balance at 31 March</b>	<b>6,268</b>	<b>5,444</b>

The reduction in both the cost of continuing operations and financing and investment income have both been driven by pension related transactions which are explained in Note 22. Lower than budgeted expenditure and stronger service income have allowed the Council to bolster the General Fund balance to its target of 7.5% of gross expenditure, and also set aside further amounts in the three strategic funds for transformation, sustainability and tax base development, which now represent more than 60% of Council's Earmarked Fund.

The Council's General Fund carried forward is £6.3M (equivalent to 7.6%) of gross revenue expenditure, up from 6.1% at 31 March 2023). This level meets the target set in the Council's reserve policy.

The Council's Balance Sheet at 31 March 2024 (page 61) shows a net worth of £215.4M, an increase of £4.1M from the 31 March 2023 balance sheet. This is largely attributable to:

- the net increase in value of Long Term Assets (£11M);
- the decrease in outstanding loans (£4.1M); and

The Council participates in the Local Government Pension Scheme (Northern Ireland), commonly referred to as Northern Ireland Local Government Officers Superannuation Committee, or 'NILGOSC'. This Council has a surplus in the defined benefit plan at the accounting date. In accordance with IFRIC 14 the Council should measure the net defined benefit asset at the lower of

the surplus in the defined benefit plan (£18,175,000) and the asset ceiling which is the future economic benefits available to the Council in the form of a reduction in future contributions or a cash refund. Aon have calculated the asset ceiling to be £Nil hence a £18,174,500 asset is not recognised in the balance sheet. A pension liability of £747,000 relating to the Council has been appropriately reflected in these financial statements. Details regarding the pension liability are in Note 22 (Page [111](#)).

The Council's Usable Reserves at 31 March 2024, with a comparison to the opening position, is set out in the following table:

Reserves:	31 March 2024 £'000	31 March 2023 £'000
General Fund	6,268	5,443
Capital Receipts Reserve	3,225	3,656
Capital Grants Unapplied Account	4,936	5,032
Revenue Grants Unapplied Account	159	867
Other Earmarked Funds	11,167	10,750
<b>TOTAL</b>	<b>25,754</b>	<b>25,748</b>

Notes are provided within the Financial Statements to explain material changes.

### Capital Investment

In order to enhance the services it provides, the Council has an ambitious Capital Investment Programme representing around £261M over the next 10 years. This level of investment is dependent on £99M external funding being secured. These plans will be subject to review in the normal course of business as part of the normal budgeting cycles, in respect of affordability, sustainability and prudence. This is particularly important in the context of the high inflationary economic environment. As part of this Capital Investment Programme, expenditure on capital projects during the 2023/24 financial year included:




Capital Scheme	£000
Vehicles, Plant, Equipment and Software	2,900
Bangor Waterfront	1,492
Sports Facilities and Equipment	747
Portaferry Public Realm	551
Greenways, Parks and Play Parks	347
Other Minor Schemes	475
<b>Total</b>	<b>6,512</b>

Details of how the Council has funded its capital expenditure are set out in Note 13 (page [103](#)). Information on capital commitments relating to capital projects is set out in Note 14 (page [103](#)) and information in respect of funding which Council has received in advance is detailed in Note 24 (page [117](#)).

## Non-Financial

Each year the Council publishes its [Annual Performance Report](#). This self-assessment is to account for its improvement activity for that year and review performance against the Improvement Objectives set in the preceding year. The report reflects on the performance on the delivery of our agreed Improvement Objectives and supporting actions for the year in review.

Additionally, the Council monitors performance of its key indicators against each of its Service delivery plans with RAG performance for each corporate theme for the year being:

Corporate Priority	Green 	Yellow 	Red 
Prosperity	28	0	13
Environment	15	1	7
Opportunity	16	0	8
Pride	7	0	2
Life	16	2	2
Excellence	153	22	60

## Outlook

The resilience of the Council has improved with the attainment of the reserves policy target for the General Fund balance. However, the outlook remains challenging as there are pressures within the tax base which affects Council's ability to generate income from the district rates. These are exacerbated by the cost pressures within salaries budgets (because of nationally agreed pay settlements being driven by increases to the National Living Wage and the increase in employer pension contributions), a significant increase in landfill tax proposed, the ongoing revenue costs associated with new capital investment projects and recruitment difficulties due to a shortage of talent.

In addition to these aspects, Council faces additional costs in order to attain targets set out in the Climate Change Act (NI) 2022. These remain difficult to estimate but will likely have a significant impact on both revenue and capital expenditure.

In order to mitigate these pressures Council has agreed strategic workstreams in connection with waste management, outsourcing options and organisational structure review. These will be taken forward as part of the Strategic Transformation and Efficiency Programme.

As capital investment increases in line with the Capital Investment Plan, the Council may see its borrowing increase from the current level of £60M to around £80M in 2027 and £134M by 2034. This will be kept under review at each future budgeting cycle and as projects progress.

## Basis of preparation

Information is considered material "if omitting it or misstating it could influence decisions that users make on the basis of financial information." Consequently, items of differing magnitude may both be regarded as material given their differing contexts.

These financial statements have been prepared on a going concern basis as required by the Code. The Council's useable reserves remain strong over the course of its medium term planning horizon. When combined with its ability to raise income through the district rates, the Council considers that in addition to the statutory going concern requirement it has secured its financial situation in practice.

### **Material and Unusual Items**

As noted above, the movement in pension liabilities is a material movement although treated in line with normal practices. Further information is set out in note 22 on [page 111](#)

Late in the financial year the then Chief Executive, Stephen Reid, informed the Mayor of his decision to take early retirement from the Council at the end of May 2024. This led to the appointment of an Interim Chief Executive on 27<sup>th</sup> April 2024 and following the recruitment process to find a permanent replacement the appointment of Susie McCullough as Chief Executive for Ards and North Down Borough Council from 1<sup>st</sup> June 2024.

In accordance with regulations the Chief Executive as Chief Financial Officer of Ards and North Down Borough Council is responsible for the preparation of the Council's Statement of Accounts and hence Susie McCullough will sign off the 2023/24 Financial Statements.



# Statement of Responsibilities

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

## **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 Executive and Chief Financial Officer on 23 September 2024.

## **The Chief Financial Officer's Responsibilities**

Under Regulation 8(2) 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 judgments and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

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



# Governance Statement

## Scope of Responsibility

The Council is responsible for ensuring that there is a sound system of governance (including a good system of internal control) to allow it to act in the public interest by:

- enabling its business to be conducted in accordance with the law and proper standards; and
- ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act (Northern Ireland) 2014 to make arrangements to secure continuous improvement in the exercise of its functions.

In discharging these overall responsibilities, 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 is required to prepare an Annual Governance Statement, in accordance with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016). This statement explains how the Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

## The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and the activities through which it engages with, leads and gives account to 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, cost-effective services.

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 on-going 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

This section describes the key elements of the systems and processes that comprise the Council's governance arrangements.

### **1. Arrangements for reviewing the Council's vision and its implications for the Council's governance arrangements**

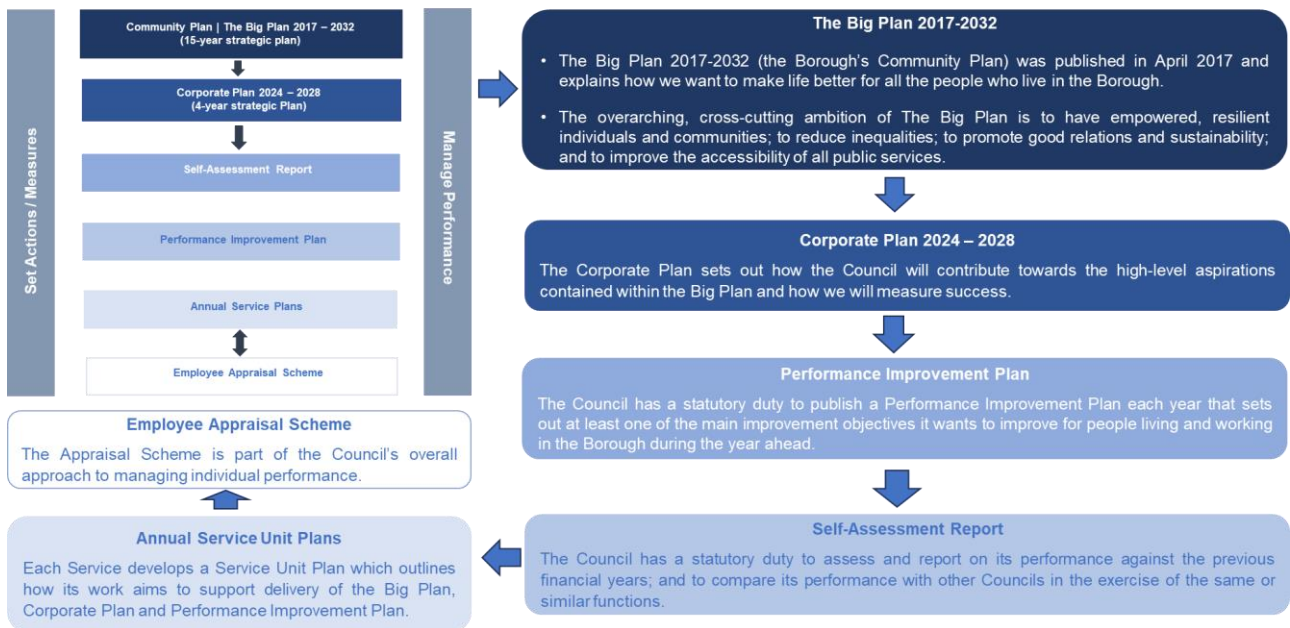
Following extensive consultation and collaboration, the Council has developed a new Corporate Plan. This is currently in draft form but is at an advanced stage. The Corporate Plan 2024-2028 aligns with the aspirations of the area's first community plan – the 'Big Plan'. The Big Plan is the sovereign plan for Ards and North Down and measures the wellbeing of the population of Ards

and North Down via the Big Plan whole population indicators and an outcomes based accountability approach.

The Corporate Plan serves as the Council's strategic framework, setting out the Council's vision to work towards becoming A Sustainable Borough. The Big Plan population indicators are replicated within the Council's Corporate Plan.

The new Corporate Plan has been developed around a vision (A Sustainable Borough), of three priorities (economic, environmental and social), seven outcomes and 17 strategic actions. Council performance indicators are included to track progress towards the vision.

### Strategic Context of Corporate Plan



Ards and North Down's Community Plan is known as 'the Big Plan'. It has been developed following extensive engagement with the citizens of Ards and North Down using 'The Big Conversation' initiative to identify the long-term vision they would like to see achieved over the next 15 years. This engagement mechanism will continue to be used to consult with people on how implementing the Big Plan will improve the delivery of all public services. The Big Plan provides a commitment from 15 strategic partners covering a range of issues including transport, housing, environment, policing and health. The Big Plan and its implementation were reviewed and the Big Plan Part II | Our Big Priorities was published 5 years after the publication of the Big Plan. A year's extension to a legally required review was provided due to resources being diverted to support communities dealing with COVID-19. The five outcomes from the Big Plan are now supported by 10 priorities. A Big Conversation Panel was used to confirm the most important issues for residents are recognised by the 10 priorities.

The Big Plan gives the context for the Corporate Plan (available on the Council website [here](#)) and the Council's first Local Development Plan, which is still being prepared.

Each of the Council's Services have agreed and published Service Plans against which they report to their Standing Committee. Each Plan is aligned to the Council's Corporate objectives and monitoring of performance is managed through the Council's Performance Reporting software. The system tracks a wide range of Key Performance Indicators on a half-yearly and annual basis and reports progress on a RAG (Red Amber Green) basis, providing visibility of same to the Chief Executive, Directors and Heads of Service.

The Council's Corporate Services Committee has responsibility for overseeing the performance management process and agreeing the Council's statutory Performance Improvement Plan (PIP) for Council approval. The Council's Audit Committee receives reports on PIP performance, ensuring that progress in each of the key areas is carefully monitored. The PIP is a mechanism to identify key interventions to better achieve the outcomes set out in the Council's Corporate Plan. It also fulfils the Council's statutory obligations as set out in the Local Government Act (Northern Ireland) 2014.

## **2. Arrangements for identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users**

The Corporate Plan 2024 – 2028 serves as the Council's strategic framework for our Council's vision to be a **Sustainable Borough**. The plan is driven by three corporate priorities:

1. Economic;
2. Environmental; and
3. Social.

The three priorities are internationally recognised as the three components of sustainability. These, and our vision, are ambitious and extend beyond the life span of the Corporate Plan, which also aligns with the long-term aspirations of the Borough's Community Plan (The Big Plan 2017-2032).

Each year Council Service Unit identifies, in their Service Plans, improvement actions that are driven by:

- Priorities identified in the Corporate Plan, which are based on input from Elected Members, officers and wider consultation;
- Feedback from ratepayers, residents and stakeholders arising from the "Big Conversation" community planning engagement project and Conversation Panel surveys;
- Feedback from residents via the biannual residents survey;
- Output from workshops involving the Corporate Leadership Team and Heads of Service Team; and
- A review of Service Plans.

The Performance Improvement Plan is subject to, and informed by, public consultation, also involving statutory and Community Planning partners, our Consultative Panel on Equality and Good Relations; Equality Scheme Consultees; a range of hard-to-reach groups; and the Chambers of Trade for Bangor and the four towns in the Borough.

At the end of the financial year, we will publish an assessment of the Council's performance.

## **3. Arrangements for measuring the quality of services, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources**

The new Corporate Plan contains whole population indicators aligned with the Big Plan indicators. It also contains council specific performance indicators and targets that will be

reviewed annually to ensure the activities included in the service plans are appropriate in order to meet the strategic commitments made.

Individual Council Services monitor their performance on a twice yearly basis to ensure that they maintain customer satisfaction levels. The Council has in place performance reporting software that links key performance indicators (KPIs) via Service Plans to the Council's overall objectives and shows progress against same.

The Council is subject to audit by the Local Government Auditor, within the Northern Ireland Audit Office. The scope of auditors' work covers not only the audit of the Council's Financial Statements, but also aspects of corporate governance, arrangements to secure the economic, efficient and effective use of resources and an audit and assessment of the Council's PIP. The Local Government Auditor publishes an annual report on the results of both the financial audit and improvement audit which are published on the Council's website.

The Council has established a Performance Improvement Unit with responsibility for developing and implementing effective performance governance arrangements in addition to supporting projects and activities aimed at improving the better use of resources to achieve agreed outcomes.

The Council has committed to undertaking a formal survey of residents every two years to gain an insight into satisfaction levels with the organisation and the services we deliver. The information gathered is shared across all service areas and used to inform a number of performance improvement measures including our annual service plans, performance improvement plan and financial statements.

The most recent survey was undertaken in October and November 2023 and based on a representative sample of 1004 residents covering all areas of the Borough. The survey was conducted by telephone and in accordance with the ISO20252:2019 Standard.

It is encouraging to note that 83% of residents report satisfaction with the Council. The comparative figure for all Great Britain Councils in June 2023 was 60%.

- ✓ Areas for improvement (over which Council has direct control) included keeping areas clean and tidy, reducing litter; reducing fly tipping, street cleaning and keeping grassed areas weed free.
- ✓ Residents identified attracting jobs and investment into the local economy (1st); ensuring annual rate increases are kept at or below inflation (2nd) and supporting residents and businesses' health and wellbeing (3rd) as being the top priorities for the Council.
- ✓ 82% rated their most recent contact with the Council as either 'excellent' or 'good', with 85% saying they found it easy to find out about the services and benefits Council provides.
- ✓ 65% were satisfied with the level of engagement the Council offers local residents.
- ✓ Almost 7 out of 10 residents believe that given the range of services provided to residents, Ards and North Down Borough Council provides good value for money. Compared with 2021, this represents a significant improvement for the Council (up from 49% in 2021 to 69% 2023).

#### 4. Arrangements for defining and documenting the roles and responsibilities of the Council, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

As a statutory body, the Council performs a range of functions that are provided for in legislation. The Council takes overall responsibility for discharging these functions, with its performance delegated either to a Committee or an Officer. The committee structure is:



Each Committee has a defined Terms of Reference, documenting its roles and responsibilities including determining policy in its own area within the remit delegated from the Council.

The Terms of Reference of each Committee are periodically reviewed. The latest version was agreed during December 2022 to reflect the change of the Regeneration and Development Committee to become the Place and Prosperity Committee. There are also a number of established sub-committees and working groups involving Elected Members, which report to the relevant Committees.

Section 41 of the Local Government Act (Northern Ireland) 2014 requires that councils' Standing Orders must make provision requiring reconsideration of a decision if 15% of the members present make a requisition to the Chief Executive on either or both of the following grounds:

- That a decision was not arrived at after a proper consideration of the relevant facts and issues; and
- That the decision would disproportionately affect adversely any section of the inhabitants of the district.

This is commonly known as the 'call-in' procedure and is addressed by Standing Order 22 within the Council's Standing Orders.

In line with section 2 of the Local Government Act (Northern Ireland) 2014, the Council has prepared its constitution. This has been published on the Council's website [here](#).

The purpose of the constitution is to:

- enable the Council to provide clear leadership to the community, in partnership with citizens, businesses and other organisations;
- support the active involvement of citizens in the process of Council decision-making;
- help Councillors represent their constituents more effectively;
- enable decisions to be taken efficiently and effectively;



- create a powerful and effective means of holding decision-makers to public account;
- ensure that no one will review or scrutinise a decision in which they were directly involved;
- ensure that those responsible for decision-making are clearly identifiable to local people and that the decision-makers explain the reasons for decisions; and
- provide a means of improving the delivery of services to the community.

A Corporate Leadership Team (CLT), consisting of the Chief Executive and Directors, meets to make strategic decisions, while a Heads of Service Team (HoST) is responsible for operational delivery and informing strategic work.

A Corporate Project Portfolio Board (CPPB) provides oversight of the range of capital investment projects undertaken by the Council, while a Corporate Project Assurance Group (CPAG) provides additional objective scrutiny of projects on the corporate portfolio. In addition, the Council has established a Strategic Transformation and Efficiency Programme Board to oversee a programme of modernisation within the organisation and is establishing an Estates Development Programme Board to identify and deliver strategic development projects in respect of the Council estate.

The Council has also set up a Corporate Health and Safety Committee that meets quarterly, comprising Directors, Heads of Service, Service Unit Managers, the Council's Health and Safety Officer and Trade Unions representatives to ensure the streamlining of Health and Safety throughout all Council functions and to report on incidents. In addition, each Directorate has its own Health and Safety Committee.

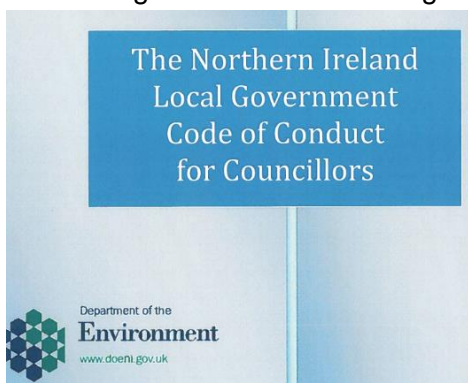
The Council is also a member of the arc21 Waste Management Joint Committee along with five other Northern Ireland Councils. The Joint Committee has delegated authority to deal with financial matters up to £250,000 and all other decisions are subject to ratification by the constituent Councils.

