



# Statement of Accounts 2021 - 2022

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**Mid & East  
Antrim**  
Borough Council

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## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31st March 2022 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2022 (the Code) and the Department for Communities Accounts Direction, Circular LG 02/2022. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

This Statement of Accounts explains Mid and East Antrim Borough Council's finances during the financial year 2021/22 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The purpose of the Narrative Report is to provide information on Mid and East Antrim Borough Council, its main objectives and strategies and the principal risks it faces.

### **Group Accounts**

The Code requires Local Councils to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Mid and East Antrim Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

### **The Movement in Reserves Statement**

This Statement, as set out on page 32, shows the movement in the year on the different reserves held by Mid and East Antrim Borough Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing Mid and East Antrim Borough Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance. The 'Net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by Mid and East Antrim Borough Council.

### **The Comprehensive Income and Expenditure Statement**

This statement, as set out on page 31, 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. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

### **The Balance Sheet**

The Balance Sheet, as set out on page 33, shows the value as at the Balance Sheet date of Mid and East Antrim Borough Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

### **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 34, shows the changes in cash and cash equivalents of Mid and East Antrim Borough Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

## The Coronavirus Pandemic

Covid-19 continued to have a significant impact on the Council during the early months of 2021/22 year with Council using various funding streams from HMRC (Coronavirus Job Retention Scheme), the Department for Communities and the Department of Agriculture, Environment and Rural Affairs ("DAERA") to assist with the Council's finances and in the provision of its operations & public services.

It is extremely likely during 2022/23 and beyond, that there will be significant impacts from Covid-19 and the additional inflationary pressures on the Council's finances. The Council expects financial pressures to result from increased cost of utilities, a rise in inflation, a sustained loss of income, supporting local businesses through the Covid-19 recovery stages and the likelihood of reduced funding in future years, as the demand on Government resources shifts due to the other priorities.

The Council has been at the forefront of responding to the impact of Coronavirus. Mid & East Antrim Borough Council will continue to play a pivotal role in providing public services through the recovery stage of the pandemic, in support of the local community.

The table below provides detail on the impact the pandemic has had, or is likely to have, on the Mid & East Antrim Borough Council.

<b>Provision of Services</b>	The Council continued with its plan to help delay the spread of the virus and manage the impact of its effects on services, staff and members of the public. The Council prioritised public safety and the provision of essential local services, together with practical support to local businesses and to the wider Mid & East Antrim community. The Council will continue to work closely with staff and suppliers to maintain essential services to residents across the Borough.
<b>Council Workforce</b>	The Covid-19 pandemic has impacted significantly on the necessary working arrangements for the Council's employees. Where possible, staff have been required to work from home. HMRC Job Retention Scheme was still utilised for a number of employees until September 2021. The Council has worked hard to ensure all staff, including front line staff, are working safely and protected with appropriate PPE. A number of staff have been redeployed to address additional demand for Council services. Flexible working has been extended in support of staff with health conditions and caring responsibilities.
<b>Reserves, Financial Performance &amp; Financial Position</b>	The Covid-19 crisis had an impact on the Council's 2021/22 budget. This was offset by additional funding from Department for Communities and DAERA combined with utilisation of HMRC's Coronavirus Job Retention Scheme until September 2021.
<b>Major Risks</b>	<p>The pandemic has resulted in a number of specific risks, which need to be assessed and managed, these include:</p> <ul style="list-style-type: none"> <li>· Inability to maintain essential services due to loss of essential suppliers or experienced staff</li> <li>· Inability to sustain the financial stability of the Council</li> <li>· Failure to deliver Health &amp; Safety safeguards to the public on Council properties and as an employer</li> <li>· Increase in community issues deriving from Covid-19</li> <li>· The Council's capacity to respond in a timely manner to stakeholder requests (e.g. Public bodies and ratepayers enquiries)</li> <li>· A deflated economy, leading to ongoing recovery issues across rural areas and town centres</li> <li>· Impact on continuity of local business and tourism</li> <li>· Impact on the Domestic and Business Rate</li> <li>· Inadequate funding and financial support</li> <li>· Increase in cost of living both for Council and our citizens</li> </ul> <p>Risk assessments have been completed for all essential services and mitigation measures are being built into the Council's recovery plans.</p>
<b>Plans for Recovery</b>	<p>The Council's Recovery Plan continues to focus on :</p> <ul style="list-style-type: none"> <li>· Reinstating Services</li> <li>· Economic Recovery</li> <li>· Community Recovery</li> <li>· Financial Recovery</li> <li>· Positive Legacy</li> </ul> <p>The Recovery Process will be a significant focus for the Council both in the short and long term.</p>

## Performance Report

For the year ended 31 March 2022 the Council's has increased its General Fund by £166,670 to £4,431,327. The Council's net expenditure reported in the Comprehensive Income and Expenditure Statement is £63.7m.