The responsibilities of the Chief Financial Officer are set out in the Local Government (Accounts & Audit) Regulations (Northern Ireland) 2015. Council has designated the Chief Executive as its Chief Financial Officer. In addition, the responsibilities of officers including, senior management are enshrined in job descriptions. In addition, the Council has a scheme to delegate decision making to Service Unit Manager level.

## **5. Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

The Council has a wide range of policies and procedures that are subject to on-going review and include the standards of behaviour expected from all employees. The Council has adopted the Local Government Staff Commission's Code of Conduct. All policies and procedures are communicated to employees through induction, other on-going training initiatives and are published on the intranet. Specifically, these policies include an Anti-fraud, Bribery and Corruption Policy (including a fraud response plan) and a Declarations of Interest Policy (which requires all employees at or above salary scale point 23 to declare actual or potential conflicts of interest).

Line managers have received training from the Council's Human Resources Service in relation to these HR policies. Council has an 'Employee Behaviour Charter'. Training has been provided to embed these positive behaviours into the Council's culture and the behaviours are illustrated with examples of good practice in the Council's fortnightly staff newsletter. The Council is continuing to embed its Learning and Development Strategy and staff appraisal processes with every employee. These conversations align with the Corporate Values, which are part of the Corporate Plan.



The Northern Ireland Local Government Code of Conduct for Councillors came into effect on 28 May 2014. Councillors have received training in respect of this statutory code of conduct. They have also completed declarations of interest, which are published on the Council [website](#) and which they have a legal obligation to keep up to date.

## **6. Arrangements for reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality**

The Council is committed to the effective delivery of services for the benefit of residents and users alike. A scheme of delegation to officers, with clearly defined parameters and reporting arrangements, was agreed by Council in 2019 and is currently under review.

The Council is involved in a number of strategic partnerships including Belfast Region City Deal, the 11-Council NI Enterprise Support Service branded as *Go Succeed*, the Labour Market Partnership and the Strategic Community Planning Partnership, all of which have project boards or committees in place to provide an appropriate governance structure. In addition, arc21 operates within the framework of a legally binding collaborative agreement between all of its member councils. A Joint Committee is arc21's decision making forum and is made up of 18 Elected Members (three from each of the six partner councils).

The Council, the Department for Communities and Bangor Marine Ltd have entered into a Development Agreement for the redevelopment of the Queen's Parade/ Marine gardens area of Bangor. Plans are progressing with an estimate construction start date of Autumn/late 2024. This project is overseen by a Project Board which meets regularly and progress updates are reported to the Council via the Place and Prosperity Committee.

## **7. Arrangements for reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

### *Risk Management*

In line with the Council's Risk Strategy, a Corporate Risk Register is maintained to ensure that key areas of risk that may affect delivery of our Corporate Plan are identified. To ensure a proactive approach to risk management, all corporate risks have assigned mitigations (comprising current controls and additional mitigation measures). As a live document, it is subject to change as required. This year it has undergone a root and branch review and will be reviewed by the Corporate Leadership Team (CLT) and Heads of Service Team (HoST) on a quarterly basis to ensure that it is kept up to date. It is reported to the Audit Committee twice yearly.

A second level of risk recording is performed through Service Risk Registers, which identify service specific strategic and operational risks and are incorporated into Service Plans. Periodic reviews are included within each service's management processes. In addition, biannually, each Service completes an internal governance Assurance Statement to provide assurance that the internal standard procedures, risk management and/ or control arrangements are in place. Within this statement any failure of controls or significant risks causing concern and requiring mitigation is identified.

The Council last revised its Risk Strategy in October 2021. This is currently being aligned to the Corporate Plan Toward 2024 to ensure that the Council is best equipped to deliver its future ambitions. Management training is currently underway and will be completed in the new financial year.

### Data Management

The Council aims at all times to comply with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The new data protection legislation, which came into force in May 2018, triggered the recruitment of a Data Protection Officer, whose role is defined in the legislation. Since then, data security and information management systems have been reviewed, privacy notices updated, and a significant programme of training has been delivered to management and employees, including a new comprehensive E-learning module. Business Technology has introduced additional measures to ensure data security. A new CCTV and Surveillance Equipment Policy has been developed to ensure all aspects of video and audio recordings are managed securely. This was ratified in October 2022.

The Council plans to introduce an electronic document and records management system, based on a Microsoft GDPR compliant platform, to continue to improve data management practices, data security and general compliance. A scoping exercise was carried out in 2019/20 but no further action took place pending budget cover. This action is still on the agenda for consideration as a transformation project, but timescales are not yet confirmed.

A project on scanning the title deeds associated with land belonging to the Council took place in January to May 2022. This has resulted in a comprehensive set of documents being available to all officers that require them in a timely fashion and ensures that the records are safe for the future.

A project on scanning all the files associated with Public Rights of Way took place in 2022. This has resulted in a comprehensive set of documents being available to all officers that require them in a timely fashion and ensures that the records are safe for the future. It also means that solicitors who need to access files are given digital access for a timebound period.

### Conflicts of Interest

Each member of the Council is obliged to declare any interests. These declarations are published on the Council [website](#). 'Declarations of interest' is a standard item on each Council or committee meeting agenda, with standing orders requiring that an Elected Member leaves the meeting for the duration of the item in which they have made a declaration.

The Council has also approved a Declaration of Interests Policy for employees, which requires all staff at or above a certain level to declare all interests that may result in a conflict of interest. In addition, all staff must receive written permission to have employment with another employer.

## 8. Arrangements to ensure effective accountability

### Transparency

The Council is committed to conducting its business openly and transparently. It aims to publish information in a timely and accurate manner and in accordance with its Publication Scheme. All meetings of the Council and its Committees are open for members of the public to attend. Meetings are also live streamed via the Council's YouTube channel. Minutes and audio recordings of past meetings are available on the Council's website at: [Committee and Council Meetings](#)

The Council has a very proactive social media presence, which it uses to both share information and to engage with citizens/ visitors and influencers by answering questions and addressing customer care issues. Across Facebook, Instagram, X and LinkedIn platforms the Council has over 80,000 followers.

The Council has recently invested in a digital participation platform, Citizen Lab, to improve engagement and information sharing across a number of our most significant regeneration projects. To use the platform people must register and they then have multiple ways of engaging via posting ideas, contributing to discussions, or choosing to vote and prioritise community projects. The platform offers a clear process that everyone can follow – seeing where feedback has supported or amended decisions made. This enables citizens to engage in a much more meaningful way on issues that impact upon them or the area where they live.

Citizen Lab is designed to be used alongside more traditional engagement activities such as in-person conversations, surveys, and public information sessions. On average, local government users of the system see a 12x increase in resident engagement by introducing online participation into the mix (as opposed to just using traditional methods).

### Reporting

Each of the Council's 18 services report on performance on twice yearly basis to their respective Standing Committee. Progress against the annual Performance Improvement Plan is reported to Audit Committee. An annual report is published to highlight progress against the PIP and achievement against the Corporate Plan outcomes.

Financial statements are prepared in line with the requirements of the Local Government Finance Act (Northern Ireland) 2011 and published annually. Articles 17 and 18 of the Local Government (Northern Ireland) Order 2005 and the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 give members of the public access to the books of accounts as part of the audit process.

The Council has designated officers to respond to FOIs and DSAR requests. Officers aim to respond within the statutory timeframes and as openly as possible. Where trends are identified in terms of public interest, officers seek to proactively create open data.

Council also reports annually to DfE on its statutory targets which were transferred to Council under RPA. For the target of Jobs promoted as part of business start-up activity, this is done through BCC as the lead Council for the 11 Council Enterprise Support Service.

## Performance Management

The Council has a wide range of policies and strategies to assist with the management of performance. Key documents include the Corporate Plan, Performance Improvement Plan and Service Plans, each with outcomes and indicators. All staff operate within the Appraisal Scheme



The Council has developed and adopted a performance framework called PERFORM, as illustrated in the diagram. This is in recognition that performance of the organisation is driven by a number of factors such as effective planning, the engagement of staff, allocation of resources, aligned policies and systems, effective utilisation of these in providing services, relating to our residents, customers and partners and our ability to manage resulting performance. This model provides a framework to guide our approach on each of these elements and to promote alignment of related approaches.

## Financial Management

The Council's Finance Service operates under the direction of suitably qualified and experienced accountancy professionals and within the policies and procedures framework brought forward from legacy organisations.

The Council substantially funds its services by setting a property tax for both domestic and non-domestic properties (the district rates). It sets these rates in the context of a Medium-Term Financial Strategy, including principles to guide decision making and a five-year Medium-Term Financial Plan which integrates the on-going costs of service delivery and the financial impact of the capital investment programme, taking into account external economic and legislative factors. All budgets are allocated through Directors to Heads of Service and on to Service Unit Managers for accountability purposes and are reported both on corporate bases to management and the Corporate Services Committee.

## Audit

External audit services are provided by the Local Government Auditor (LGA), a member of staff in the Northern Ireland Audit Office (NIAO), appointed to this role by the Department for Communities with the consent of the Comptroller and Auditor General. They are assisted in this role by other NIAO staff.

In addition, the auditor can undertake value for money studies and public interest investigations, as necessary.

With respect to the financial audit, a Report To Those Charged With Governance is reported to the Council's Audit Committee detailing such matters as audit findings, recommendations, and misstatements which the Local Government Auditor considers appropriate to bring to the attention of management. In addition, an annual audit letter is prepared for Council and published on the Council website.

The Improvement Audit is also carried out by the Local Government Auditor. This includes reviews of the previous year's activities and the adequacy of current year's plan. The findings from this Audit and Assessment Report together with the Certificate of Compliance are published on the Council website.

## **9. Arrangements ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.**

The Council's Anti-fraud, Bribery and Corruption Policy states that it is committed to creating an environment that:

- Minimises the risk of fraud, bribery or corruption;
- Promotes its early detection;
- Safeguards whistle-blowers; and
- Effectively investigates and recovers, where appropriate, any financial loss suffered.

To this end, the Council relies on measures such as the Northern Ireland Local Government Code of Conduct for Councillors, Code of Conduct for Local Government Services, employment references, policies and procedures (including manager review, segregation of duties, reconciliations, performance reporting and registers of interests) to embed a counter-fraud culture.

Opportunity is also taken to use the Council's intranet to communicate anti-fraud messages including the publication of NIAO fraud risk guides. In addition to highlighting these issues at periodic Service Unit Manager forums and Heads of Service meetings.

All occurrences of fraud are reported to the Northern Ireland Audit Office and Department for Communities as a matter of course and to the Audit Committee on a quarterly basis.

## **10. Arrangements ensuring effective management of change and transformation**

The Council is committed to delivering high quality services for the residents of the Borough and those who use its services.

To this effect the Council has in place a Corporate Plan to provide an overarching context and framework for its service delivery. Flowing from this each of the Council's 18 services prepare a service plan to guide the core business and to identify and progress service improvements. These service plans then form the basis of the annual Performance Improvement Plan, which is both publicly consulted on and reported against.

The Council has an approved Capital Project Management Handbook that sets out the organisation's structured capital project management approach. This is in parallel to the development of a corporate transformation programme to ensure corporate alignment of initiatives, increase the pace of delivery and provide a robust governance framework for oversight purposes. As part of its Strategic Transformation and Performance Service Council has a Performance Improvement Unit to provide support to other services as they seek to transform.

Since the year-end Council has agreed a digital strategy to give a framework to its digital transformation plans.

The Council acknowledges in its Organisational Development strategy that the successful delivery of the Council's vision requires a workforce that is truly motivated and working together for a common and meaningful purpose. To this end the Council has retained Investors in People Silver accreditation to stimulate continued progress in the nine pillars to improve performance:

As part of this strategy, each year management commit to a number of key actions in its People Plan.

The Council views partnership working a key to delivering change for the benefit of residents. The Big Plan formally establishes collaboration among the partners to deliver the Community Plan. This forum is being used to provide greater cross-working on estates issues across community planning partners. In addition, officers from across the Council maintain regular contact with colleagues in other organisations to address areas of common concern, and as a result participates in several inter-council procurement exercises. The Big Conversation Panel was used to gather the views of residents to develop the Big Plan and has been used to gather feedback from residents to inform decisions taken by community planning partnerships. This information is shared across all community planning partners to improve local services.



**11. Compliance of financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016)**

The Chief Executive has been designated by the Council as its Chief Financial Officer. As a result, the Council complies with this statement with the exception of Principle 5. The Council does not comply with this principle because local regulations in Northern Ireland do not require the CFO to be professionally qualified accountant nor for the role to be separated from that of the Chief Executive. However, the Council's governance arrangements deliver the same impact as the CFO is supported by a suitably qualified and experienced Director and qualified staff within the Finance Service to ensure that decisions made by Council are based on sound technical knowledge and understanding.

**12. Arrangements for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

Regulatory compliance is a responsibility of all members of Corporate Leadership Team (CLT) and Heads of Service Team (HoST) and is monitored at service level to ensure that all relevant laws and regulations, internal policies and procedures are adhered to. To support this, meetings of the Council and its Committees are conducted in accordance with a set of agreed Standing Orders. It also has a range of policies arrived at following policy development procedures.

To ensure that legislative compliance is embedded for all activities, reports to Council require relevant legislation to be quoted. All major expenditure proposals are subject to review by CLT before being passed to Council and legal advice is sought where appropriate and reported to Council. In addition, all Directors, Heads of Service and Service Unit Managers are required to sign off Interim and Annual Assurance statements which provide a chain of assurance to the

Chief Executive with regard to management of risks, control failings, incidents of fraud and whistleblowing and to declare interests outside work which may give rise to conflicts of interest.

### **13. Arrangements for ensuring assurance processes conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and where they do not, explain why and how they deliver the same impact.**

The Council outsources its internal audit service and ensures conformity to the CIPFA statement in its tender requirements which require appropriately qualified and experienced staff. In addition, its approved Internal Audit Charter:

- Sets out how audit work will be carried out, based on the risk analysis and evidence;
- Sets out how audit work will be resourced; and
- Defines roles and responsibilities and explicitly grants access to management and Audit Committee. It is standard practice at committee meetings that both internal and external auditors have opportunity to address the committee in the absence of management.

### **14. Arrangements for undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities**

The Council has in place an Audit Committee whose overall purpose and objective is to assist the Council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four times each year, has responsibility for reviewing:

- The system of internal control and management of risks;
- The financial reporting process;
- The audit process;
- Progress in respect of the Performance Improvement Plan;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

In performing its duties, the Audit Committee is responsible for maintaining effective working relationships with the Council as a whole, with management and with the internal and external auditors. The committee has 11 members including one independent external representative.

### **15. Arrangements for whistleblowing and for receiving and investigating complaints from the public**

The Council is committed to the highest possible standards of openness, probity and accountability. It expects its employees, agency workers and contractors who have serious concerns about anything improper that is happening in the Council, to come forward and raise those concerns.

The Council has a whistleblowing policy in place to ensure that employees who raise concerns receive a response and are informed about how their concerns are being dealt with.



The handling of complaints is set out in the Council's Complaints Procedure, a copy of which is published on the Council's website. This has undergone a review and the Council agreed to adopt the new Northern Ireland Public Services Ombudsman Model Complaints Handling Procedure in March 2023. This was rolled out during the year and Council now publishes statistics on a quarterly basis (Customer Complaint Dashboard) 2023/24.

## **16. Arrangements for identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

New Members, whether joining Council after an election or co-option, receive induction training to ensure that they are fully aware of all key issues, including an overview of each Council Directorate, operation of the Committee system and Standing Orders and an overview of local government finance. Members of the Planning Committee have received specific training in respect of this new statutory role. The Council has been awarded Elected Member Charter accreditation. Members were given the opportunity to identify their training needs and to develop their own training plans. Members also attended courses and conferences as required during the course of the year. Council has a Member Development Steering Group and has achieved Charter Plus accreditation.

The development needs of senior officers are addressed through the staff appraisal process and the Organisational Development Strategy.

## **17. Arrangements for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

The Council is committed to establishing and maintaining strong lines of communication with all sections of the local community. All Council and Committee meetings are open to the press and public. In addition, the minutes and an audio recording are published on the Council website (except where a meeting or part thereof is held 'in committee').

Meetings are also live streamed for the press and public on the Council's YouTube channel.

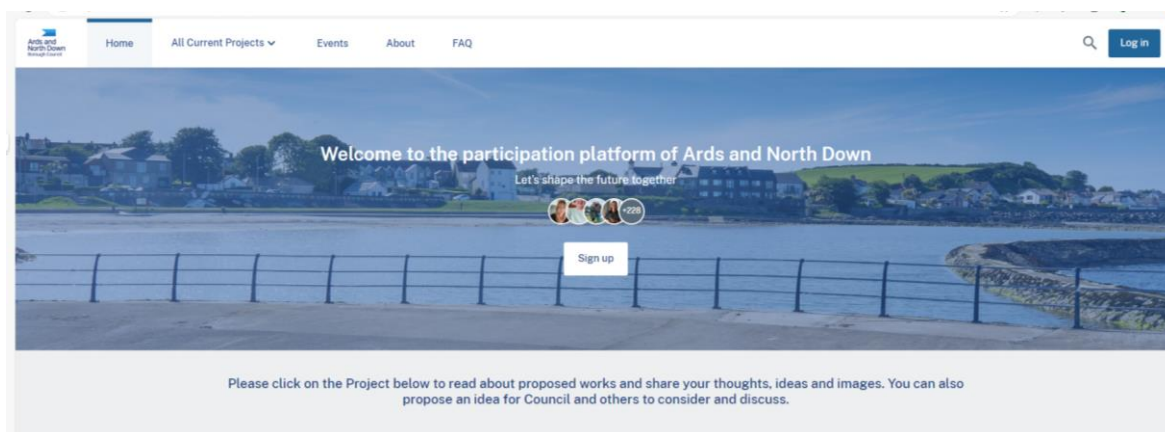
There is awareness across all Directorates that different communication channels need to be employed to ensure maximum impact, however digital platforms are particularly useful and cost effective for Council. Corporately, the Council uses Facebook, Twitter, Instagram and LinkedIn platforms, which have a combined following of over 50,000 people. Channels are updated on a daily basis. Service-specific channels operate in tourism, arts and culture, and leisure with a combined following of 33,000 people.

The Council's Gov.uk website is the main shop window for all its digital communication. Any online search for Ards and North Down will direct to this site. Council's main social media channels all refer people back to this website to deliver on calls to actions. Council ezines are also linked back to the site. Annual traffic to the site is in excess of 1.2M and growing year on year. User satisfaction with the site is high (averaging at 91% in the last two resident surveys). The site was migrated to a new web platform with enhanced functionality and a more sophisticated search engine in early 2024. At the same time, based on user feedback, content edits and additions were made to make it easier for users to find the information they need.

The Council has recently invested in a digital participation platform, Citizen Lab, to improve engagement and information sharing across a number of our most significant regeneration projects. To use the platform people must register and they then have multiple ways of engaging via posting ideas, contributing to discussions, or choosing to vote and prioritise community projects. The platform offers a clear process that everyone can follow – seeing where feedback

has supported or amended decisions made. This enables citizens to engage in a much more meaningful way on issues that impact upon them or the area where they live.

Citizen Lab is designed to be used alongside more traditional engagement activities such as in-person conversations, surveys, and public information sessions. On average, local government users of the system see a 12x increase in resident engagement by introducing online participation into the mix (as opposed to just using traditional methods).



The Council employs two officers dedicated to external communications (one for traditional channels and one for digital channels). They produce regular content for both local and regional media and undertake the daily management of the Council's website and social media channels.

All Council Services consult on their various strategies, plans and policies in the process of normal business and to comply with the Council's various statutory duties. This year a number of internal services carried out internal customer surveys to assist with refining plans.

The Council facilitates numerous groups of community representatives and individuals to communicate information on local initiatives as well as a mechanism to regularly gather feedback and co-design activity. Examples of these groups include the 3<sup>rd</sup> Sector Community Planning Forum, the Over 50s Council, the Disability Forum, Youth Council and the Consultative Panel.

## 18. Arrangements for enhancing the accountability for service delivery and effectiveness of other public service providers

The Big Plan for Ards and North Down (known as the Community Plan) is monitored and reported on via a Strategic Community Planning Partnership. There are two parts to this:

- **Statement of Progress** – The Department for Communities has produced guidance on how progress against the Community Plan should be reported. Every two years a Statement of Progress must be published to consider the impact service delivery is having on the people of Ards and North Down. The whole-population based indicators in the Big Plan (linked to the Programme for Government indicators) will be used to measure impact over time. The third Statement of Progress was published in November 2023.
- **Performance Update Report** – The review of the Big Plan and its implementation has resulted in the identification of 10 priorities that are now supported by issue specific workstreams. Most workstreams are supported by an action plan and the activities within

this are reported to the Strategic Community Planning Partnership using Report Cards developed via Outcomes Based Accountability methodology. An annual Performance Update Report is provided to the Strategic Partnership and help make partnership members collectively accountable for the impact all public services have on the people who live in Ards and North Down.

The governance arrangements for community planning in Ards and North Down are managed via a partnership agreement outlining the roles and responsibilities of those who deliver public services across all tiers of the partnership – strategic and operational. This Partnership Agreement was reviewed and updated in February 2022.

While 10 priorities were agreed by the Strategic Partnership prior to COVID-19, these were further reviewed using the Big Conversation Panel and via feedback from a Community Support Steering Group, to ensure their relevance in a post-COVID 19 world. The Big Plan Part II | Our Big Priorities is published on the Council website [The Big Plan for Ards and North Down | Ards and North Down Borough Council](#).

### **19. Arrangements for reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes and manuals, which clearly define how decisions are taken and the processes and controls required to manage risks**

Meetings of the Council and its Committees are conducted in accordance with a set of agreed Standing Orders. Any changes to these documents require formal approval by the Council.

The Standing Orders set out the formal mechanisms by which the Council regulates the conduct of its meetings and are subject to regular review and update in response to the changing environment and the needs of the Council. The Standing Orders have been reviewed and amended as and when required. The latest review was approved in April 2024.

In addition, there is a range of human resource management, financial management, procurement and project management policies and procedures in place, some of these are carried forward from legacy organisations. The Council will keep its policies and procedures under review to ensure that they provide sufficient and comprehensive coverage. The Corporate Risk Register is subject to formal update and is reported to the Audit Committee at least twice yearly, or more regularly if required.

Any suspension of Standing Orders requires approval by the Council by way of qualified majority.

### **20. Arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships.**

The Council has responsibility to initiate, maintain, facilitate and participate in community planning. The statutory partners have all agreed to a Partnership Agreement which commits them to be active participants in the community planning process and to provide relevant staff for each of the workstreams. The agreement also sets out that all partners are equal and provides rules of attendance at meetings and how decision should be made. The Partnership Agreement was reviewed, updated and endorsed by the Strategic Partnership in February 2022. Reports on the process and progress in relation to Community Planning are reported to the Council's Corporate Services Committee.

The Council also participates in arc21 Joint Committee along with five other councils in order to discharge statutory responsibilities set out in its waste management plan. This joint committee has been established as a body corporate and participating organisations have agreed to Collaboration Agreement (Terms of Agreement), which includes a statement of principles. Reports in respect of the activities of and decisions required by arc21 are brought to the Council's Environment Committee.

## General Power of Competence

The Local Government Act (Northern Ireland) 2014 gave councils a general power of competence, enabling them to take any action they consider appropriate provided the action was not prohibited by any other legislation. Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their Borough. Under the Council's Standing Orders, a qualified majority shall be required on the exercise of the general power of competence in accordance with Section 79 of the Act. This power was not used during the reporting period.

## Review of effectiveness

### A. Overview of the Review Process

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Council's CLT, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments and recommendations made by the external auditors.

Recommendations arising out of internal and external audits are agreed with management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Follow up reviews are also reported to the Audit Committee.

The Chief Executive has responsibility for preparing this Annual Governance Statement. In preparing this statement, he has considered the governance framework and system of internal controls in place. This review has been undertaken taking account of Guidance on the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 issued by the Department of the Environment in November 2015. The Chief Executive leads the Council's CLT to collectively have involvement in, and oversight of, the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interests for Councillors, the Corporate Risk Register, Statements of Assurance provided by each Head of Service and Director to the Chief Executive for year ended 31 March 2024.

The Council itself maintains overall control of the governance framework and has been involved, for example, in approving the implementation of the risk management policy and statement of assurance processes. Primary responsibility for overseeing the governance process is the responsibility of the Audit Committee as a standing committee of Council. The role of the Audit Committee extends to receiving reports from the Council's internal and external auditors to ensure that any issues raised are subject to due consideration and are addressed by CLT on a timely basis.

In considering this Annual Governance Statement, the Audit Committee has considered the review of the governance framework and system of internal controls prepared by the Chief Executive.

## B. Internal Audit

The Council's Internal Audit service is provided under contract by Deloitte Ireland LLP. Internal Audit provides an independent opinion on the adequacy and effectiveness of the Council's system of internal control. Internal Audit reports any deficiencies in internal control to the Chief Executive and Directors whose responsibility it is to consider any recommendations made and to take necessary remedial action. The results of the work of Internal Audit are also reported to the Audit Committee on a quarterly basis to ensure that continuous improvement takes place. These reports include a quarterly report on the progress being made to implement previous agreed recommendations and an annual report from the Head of Internal Audit, providing overall assurance on the systems of internal control in place.

The Council has both a four-year strategic audit plan and a one-year operational plan covering the financial year under review, both of which have been agreed by the Audit Committee following discussions with CLT and HoST. The internal audit approach is risk based and our audit plan has been developed following an audit needs assessment as detailed in the Internal Audit Strategy 2024-2027. The audit plan for 2023/24 was designed to cover the high-risk areas identified by this audit needs assessment. An executive summary of each Internal Audit report has been reported to the Audit Committee, including recommendations, management responses and an assignment to an appropriate manager for implementation by a specified date.

During 2023/24, 11 internal audits were completed, all of these were assurance reviews. A total 38 recommendations were made as follows:

Nine reviews received satisfactory assurance and two received limited assurance. Recommendations are analysed as follows:

	Priority 1	Priority 2	Priority 3	Assurance Level
Policing and Community Safety Partnership	-	1	3	Satisfactory
Emergency Planning	-	-	2	Satisfactory
Asset and Property Service	-	1	1	Satisfactory
Procurement	-	1	2	Satisfactory
Labour Market Partnership	-	-	1	Satisfactory
Finance Service	-	1	2	Satisfactory
Dog Licensing and Enforcement	-	-	4	Satisfactory
Events Management	-	-	5	Satisfactory
Absence Management	-	2	2	Satisfactory
IT General Controls	2	2	1	Limited
Vehicle Management	2	3	-	Limited
<b>Total</b>	<b>4</b>	<b>11</b>	<b>23</b>	

All Internal Audit recommendations have been accepted and each has been allocated to a responsible officer and given a timescale for implementation.

Internal Audit also track outstanding recommendations on behalf of management. Progress on implementation of these is set out in the table below. The Council has made significant progress

this year in closing overdue recommendations and is anticipating further progress in the coming year.

	Priority 1	Priority 2	Priority 3	Total
Outstanding from Prior Years	4	41	33	78
Added during the year	4	11	23	38
Closed during the year	(4)	(25)	(36)	(65)
<b>Outstanding carried forward</b>	<b>4</b>	<b>27</b>	<b>20</b>	<b>51</b>
Issues Remaining Open	1	9	5	15
Items partially implemented	0	10	12	22
Items not yet implemented	3	8	3	14

For the period under review, Internal Audit has provided a satisfactory assurance on the overall system of internal control.

The Council's internal audit contractor undertakes an annual review of the effectiveness of the Internal Audit service in line with the requirements of the Public Sector Internal Audit Standards. This review was reported by exception to the Audit Committee and proved satisfactory.

### C. Statements of Assurance

The Service Statements of Assurance have been reviewed and the following points noted:

#### **General - Identification of Risk, Monitoring and Control measures**

No key issues have been declared as not having appropriate internal controls in place beyond those having been identified by internal audit and are being worked through as part of management actions. All Services have confirmed that any risks identified have appropriate internal controls and any further actions taken, or to be taken, to adequately mitigate or resolve the risk have been identified. The Corporate Risk Register is reviewed by the Heads of Service Team and Corporate Leadership Team, assigning owners for each of the Risks.

#### **Section 1 - Strategic and Operational Risk Management**

Services report appropriate controls are currently in place and have identified satisfactory actions to review, monitor, control, mitigate and resolve issues, where appropriate.

Administration has reported that The Digital Strategy has identified the EDRMS as a priority workstream and that the existing paper files pose a risk. A filing rationalisation project is underway to ensure that Council is retaining records in accordance with our Retention and Disposal Schedule.

HR and Organisational Development has reported that an absence management action plan is in place and an Absence Dashboard has been developed to be presented to CLT and HOST on a quarterly basis.

Parks and Cemeteries have reported that cemetery grave spaces are running low, resolution of this issue is being progressed by the Cemetery Provision Project board.

Planning have escalated a service risk regarding the Local Development Plan timetabling of independent examination and ongoing issues associated with statutory consultees to the Strategic Planning Group (Department for Infrastructure) to the Corporate Risk Register.

Tourism have reported that a Fire Risk Assessment was carried out for the Ards Visitor Information Centre and that several recommendations from this are now being progressed by the Assets and Property team.

Waste and Cleansing has reported that Arc21 has been informed that the current landfill site used will close in January 2025, and therefore the award of the interim residual waste contract is critical for the Council for service delivery. Reported previously, significant financial liability risk remains an issue with hope that progress can be made. The previously reported challenge by an unsuccessful bidder regarding the tender putting in place interim measures to treat residual waste remains to be heard in the High Court.

## **Section 2 - Internal Control**

Generally, there are no key issues arising to cause significant concern or requiring immediate action.

Administration has reported that they have received the draft Northern Ireland Public Services Ombudsman guidance on dealing with promoting positive behaviour. The policy will be developed to localise this guidance to ANDBC. The review of the Land Use policy was completed in November 2023 and is now live, and the Health and Safety team have caught up on the backlog of training previously reported.

Capital Projects advised that their Capital Project Handbook and Brief Template are kept under review to ensure they are updated to reflect good practice. Work is also ongoing with the Finance Service to refine Business Case templates, and with Procurement Services or CPD, where applicable, in relation to procurement templates.

Communications and Marketing have reported on the launch of Citizen Lab which is a digital engagement platform to improve engagement and address lack of trust with key stakeholder groups. Their work is ongoing on the development of an engagement framework to achieve more consistency across Council on this matter.

HR and Organisational Development has reported that Deloitte has completed an internal audit on Absence Management. An outworking of this audit is that a report is being put in place to allow HR to inform Managers if staff are exceeding permitted flexi balances.

Economic Development reported that work was ongoing with consultants and solicitors to progress the procurement of operators for the Bangor Waterfront project.

Licencing and Regulatory Services have reported that an audit has been completed by Deloitte resulting in three outstanding Priority 3 findings relating to the system for dog licencing which are being resolved.

Leisure have reported that an unsuccessful recruitment exercise and consistent lower than acceptable staffing levels across the section is resulting in service delivery being negatively impacted and staff welfare compromised.

Strategic Transformation and Performance have reported that across the three service units within it there are three Priority 1, nine Priority 2 and nine Priority 3 recommendations which are being progressed.

Tourism have reported that the five Priority 3 recommendations that they have outstanding that will be implemented in the 2024/25 season.

Waste and Cleansing have reported that they have one Priority 2 finding and one Priority 3 finding, both of which are being addressed.

### **Section 3 - Governance**

Administration have reported that Council have approved the extinction of a Public Right of Way which may result in a Public Enquiry. They also report one instance of deviation from the Procurement Policy in a trial of digital postal services; a deviation form has been submitted.

Assets and Property Services reported that the legal action regarding construction defects at the Aurora leisure centre remains ongoing.

Communications and Marketing have reported that there was a deviation from Procurement Policy in the provision of web services for a partially funded 5-year contracted project on behalf of Tourism Northern Ireland to maintain Councils visitardsandnorthdown.com webpage, the deviation form for this was duly completed and submitted as per policy.

Economic Development have reported a deviation for the Labour Market Partnership public relations campaign which was duly reported on a deviation form.

Environmental Health Protection and Development reported that the Appeal, in the Magistrates Court, against the Council for failing to revoke caravan site licence conditions relating to unregulated access to council carparks used for overnight stops in campervans remains adjourned. The review of Council by-laws and physical barriers at the Commons Donaghadee to prevent overnight stays or provision of a compliant facility at that site, or another, is ongoing.

Finance have reported that the first payments for holiday pay arrears have been made, but aspects in connection with the payment of arrears are still being worked on by HR and Organisational Development service in conjunction with Council solicitors and the Trades Unions. A Direct Award contract has been made to facilitate the upgrade of existing software to a cloud based system; this necessitated a deviation from Procurement Policy, the deviation form has been completed.

Licensing and Regulatory Services have reported that the NET Kennelling contract was awarded to the sole quotation provided. Out of those approached, they were the only company prepared to offer this service.

Leisure have reported there were two direct awards in the project to supply new fitness equipment at Comber Leisure Centre. In addition, a deviation was reported in the repair/upgrade works for the pool in Aurora Leisure Centre as the supplier concerned is the manufacturer of the system concerned.

Planning have reported a Judicial Review of a planning approval is not resolved. Awaiting Judge's direction.

Tourism have reported a Direct Contract award for delivery of a hospitality/tourism careers takeover day as the supplier is the only one providing this.

### **Section 4 - Miscellaneous**

Finance has again reported that workload and long-term sickness have inhibited the execution of service and governance improvements and that the failure to implement a corporate information management strategy is inhibiting service efficiencies from being explored.

Parks and Cemeteries have reported that the impacts of changing weather patterns and the lessening 'seasonal' variation is effecting service delivery. This has resulted in criticism of the service with regard to grass cutting across the service and also sports pitch availability. Mitigations are planned with increased investment in drainage projects and realignment of staffing structures / maintenance schedules.



The Director of Community and Wellbeing has commented that a proposed transformation programme for Leisure is in progress and the effects of the second phase of this on the swim programme has grown income and resulted in a full complement of staff. The next phase which was proposed for Leisure and Fitness Associates in 2023 has been approved by CLT and whilst not yet implemented, the recruitment adverts which reflect this evaluation pending has resulted in the highest interest in recruitment into Leisure for five years.

## **D. Corporate Risk Register**

Within the register, management have identified five areas with significant residual risks (after current mitigating actions) regarding:

- Failure to adequately prepare for the impact of climate change on the Borough due to a lack of staff resources, political and public will and funding resulting in the failure to effectively deliver services (e.g. waste services) in line with net zero targets and obligations.
- Not achieving the Council's net zero targets due to resource and budget constraints, inadequate planning, poor monitoring of progress and lack of political and public will leading to significant financial sanctions and reputational damage for the Council.
- Decline in the Council's non-domestic tax base due to an inability to identify and/or address the root cause/s of the decline and failure of economic development initiatives leading to reduced spending power for the Council to deliver its services and potential increase in the domestic rates base to compensate and failure to achieve a position of financial resilience / sustainability.
- Failure to fulfil the Council's statutory obligations under the Burial Grounds Regulations (NI) 1992 regarding the provision of burial space due to a lack of space within current Borough cemeteries or within a specific area within the Borough resulting in reputational damage to the Council and non-compliance with the Burial Grounds Regulations (NI) 1992.
- Council's land assets are taken without permission due to a lack of resources, funding and monitoring leading to a loss of land and failure to deliver on the Council's Estates and Land and Property Strategies.

## **E. Fraud, Whistleblowing and Data Protection**

During the year there were no whistleblowing incidents nor reportable data protection breaches. One incident was reported to the Audit Committee in regard to a potential fraud in connection, but following investigation no further action was taken.

The Council has been advised on the implications of the result of the review of the effectiveness of the governance framework by the Chief Executive and plan to address weaknesses and ensure continuous improvement of the system.

### **Significant governance issues**

One of the areas which received limited assurance reviews this year (IT general controls - Digital Services) has previously received limited assurance reviews. Management are prioritising improvement in this area, with a number of recommendations already closed. Work is currently under way to align policies and procedures with ISO27001, which is the international standard for information security management. In addition, work is also proceeding to commence implementation of the recently approved Digital Strategy.

There are no other significant governance issues, although there are a number of areas where ongoing improvements can be made. These are not considered to be fundamental in nature.



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Chief Executive and Chief Financial Officer  
23 September 2024



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Chair of Audit Committee  
23 September 2024

The background features a complex geometric design. A large white triangle points towards the right, containing the title. The rest of the page is filled with halftone dot patterns in various shades of blue and green, arranged in diagonal bands. The overall aesthetic is modern and corporate.

# Remuneration Report

## 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) 2019, which came into operation on 1 October 2019.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2023 were issued by the Department for Communities on 28 November 2023 (Circular LG 23/2023). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 18 May 2023, 462 councillors were elected to 11 councils for a four-year term. Ards and North Down Borough Council had 40 councillors in 2023/24.

### Senior Employees

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

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and based on 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 in 2023/24, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019 is set out in Table 1. This is audited information.

### Independent Member – Audit Committee

Mr Paul Cummings was the independent member of the Audit Committee in 2023/24. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. A payment of £270 is paid per meeting to cover preparation and attendance plus travel and expenses.

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

Allowance	2023/24		2022/23	
	Total Allowances £	Number of Councillors receiving Allowance	Total Allowances £	Number of Councillors receiving Allowance
Basic Allowance	600,482	54*	600,778	45
Special Responsibility Allowance	21,103	32	27,958	25
Chairperson / Mayor Allowance	14,878	2	14,868	2
Vice Chairperson/ Deputy Mayor Allowance	7,114	2	7,428	2
Mileage Allowance	5,371	10	5,736	9
Other Travel Allowance	1,691	4	2,350	5
Subsistence	1,926	4	1,660	5
Training, Courses/ Conferences Visits	8,367	54	9,299	45
Dependents' Carers Allowance	-	-	-	-
Independent Member Allowance and Expenses	1,080	-	810	-
<b>TOTAL ALLOWANCES</b>	<b>662,012</b>		<b>670,887</b>	

\* During the 2023/24 financial year 54 different councillors were remunerated. 14 new councillors were elected to the Council following the election on 18 May 2023. 12 councillors either weren't re-elected or didn't stand. Two other re-elected councillors later in the year resigned from the Council and were replaced in line with legislation.