Council's performance data is reported against each of the 6 Strategic Themes contained within the Corporate Plan 2019-2023.

### 1. Sustainable Jobs and Tourism

### 2. Our Environment

### 3. Community Safety and Cohesion

### 4. Learning for Life

### 5. Good Health and Wellbeing

### 6. High Performing Council



The key performance data for each are as follows:

### 1. Sustainable Jobs and Tourism

Indicator	Target	Actual Performance
Number of businesses engaged across business support programmes	647	761
Number of jobs promoted through business start-up activity	85	109
Visitors at strategic tourist attractions	38,000	39,055

### 2. Our Environment

Indicator	Target	Actual Performance
Percentage of household waste collected by Council that is sent for recycling	50%	51.9% *
Amount of biodegradable Local Authority Collected Municipal Waste that is landfilled	16,387 tonnes	14,495 tonnes *
The amount (tonnage) of Local Authority Collected Municipal Waste arisings	No target set	76,689 tonnes *
Average processing time of major planning applications	30 weeks	34.7 weeks **
Average processing time of local planning applications	15 weeks	9.6 weeks **
Percentage of enforcement cases concluded within 39 weeks	70%	90.5% **
'Keep Northern Ireland Beautiful' Cleanliness Index	70%	76.0%

\* Waste figures published by NIEA

<https://www.daera-ni.gov.uk/publications/northern-ireland-local-authority-collected-municipal-waste-management-statistics-2021>

\*\* Planning statistic figures published by the Department for Infrastructure

<https://www.infrastructure-ni.gov.uk/publications/northern-ireland-planning-statistics-april-2021-march-2022>

### 3. Community Safety and Cohesion

Indicator	Target	Actual Performance
Number of anti-social behaviour incidents	Less than 5,308	3,945
Percentage of people reporting that fear of crime has a minimal impact on their quality of life.	74%	68%

Target data based on 2018/19 figure. Change is not statistically significant. The proportion of respondents who felt fear of crime has a minimal impact has shown a gradual improvement over the years with the 2019/20 rate of 68% comparing with a low of 57% in 2003/04. The 2020/21 results have been published but not yet available at LGD level.

### 4. Learning for Life

Indicator	Target	Actual Performance
Number of participants securing employment as a result of employability programmes	90	171
Number of apprenticeships/ work placement/ work experience opportunities delivered by Council	8	8

### 5. Good Health and Wellbeing

Indicator	Target	Actual Performance
Employee attendance	10 days or less	15.21 days
Percentage of available Grant Support Scheme funding awarded	90%	91.81%

During 2021/22 an absence figure of 15.21 days was recorded. This can be attributed to a number of factors, including the effect of COVID-19 both directly and indirectly, and the delays in staff being able to access suitable treatment for ongoing health issues with record waiting lists having a particular impact. Ongoing employee relations matters have also led to higher than average levels of absence in some areas.

### 6. High Performing Council

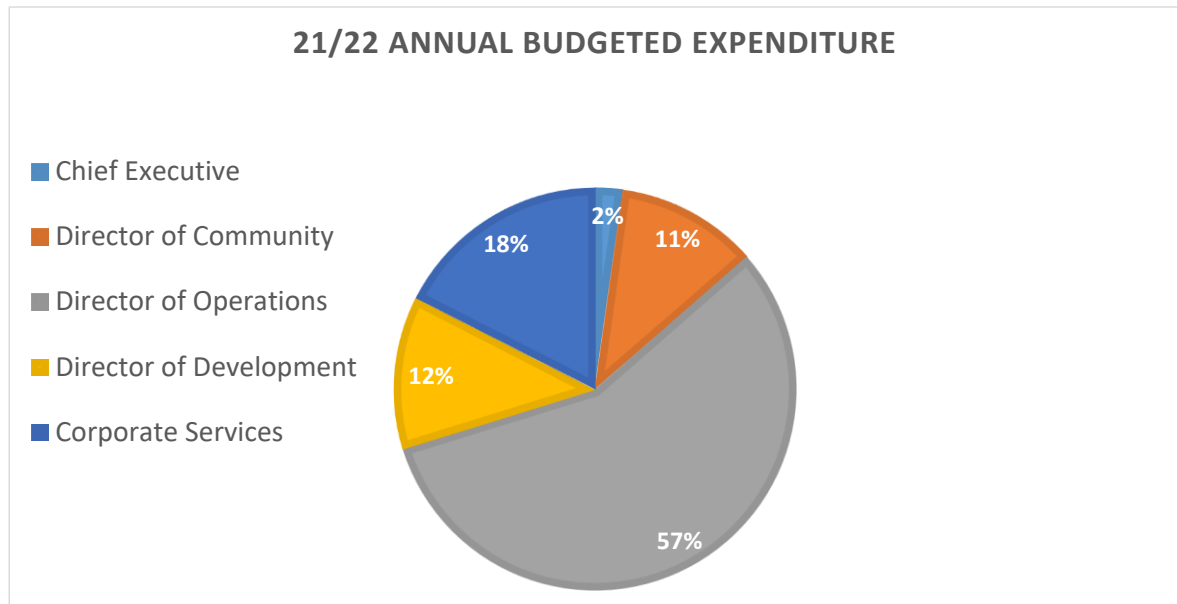
Indicator	Target	Actual Performance
Average escalation rate of complaints	70% of complaints and information requests resolved at informal stage / 20% of complaints and information requests resolved at formal internal resolution/ 10% of complaints and information requests requiring formal external resolution	90% of complaints and information requests resolved at informal stage / 9% of complaints and information requests resolved at formal internal resolution/ 1% of complaints and information requests requiring formal external resolution
Net cost of council services per head of population	Less than £320	£301

## Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the Council (i.e. government grants, rates and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Council's budget for 2021/22 was £ 60.1 million, with £51 million generated through domestic and non-domestic rates. The remaining £9.1 million was generated through a combination of grants and other income from Council activities.

Most of the Council's expenditure continues to be centred on Leisure and Recreation Services and Environmental Services.



## Capital Investment

The Council has worked with the community to deliver capital projects across the Borough and attract the maximum amount of funding to the Borough.

During the year to 31 March 2022, the Council incurred £8.1m of expenditure on capital schemes. The principal areas of Council capital spend in 2021/22 included:

- Lame Leisure Centre Façade
- Vehicles including Refuse Collection & Technology
- Sullotober Household Recycling Centre
- Dredging
- MUGAs
- Play Area Refurbishments throughout the Borough

## Organisational overview and external environment

On 1st April 2015, Mid and East Antrim Borough Council was established by the Local Government Act (Northern Ireland) 2014. The new council included the legacy councils of Ballymena, Carrickfergus and Larne, the Planning Service for the geographic area, a significant number of car parks and various economic development responsibilities.

On 2nd May 2019, local council elections were held to elect a new Council for the 2019-23 period and, on 28th May 2019, the newly elected Council adopted a 4 year Corporate Plan to support the new Council term. The Corporate Plan is closely aligned with the Community Plan 2017-32 "Putting People First". Both Plans share the same vision that **"Mid and East Antrim will be a strong, vibrant, safe and inclusive community, where people work together to improve the quality of life for all"**.

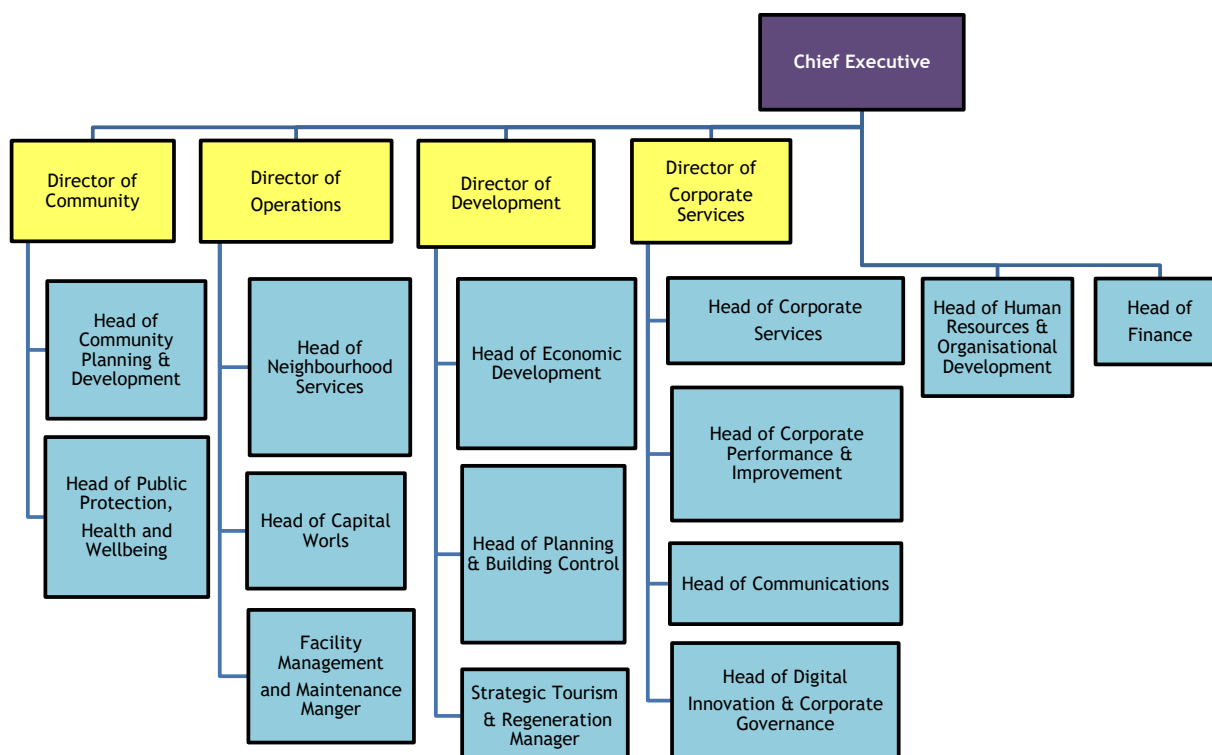
Mid and East Antrim Borough Council has agreed a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The Council has appointed committees to enable it to discharge its functions. These are the Policy and Resources Committee; the Borough Growth Committee; the Direct Services Committee; the Planning Committee; and the Audit and Scrutiny Committee. Mid and East Antrim Borough Council's Committee governance structure is set out below:

Meeting	Members
Full Council	All 40 Elected Members
Audit & Scrutiny Committee	8 Elected Members and 1 Independent Member
Community Planning Committee	20 Elected Members
Economic Growth & Tourism Committee	20 Elected Members
Operational Committee	20 Elected Members
Planning Committee	12 Elected Members
Policy & Resources Committee	20 Elected Members

All Committee Places were allocated to political parties at the Annual General Meeting on a proportional basis using the provisions contained within Schedule 2 of the Local Government Act (Northern Ireland) 2014 (i.e. Quota Greatest Remainder).

The Management structure of the Organisation is as set out in the Mid and East Antrim Borough Council Constitution. The Management structure in 2021/22 is summarised below:





## **Governance**

A full report and analysis of the governance arrangements for the Council is contained within the attached Annual Governance Statement. During the year there were no significant changes regarding governance.

The Chief Executive commenced a period of sickness absence from 21 September 2021 and was placed on precautionary suspension from 24 November 2021. From 21 September 2021 to 21 October 2021, the substantive Directors deputised for the Chief Executive. During the period of 22 October 2021 until 20 February 2022, the substantive Director of Operations acted into the role of Chief Executive for an interim period. An external Interim Chief Executive was in place from 21 February - 02 March 2022.

From 3 March 2022 to 6 March 2022 the substantive Directors deputised for the Chief Executive and following Full Council approval the Director of Development took on the role of the lead Director for Operational Matters from 07 to 14 March 2022. Following further Council approval the three substantive Directors have been covering the Acting Chief Executive role on a rotational basis. The Director of Development commenced the role of Acting Chief Executive from 15 March 2022 until 30 April 2022 and the Director of Community commenced the role of Acting Chief Executive from 01 May 2022 until 12 June 2022. An Interim Chief Executive commenced on 13 June 2022.

## **Risks and opportunities**

Mid and East Antrim Borough Council is committed to managing risk as an organisation, and promotes this for the good of all our stakeholders, the public, employees, Elected Members and partners.

Council has a Risk Management Strategy in place, which requires the identification of both Corporate and Service Risks, assessment of impact and likelihood of those risks and the mitigating controls in place. Council has a Corporate Risk Register in place, which is reviewed by the Senior Management Team on a regular basis and presented annually to Audit and Scrutiny Committee. Council developed a suite of Service Risk Registers, and Project Risk Registers that encapsulates all key risks that have the potential to adversely impact on the delivery of core Council services and projects.

The Council continues to monitor the manufacturing and electricity production sectors within the local economy which face significant competition and structural change. The potential negative impact on the wider economy is material as is the loss of non-domestic rates to the Council. The Council is actively engaged with leading organisations in these sectors.

The Council has established clear priorities on economic development, jobs growth and tourism development and is working closely with public agencies and the private sector to develop manufacturing opportunities.

- Supporting local businesses and communities through the Covid-19 pandemic
- Participating in the Belfast Regional City Deal
- Working through the Amplify Integrated Development Strategy
- Developing the former St Patricks Barracks
- Progressing a spatial development framework for Glenarm
- Developing new tourism initiatives

## **Strategy and resource allocation**

The Council's Corporate Plan is underpinned by a number of Council Strategies, including:

- The Medium Term Finance Strategy / Plan
- Treasury Management Strategy
- Business Improvement and Efficiency Strategy
- Digital Transformation Strategy
- Asset Management Strategy
- Community Planning Strategy
- Integrated Economic Development Strategy
- Tourism Strategy
- Car Park Strategy
- "Out to Play" Strategy
- Good Relations Strategy
- Outdoor Recreation Strategy

## **Outlook**

During the 2021/22 financial year the Council continued to utilise various funding streams from HMRC (Coronavirus Job Retention Scheme), the Department for Communities and DAERA to ensure that the cash flows were sustained at the level planned pre the pandemic. Thanks to additional funding from the bodies named above and a revised 2022/23 budget it is envisaged that cash flow will not be negatively impacted by the pandemic in the 2022/23 year providing there are no further increased Government restrictions.