Details of the allowances paid to individual councillors in 2023/24 are published on the Council's website at [Remuneration Report | Ards and North Down Borough Council](#)

## Remuneration of Senior Employees

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

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

Officers	2023/24			2022/23		
	Salary (Full year equivalent in brackets where applicable) £'000	Benefits in kind (to nearest £100)	Total  £'000	Salary (Full year equivalent in brackets where applicable) £'000	Benefits in kind (to nearest £100)	Total  £'000
S Reid Chief Executive	130 -135	4	130 - 135	120 - 125	4	120 - 125
G Bannister DCW	95 - 100	4	95 - 100	90 - 95	4	90 - 95
D Lindsay DE	95 - 100	1	95 - 100	90 - 95	1	90 - 95
S McCullough DP	95 - 100	2	95 - 100	90 - 95	4	90 - 95
A McCullough DPr	90 - 95	1	90 - 95	20 - 25 (85 - 90)	-	20 - 25 (85 - 90)
M Steele DCS	95 - 100	1	95 - 100	15 - 20 (90 - 95)	-	15 - 20 (90 - 95)

DCW – Director of Community and Wellbeing

DE – Director of Environment

DP – Director of Place

DPr – Director of Prosperity

DCS – Director of Corporate Services

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

The banded remuneration of the highest paid member of the Corporate Leadership Team in the financial year 2023/24 was £130k - £135k. This was 4.93 times the median remuneration of the workforce, which was £26,873.

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

	<b>2023/24 £</b>	<b>2022/23 £</b>
Salary Band of Highest Paid member of the Corporate Leadership Team	130,000 – 135,000	120,000 - 125,000
Median Total Remuneration	26,873	25,227
Ratio	4.93	4.85

In 2023/24, no employees received remuneration more than the highest paid member of the Corporate Leadership Team.

Total remuneration includes salary, bonus payments (none paid) and benefits in kind (staff leisure membership and health insurance both taxed at source).

### **Salary**

“Salary” includes gross salary, overtime, taxable mileage payments and any 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 (Audited Information)**

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the compulsory and other redundancies for 2023/24 was £nil and this was the same for the 2022/23 year.

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

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

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a member’s contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and

have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2023, were as set out in Table 5 below.

**Table 5: Employee Contribution Rates**

Band	Range	Employee Contribution Rate
1	£0 - £16,900	5.5%
2	£16,901 - £26,000	5.8%
3	£26,001 - £43,400	6.5%
4	£43,401 - £52,800	6.8%
5	£52,801 - £104,700	8.5%
6	More than £104,700	10.5%

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

**Table 6: Employer Contribution Rates**

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all Councillors during 2023/24 were £115,180 (2022/23: £115,024).

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



**Table 7: Pension Benefits of senior staff in 2023/24 (audited information)**

<b>Officers</b>	<b>Accrued Pension at pension age as at 31/3/24 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/3/24</b>	<b>CETV at 31/3/23 Restated</b>	<b>Real increase in CETV</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
S Reid Chief Executive	70-75 and lump sum 110-115	2.5-5 and lump sum (2.5)-0	1,538	1,401	28
G Bannister DCW	45-50 and lump sum 65-70	1.5-2 and lump sum (2.5)-0	966	875	24
D Lindsay DE	50-55 and lump sum 70-75	1-1.5 and lump sum (2.5)-0	1,058	961	25
S McCullough DP	40-45 and lump sum 55-60	1.5-2 and lump sum (2.5)-0	854	770	24
A McCullough DPr	35-40 plus lump sum 95-100	2.5-5 plus lump sum 7.5-10	777	633	83
M Steele DCS	0-5 and lump sum nil	0-2.5 and lump sum nil	25	3	13

### **The Cash Equivalent Transfer Value (CETV)**

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

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

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




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Chief Executive  
23 September 2024

## Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2024 on pages 1 to 127 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 64 to 82.
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2024.



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Chief Executive and Chief Financial Officer  
23 September 2024

## Council Approval of Statement of Accounts

These accounts were approved by resolution of the Audit Committee on 23 September 2024.



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Chairman  
23 September 2024

# Auditor's Report

Independent Auditor's Report to the Members of Ards and North Down Borough Council

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDS AND NORTH DOWN BOROUGH COUNCIL**

## **Opinion on financial statements**

I have audited the financial statements of Ards and North Down Borough Council for the year ended 31 March 2024 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

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

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, of the financial position of Ards and North Down Borough Council as at 31 March 2024 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 Ards and North Down Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Ards and North Down Borough 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 Ards and North Down Borough 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 Ards and North Down Borough Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

## **Other Information**

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

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

I have nothing to report in this regard.

## **Opinion on other matters**

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

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2024 is consistent with the financial statements.

## **Matters on which I report by exception**

In light of the knowledge and understanding of Ards and North Down Borough 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 2023-24;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or

- the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

### **Responsibilities of the Chief Financial Officer for the financial statements**

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing Ards and North Down Borough 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 Ards and North Down Borough 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 Ards and North Down Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and

regulations I considered included the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder;

- making enquires of management and those charged with governance on Ards and North Down Borough 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 Ards and North Down Borough 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 area: posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading Council and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

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

This report is made solely to the Members of Ards and North Down Borough 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 Ards and North Down Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

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

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

**27th September 2024**



# Financial Statements

## Comprehensive Income and Expenditure Statement

For the year ended 31 March 2024

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

	Note	2023/24 £'000	2022/23 £'000
<b>Services Expenditure</b>			
Payroll and other labour	<a href="#">7</a>	37,458	41,597
Capital Financing		12,157	12,569
Waste Disposal		7,154	7,013
Maintenance		2,919	3,076
Energy		3,132	3,113
Other Expenditure		16,823	16,712
Income		(12,473)	(12,813)
<b>Cost of Services on Continuing Operations</b>	<a href="#">2</a>	<b>67,170</b>	<b>71,267</b>
Other Operating Expenditure / Income	<a href="#">8</a>	(19)	(55)
Financing and Investment Income and Expenditure	<a href="#">9</a>	1,076	3,404
<b>Net Operating Expenditure</b>		<b>68,227</b>	<b>74,616</b>
Taxation and Non-Specific Grant Income	<a href="#">10</a>	(63,382)	(62,921)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>(4,845)</b>	<b>(11,695)</b>
Surplus/(Deficit) on revaluation of non-current assets	<a href="#">12</a>	12,518	20,121
Impairment losses on non-current assets charged to the Revaluation Reserve	<a href="#">12</a>	-	(13)
Re-measurements of the Net Defined Benefit Liability/ (Asset)	<a href="#">22</a>	(3,538)	57,650
<b>Other Comprehensive Income and Expenditure</b>		<b>8,980</b>	<b>77,758</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>4,135</b>	<b>66,063</b>

## Movement in Reserves Statement

### For the year ended 31 March 2024

The Statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. 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.

	<b>General Fund</b>	<b>Other Fund Balances &amp; Reserves</b>	<b>Capital Receipts Reserve</b>	<b>Total Usable Reserves</b>	<b>Total Unusable Reserves</b>	<b>Total Council Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2023	5,444	16,649	3,656	25,749	185,509	211,258
<hr/>						
Movement in reserves during the year:						
Surplus or (deficit) on the provision of services	(4,845)	-	-	(4,845)	-	(4,845)
Other Comprehensive Income and Expenditure	-	-	-	-	8,980	8,980
<b>Total Comprehensive Income and Expenditure</b>	<b>(4,845)</b>	<b>-</b>	<b>-</b>	<b>(4,845)</b>	<b>8,980</b>	<b>4,135</b>
<hr/>						
Adjustments between accounting basis & funding under regulations	6,086	(805)	(431)	4,850	(4,862)	(12)
<b>Net Increase / (Decrease) before transfers to Statutory and Other Reserves</b>	<b>1,241</b>	<b>(805)</b>	<b>(431)</b>	<b>5</b>	<b>4,118</b>	<b>4,123</b>
<hr/>						
Transfers to/(from) Statutory and Other Reserves	(417)	417	-	-	-	-
<b>Increase/(Decrease) in Year</b>	<b>824</b>	<b>(388)</b>	<b>(431)</b>	<b>5</b>	<b>4,118</b>	<b>4,123</b>
<hr/>						
<b>At 31 March 2024</b>	<b>6,268</b>	<b>16,261</b>	<b>3,225</b>	<b>25,754</b>	<b>189,627</b>	<b>215,381</b>

## Movement in Reserves Statement

### For the year ended 31 March 2023

#### Comparative Year

	General Fund £'000	Other Fund Balances & Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Council Reserves £'000
At 1 April 2022	5,488	16,228	3,327	25,042	120,153	145,195
Movement in reserves during the year:						
Surplus or (deficit) on the provision of services	(11,696)	-	-	(11,696)	-	(11,696)
Other Comprehensive Income and Expenditure	-	-	-	-	77,759	77,759
<b>Total Comprehensive Income and Expenditure</b>	<b>(11,696)</b>	<b>-</b>	<b>-</b>	<b>(11,696)</b>	<b>77,759</b>	<b>66,063</b>
Adjustments between accounting basis & funding under regulations	8,982	3,091	330	12,403	(12,403)	-
Net Increase / (Decrease) before transfers to Statutory and Other Reserves	<b>(2,714)</b>	<b>3,091</b>	<b>330</b>	<b>707</b>	<b>65,356</b>	<b>66,063</b>
Transfers to/(from) Statutory and Other Reserves	<b>2,670</b>	<b>(2,670)</b>	-	-	-	-
<b>Increase/(Decrease) in Year</b>	<b>(44)</b>	<b>421</b>	<b>330</b>	<b>707</b>	<b>65,336</b>	<b>66,063</b>
<b>At 31 March 2023</b>	<b>5,444</b>	<b>16,649</b>	<b>3,656</b>	<b>25,749</b>	<b>185,509</b>	<b>211,258</b>

**Ards and North Down Borough Council**  
**Balance Sheet**  
**As at 31 March 2024**

	Notes	2023/24 £'000	2022/23 £'000
Fixed Assets	<a href="#">12</a>	265,989	259,122
Long Term Debtors	<a href="#">16</a>	47,635	43,391
<b>LONG TERM ASSETS</b>		<b>313,624</b>	<b>302,513</b>
Short Term Investments	<a href="#">17</a>	-	-
Inventories	<a href="#">15</a>	274	230
Short Term Debtors	<a href="#">16</a>	6,592	9,227
Cash and Cash Equivalents	<a href="#">26</a>	10,503	9,503
Assets Held for Sale	<a href="#">12f</a>	-	175
<b>CURRENT ASSETS</b>		<b>17,369</b>	<b>19,135</b>
Bank Overdraft	<a href="#">26</a>	1,686	1,305
Short Term Borrowing	<a href="#">18a</a>	2,775	4,074
Short Term Creditors	<a href="#">19</a>	7,889	5,590
Provisions	<a href="#">20</a>	-	779
<b>CURRENT LIABILITIES</b>		<b>12,350</b>	<b>11,748</b>
Long Term Creditors	<a href="#">19</a>	-	-
Provisions	<a href="#">20</a>	696	524
Long Term Borrowing	<a href="#">18b</a>	56,875	59,651
Other Long-Term Liabilities	<a href="#">22</a>	747	(3,261)
Capital Grants Receipts in Advance	<a href="#">24</a>	44,944	41,728
<b>LONG TERM LIABILITIES</b>		<b>103,262</b>	<b>98,642</b>
<b>NET ASSETS</b>		<b>215,381</b>	<b>211,258</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	<a href="#">27a</a>	3,225	3,656
Capital Grants Unapplied Account	<a href="#">27b</a>	4,935	5,032
Revenue Grants Unapplied Account	<a href="#">27c</a>	159	867
Earmarked Fund	<a href="#">27d</a>	11,167	10,750
General Fund	<a href="#">27e</a>	6,268	5,443
		<b>25,754</b>	<b>25,749</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	<a href="#">28a</a>	80,035	81,022
Revaluation Reserve	<a href="#">28b</a>	110,886	101,947
Pensions Reserve	<a href="#">28c</a>	(747)	3,261
Accumulated Absences Account	<a href="#">28d</a>	(547)	(721)
		<b>189,627</b>	<b>185,508</b>
<b>NET WORTH</b>		<b>215,381</b>	<b>211,258</b>

## Cash Flow Statement

### As at 31 March 2024

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

	Notes	2023/24 £'000	2022/23 £'000
Net surplus / (deficit) on the provision of services		(4,845)	(11,696)
Adjustment for non-cash movements	<a href="#">26a</a>	18,220	61,818
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<a href="#">26a</a>	(194)	(799)
Net cash flows from Operating Activities		13,181	49,323
Net Cash flows from Investing Activities	<a href="#">26d</a>	(8,488)	(48,394)
Net Cash flows from Financing Activities	<a href="#">26e</a>	(4,074)	(3,135)
Net increase / (decrease) in cash and cash equivalents		619	(2,206)
Cash and cash equivalents at the beginning of the reporting period	<a href="#">26b</a>	8,197	10,403
Cash and cash equivalents at the end of the reporting period		8,816	8,197

The background features a complex geometric design. A large, light-colored triangle points downwards from the top left, overlapping a darker blue triangle that points upwards from the bottom left. The right side of the image is filled with a dense, grid-like pattern of small, light blue dots on a darker blue background. The overall color palette is dominated by various shades of blue and teal, with a touch of light grey/white in the triangular shapes.

# Notes to the Financial Statements

## 1A Accounting Policies

### General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 also requires disclosure in respect of:

### Summary of Significant Accounting Policies

#### i) Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for 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) Acquisitions and Discontinued Operations

The Council has not acquired operations (or transferred operations under machinery of government arrangements) during the financial year.

The Council has not discontinued any operations (or transferred operations under combinations of public sector bodies) during the financial year.

#### iii) Provisions for Single Status, Job Evaluation and Pay and Grading Reviews

As both the legacy Councils have already completed the Pay & Grading review under Single Status there is no longer a requirement to make a provision.



# Notes to the Financial Statements

## For the year ended 31 March 2024

### iv) 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 investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management. Any bank overdrafts are shown within current liabilities on the balance sheet.

### v) Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### vi) 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.

### vii) Employee Benefits

Short-term employee benefits are those due to be settled 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, 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, flexi and time off in lieu entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

#### Termination benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required

## Notes to the Financial Statements

### For the year ended 31 March 2024

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

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

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

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

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

The change in the net pension liability is analysed into seven components as follows:

1. Within the cost of services:

- **current service cost** – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- **past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statements. The treatment of past service costs will depend on the decisions of the Council about how they are allocated to service segments;

2. Within Financing Investment Income and Expenditure:

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

## Notes to the Financial Statements

### For the year ended 31 March 2024

beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

#### 3. Within Other Comprehensive Income and Expenditure (Re-measurements):

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

#### 4. 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, appropriations are made 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.

#### 5. 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.

### **The Northern Civil Service Pension Fund**

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

# Notes to the Financial Statements

## For the year ended 31 March 2024

### viii) 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 financial statements and is usually the date the Local Government Auditor issues her 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.

### ix) 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.

### x) 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 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.

### xi) 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.

## Notes to the Financial Statements

### For the year ended 31 March 2024

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.

However, the bonds issued by the Council in 2019/20 are carried at a lower amortised cost than the outstanding principal, and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

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

#### Financial Assets

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

There are three main classes of financial assets measured at:

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

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

#### Financial Assets Measured at Amortised Cost

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

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

## Notes to the Financial Statements

### For the year ended 31 March 2024

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year - the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain 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.

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

#### Expected Credit Loss Model

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

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

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

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

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

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

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

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

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

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

# Notes to the Financial Statements

## For the year ended 31 March 2024

### xii) 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.

### xiii) 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 acquired using 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-ringfenced 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.

### 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.

## Notes to the Financial Statements

### For the year ended 31 March 2024

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 Cost of Services on Continuing Operations 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 Cost of Services on Continuing Operations 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) 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 weighted average costing formula.

Long Term revenue contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

#### xvi) 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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment 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.

#### xvii) 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 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.



## Notes to the Financial Statements

### For the year ended 31 March 2024

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

#### **The Council as Lessee**

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

Property, Plant and Equipment held under 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 charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- 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 provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a revenue provision 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 Leases:***

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

## Notes to the Financial Statements

### For the year ended 31 March 2024

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 charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- 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 will be 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 charge for the acquisition of the interest in the property is used to write down the lease asset (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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### **Operating Leases:**

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

#### **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. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as 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.

## Notes to the Financial Statements

### For the year ended 31 March 2024

Assets that are to be decommissioned i.e. 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 Summary as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

The written-off value of disposals is not a charge against District Rates, as the cost of fixed 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) Overheads and Support Services

Overheads and support services are no longer recharged to frontline services, as in previous years. This follows changes to the CIPFA code and the 'telling the story' initiative where the Comprehensive Income and Expenditure Statement is now formatted in the same manner as the Council reports internally.

#### xx) Property, Plant and Equipment

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

##### Recognition

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

##### Measurement

Assets over £5,000 are initially measured at cost, comprising:

- the purchase price;
- 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;
- 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 will not increase the cash flows of the Council. In the latter case, where the asset

## Notes to the Financial Statements

### For the year ended 31 March 2024

is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- surplus assets – the current value measurement base is fair value, estimated at the highest and best use from a market participant's perspective;
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

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

#### Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- 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); and
- where there is no balance in the Revaluation Reserve, 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.

# Notes to the Financial Statements

## For the year ended 31 March 2024

### 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 charged on a straight-line basis on each main class of asset as follows:

- buildings and infrastructure assets are depreciated on their current value over the estimated useful life of the asset as advised by a suitably qualified officer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 3 to 69 years.
- plant, vehicles and equipment are depreciated on historic cost using a life of between 3 and 30 years.
- the Council applies a full year depreciation in the year of acquisition and no depreciation in the year of disposal.

### Componentisation

Where an item of Property, Plant and Equipment 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.

### 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.

## **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. They are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations and are held by the Council in pursuit of its overall objectives in relation to the maintenance of heritage.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment (see note xviii in this summary of significant accounting policies). The Council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

The Council's capitalisation limit for this class of asset is £5,000. Due to the fluctuating nature in value of such assets, the Council will only derecognise assets once they fall below a value of £2,500.

## Notes to the Financial Statements

### For the year ended 31 March 2024

Heritage assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The Council's heritage assets can be classified into one of four main headings as follows:

#### Paintings and Drawings

It is within this category that most of the Council's heritage assets lie, the most significant of which are paintings which are on display around Bangor Town Hall in corridors and offices. The most important collections are those by James Humbert Craig and the gallery copies of Old Masters by Edwin Long. There is also a good selection of renowned Irish artists including William Conor, Maurice MacGonigal, Georgina Moutray Kyle and Charles Lamb.

#### Artefacts

Most of these items are small pieces relating to North Down from prehistory to modern day. Among the older artefacts is a fair example of a set of giant Irish elk antlers. However, the most valuable item is the Victoria Cross and other medals awarded to Commander Hon. Edward Barry Bingham for his role in the Battle of Jutland.

There are also some important artefacts relating to the families of Bangor Castle. Of interest are the Raven Maps, a 17<sup>th</sup> century folio mapping the estate of Sir James Hamilton. Other notable artefacts include the Bangor Bell, a bronze hand bell believed to be from the 9<sup>th</sup> century and some Blair Mayne memorabilia.

There are also some artefacts, mostly oriental, relating to Sir John Newell Jordan. The majority of these pieces are porcelain or china but there are also scrolls, export chests and a few bronze items including representations of Buddhas.

#### Furniture of historical interest

This not only encompasses chairs and tables but also large pieces such as cabinets and bookcases. There are a number of 17<sup>th</sup> century chairs originating from the Ward family. Of particular note is a large Regency bookcase in mahogany.

#### Other Heritage Assets

##### *Civic Regalia*

This collection consists of the Mayor's Gold Chain of Office, Deputy Mayor's Gold Chain of Office, Council Mace and other assorted items received or acquired by the Council as part of its Civic role.

##### *Statues, War Memorials and Public Art*

These encompass the Blair Mayne Statue (situated in Conway Square, Newtownards), Gillespie's Monument (situated in the Square, Comber), Cenotaph (situated in Court Square, Newtownards), the Bangor Bell Public Art piece and some other less prominent pieces.

The entire collection is relatively static, acquisitions and donations are infrequent. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation. Valuations are ascertained by a suitably experienced expert in their respective fields. However, there are some for which a nominal value is assigned as this would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. This is because of the diverse nature of the assets held and the lack of comparable values.

## 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

## Notes to the Financial Statements

### For the year ended 31 March 2024

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 and Funds

The Council sets aside specific amounts as funds for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement 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, accumulated absences and retirement 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

Charges to revenue (e.g. services, support services and trading accounts) for non-current assets are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- 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; and
- amortisation of intangible non-current assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance, referred to as Minimum Revenue Provision (MRP) in the General Fund balance. Depreciation, impairment losses and amortisations are therefore replaced by MRP 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.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### xxv) Revenue Expenditure funded from Capital under Statute (REFCUS)

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

All expenditure and income, irrespective of whether it is revenue or capital in nature, is shown net of Value Added Tax, unless it is irrecoverable.

#### xxvii) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties 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.

#### 1B Accounting Standards that have been issued but have not yet been Adopted

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



## Notes to the Financial Statements

### For the year ended 31 March 2024

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2024/25 Code). This means that only the standards listed from a) to f) below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) **IFRS 16 Leases** issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year which does include this Council).
- b) **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- c) **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) **Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- e) **International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- f) **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)** issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
  - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will

# Notes to the Financial Statements

## For the year ended 31 March 2024

not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

### 1C Critical Judgments in Applying Accounting Policies

For the 2023/24 financial year, the Council has not made any critical judgements about complex transactions or those involving uncertainty about future events.

### 1D Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### i) Insurance Claims

The Council has made a provision of £696,000 for the settlement of insurance claims, arising from claims submitted to the Council under its self-insurance scheme for public and employee liability. These claims are those that have been received since 1 April 2015 and those claims still outstanding from the legacy North Down Borough Council, which were still outstanding at 31 March 2024.

This is a general provision, based on average settlement rates and represents an estimated liability in respect of claims lodged but being strongly contested by the Council.

#### ii) Environmental Provision

The Council has utilised a provision of £50,000 in 23/24 as the remedial works to address environmental damage at a property in the Council area have now been completed. This was remediation work agreed as part of the settlement to militate against future run-off of storm water from Council land into the third party's site.

#### iii) Pensions 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. The Council's pension provider's actuaries, Aon Hewitt, are engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate would result in a decrease of 1.70% in the present value of the pension liability. Further information on the effects on the net pension liability of changes in assumptions is disclosed in note 22e on pages [115 and 116](#).

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 2a) Expenditure and Funding Analysis

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

	2023/24			2022/23		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Community & Wellbeing HQ	217,967	1,587	219,554	235,468	31,473	266,941
Environmental Health	1,959,434	33,524	1,992,958	1,945,368	450,993	2,396,361
Community & Culture	2,476,093	216,841	2,692,934	1,560,036	367,968	1,928,004
Parks and Cemeteries	4,179,407	1,525,130	5,704,537	4,197,505	2,661,724	6,859,229
Leisure	2,073,519	4,039,058	6,112,577	2,828,523	5,406,543	8,235,066
Environment HQ	204,516	3,756	208,272	413,900	33,015	446,915
Waste and Cleansing	17,208,967	1,284,934	18,493,901	16,288,904	2,524,715	18,813,609
Assets and Property Services	8,910,232	2,444,868	11,355,100	8,833,214	2,351,214	11,184,428
Regulatory Services	448,437	393,502	841,939	530,885	743,368	1,274,253
Prosperity HQ	143,813	(1,844)	141,969	33,385	4,606	37,991
Economic Dev	1,062,574	1,405,508	2,468,082	1,065,875	1,352,380	2,418,255
Planning	1,608,384	(12,318)	1,596,066	1,470,592	77,666	1,548,258
Tourism	1,545,926	57,742	1,603,668	1,625,447	193,764	1,819,211
Place HQ	165,790	178	165,968	310,788	32,183	342,971
Regeneration	1,016,835	192,009	1,208,844	954,270	296,081	1,250,351
Strategic Capital Development	415,662	12,657	428,319	193,515	77,487	271,002

**Notes to the Financial Statements**  
For the year ended 31 March 2024

	2023/24			2022/23		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Corporate Services HQ	157,183	1,391	158,574	279,112	35,639	314,751
Internal Audit	95,712	-	95,712	52,319	-	52,319
Finance	1,103,060	22,354	1,125,414	1,060,838	177,283	1,238,121
Strategic Transformation and Performance	2,148,612	158,504	2,307,116	1,904,994	334,466	2,239,460
HR & OD	1,095,903	12,992	1,108,895	1,118,950	160,850	1,279,800
Administration	4,238,773	320,915	4,559,688	4,146,600	601,518	4,748,118
Chief Executive	923,970	20,192	944,162	384,632	37,768	422,400
Community Planning	169,024	3,270	172,294	140,408	31,857	172,265
Communications and Marketing	802,528	10,841	813,369	796,788	145,463	942,251
Capital Financing	5,790,520	(5,790,520)	-	5,899,241	(5,899,241)	-
Year End Transactions	99,588	(14,965)	84,623	131,372	(54,094)	77,278
REFCUS	-	564,881	564,881	-	688,210	688,210
<b>Net Cost of Services</b>	<b>60,262,429</b>	<b>6,906,987</b>	<b>67,169,416</b>	<b>58,402,929</b>	<b>12,864,899</b>	<b>71,267,828</b>
<b>Other Income and Expenditure</b>	<b>(64,022,553)</b>	<b>1,698,301</b>	<b>(62,324,252)</b>	<b>(55,689,128)</b>	<b>(3,882,923)</b>	<b>(59,572,051)</b>
<b>(Surplus) or Deficit</b>	<b>(3,760,124)</b>	<b>8,605,288</b>	<b>4,845,164</b>	<b>2,713,801</b>	<b>8,981,976</b>	<b>11,695,777</b>
Opening General Fund			<b>5,443,473</b>			<b>5,487,523</b>
Surplus/ (Deficit) on General Fund Balance in Year			<b>1,240,731</b>			<b>(2,713,801)</b>
Transfers (to)/from Statutory and Other Reserves			<b>(416,673)</b>			<b>2,669,751</b>
<b>Closing General Fund</b>			<b>6,267,531</b>			<b>5,443,473</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 2b) 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.

<b>Adjustments between Funding and Accounting Basis</b>				
<b>2023/24</b>				
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the Pension Adjustments</b>	<b>Other Statutory/non-statutory Adjustments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community & Wellbeing HQ	-	3,601	(2,014)	1,587
Environmental Health	5,765	47,721	(19,961)	33,524
Community & Culture	193,869	32,893	(9,921)	216,841
Parks and Cemeteries	1,468,268	62,942	(6,080)	1,525,130
Leisure	3,949,606	87,913	1,539	4,039,058
Environment HQ	-	3,601	155	3,756
Waste and Cleansing	1,151,859	192,383	(59,308)	1,284,934
Assets and Property Services	2,407,176	44,039	(6,347)	2,444,868
Regulatory Services	358,376	42,499	(7,373)	393,502
Prosperity HQ	-	-	(1,844)	(1,844)
Economic Development	1,392,039	13,398	71	1,405,508
Planning	-	9,689	(22,007)	(12,318)
Tourism	42,652	19,969	(4,879)	57,742
Place HQ	-	3,601	(3,423)	178
Regeneration	182,215	12,795	(3,001)	192,009
Strategic Capital Development	-	10,963	1,694	12,657
Corporate Services HQ	-	3,182	(1,791)	1,391
Internal Audit	-	-	-	-
Finance	-	21,635	719	22,354
Strategic Transformation and Performance	140,588	17,239	677	158,504
HR & OD	-	19,031	(6,039)	12,992
Administration	265,944	62,663	(7,692)	320,915
Chief Executive	14,250	7,045	(1,103)	20,192
Community Planning	-	3,807	(537)	3,270
Communications and Marketing	13,002	13,392	(15,553)	10,841
Capital Financing	(5,790,520)	-	-	(5,790,520)
Year End Transactions	(18,965)	4,000	-	(14,965)
REFCUS	564,881	-	-	564,881
<b>Net Cost of Services</b>	<b>6,341,005</b>	<b>740,000</b>	<b>(174,018)</b>	<b>6,906,987</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>1,259,697</b>	<b>(270,000)</b>	<b>708,604</b>	<b>1,698,301</b>
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>7,600,702</b>	<b>470,000</b>	<b>534,586</b>	<b>8,605,288</b>

**Notes to the Financial Statements**  
For the year ended 31 March 2024

<b>Adjustments between Funding and Accounting Basis 2022/23</b>				
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the Pension Adjustments</b>	<b>Other Statutory Adjustments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community & Wellbeing HQ	-	31,749	(276)	31,473
Environmental Health	5,766	425,075	20,152	450,993
Community & Culture	42,307	323,815	1,846	367,968
Parks and Cemeteries	2,105,331	548,125	8,268	2,661,724
Leisure	4,688,584	727,453	(9,494)	5,406,543
Environment HQ	-	31,772	1,243	33,015
Waste and Cleansing	944,698	1,548,435	31,582	2,524,715
Assets and Property Services	1,962,974	376,867	11,373	2,351,214
Regulatory Services	383,551	366,012	(6,195)	743,368
Prosperity HQ	-	-	4,606	4,606
Economic Development	1,222,566	128,147	1,667	1,352,380
Planning	-	78,219	(553)	77,666
Tourism	27,238	176,273	(9,747)	193,764
Place HQ	-	34,167	(1,984)	32,183
Regeneration	178,979	122,101	(4,999)	296,081
Strategic Capital Development	-	72,699	4,788	77,487
Corporate Services HQ	-	48,061	(12,422)	35,639
Internal Audit	-	-	-	-
Finance	-	184,114	(8,831)	177,283
Strategic Transformation and Performance	203,818	132,829	(2,181)	334,466
HR & OD	-	159,809	1,041	160,850
Administration	60,610	548,355	(7,447)	601,518
Chief Executive	-	37,360	408	37,768
Community Planning	-	34,571	(2,714)	31,857
Communications and Marketing	12,997	125,992	6,474	145,463
Capital Financing	(5,899,241)	-	-	(5,899,241)
Year End Transactions	(55,094)	1,000	-	(54,094)
REFCUS	688,210	-	-	688,210
<b>Net Cost of Services</b>	<b>6,573,294</b>	<b>6,265,000</b>	<b>26,605</b>	<b>12,864,899</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>(4,520,208)</b>	<b>1,203,000</b>	<b>(565,715)</b>	<b>(3,882,923)</b>
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>2,053,086</b>	<b>7,468,000</b>	<b>(539,110)</b>	<b>8,981,976</b>

# Notes to the Financial Statements

## For the year ended 31 March 2024

### Adjustments for Capital Purposes

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- ii) Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices; and
- iii) Taxation and Non-Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as permitted by statute and the replacement with current service costs and past service costs;
- For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the CIES.

### Other Statutory Differences

Other statutory adjustments for services represent the accrual of absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2024 along with TOIL and flexi balances; along with the reversal of the same accrual from the previous year end.

There were no other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute.

### Other Non-Statutory Adjustments

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 2c) Segmental Income and Expenditure

Income and expenditure on a segmental basis are analysed below:

	2023/24		2022/23	
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority
	£	£	£	£
Community & Wellbeing HQ	(1,560)	-	(1,379)	-
Environmental Health	(712,813)	-	(726,967)	-
Community & Culture	(1,135,631)	(1,037)	(1,773,316)	(1,909)
Parks and Cemeteries	(654,870)	-	(530,135)	-
Leisure	(3,533,897)	(143,416)	(3,071,184)	(143,945)
Environment HQ	-	-	-	-
Waste & Cleansing Services	(1,192,456)	(58,388)	(1,186,173)	(46,662)
Assets & Property Services	(333,035)	(84,417)	(308,072)	(88,628)
Regulatory Services	(2,200,323)	-	(2,133,109)	-
Prosperity HQ	-	-	-	-
Economic Development	(969,280)	(381)	(1,030,428)	-
Planning	(893,500)	-	(949,261)	-
Tourism	(69,790)	-	(197,998)	-
Place HQ	(86,000)	-	-	-
Regeneration	41,307	-	(30,281)	-
Strategic Capital Development	-	-	(125,000)	-
Corporate Services HQ	(50)	-	(76)	-
Internal Audit	-	-	-	-
Finance	(1,900)	-	1,362	-
Strategic Transformation & Performance	(4)	-	(6,926)	-
HR & OD	-	(1,050)	(3,000)	(1,050)
Administration	(439,822)	-	(409,986)	-
Chief Executive	(53)	-	(459)	-
Community Planning	(1,000)	-	(48,389)	-
Communications and Marketing	-	-	-	-
Capital Financing	-	-	-	-
Year End Transactions	-	-	-	-
<b>Total Income Analysed on a segmental basis</b>	<b>(12,184,677)</b>	<b>(288,689)</b>	<b>(12,530,778)</b>	<b>(282,194)</b>



## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 3 Expenditure and Income Analysed by Nature

Expenditure is analysed as follows:

	Note	2023/24	2022/23 Restated
		£	£
Employee Benefits Expenses	<a href="#">7</a>	37,458,216	41,597,176
Other Services Expenditure		30,598,955	30,644,205
Depreciation, Amortisation, Impairment	<a href="#">4a</a>	11,585,611	11,839,418
Interest Payments		2,912,445	4,027,471
Other Expenditure	<a href="#">8</a>	(18,965)	(55,094)
<b>Total Expenditure</b>		<b>82,536,262</b>	<b>88,053,176</b>

Income is analysed as follows:

	Note	2023/24	2022/23
		£	£
Fees, Charges and other service Income		(12,473,366)	(12,812,971)
Interest and Investment Income		(1,836,000)	(623,011)
District rate income	<a href="#">10e</a>	(59,886,003)	(56,267,162)
Government grants and Contributions	<a href="#">10a/c/d</a>	(3,495,729)	(6,654,255)
Other Income		-	-
<b>Total Income</b>		<b>(77,691,098)</b>	<b>(76,357,399)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<a href="#">2</a>	<b>4,845,164</b>	<b>(11,695,777)</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 4 Adjustments between accounting basis and funding basis under regulations

4a) 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	2023/24 £	2022/23 £
Impairments (losses & reversals) of non-current assets	<a href="#">12a/ b</a>	-	790,375
Revaluation (increases)/decreases taken to Surplus/Deficit on the Provision of Services	<a href="#">12a/ b</a>	483,090	672,555
Depreciation charged in the year on non-current assets	<a href="#">12a/ b</a>	11,102,521	10,376,488
		11,585,611	11,839,418
Net Revenue expenditure funded from capital under statute		564,881	688,210
Carrying amount of non-current assets sold	<a href="#">26a</a>	175,204	743,648
Proceeds from the sale of PP&E, investment property and intangible assets	<a href="#">26a</a>	(194,169)	(798,742)
		545,916	633,116
Net charges made for retirement benefits in accordance with IAS19	<a href="#">22b</a>	5,480,000	12,194,000
Direct revenue financing of Capital Expenditure	<a href="#">13</a>	(5,010,000)	(296,141)
Capital Grants and Donated Assets Receivable and Applied in year	<a href="#">10</a>	(809,697)	(1,397,108)
Capital & Revenue Grants Receivable and Unapplied in year	<a href="#">27b/ 27c</a>	258,604	(3,688,814)
Adjustments in relation to short-term compensated absences	<a href="#">28d</a>	(174,018)	26,605
Statutory provision for the financing of Capital Investment	<a href="#">13</a>	(5,460,913)	(5,603,100)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	<a href="#">22b</a>	(329,607)	(4,726,000)
		(6,045,632)	(3,490,557)
<b>Total Adjustments</b>		<b>6,085,895</b>	<b>8,981,977</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 4b) Net transfers (to)/from Reserves:

	2023/24	2022/23
<b>Earmarked Fund</b>		
Interest	(504,200)	(260,468)
(From) / to General Fund	87,527	2,930,219
	<b>(416,673)</b>	<b>2,669,751</b>

## 5. The Cost of Services on continuing Operations

### 5a) General Power of Competence

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

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this without charge. The power of competence is not limited to benefiting the area or its residents nor is it limited by existing powers. The actual expenditure incurred during 2023/24 amounted to £Nil (2022/23: £Nil).

### 5b) External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, Performance Improvement Audit and other services provided by the Council's external auditors.

	2023/24	2022/23
	£	£
Statement of Accounts Audit	77,000	50,200
Performance Improvement Audit	18,000	19,000
Under/(Over) accrual in previous years	(3,000)	(5,500)
National Fraud Initiative	-	-
	<b>92,000</b>	<b>63,700</b>

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

## 6. Operating and Finance Leases

### Council as a Lessor

#### 6a) Finance Leases (Council as a lessor)

The Council has a number of properties that are leased on a finance lease with terms ranging from 99 to 10,000 years. As these are long leases they have been treated as disposals for accounting purposes in the year of granting the lease. Any ground rent collected has been recognised in the Comprehensive Income and Expenditure Statement and any residual values are considered immaterial.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 6b) Operating Leases (Council as a lessor)

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

- for the provision of community services, advice services and meeting places for clubs and societies;
- for economic development purposes to provide suitable affordable accommodation for small local businesses; and
- for income generation.

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £595,397 (2022/23: £702,745). No contingent rents were recognised.

The lease terms are between 1 and 95 years. Future minimum lease income is set out below:

	<b>2023/24</b>	<b>2022/23</b>
	£	£
<b>Minimum lease rentals receivable:</b>		
No later than 1 year	230,786	343,713
Later than 1 year and no later than 5 years	389,719	330,401
Later than 5 years	1,476,515	1,438,144
	<b>2,097,020</b>	<b>2,112,258</b>

All the assets leased out by the Council to third parties are Land & Buildings with carrying values of:

	<b>2023/24</b>	<b>2022/23</b>
	£	RESTATED £
Cost	41,316,297	42,566,485
Accumulated depreciation and impairments at 1 April	1,704,146	1,620,592
Depreciation charge for the year	(1,704,146)	(1,620,592)
Impairments/Revaluations	16,817,807	14,214,553
	<b>58,134,104</b>	<b>56,781,038</b>

With the mandatory implementation of IFRS 16 Leases as of 1 April 2024 the Council has carried out some preparatory work which has resulted in the identification of additional leases, not previously reported, now being reported. Therefore, the prior year comparatives have been restated.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Council as a Lessee

#### 6c) Finance Leases (Council as a lessee)

The Council has no finance leases where the Council is a lessee.