In February 2022 the Council approved a £70m Capital Plan for the years 2022-2026, this included a £18.9m capital contribution to 3 projects within the Belfast Regional City Deal. As a key member of the 6 strong council group in the regional city deal, Mid and East Antrim have submitted Outline Business Cases for the three projects which will secure significant external investment through the funding package. These projects are the Carrickfergus Regeneration and Investment Programme, the next phase of the Gobbins Path visitor attraction and an Innovation Centre for Ballymena. The investment programme is expected to last approximately 10 years. If progressed, the total project costs will be £78.8m with £66.8m funded by Government.

It is also a concern to Council that, as one of seven Councils that receive a Rates Support Grant, the funding package for the Grant has been reduced from £15.86m in 2020/21 to £11.92m in 2021/22 and, as of 30 June 2022, unknown for 2022/23. Whilst this is manageable for the 2022/23 year it may prove significant in future years if the decreased level is maintained.

Since striking the 2022/23 Rate in February 2022, inflationary pressures have increased significantly with all aspects of Council's expenditure, both the Capital and Revenue, coming under pressure. The Interim Chief Executive and Senior Management Team have put into place actions to mitigate against these pressures impacting services for the citizens of the borough. Similarly to the reduction of Rates Support Grant, this may be manageable for the 2022/23 year but there is a real possibility that it proves significant in future years.

### **Basis of preparation**

The financial statements are prepared on a going concern basis. There were no material events after the reporting date. There were no material or unusual changes or credits in the accounts in the year. There were no material disposals during the year. The Council has a number of funds in place to address specific contingencies. Management has considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

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

### **The Council's Responsibilities**

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

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

These accounts were approved by the Chief Executive on 20th December 2022.

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

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

The accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

In preparing this Statement of Accounts, the Chief Financial officer is required to:

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis, and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

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

## **NORTHERN IRELAND LOCAL GOVERNMENT BODIES'**

### **ANNUAL GOVERNANCE STATEMENT**

#### **Scope of Responsibility**

Mid and East Antrim Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Mid and East Antrim Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

Mid and East Antrim Borough Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code can be obtained from CIPFA ([www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition](http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition)). This statement explains how Mid and East Antrim Borough Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in relation to the publication of a statement on internal control.

#### **The Purpose of the Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which Mid and East Antrim Borough Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, 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 ongoing process designed to identify and prioritise the risks to the achievement of Mid and East Antrim Borough 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 has been in place at Mid and East Antrim Borough Council for the year ended 31 March 2022 and up to the date of approval of the financial statements.

#### **The Governance Framework**

The key elements of the systems and processes that comprise Mid and East Antrim Borough Council's governance arrangements including arrangements for:

- **Identifying and communicating Mid and East Antrim Borough Council's vision of its purpose and intended outcomes for citizens and service users.**

Mid and East Antrim Borough Council agreed its second Corporate Plan 2019-2023 on 28th May 2019. The Corporate Plan is a statement of Council's intent, describing Council's strategic direction over a four year period and was developed to align with the Borough's Community Plan 'Putting People First', adopting the same vision of "Mid and East Antrim will be a strong, vibrant, safe and inclusive community where people work together to improve the quality of life for all".

With new responsibilities and a broader range of powers, combined with a partnership approach, Mid and East Antrim Borough Council will be stronger, more effective and flexible to local need, always being focused on our citizens. Council fully recognise that in the current economic climate it is more important than ever to ensure services are delivered in the most cost effective way possible to deliver value for money to the ratepayer. Council is focussed on delivering services to meet citizen need and the many demands the global pandemic have placed on local communities. That is what our citizens expect and that is what they deserve. Mid and East Antrim Borough Council will focus on being a high performing Council, delivering excellent services and value for money services.

The Corporate Plan will bring together the key priorities of all public service across Mid and East Antrim to ensure that public resources are used to the best effect and in line with citizen need. Council have agreed six strategic themes to deliver its vision. These are:

- 1) Sustainable jobs and tourism;
- 2) Our Environment;
- 3) Community Safety and Cohesion;
- 4) Learning for Life;
- 5) Good Health and Wellbeing;
- 6) High Performing Council.

Council have established seven values, which will allow Council to R.E.A.L.I.S.E. its vision.

- Respect
- Excellence
- A teamwork approach
- Leadership and commitment
- Integrity
- Service innovation
- Equality and fairness

The current Corporate Plan 2019-2023 was the result of a series of activities that took place over 15 months and regular updates were provided to Council throughout the process.

To develop the Corporate Plan, Mid and East Antrim Borough Council took the following approach:

- A desktop review of the key Themes emerging from the Community Plan.
- In January, September and December 2018, Elected Members and Senior Management engaged in workshops to develop Plan content.
- A Household Survey was conducted across the Borough during September 2018. A representative sample of residents completed face-to-face interviews which addressed resident satisfaction and established residents' priorities for Council.
- In October 2018, responses were received from residents, community groups and local businesses via Council's Connections magazine/online survey which invited them to have their say on our proposed vision, themes and priorities.
- In August, September and November 2018, Council staff participated in workshops to develop the new strategic themes and key performance indicators.
- Between the 17th January and 19th March 2019, an 8-week public consultation was held on a Consultation Document for both the new Corporate Plan 2019-2023 and the Performance Improvement Plan for 2019/20.
- The Corporate Plan 2019-2023 was Equality and Rural-proofed.
- **Reviewing local authority's vision and its implications for Council's governance arrangements.**

Council monitor and review the Corporate Plan on a six monthly basis, reporting on progress achieved in relation to delivery of its six strategic themes and their associated objectives.

Each of the six monthly Corporate Plan progress reports were reported to Full Council for scrutiny and approval in July and December 2021.

- **Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with Council's objectives and for ensuring that they represent the best use of resources.**

One of the key strategic themes contained within the Council's Corporate Plan is that of being a "High Performing Council". An objective under this strategic theme is to "be recognised as a leading council, delivering excellent services and facilities through collaborative working, innovation and continuous improvement".

The measurement of quality of service for users is undertaken in the form of Directorate and Departmental Business Plans, which are submitted to the relevant Council Committees for noting. Directorate Business Plans are monitored and scrutinised by Audit and Scrutiny Committee on a 6-monthly basis in terms of performance and delivery. During 2021/22 Council developed Directorate & Departmental Business Plans, which are based on delivering efficient, effective and value for money services, in line with customer need.

A Household Survey was conducted across the Borough during September 2018. A representative sample of residents completed face-to-face interviews which addressed resident satisfaction and established residents' priorities for Council for inclusion in the Corporate Plan 2019-2023. This survey will be repeated in 2022 to inform priorities for our new Corporate Plan for 2023-2027.

Directorate and Departmental Business Plans including performance indicators demonstrate clear linkage to the Corporate Plan. The Business Plans and performance indicators were reviewed annually and monitored by the Acting/Temporary Chief Executive, Directors and Heads of Service.

As part of the development of Council's Community Plan, considerable community consultation has taken place in relation to the Quality of Life Indicators. Mid and East Antrim Borough Council uses data from NISRA to gauge the importance of each of these indicators.

Councillor - Senior Officer engagement is a critical element in ensuring that service delivery meets the requirements of ratepayers.

Council financial performance is assessed through regular budget meetings and is reported to Council periodically. Value for money auditing is also considered by both Internal and External Audit when conducting their programme of reviews.

- **Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The Council fulfils its function by way of Full Council meetings and five standing Committees. Committee places are allocated proportionately to political parties using the quota greatest remainder method as prescribed by the Local Government Act. All Council and Committee decisions are recorded, minuted and available for public inspection.

The roles, responsibilities and order for the governance of Council is contained within Council's Constitution (last revised June 2021) and Standing Orders (last revised October 2021). All Councillors and Directors are issued with a copy of the Council's Standing Orders. Council have established a Scheme of Delegation (last reviewed June 2021), which details the decision making powers delegated by Full Council to Committees and Senior Officers. Council also has a range of other procedures and protocols in place to ensure roles are adequately defined, for example, Protocol for the operation of the Planning Committee, Protocol for the establishment of Working Groups, etc.

The Acting/Temporary Chief Executive is the head of the paid officers of Council. She is responsible and accountable to the Council for all aspects of Council functions including Finance and Human Resources.

- **Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.**

The Local Government Act (Northern Ireland) 2014 introduced an ethical standards framework for local government. A key element of the ethical standards framework was the introduction of a mandatory Northern Ireland Local Government Code of Conduct for Councillors, which imposes a requirement for Councillors to observe the Code and establishes mechanisms for the investigation and adjudication of written complaints where a Councillor has failed, or may have failed, to comply with the Code.

A number of policies and guidance documents have been established for Members to provide clarity on their roles in light of the Code of Conduct.

The Council has adopted the Local Government Staff Commission Code of Conduct for Local Government employees and this was circulated to all officers.

Council have embedded a number of specific policies across the organisation, as guided by the employees Code of Conduct, including policies on Dignity and Respect, Equality, and Gifts and Hospitality.

- **Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.**

Mid and East Antrim Borough Council has an agreed Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

In conjunction with the Constitution, Council operates a Scheme of Delegation which provides the framework and guidance for the powers delegated by Full Council to Committees of Council, and to senior officers within Council. Council has the power to delegate certain decision-making under Section 7 of the Local Government Act (Northern Ireland) 2014.

Council's Constitution and Scheme of Delegation are reviewed annually by Council.