#### 6d) Operating Leases (Council as a lessee)

The Council has acquired vehicles and safety cameras by entering into operating leases with typical lives of 5 years for the vehicles. The Council also leases land on which some of its waste management facilities are situated (these leases are for a period of 125 years but with an option to break at the end of 30 years) and foreshore on which it has constructed a marina. The Council leases other land with lease periods varying between 3 years and 35 years. The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2023/24		2022/23 RESTATED	
	Land & Buildings £	Vehicles, Plant & Equipment £	Land & Buildings £	Vehicles, Plant & Equipment £
Minimum lease payments	346,275	12,481	346,275	12,481
Contingent rentals	-	-	-	-
Sub- lease payments receivable	(137,949)	-	(137,949)	-
	<b>208,326</b>	<b>12,481</b>	<b>208,326</b>	<b>12,481</b>

The future minimum lease payments due under operating leases in future years are set out below:

	2023/24		2022/23 RESTATED	
	Land & Buildings £	Vehicles, Plant & Equipment £	Land & Buildings £	Vehicles, Plant & Equipment £
<b>Minimum lease rentals payable:</b>				
No later than 1 year	342,756	-	345,232	-
Later than 1 year and no later than 5 years	1,354,754	-	1,360,130	-
Later than 5 years	5,743,706	-	6,061,575	-
	<b>7,441,216</b>	<b>-</b>	<b>7,766,937</b>	<b>-</b>

With the mandatory implementation of IFRS 16 Leases as of 1 April 2024 the Council has carried out some preparatory work which has resulted in the identification of additional leases, not previously reported, now being reported. Therefore, the prior year comparatives have been restated.

## Notes to the Financial Statements

For the year ended 31 March 2024

### 7. Employee Costs and Members' Allowances

#### 7a) Employee and Recruitment Agency Costs

	2023/24		2022/23 RESTATED	
	Revenue £	Capital £	Revenue £	Capital £
Salaries and Wages	26,809,059	219,461	25,454,587	195,738
Employer National Insurance	2,590,498	21,206	2,493,096	19,171
Employer Pension costs	5,052,918	41,363	4,910,330	37,759
Apprenticeship Levy	118,987	974	112,968	869
Salaries	<b>34,571,462</b>	<b>283,004</b>	<b>32,970,981</b>	<b>253,537</b>
Recruitment Agency Fees	2,240,149	-	2,258,312	-
Pension & Accumulated Absences	646,605	-	6,367,883	-
Total Employee and Recruitment Agency Costs	<b>37,458,216</b>	<b>283,004</b>	<b>41,597,176</b>	<b>253,537</b>

The Council's contribution rate to the NILGOSC scheme in 2023/24 and 2024/25 is 19%. At the last actuarial valuation, dated 31 March 2022, the Fund's assets were £10,231.1M and the past service liabilities (funding target) £9,226.7M, corresponding to a surplus of £1,004.4M and a funding level of 111% (2019: 112%).

#### 7b) Average Number of Employees

The average number of full-time equivalent (FTE) employees and the actual number of employees employed by the Council at 31 March, are set out below.

	2023/24 FTE	2022/23 FTE
Community & Wellbeing HQ	2.00	2.00
Environmental Health	40.6	45.01
Community & Culture	29.39	33.65
Leisure	98.07	96.87
Parks & Cemeteries	80.15	81.36
Environment HQ	2.00	2.00
Waste & Cleansing Services	232.31	234.08
Assets & Property Services	48.05	50.14
Regulatory Services	43.20	45.17
Chief Executive	3.00	3.00
Community Planning	2.00	3.00
Communications & Marketing	11.39	13.39
Prosperity HQ	1.00	1.00
Economic Development	14.04	11.63
Planning	40.51	39.51
Tourism	17.93	19.03
Place HQ	2.00	2.00
Regeneration	11.00	12.00
Strategic Capital Development	10.00	8.69
Corporate Services HQ	1.54	1.54
Finance	18.97	19.77
Strategic Transformation & Performance	14.00	14.00
Human Resources & Organisational Development	16.61	16.41
Administration	43.63	45.82
Data Protection	1.00	1.00
	<b>784.39</b>	<b>802.07</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

	Actual Numbers	Actual Numbers
Full-time numbers employed	620	654
Part-time numbers employed	293	256
	<b>913</b>	<b>910</b>

#### 7c) Senior Employees' Remuneration

	2023/24 Number	2022/23 Number
£70,001 to £80,000	-	1
£80,001 to £90,000	-	1
£90,001 to £100,000	5	3
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-
	<b>6</b>	<b>6</b>

See Table 2 in the Remuneration Report on Page 44 for more detailed information regarding Senior Employees' Remuneration. The Chief Executive informed the Mayor of his decision to take early retirement in February 2024 so will be retiring at the end of May 2024.

#### 7d) Members' Allowances

During the year Members' allowances, including Employer's costs, totalled £834,980. The breakdown is as follows:

	2023/24 £	2022/23 £
Basic Allowance	600,482	600,778
Mayor's & Deputy Mayor's Allowance	21,992	22,296
Special Responsibility Allowances	21,103	27,958
Dependents' Carers Allowances	-	-
Employer's Costs	174,048	315,152
Mileage	5,371	5,736
Conferences & Courses	-	-
Travel & Subsistence Costs	3,617	4,010
Miscellaneous	8,367	9,298
	<b>834,980</b>	<b>985,228</b>

#### 7e) Northern Ireland Civil Service Pension Arrangements

As a result of Reform of Local Government on 1 April 2015, 36 staff transferred from Central Government to the Council. These employees are members of the Northern Ireland Civil (NICS) Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangement is an unfunded multi-employer defined benefit scheme, but the Council is unable to identify its share of the underlying assets and liabilities. As a result of these arrangements the scheme is accounted for as a defined contribution scheme in line with the Code. The most up to date actuarial valuation was carried out as at 31 March 2020. This valuation is then reviewed by the Scheme Actuary and updated

## Notes to the Financial Statements

For the year ended 31 March 2024

to reflect current conditions and rolled forward to the reporting date of the Department of Finance Superannuation and Other Allowances Resource Accounts as at 31 March 2024.

For 2023/24, employers' contributions of £414,660 were payable to the NICS pension arrangements at one of three rates 28.7% (up to £28,899); 30.7% (£28,900 to £58,099) and 34.2% (£58,100 and over) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2020 was finalised by the Actuary during 2023. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No persons retired early on ill-health grounds and therefore no additional accrued pension liabilities were incurred during the year.

### 8. Other Operating Income & Expenditure

Surplus or Deficit on Non-Current Assets	2023/24	2022/23
	£	£
Proceeds from Sale	(194,169)	(798,742)
Carrying amount of non-current assets sold	175,204	743,648
<b>Total</b>	<b>(18,965)</b>	<b>(55,094)</b>

The surplus on non-current assets represents a gain on the disposal of those assets.

### 9. Financing and Investment Income and Expenditure

#### 9a Interest Payable and Similar Charges

	2023/24	2022/23
	£	£
Government Loan Interest	2,074,815	2,199,475
Commercial Loan Interest	331,072	362,025
Loan Interest	<b>2,405,887</b>	<b>2,561,500</b>

#### 9b Interest and Investment Income

	2023/24	2022/23
	£	£
Bank Interest	(949,324)	(209,160)
Employee Car Loan Interest	(44)	(171)
Northern Ireland Housing Executive Loan interest receivable	(30,355)	(34,084)
<b>Investment income on fund balances</b>		
Earmarked Fund	(504,200)	(260,468)
Other investment Income & Expenditure	504,200	260,468
	<b>(979,723)</b>	<b>(243,415)</b>



## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 9c Pensions Interest Cost

	2023/24	2022/23
	£	£
Net interest on the net defined benefit liability / (asset)	<u>(270,000)</u>	<u>1,203,000</u>

#### 9d Income, Expenditure and changes in Fair Value of Investment Properties

	2023/24	2022/23
	£	£
Income (including rental income)	(76,077)	(77,627)
Expenditure	2,358	2,502
<b>Net Income from investment properties</b>	<b>(73,719)</b>	<b>(75,125)</b>
Proceeds from sale	-	-
Carrying amount of investment properties transferred	-	-
<b>(Surplus)/Deficit on sale of investment properties</b>	<b>-</b>	<b>-</b>
<b>Change in fair value of investment properties</b>	<b>(6,000)</b>	<b>(41,500)</b>
<b>Total</b>	<b><u>(79,719)</u></b>	<b><u>(116,625)</u></b>

The net cost of financing and investing activities is due to the net effect of revaluations carried out on all investment properties in 2023/24.

#### Financing and Investment Income and Expenditure

	2023/24	2022/23
	£	£
Interest Payable and Similar Charges	2,405,887	2,561,500
Interest and Investment Income	(979,723)	(243,415)
Pensions Interest Cost	(270,000)	1,203,000
(Surplus) / deficit on trading operations	-	-
Other Investment Income	(73,719)	(75,125)
Changes in Fair Value of Investment Properties	(6,000)	(41,500)
<b>Total</b>	<b><u>1,076,445</u></b>	<b><u>3,404,460</u></b>

## 10. Taxation and Non-Specific Grant Income

### 10a Revenue Grants

	2023/24	2022/23
	£	£
General	(2,236,032)	(1,949,829)
Other – COVID-19 Funding	-	(184,218)
	<b><u>(2,236,032)</u></b>	<b><u>(2,134,047)</u></b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 10b Revenue Grants - Unapplied

	2023/24 £	2022/23 £
Government & Other Grants - Conditions met and not applied in year	86,000	603,143

#### 10c Capital Grants and Donated Assets - Applied

	2023/24 £	2022/23 £
Government & Other Grants - Conditions met and applied in year	(809,697)	(1,397,109)

The taxation and non-specific grant income includes the recognition of capital grants in the Comprehensive Income and Expenditure Statement, as required by the Code when the conditions attached to those grants have been satisfied.

#### 10d Capital Grants - Unapplied

	2023/24 £	2022/23 £
Government & Other Grants - Conditions met and not applied in year	(450,000)	(3,123,099)

#### 10e District Rates

	2023/24 £	2022/23 £
Current year	(60,492,243)	(55,413,519)
Finalisation – Previous Year	607,599	(853,643)
Finalisation – Other Years	(1,359)	-
<b>Totals</b>	<b>(59,886,003)</b>	<b>(56,267,162)</b>

#### Taxation and Non-Specific Grant Income

	2023/24 £	2022/23 £
District Rate Income	(59,886,003)	(56,267,162)
Revenue Grants	(2,236,032)	(2,134,047)
Capital Grants and Contributions	(1,259,697)	(4,520,208)
	<b>(63,381,732)</b>	<b>(62,921,417)</b>

#### 11 Acquired and Discontinued - Operations

The Council has not acquired or discontinued any material operations.

# Notes to the Financial Statements

## For the year ended 31 March 2024

### 12a) Fixed Assets

Cost or Valuation	Property, Plant and Equipment						Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Vehicles, Plant & Equipment	Community	PP&E Under	Surplus Assets				
	£	£	£	£	£	£	£	£	£	£
<b>At 1 April 2023</b>	29,752,554	216,192,853	23,641,262	76,178	728,773	1,930,498	2,539,533	1,410,000	1,011,994	277,283,645
Additions	-	1,097,837	3,413,976	-	1,415,383	-	-	-	19,955	5,947,151
Revaluation increases / (decreases) to RR	1,952,529	1,844,899	-	-	-	117,713	114,201	-	(10,000)	4,019,342
Revaluation increases / (decreases) to SDPS	122,121	(162,581)	-	-	(101,448)	(132,500)	(403,853)	6,000	-	(672,261)
De-recognition & Disposals	-	-	(522,948)	-	-	-	(12,000)	-	-	(534,948)
Reclassifications & Transfers	(25,000)	(154,287)	24,008	(5,983)	(24,008)	789,287	5,983	(610,000)	-	-
<b>At 31 March 2024</b>	<b>31,802,204</b>	<b>218,818,721</b>	<b>26,556,298</b>	<b>70,195</b>	<b>2,018,700</b>	<b>2,704,998</b>	<b>2,243,864</b>	<b>806,000</b>	<b>1,021,949</b>	<b>286,042,929</b>
<b>At 1 April 2023</b>	-	(5)	17,292,640	-	-	-	-	-	869,021	18,161,656
Depreciation Charge	-	8,687,944	2,366,623	-	-	-	-	-	47,954	11,102,521
Depreciation written out on RR	-	(8,481,436)	-	-	-	(7,337)	-	-	-	(8,488,773)
Depreciation written out on SDPS	-	(199,171)	-	-	-	-	-	-	-	(199,171)
Impairment losses / reversals to RR	-	-	-	-	-	-	-	-	-	-
Impairment losses / Reversals to SDPS	-	-	-	-	-	-	-	-	-	-
De-recognition & Disposals	-	-	(522,744)	-	-	-	-	-	-	(522,744)
Reclassifications and Transfers	-	7,337	-	-	-	(7,337)	-	-	-	-
<b>At 31 March 2024</b>	-	14,669	19,136,519	-	-	(14,674)	-	-	916,975	20,053,489
<b>Net Book Value At 31 March 2024</b>	<b>31,802,204</b>	<b>218,804,052</b>	<b>7,419,779</b>	<b>70,195</b>	<b>2,018,700</b>	<b>2,719,672</b>	<b>2,243,864</b>	<b>806,000</b>	<b>104,974</b>	<b>265,989,440</b>
<b>Net Book Value At 31 March 2023</b>	<b>29,752,554</b>	<b>216,192,858</b>	<b>6,348,622</b>	<b>76,178</b>	<b>728,773</b>	<b>1,930,498</b>	<b>2,539,533</b>	<b>1,410,000</b>	<b>142,972</b>	<b>259,121,988</b>

**Notes to the Financial Statements**  
For the year ended 31 March 2024

**12b) Fixed Assets – Comparative Year**

Cost or Valuation	Property, Plant and Equipment							Heritage Assets	Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Vehicles, Plant & Equipment	Community	PP&E Under	Surplus Assets	£				
<b>At 1 April 2022</b>	28,246,654	204,514,568	23,080,719	76,178	252,783	3,413,498	2,539,533	1,368,500	1,145,323	264,637,756	
Additions	-	2,614,547	1,250,536	-	555,587	30,000	-	-	47,834	4,498,504	
Revaluation increases (decreases) to RR	1,274,160	9,944,512	-	-	-	(245,983)	-	-	-	10,972,689	
Revaluation increases (decreases) to SDPS	(868,260)	25,714	-	-	(50,502)	7,983	-	41,500	-	(843,565)	
De-recognition & Disposals	-	(876,497)	(719,984)	-	-	-	-	-	(210,258)	(1,806,739)	
Reclassifications & Transfers	1,100,000	(29,991)	29,991	-	(29,095)	(1,275,000)	-	-	29,095	(175,000)	
<b>At 31 March 2023</b>	<b>29,752,554</b>	<b>216,192,853</b>	<b>23,641,262</b>	<b>76,178</b>	<b>728,773</b>	<b>1,930,498</b>	<b>2,539,533</b>	<b>1,410,000</b>	<b>1,011,994</b>	<b>277,283,645</b>	
<b>At 1 April 2022</b>	-	458,331	16,074,987	-	-	-	-	-	931,480	17,464,798	
Depreciation Charge	-	8,295,917	1,932,771	-	-	-	-	-	147,800	10,376,488	
Depreciation written out on RR	-	(8,551,208)	-	-	-	-	-	-	-	(8,551,208)	
Depreciation written out on SDPS	-	(171,010)	-	-	-	-	-	-	-	(171,010)	
Impairment losses / reversals to RR	-	12,905	-	-	-	-	-	-	-	12,905	
Impairment losses / Reversals to SDPS	-	790,375	-	-	-	-	-	-	-	790,375	
De-recognition & Disposals	-	(831,979)	(718,454)	-	-	-	-	-	(210,258)	(1,760,691)	
Reclassifications and Transfers	-	(3,336)	3,336	-	-	-	-	-	-	-	
<b>At 31 March 2023</b>	-	(5)	17,292,640	-	-	-	-	-	869,022	18,161,657	
<b>Net Book Value At 31 March 2023</b>	<b>29,752,554</b>	<b>216,192,858</b>	<b>6,348,622</b>	<b>76,178</b>	<b>728,773</b>	<b>1,930,498</b>	<b>2,539,533</b>	<b>1,410,000</b>	<b>142,972</b>	<b>259,121,988</b>	
<b>Net Book Value At 31 March 2022</b>	<b>28,246,654</b>	<b>204,056,237</b>	<b>7,005,732</b>	<b>76,178</b>	<b>252,783</b>	<b>3,413,498</b>	<b>2,539,599</b>	<b>1,368,500</b>	<b>213,843</b>	<b>247,172,959</b>	

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 12c) Intangible Assets

Intangible assets are made up of three different classes of asset:

- market trading rights which, due to their indefinite life, are not amortised;
- public path creation agreements; and
- computer software which is depreciated over a useful life of 4 years.

The net book value of each class of intangible asset at 31 March is:

	2023/24 £	2022/23 £
Market Trading Rights	90,000	100,000
Public Path Creation Agreements	7	7
Computer Software	14,966	42,965
	<b>104,973</b>	<b>142,972</b>

#### 12d) Investment Properties

There were no additions to investment properties in year but the former NIE site at Balloo Road was transferred to surplus assets.

	2023/24 £	2022/23 £
Rental Income from Investment Activities	76,077	77,627
Direct Operating expenses	(2,358)	(2,502)
<b>Net gain/(loss)</b>	<b>73,719</b>	<b>75,125</b>

#### 12e) Heritage Assets

	Artefacts £	Paintings & Drawings £	Historical Furniture £	Other £	Total Heritage Assets £
<b>Cost or Valuation:</b>					
<b>At 1 April 2023</b>	<b>669,450</b>	<b>1,286,750</b>	<b>40,000</b>	<b>543,333</b>	<b>2,539,533</b>
Additions/(Disposals)	-	-	-	-	-
Derecognitions	(3,000)	(7,000)	-	(2,000)	(12,000)
Transfers	-	-	-	5,983	5,983
Revaluations to Revaluation Reserve	141,200	(52,700)	700	25,000	114,200
Revaluations to Surplus/Deficit on the Provision of Services	10,750	(131,800)	(4,600)	(278,202)	(403,852)
<b>At 31 March 2024</b>	<b>818,400</b>	<b>1,095,250</b>	<b>36,100</b>	<b>294,114</b>	<b>2,243,864</b>

The Council's heritage assets are reported in the Balance Sheet at their most up to date insurance valuation, which is based on valuations carried out by independent experts. The latest valuation was carried out during the current financial year 2023/24. See note 1xxi for further details on the Council's policy for heritage assets.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 12f) Assets held for Sale

	<b>Assets Held for Sale Current</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or Valuation:</b>		
At 1 April 2023	175,000	175,000
Transferred from Non-Current Assets	-	-
Disposals	(175,000)	(175,000)
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>
<b>Net Book Value at 31 March 2024</b>	<b>-</b>	<b>-</b>
<b>Net Book Value at 31 March 2023</b>	<b>175,000</b>	<b>175,000</b>

During the year, Council disposed of a parcel of land at Blair Mayne Road South, Newtownards. The premium paid was £175,000.

As at 31 March 2024, no asset was identified as meeting the criteria for an asset held for sale.

#### 12h) Valuations

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with International Financial Reporting Standards (IFRS) as applied to the UK public sector and interpreted by the CIPFA Code of Practice for Local Authority Accounting, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Global Standards 2022. For the asset revaluations carried out this year, no special assumptions were made. Please refer to Note 1xx for further information on revaluation and depreciation policies.