In conjunction with the Council's Data Protection and Access to Information Policies, Council operates an Information Governance policy as the overarching information governance framework for the organisation, with an Information Governance Steering Group and support from the Data Protection Officer. The Information Governance Policy is due for review this year as part of the Council's biennial review of internal policies.

- **Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability.**

Mid and East Antrim Borough Council is committed to managing risk as an organisation, and promotes this for the good of all our stakeholders; the public, employees, Elected Members and partners.

Council believes that the control of risk is an inherent function of management and demonstrates this by aligning risk ownership with Council's management structure. Council's Senior Management Team and Operational Management Team are responsible for achieving Mid and East Antrim Borough Council objectives, and alongside these sits the responsibility for managing the risks associated with each objective, both on the corporate risk register, and the service risk registers.

Council has a Risk Management Policy in place (reviewed in November 2020), which requires the identification of both Corporate and Service Risks, assessment of impact and likelihood of those risks and the mitigating controls in place. Council has a Corporate Risk Register in place which is reviewed by the Senior Management Team quarterly and presented annually to the Audit and Scrutiny Committee. Council have developed a suite of Service Risk Registers, and Project Risk Registers that encapsulate any and all key risks that have the potential to adversely impact on the delivery of core Council services and projects. These risks are routinely presented to SMT and Audit and Scrutiny Committee for review.

Council's use of a cloud-based risk management system is a 'live' risk environment which allows Senior Management and Council Officers to view the status of risk across the organisation, at corporate, service and project level at any time. It has allowed Council to develop better reporting on risk management, and shares responsibility for controls and actions across teams. The system is monitored and reported on by the Corporate Governance Team.

- **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.**

Council have a Fraud Policy (last reviewed January 2021) in place, which was circulated to all staff and Elected Members. The Fraud Policy is also published on Council's website.

Council's Fraud Policy was activated in 2021/22. One incident occurred and was reported in line with Council's Fraud Policy and Fraud Response Plan. A preliminary investigation was undertaken, with a formal investigation undertaken by Council's appointed internal auditor. The final report is still awaited. The Audit and Scrutiny Committee are updated in relation to all fraudulent acts following the conclusion of an investigation.

- **Ensuring effective management of change and transformation.**

Following the successful publication of Council's Agile Framework, appropriate governance structures were put in place including: regular key internal stakeholder meetings as the Agile Delivery Team responsible for operational implementation; reports to Senior Management Team; reports to Council and appropriate Committees; SMT workshops and Elected Member workshops. In addition, Council's Performance team coordinated meetings and a virtual workshop for Council with iESE (a Not-For-Profit Public Sector Transformation Partner led by local authority councillors elected by iESE member councils) and selected key Council staff from the UK to demonstrate best practice. The Agile Framework proposes to deliver transformation towards becoming an 'Agile Organisation' under three pillars of Agile People, Agile Places and Agile Delivery. The overall Programme is led by the Director of Corporate Services and reports are by the Director of Corporate Services, Head of Performance and the Head of Digital Innovation & Procurement.

The Agile Framework superseded the previous standalone Service Review Framework. The principles are incorporated in Council's Agile approach to service delivery and are included in the Agile People pillar. The pillar is guided by the following core transformation principles: Customer Focus; Value for Money & Efficiency; Agile & Responsive; Innovation & Income Generation; Forward looking.

The Agile Delivery Team, led by the Director of Corporate Services, was established in March 2021 to lead the delivery of key projects within the Agile Framework. Initially the focus has been placed on developing a roadmap to guide Council towards becoming an agile organisation. The roadmap illustrates key projects that could be taken forward, within the immediate, short-term and medium/long-term. Council have made significant progress against the initial list of Agile Framework projects, including:

- Agile Working policy;
- Digital Transformation projects;
- Delivery of Remote Telephony Hub;
- Maximising funding streams; and
- Capturing lessons learned as a result of the COVID-19 pandemic.

In August 2021, Council were successful in obtaining re-certification to ISO 14001: Environmental Management Standard. The auditors noted strong commitment from the top down, and in particular, they noted the work of the Agile Delivery Team in continually expanding the improvement process.

To combat the initial and ongoing impact of the pandemic, the Chief Executive fast-tracked the digital transformation of a number of Council systems to ensure that services were as accessible as possible for citizens. These included the live broadcasting of Council meetings, the establishment of the "Remote Call Centre" and the introduction of the online booking system within the Waste department. Significant progress has been made against the following initial list of projects:

- An independent cyber security review has taken place;
- Implementation of a remote telephony service;
- Implementation of a Contact Centre System for Waste Services;
- Delivery of administration training for Microsoft Teams across all Directorates;
- Additional Wi-Fi access points have been added across internal and external Council locations;
- Implementation of a Visitor App in Ardeevin and developing a Hot Desking App; and
- All staff who are working remotely have been issued with laptops and are able to securely access files.