The revaluation results for land and buildings, including an analysis of the revaluations amounts taken to the Revaluation Reserve and the Surplus or Deficit on the Provision of Services, are detailed in note 12a.

#### 12i) Impairments

Council carried out an impairment review during the year, no impairment issues were identified.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 13. Capital Expenditure and Capital Financing

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

	Notes	2023/24 £	2022/23 £
<b>Opening Capital Financing Requirement</b>		<b>76,328,196</b>	<b>79,504,458</b>
<b>Capital Expenditure:</b>			
Property, Plant & Equipment	12a/b	5,905,701	4,450,670
Intangible Assets	12a/b	41,450	47,834
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	28a	564,881	688,210
<b>Sources of Finance:</b>			
Capital receipts	27a 10c /	(625,292)	(469,179)
Capital Grants & Other Contributions	27b	(1,356,257)	(1,988,135)
Transfers from Earmarked Fund	28a	-	(6,422)
<b>Sums sets aside from Revenue:</b>			
Direct Revenue Contributions	4,27	(329,607)	(296,141)
Minimum Revenue Provision (MRP)	28a	(5,460,913)	(5,603,100)
<b>Closing Capital Financing Requirement</b>		<b>75,068,159</b>	<b>76,328,195</b>
<b>Explanation of Movements in Year</b>			
		<b>£</b>	<b>£</b>
Increase / (decrease) in underlying need to borrow		(1,260,037)	(3,176,263)
Assets acquired under leases		-	-
Assets acquired under PFI/PPP contracts		-	-
Increase/(decrease) in Capital Financing Requirement		(1,260,037)	(3,176,263)

#### 14. Future Capital Commitments

As at 31<sup>st</sup> March 2024, the Council has awarded contracts for capital schemes and other purchases totalling £2.3m, as follows:

	Gross Cost £	Grant Aid £	Net Cost £
Schemes Underway	2,200,218	(1,229,731)	<b>970,487</b>
Other Commitments	147,800	-	<b>147,800</b>
<b>Total</b>	<b>2,348,018</b>	<b>(1,229,731)</b>	<b>1,118,287</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 15. Inventories

The stock of goods held at 31 March was:

	2023/24	2022/23
	£	£
Waste Transfer Station, Bangor - Fuel	31,276	27,526
North Road Depot, Newtownards - Fuel	10,794	17,267
North Road Depot, Newtownards – Stores	89,322	88,802
North Road Depot, Newtownards – Vehicle Parts	121,704	76,207
North Down Museum & Tourist Information Shops	9,780	8,962
Bangor Visitor Information Centre	4,678	3,658
Groomsport Visitor Information Centre	648	89
Newtownards Visitor Information Centre	5,951	7,790
<b>Total</b>	<b>274,153</b>	<b>230,302</b>

The cost of inventories recognised as an expense in services at 31 March 2024 amounted to £1,547,092

#### 16. Debtors

	2023/24	2022/23
	£	£
<b>16a) Long-Term Debtors</b>		
Government Departments	-	-
Employee Car Loans	4,667	-
Capital Grants	47,233,694	42,921,457
NIHE loans <sup>1</sup>	396,354	469,554
<b>Total Long-Term Debtors</b>	<b>47,634,715</b>	<b>43,391,011</b>
<b>16b) Short-Term Debtors</b>		
Government Departments	2,130,333	3,542,547
Other Councils	122,683	232,778
Public Corporations & Trading Funds	1,610	602
Bodies External to General Government	-	27,189
NIHE loans <sup>1</sup>	73,200	70,085
Employee car loans	2,667	-
Revenue Grants	815,809	976,800
Capital Grants	1,024,649	2,353,394
Value Added Tax	663,958	540,813
Prepayments	625,489	539,856
Other	513,798	413,336
Trade receivables	742,477	638,728
Impairment loss - Trade receivables	(124,239)	(109,581)
<b>Total Short-Term Debtors</b>	<b>6,592,434</b>	<b>9,226,547</b>
<b>Total Debtors</b>	<b>54,227,149</b>	<b>52,617,558</b>

<sup>1</sup> This debtor relates to the Northern Ireland Housing Executive (NIHE) debt brought about by the local government re-organisation in 1972 with establishment of the NIHE. However, the loans relating to the assets transferred to the NIHE remain with the Council whilst interest and principal are received annually from NIHE.



# Notes to the Financial Statements

## For the year ended 31 March 2024

### 17. Investments

#### 17a) Long-Term Investments (more than 12 months)

There were no long-term investments in the reporting period.

#### 17b) Short-Term Investments (more than 3 months)

There were no short-term investments in the reporting period.

The Council also administers deposits held on behalf of third parties, namely the Ards and North Down Mayor's Charity Appeals, the Holywood District Nursing Society, and the Blair Mayne Bursary. The total balances held as at the 31 March 2024 amount to £15,129.

### 18. Borrowings

#### 18a) Short-Term Borrowing

	2023/24 £	2022/23 £
Loans re-payable within one year	2,775,070	4,073,849
Finance Lease Principal	-	-
<b>Total Short-Term Borrowing</b>	<b>2,775,070</b>	<b>4,073,849</b>

#### 18b) Long-Term Borrowing

	2023/24 £	2022/23 £
Between 1 and 2 years	3,592,853	2,775,070
Between 2 and 5 years	8,236,989	9,288,451
Between 5 and 10 years	16,207,310	16,204,366
In more than 10 years	28,838,484	31,382,812
<b>Total Long-Term Borrowing</b>	<b>56,875,636</b>	<b>59,650,699</b>
<b>Total Borrowing</b>	<b>59,650,706</b>	<b>63,724,548</b>

#### 18c) Total Borrowing by Type

	2023/24 £	2022/23 £
Annuity Repayment	21,263,884	23,314,738
Equal Instalments of Principle Borrowings	23,701,150	24,724,138
Maturity Repayment	14,685,672	15,685,672
<b>Total Borrowing</b>	<b>59,650,706</b>	<b>63,724,548</b>

Interest rates on Government Loans range between 2.51% and 9.875%. The average interest rate on all long-term borrowings is 3.87%.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 19. Creditors

##### 19a) Short-Term Creditors

	2023/24	2022/23
	£	£
Government Departments	1,208,916	616,455
Other Councils	81,419	(61,517)
Public Corporations and Trading Funds	152,682	146,606
Bodies External to General Government	34,436	32,625
Remuneration due to employees	1,188,062	777,449
Accumulated Absences	547,411	721,429
Loan Interest Payable	119,036	118,194
Capital Creditors	534,076	285,381
Receipts in advance	935,876	950,844
Trade creditors	3,087,372	2,002,074
Other	-	-
<b>Total Short Term Creditors</b>	<b>7,889,286</b>	<b>5,589,540</b>

##### 19b) Long-Term Creditors

	2023/24	2022/23
	£	£
<b>Total Long-Term Creditors</b>	-	-
<b>Total Creditors</b>	<b>7,889,286</b>	<b>5,589,540</b>

##### 19c) Payment of Invoices

The Council has a target of paying supplier invoices within 30 calendar days. During the 2023/24 financial year the Council paid 17,476 invoices totalling £44,313,891.

Invoices Paid	2023/24		2022/23
	No.	%	%
Within 30 calendar days	16,842	96%	97%
Within 10 working days	12,702	73%	78%
Outside the 30-day target	634	4%	3%
Average days to pay	14.84		14.55
Median days to pay	13		13

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 20. Provisions

Current Year:	At 1 April 2023	Increase in provision during year	Utilised during year	Unused Reversals	At 31 March 2024
	£	£	£	£	£
Insurance	493,700	411,251	(198,993)	(9,958)	696,000
Environmental	50,000	-	(50,000)	-	-
Legal	30,440	-	-	(30,440)	-
Other	729,403	-	-	(729,403)	-
	<b>1,303,543</b>	411,251	(248,993)	(769,801)	<b>696,000</b>
Current Provisions	779,403	-	(50,000)	(729,403)	-
Long Term Provisions	524,140	411,251	(198,993)	(40,398)	696,000
	<b>1,303,543</b>	411,251	(248,993)	(769,801)	<b>696,000</b>

Comparative Year:	At 1 April 2022	Increase in provision during year	Utilised during year	Unused Reversals	At 31 March 2023
	£	£	£	£	£
Insurance	423,900	380,165	(308,675)	(1,690)	493,700
Environmental	95,005	-	-	(45,005)	50,000
Legal	30,440	-	-	-	30,440
Other	681,100	48,303	-	-	729,403
	1,230,445	428,468	(308,675)	(46,695)	1,303,543
Current Provisions	776,105	48,303	-	(45,005)	779,403
Long Term Provisions	454,340	380,165	(308,675)	(1,690)	524,140
	1,230,445	428,468	(308,675)	(46,695)	1,303,543

#### Insurance Provision

The Council operates a self-insurance scheme for public and employee liability insurance and has a number of claims which require to be settled. A provision at 31 March 2024 has been made on the basis of Council's experience of settlement rates over recent years.

#### Environmental Provision

This provision relates to the need for remedial works to be undertaken to address environmental damage at a property in the Council area. This remediation work was agreed as part of the settlement to militate against future run-off of storm water from Council land into a third party's site.

#### Legal Provision

This provision relates to legal fees in relation to ongoing legal cases and potential contractual obligations.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Other

Court judgments have established the law as requiring employees to receive acknowledgement of overtime payments as part of their holiday pay entitlement calculations, which the Council acknowledges. The Northern Ireland Court of Appeal turned down an appeal by the Police Service of Northern Ireland (PSNI) regarding the potential liability arising to that organisation in this regard. This decision was appealed to the Supreme Court. The Council has a signed agreement with the recognised trade unions, however individual employees will also be required to sign compromise agreements before receiving their payment.

However, as a consequence of a mediation process entered into between NIPSA and the PSNI in relation to Agnew, NIPSA is no longer in a position, at this point, to enter into any agreement which compromises the full extent of the law as determined by the Northern Ireland Court of Appeal in Agnew. NIPSA's current position is therefore to pause any current negotiations. The matter remains as a standing item on the Joint Forum agenda.

## 21. Financial Instruments

The Council has no material exposure to any of the risk types identified below in its dealings with financial instruments.

#### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Authorised institutions for investments under the Council's Treasury Policy are assessed for financial strength and risk exposure. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by debtors and as such, there is no additional estimated exposure to default and inability to collect.

#### Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 18 and 19. All trade and other payables are due for payment within one year.

#### Market Risk

##### Interest Rate Risk

The Council finances capital expenditure in the longer term through fixed rate borrowings in line with its Treasury Management Strategy Statement and its Medium-Term Financial Plan. The Council takes out short-term loans to benefit from the very low interest rates available. This strategy is carried out with advice from the Council's treasury advisors and reviewed at the end of every term to minimise risk. In addition, Council has a limit of 30% of borrowing to be short-term in nature.

##### Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Employee Car Loans

The Council makes loans for car purchases to employees in the Council who are in posts that require them to drive regularly on the Council's business. Currently there is one employee who has a loan which is reflected in Note 16.

The following categories of financial instrument are carried in the Balance Sheet:

#### Financial Assets as at 31 March 2024

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	-	10,500,000	742,477	11,242,477
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>10,500,000</b>	<b>742,477</b>	<b>11,242,477</b>
Non-Financial Assets	-	-	-	-	-
<b>Total</b>	-	-	<b>10,500,000</b>	<b>742,477</b>	<b>11,242,477</b>

#### Financial Assets as at 31 March 2023

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	-	9,500,000	638,728	10,138,728
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>9,500,000</b>	<b>638,728</b>	<b>10,138,728</b>
Non-Financial Assets	-	-	-	-	-
<b>Total</b>	-	-	<b>9,500,000</b>	<b>638,728</b>	<b>10,138,728</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Financial Liabilities as at 31 March 2024

	Non-Current		Current		Total £
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	56,875,636	-	2,775,070	3,087,372	62,738,078
<b>Total financial liabilities</b>	<b>56,875,636</b>	<b>-</b>	<b>2,775,070</b>	<b>3,087,372</b>	<b>62,738,078</b>
Non-financial liabilities	-	-	-	-	-
<b>Total</b>	<b>56,875,636</b>	<b>-</b>	<b>2,775,070</b>	<b>3,087,372</b>	<b>62,738,078</b>

#### Financial Liabilities as at 31 March 2023

	Non-Current		Current		Total £
	Borrowings	Creditors	Borrowings	Creditors	
	£	£	£	£	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	59,650,699	-	4,073,849	2,002,074	65,726,622
<b>Total financial liabilities</b>	<b>59,650,699</b>	<b>-</b>	<b>4,073,849</b>	<b>2,002,074</b>	<b>65,726,622</b>
Non-financial liabilities	-	-	-	-	-
<b>Total</b>	<b>59,650,699</b>	<b>-</b>	<b>4,073,849</b>	<b>2,002,074</b>	<b>65,726,622</b>

#### Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required).

Except for the financial assets carried at fair value (described in the table above) all other financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Assets / Liabilities	31 March 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
<b>Financial liabilities held at amortised cost</b>	<b>59,650,706</b>	<b>55,067,079</b>	63,724,548	58,242,169
<b>Financial assets held at amortised cost</b>	<b>10,500,000</b>	<b>10,505,943</b>	9,500,000	9,509,862

# Notes to the Financial Statements

## For the year ended 31 March 2024

### 22. Retirement Benefits

#### 22a) Participation in the Northern Ireland Local Government Officers' Pension Fund

As part of the terms and conditions of employment of its 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 (commonly known as NILGOSC). 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.

#### 22b) Transactions relating to Retirement Benefits – Comprehensive Income & 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:

	2023/24 £	2022/23 £
<b>Net cost of services:</b>		
Current service cost	5,746,000	10,990,000
Past service cost/(gain)	4,000	1,000
(Gains)/Losses on settlements and curtailments	-	-
<b>Net operating expenditure:</b>		
Net Interest on the net defined liability (asset)	(270,000)	1,203,000
<b>Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>5,480,000</b>	<b>12,194,000</b>
<b>Movement in Reserves Statement:</b>		
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code	<b>(5,480,000)</b>	<b>(12,194,000)</b>
<b>Actual amount charged against the general fund balance for pensions in the year:</b>		
Employers' contributions payable to scheme	<b>5,010,000</b>	<b>4,726,000</b>
<b>Net Adjustment to the General Fund</b>	<b>(470,000)</b>	<b>(7,468,000)</b>

The service cost figures include an allowance for administration expenses of £0.13m or 2.26% of current service cost.

## Notes to the Financial Statements

For the year ended 31 March 2024

<b>Re-measurements recognised in Other Comprehensive Income and Expenditure</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Liability gains/(losses) due to change in assumptions	6,046,000	93,262,000
Actuarial gains/(losses) due to changes in demographic assumptions	2,567,000	(949,000)
Liability experience gains/(losses) arising in the year	(2,208,000)	(13,506,000)
Actuarial Gains/(Losses) on plan assets	8,232,000	(21,157,000)
Adjustment due to restriction of surplus	(18,175,000)	-
<b>Total Gains/(Losses) recognised in Other Comprehensive Income and Expenditure</b>	<b>(3,538,000)</b>	<b>57,650,000</b>

### 22c) Assets and Liabilities in relation to Retirement Benefits

<b>Reconciliation of present value of the scheme liabilities:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
<b>Balance as at 1 April</b>	163,638,000	228,776,000
Current service cost	5,746,000	10,990,000
Interest cost	7,605,000	6,132,000
Contributions by members	1,640,000	1,508,000
<b>Re-measurement (gains) and losses:</b>		
Actuarial gains/losses arising on liabilities from changes in financial assumptions	(6,046,000)	(93,262,000)
Actuarial gains/losses arising from demographic changes	(2,567,000)	949,000
Actuarial gains/losses arising on liabilities from experience	2,208,000	13,506,000
Other	-	-
Past Service Costs / (gains)	4,000	1,000
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Estimated unfunded benefits paid	(78,000)	(71,000)
Estimated benefits paid	(5,382,000)	(4,891,000)
<b>Balance as at 31 March</b>	<b>166,768,000</b>	<b>163,638,000</b>

<b>Reconciliation of present value of the scheme assets:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
<b>Balance as at 1 April</b>	166,899,000	181,855,000
Interest Income	7,875,000	4,929,000
Contributions by members	1,640,000	1,508,000
Contributions by employer	4,932,000	4,655,000
Contributions in respect of unfunded benefits	78,000	71,000
Re-measurement gains/(losses)	8,232,000	(21,157,000)
Assets distributed on settlements	-	-
Unfunded benefits paid	(78,000)	(71,000)
Benefits paid	(5,382,000)	(4,891,000)
<b>Balance as at 31 March</b>	<b>184,196,000</b>	<b>166,899,000</b>



## Notes to the Financial Statements

### For the year ended 31 March 2024

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £16,107,000 (2022/23 loss of £16,228,000).

<b>Fair Value of Plan Assets:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Equity investments	73,125,812	68,929,287
Bonds	36,102,416	38,720,568
Property	17,130,228	17,524,395
Cash	22,840,304	9,847,041
Other	34,997,240	31,877,709
	<b>184,196,000</b>	<b>166,899,000</b>

The above asset values are at bid value as required by IAS 19. The bid values were provided by NILGOSC, the administering authority. The amounts included in the fair value of plan assets for property occupied by the Council was £nil.

<b>The Council's share of the Net Pension Liability (included in the Balance Sheet):</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Fair Value of Employer Assets	184,196,000	166,899,000
Present value of funded defined benefit obligation	(166,021,000)	(162,836,000)
Funded status	18,175,000	4,063,000
Unrecognised asset	(18,175,000)	-
Additional liability due to minimum funding requirement	-	-
<b>Asset/(Liability) recognised on the balance sheet</b>	<b>-</b>	<b>-</b>
Present Value of Unfunded defined benefit obligation	(747,000)	(802,000)
<b>Net Asset/(Liability) arising from the defined benefit obligation</b>	<b>(747,000)</b>	<b>3,261,000</b>
<b>Amount in the Balance sheet:</b>		
Liabilities	(166,768,000)	(163,638,000)
Assets	166,021,000	166,899,000
<b>Net Asset/(Liability)</b>	<b>(747,000)</b>	<b>3,261,000</b>

#### 22d) Scheme History

<b>Analysis of scheme assets and liabilities</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Fair Value of Assets in pension scheme	184,196,000	166,899,000
Present Value of Defined Benefit Obligation	(166,768,000)	(163,638,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>17,428,000</b>	<b>3,261,000</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

<b>Amount recognised in Other Comprehensive Income and Expenditure:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Actuarial gains/(losses)	6,405,000	78,807,000
Expected Return on Plan Assets	8,232,000	(21,157,000)
Restricted Surplus	(18,175,000)	-
Re-measurements recognised in Other Comprehensive Income and Expenditure	(3,538,000)	57,650,000
Cumulative actuarial gains and losses	58,933,000	62,471,000
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on assets	8,232,000	(21,157,000)
Experience gains and (losses) on liabilities	(2,208,000)	(13,506,000)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total assets of £166,021,000 has less of an impact on the net worth of the Council as recorded in the Balance Sheet due to the unrecognised asset, resulting in a net liability of £747,000.

The Council has a net pension asset at the accounting date which is reflected in the reduction of employer contributions to 19% for the next three years (23/24 to 25/26).

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

	<b>31/03/2025</b>	<b>31/03/2025</b>
	<b>£</b>	<b>% of pay</b>
Projected current cost	5,497,000	20.4
Net Interest on the net defined benefit liability (asset)	(123,000)	-0.5
	<b>5,374,000</b>	<b>19.9</b>

Allowance for administration expenses included in Current Service Cost £135,000 and estimated pensionable payroll over the period £26,998,000.

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2025 is £5,883,250.

#### **History of experience gains and losses**

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

	<b>2023/24</b>	<b>2022/23</b>
	<b>%</b>	<b>%</b>
Experience Gains and (losses) on Assets	4.47	(12.68)
Experience gains and (losses) on Liabilities	1.32	8.25

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 22e) Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit 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 Ltd, 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 2023.

<b>Mortality assumptions:</b>		<b>2023/24</b>	<b>2022/23</b>
<i>Longevity at 65 current pensioners:</i>	Men	21.7 years	22.2 years
	Women	24.6 years	25.0 years
<i>Longevity at 45 for future pensioners:</i>	Men	22.7 years	23.2 years
	Women	25.6 years	26.4 years
Inflation/Pension Increase Rate		2.60%	2.70%
Salary Increase Rate		4.10%	4.20%
Discount Rate		4.80%	4.70%
Pension Accounts Revaluation Rate		2.60%	2.70%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>			
Service to April 2009		80%	80%
Service post April 2009		80%	80%

#### Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used. The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2024 is set out below.

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

##### Discount Rate Assumption

	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to discount rate		
Present value of the total obligation (£Ms)	£163.119	£169.009
% change in the present value of the total obligation	-1.70%	1.80%
Projected service cost (£Ms)	£5.294	£5.706
Approximate % change in projected service cost	-3.70%	3.80%

##### Rate of General Increase in Salaries

	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to salary increase rate		
Present value of the total obligation (£Ms)	£166.519	£165.523
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost (£Ms)	£5.497	£5.497
Approximate % change in projected service cost	0%	0%

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Rate of Increase to Pensions in Payment, Deferred Pensions Increase Assumption and rate of Revaluation of Pension Accounts Assumption

Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of the total obligation (£Ms)	£168.511	£163.697
% change in the present value of the total obligation	1.50%	-1.40%
Projected service cost (£Ms)	£5.706	£5.294
Approximate % change in projected service cost	3.80%	-3.70%

#### Post Retirement Mortality Assumption

Adjustment to the mortality age rating assumption *	<b>-1 Year</b>	<b>+1 Year</b>
Present value of the total obligation (£Ms)	£170.338	£161.704
% change in the present value of the total obligation	2.60%	-2.60%
Projected service cost (£Ms)	£5.689	£5.305
Approximate % change in projected service cost	3.50%	-3.50%

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

#### 22f) 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:

	<b>31/03/2024</b>	<b>31/03/2023</b>
Equity investments	39.70%	41.30%
Bonds	19.60%	23.20%
Property	9.30%	10.50%
Cash	12.40%	5.90%
Other	19%	19.10%
	<b>100.00%</b>	<b>100.00%</b>

#### 22g) Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangement is an unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities and therefore has accounted for this scheme as a defined contribution scheme. The most up to date actuarial valuation was carried out as at 31 March 2020. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2024.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. The High Court in England ruled on 26 October 2018 that all GMP benefits in UK pension plans must be equalised for males and females. The outcome of this judgement will affect all UK defined benefit schemes, including public sector pension schemes such as the Schemes, which had been contracted out of the State pension arrangements resulting in members of the scheme having a GMP.

## Notes to the Financial Statements

### For the year ended 31 March 2024

On 20 November 2020, the High Court in England ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due because of GMP equalisation.

For public service pension schemes, including the Schemes, the ruling will be taken forward on a cross scheme basis with HM Treasury in conjunction with legal input. This may require revisiting past Cash Equivalent Transfer Value (CETV) cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETVs were equalised from 2019. The scope of any costs is yet to be determined to estimate the potential impact on the Scheme, however, it is expected to be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

#### 23 Donated Assets Account

The Council does not have any donated assets for which conditions have not been met.

#### 24 Capital Grants Received in Advance

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 (CIES).

Where capital grants are credited to the CIES, 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.

The Council has a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The capital schemes with balances within Grants Received in Advance at the year-end are as follows:

	Notes	31/03/2024 £	31/03/2023 £
<b>Opening Balance as at 1 April 2023</b>		41,728,077	-
<b>Recognise Grants Receivable – conditions not met</b>			
Greenways – Newtownards to Bangor		1,608,000	2,250,636
Greenways – Comber to Newtownards		1,608,000	2,386,441
Bangor Waterfront		-	37,091,000
<b>Transfer to CIES – conditions now met</b>			
None this year		-	-
<b>Closing Balance as at 31 March 2024</b>		<b>44,944,077</b>	<b>41,728,077</b>

These grants are reflected in Note 16 on page 104.

# Notes to the Financial Statements

## For the year ended 31 March 2024

### 25 Contingencies

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

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

#### 25a) Self-Insurance Scheme

The Council operates a self-insurance scheme for public and employee liability insurance. As at 31 March 2024, claims with a total value of £1,222,168 (2023 £1,036,600) had been lodged but continue to be actively challenged. Whilst the Council continues to strongly contest liability in respect of each of these claims, a provision has been made based on the Council's experience of settlement rates over the previous years. Movement on the Insurance Provision during the year is set out in note 20.

#### 25b) Residual Waste Treatment Project

The arc21 Joint Committee has, with the approval of its participant Councils, entered a Contingent Liability Undertaking with the bidding consortium in the procurement for a Residual Waste Treatment Project and Ards and North Down Borough Council has agreed its share of the contingent liability. The risks of any potential financial penalties associated with the procurement process are limited but payments, if any, become due in accordance with this undertaking, they will be funded by the participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

#### 25c) Special Legal Regime – VAT Tribunal

Following extensive litigation regarding the treatment of leisure services for VAT purposes, HMRC published VATGPB8410 – Other local authority activities: sport and leisure: supplies of sporting services in November 2023. The Council is liaising with HMRC with regard to the interpretation of this guidance, its implication for the Council's claims and there are still areas of dispute. It is hoped that further clarification will mean revised claims can be produced and collated for submission and ultimately payment during the 2024/25 financial year.

#### 25d) Land Disposal – contingent asset

During the 2022/23 financial year Council disposed of land at Blair Mayne Road South to a developer for residential housing. Within the contract is a condition that should planning permission be obtained for a more intensive development than originally anticipated that Council would receive additional income in line with the formula set out in the contract. This condition has not yet been met, however it remains active for a further 9 years.

#### 25e) General

The Council has a number of other general litigious matters ongoing. It is uncertain whether these matters will proceed to court or if they do, whether the courts will have reached a decision in relation to them before the Council's financial statements have been certified and published. Council is of the opinion that, in the majority of matters, it is not probable that an outflow of resources will be required to settle the claim. Council is also of the opinion that, in any event, it is not possible to make a sufficiently reliable financial estimate of potential contingent liabilities for disclosure purposes.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 26 Other Cash Flow Notes

#### 26a) Analysis of Adjustments to Surplus/Deficit on the Provision of Services

		2023/24	2022/23
	Notes	£	£
<b>Adjustment to surplus or deficit on the provision of services for non-cash movements:</b>			
Depreciation	<u>4</u>	11,102,521	10,376,488
Impairment & downward revaluations (& non-sale de-recognitions)	<u>4</u>	483,090	1,462,930
(Increase)/Decrease in Inventories		(43,850)	41,754
(Increase)/Decrease in Debtors		1,560,784	114,810
Increase/(Decrease) in impairment provision for bad debts		14,658	30,013
Increase/(Decrease) in Creditors		5,281,202	41,600,327
Increase/(Decrease) in Interest Creditors		(215,693)	(93,087)
Pension Fund Adjustments	<u>22</u>	470,000	7,468,000
Carrying amount of non-current assets sold	<u>4</u>	175,204	743,648
AUC written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		(607,543)	73,098
Movement in value of Investment Properties		-	-
Amounts posted to CIES from Donated Assets Account	<u>22</u>	-	-
		<b>18,220,373</b>	<b>61,817,981</b>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities:</b>			
Proceeds from the sale of PP&E, Investment Property and Intangible Assets		(194,169)	(798,742)
		<b>(194,169)</b>	<b>(798,742)</b>

#### 26b) 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:

	31/03/2024	31/03/2023
	£	£
Cash and Bank balances	2,878	2,743
Short Term Investments (considered to be Cash Equivalents)	10,500,000	9,500,000
Short Term Deposits (considered to be Cash Equivalents)	-	-
Bank Overdraft	(1,686,043)	(1,305,328)
	<b>8,816,835</b>	<b>8,197,415</b>

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 26c) Cash Flow Statement - Operating Activities

	2023/24	2022/23
	£	£
<b>The cash flows from operating activities include:</b>		
Interest received	979,722	237,923
Interest paid	2,405,887	2,561,500

#### 26d) Cash flows from Investing Activities

	2023/24	2022/23
	£	£
Purchase of PP&E, investment property and intangible assets	5,698,455	4,474,703
Proceeds from the sale of PP&E, Investment Property and Intangible Assets	(194,169)	(798,742)
Capital Grants and contributions received	2,983,492	44,717,933
<b>Net Cash flows from Investing Activities</b>	<b>8,487,778</b>	<b>48,393,894</b>

#### 26e) Cash flows from Financing Activities

	2023/24	2022/23
	£	£
Cash Receipts from Short and Long-Term Borrowing	-	-
Repayment of Short and Long-Term Borrowing	(4,073,842)	(3,135,428)
<b>Net Cash flows from Financing Activities</b>	<b>(4,073,842)</b>	<b>(3,135,428)</b>

## 27 Usable Reserves

### 27a) 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).

	Notes	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		3,656,406	3,326,843
<b>Movement</b>			
Disposal of Non-Current Assets/ Capital Sales	<a href="#">4</a> , <a href="#">26</a>	194,169	798,742
Capital Receipts used to finance capital expenditure	<a href="#">28a</a> , <a href="#">13</a>	(625,292)	(469,179)
<b>At 31 March</b>		<b>3,225,283</b>	<b>3,656,406</b>



## Notes to the Financial Statements

### For the year ended 31 March 2024

Capital receipts received on the disposal of non-current assets is made up as follows:

- £194k in relation to land, vehicles and equipment sales disposed of during the year.

#### 27b) Capital Grants Unapplied account

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

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

	Notes	31/03/2024 £	31/03/2023 £
<b>At 1 April</b>			
<b>Movement</b>			
Received in year		5,032,113	2,500,040
Transferred to CAA in year		450,000	3,123,099
		(546,560)	(591,026)
<b>At 31 March</b>		<b>4,935,553</b>	<b>5,032,113</b>

The closing balance is made up of £1,576,553 COVID 19 Recovery Small Settlements Regeneration Programme funds along with £2,909,000 BRCD Bangor Waterfront funds and £450,000 DfC Bangor Art Installation funds.

#### 27c) Revenue Grants Unapplied account

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

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

## Notes to the Financial Statements

### For the year ended 31 March 2024

	Notes	31/03/2024 £	31/03/2023 £
<b>At 1 April</b>		867,174	301,460
<b>Movement</b>			
Received in year		86,000	603,142
Released from reserve		(794,604)	(37,428)
<b>At 31 March</b>	<u>10b</u>	<b>158,570</b>	<b>867,174</b>

The closing balance is made up of £86,000 Levelling Up Funding; £28,587 TEO Dispersal funding; £43,983 COVID Recovery Small Settlements Regeneration Programme funds.

#### 27d) Earmarked Reserve

The Council has established an Earmarked Reserve under Section 9(1) of the Local Government Finance Act (NI) 2011 for the purposes of setting aside funds required for future purposes, for example to set up an innovation fund or to smooth the cost of elections.

	Notes	31/03/2024 £	31/03/2023 £
At 1 April		10,750,027	13,426,200
Transfers between statutory & other reserves & the General Fund	<u>4b</u>	416,673	(2,669,751)
Transfers between Capital Fund, Renewal & Repair Fund & CAA to finance capital expenditure	<u>12</u>	-	(6,422)
<b>At 31 March</b>		<b>11,166,700</b>	<b>10,750,027</b>

The Earmarked Fund balance is made up of Identified Workstreams £3,870k; Periodic Workstreams £447k; Transformation Fund £3,000k; Sustainability Fund £2,000k; Tax Base development Fund £1,850k.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 27e) 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.

	Notes	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		5,443,473	5,487,523
Applied Capital Grants	<a href="#">4,10c</a>	(809,697)	(1,397,109)
Unapplied Capital Grants received in year	<a href="#">10d</a>	(450,000)	(3,123,099)
Unapplied Revenue Grants rec'd in year		708,603	(565,715)
Direct Revenue Financing	<a href="#">4, 13</a>	(329,607)	(296,141)
Depreciation and Impairment adjustment	<a href="#">4</a>	11,585,611	11,839,418
Statutory Provision for financing Capital Investment	<a href="#">4</a>	(5,460,913)	(5,603,100)
Net Revenue expenditure funded from capital under statute	<a href="#">4, 13</a>	564,881	688,210
Surplus/(Deficit) on the Provision of Services	<a href="#">CIES</a>	(4,845,164)	(11,695,777)
Transfers between Statutory and Other Reserves and the General Fund	<a href="#">4</a>	(416,673)	2,669,751
Net movements on Pension Reserve	<a href="#">4, 22b</a>	470,000	7,468,000
Disposal of Fixed Assets/Capital Sales	<a href="#">4, 8</a>	(18,965)	(55,094)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	<a href="#">28d</a>	(174,018)	26,605
Other Movements		-	-
<b>At 31 March</b>		<b>6,267,531</b>	<b>5,443,473</b>

#### 28 Unusable Reserves

##### 28a) 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.

## Notes to the Financial Statements

### For the year ended 31 March 2024

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

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

	Notes	31/03/2024 £	31/03/2023 £
<b>At 1 April</b>		81,022,280	81,580,592
Applied Capital Grants	<a href="#">4,10c</a>	809,697	1,397,109
Unapplied Capital Grants transferred to CAA in year	<a href="#">27b</a>	546,560	591,026
Direct Revenue Financing	<a href="#">4, 13</a>	329,607	296,141
Depreciation & Impairment adjustment	<a href="#">12</a>	(11,585,611)	(11,839,418)
Statutory Provision for financing Capital Investment	<a href="#">4</a>	5,460,913	5,603,100
Net Revenue expenditure funded from Capital under statute	<a href="#">4, 13</a>	(564,881)	(688,210)
Disposal of Fixed Assets/ Capital Sales	<a href="#">4, 8</a>	(175,204)	(743,648)
Capital Receipts used to finance capital expenditure	<a href="#">13, 27a</a>	625,292	469,179
Other Movements		3,566,408	4,349,987
Transfers between Capital Fund or Repairs and Renewals Fund & CAA to finance capital expenditure	<a href="#">13</a>	-	6,422
<b>At 31 March</b>		<b>80,035,061</b>	<b>81,022,280</b>

#### 28b) 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

## Notes to the Financial Statements

### For the year ended 31 March 2024

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.

	Notes	31/03/2024 £	31/03/2023 £
At 1 April		101,946,512	86,187,908
Revaluation & Impairment	<a href="#">12</a>	12,518,115	20,108,591
Other Movements		(3,578,406)	(4,349,987)
<b>At 31 March</b>		<b>110,886,220</b>	<b>101,946,512</b>

#### 28c) Pension Reserve

Full details on the Pension Reserve are disclosed in Note 22.

	Notes	31/03/2024 £	31/03/2023 £
At 1 April		3,261,000	(46,921,000)
Net Movements on Pension Reserve	<a href="#">4, 22b</a>	(470,000)	(7,468,000)
Revaluation & Impairment	<a href="#">22b</a>	(3,538,000)	57,650,000
<b>At 31 March</b>		<b>(747,000)</b>	<b>3,261,000</b>

#### 28d) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Comprehensive Income and Expenditure Statement 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 in place to ensure that the impact on the Comprehensive Income and Expenditure Statement is neutralised by transfers to or from this Accumulated Absences Account.

	Notes	31/03/2024 £	31/03/2023 £
At 1 April		(721,429)	(694,824)
Adjustments in relation to short term accumulated absences	<a href="#">4</a>	174,018	(26,605)
<b>At 31 March</b>		<b>(547,411)</b>	<b>(721,429)</b>

#### 29. Significant Trading Operations

The Council did not operate any significant trading operations during the 2023/24 financial year.

# Notes to the Financial Statements

## For the year ended 31 March 2024

### 30. Related Party Transactions

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 between the Council and the entity is solely an Agency agreement, this is not deemed to be a Related Party Transaction.

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. They 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.

All transactions detailed below have been entered into in full compliance with the Council's Standing Orders.

#### **Organisations in which Councillors have an interest**

Councillors have direct control over the Council's financial and operating policies. During the year, the Council paid for works and services amounting to £935k (2022/23: £1,601k) from organisations in which individual Councillors have an interest. In the majority of cases this was not a personal interest, but rather they were representing Council. The main recipient within this total is £831k (2022/23: £1,574k) to the Northern Community Leisure Trust.

The Council also paid grants and contributions of £597k (2022/23: £751k) to a number of organisations in which Councillors represented the Council's interest. The main grants and contributions were £400k paid to Community Advice Ards and North Down and £105k paid to Open House Festival Ltd. These grants and contributions were made with proper consideration of declaration of interests.

#### **Joint Committees and Other Councils**

The Council is a member of the arc21 Joint Committee which is established for the purposes of managing waste. arc21 accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Accounts and Audit) Regulations 2015. During the year the Council incurred expenditure of £7,188k (2022/23: £7,092k) and received income of £142k (2022/23: £295k).

Council also received services amounting to £498k (2022/23: £463k) from other Councils and provided services of £301k (2022/23: £467k) to other Councils.

Details of all amounts outstanding to Councils and Joint Committees at 31 March 2024 are set out in notes [16](#) and [19](#).

The Council started the year with treasury deposits of £10.5M, representing income received in advance of expenditure plus balances and reserves held. The Council is required to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council started the year with £3,000K still on deposit with another local authority. However, when that investment matured the Council made no further deposits with local authorities in 2023/24.

## Notes to the Financial Statements

### For the year ended 31 March 2024

#### Other Public Bodies

In the course of the year, the Council incurred expenditure of £2,128k (2022/23: £2,295k) to other public bodies. £657k (2022/23: £647k) was in respect of property rates; £98k (2022/23: £86k) was in relation pension contributions. The balance of the amounts mainly relates to services received for example car parking management charges (£282k); OSNI LGMA mapping licence (£51k); valuation and Landweb fees (£117k); annual rentals (£212k). The Council received other income of £1,642k (2022/23: £734k) from other public bodies for services provided.

The Council made principal and interest loan repayments of £5,164k to the Department of Finance. An analysis of amounts outstanding to both the Department and other institutions at 31 March 2024 are set out in note [18b](#).

Details of amounts outstanding are set out in notes [16](#) and [19](#).

Council received grants from other public bodies of £3,296k (2022/23: £6,043k), including Department for Communities £2,236k (2022/23: £1,950k).

#### 31. Events after the Reporting Period

There were no events occurring after the 31 March 2024 which require adjustment to the Council's financial statements or additional disclosures.

#### Accounts Authorised for Issue Certificate

The Chief Financial Officer authorised these for issue on 30 September 2024.