Mid and East Antrim are the first Council in Northern Ireland to introduce a Contact Centre System powered by Amazon Connect, which uses the same automatic speech recognition technology and natural language understanding that powers Amazon Alexa. The Contact Centre System for Waste Services was introduced on 18 May 2021, with 3 weeks live testing, followed immediately with full implementation of the system. Initial statistics were shared with Elected Members in June 2021.

The Waste helpdesk receives on average 106 calls per day. Since implementation, the LEX BOT has addressed almost 20% of all calls, enabling agents to focus on more time-intensive requests. The helpdesk team are now exceeding industry standards, with over 80% of all calls answered within 20 seconds. The new live chat function receives an average of 150 chats per month, 53% of which are addressed by the automated BOT.

The Agile Delivery Team are currently investigating other areas across Council, where implementation of such a system could be advantageous.

- **Ensuring Mid and East Antrim Borough Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) and, where they do not, explain why and how they deliver the same impact.**

The Acting/Temporary Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 1 of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred was lawful.

Principle 5 of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the application note to Delivering Good Governance in Local Government Framework states that "The CFO in a local authority must be professionally qualified and suitably experienced". The Council's financial management arrangements do not comply with Principle 5 in this regard as the Council's designated Chief Financial Officer is not a professionally qualified accountant, and the role of the Chief Financial Officer and Acting/Temporary Chief Executive are not separate within the Council.

The arrangements in place are not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer is supported by Council's Finance Department which has fully qualified accountants, ensuring that the decisions made by the Chief Financial Officer are based on sound technical knowledge and understanding. This arrangement complies with the current legislation in Northern Ireland - section 1 (2) of the Local Government Finance Act (Northern Ireland) 2011.

- **Ensuring Mid and East Antrim Borough Council's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.**

The Council's internal audit arrangements complies with the CIPFA Statement on the Role of Head of Internal Audit (2010). The Council has not designated a Head of Internal Audit within its staffing structure. However, it has appointed an external firm of suitably qualified and experienced accountants and auditors to provide a full range of internal audit services to Council.

The arrangements in place are not considered to compromise the Council's internal arrangements in any way as the externally sourced internal audit service provider has a Head of Internal Audit who reports directly to Council through the Acting/Temporary Chief Executive. The external Head of Internal Audit is a fully qualified accountant, ensuring that the internal audit service is based on sound technical knowledge and understanding. This arrangement complies with the CIPFA Statement on the Role of the Head of Internal Audit (2010).



- **Ensuring effective arrangements are in place for the discharge of the monitoring officer function.**

Under the Fair Employment and Treatment (NI) Order 1998 and Fair Employment (Monitoring) Regulations (NI) 1999 as amended, the Council has a legal duty requirement to:

1. Monitor workforce composition;
2. Review composition and recruitment, training and promotion (at least once every three years);
3. To take affirmative action if fair participation is not being secured for members of the Protestant and Roman Catholic communities; and
4. To set goals and timetables as part of affirmative action.

To comply with this legislation, the Monitoring Officer completes an Annual Monitoring Return to the Equality Commission for Northern Ireland and conducts an Article 55 Review at least every three years.

- **Ensuring effective arrangements are in place for the discharge of the head of paid service function.**

The Acting/Temporary Chief Executive is also the Council's Head of Paid Service. They are the main link between Council Members and Officers promoting positive and open communications between Members and Officers and ensuring strategic priorities are implemented in an appropriate and accountable manner.

The Head of Human Resources and Organisation Development and all staff within their staffing structures advise and assist the Acting/Temporary Chief Executive in the discharge of this role, including all employment policy and practice matters, organisational development for the Council's workforce and industrial relations. The Head of Human Resources and Organisation Development and their staff are appropriately qualified and experienced.

- **Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities.**

Council's Audit and Scrutiny Committee undertakes the core functions of an Audit Committee as identified in CIPFA's Audit Committee Practical Guidance for Local Authorities.

The Audit and Scrutiny Committee met 4 times during 2021/22 in conjunction with key audit and financial reporting frameworks. The Audit and Scrutiny Committee has an established Terms of Reference (last reviewed August 2021).

Internal audit findings and risk management information were reported to the Committee during the year and other information, such as, the work of the Northern Ireland Audit Office.

Council also has an externally appointed Independent Member of the Audit and Scrutiny Committee.

The Audit and Scrutiny Committee is due to review its performance in June 2022 using the self-assessment checklist contained within the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition).

- **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Acting/Temporary Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 1 of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred was lawful.

Financial regulations are contained in the Council's Finance Policy Manual. This has been approved by Council. They are made available to all staff through publication on Council's internal computer network drive and are updated and maintained within the Finance Department. Business Cases and Economic Appraisals are scrutinised by Senior Management and Council to ensure value for money proposals are implemented and decisions are taken in line with Council's Scheme of Delegation.

The Council has in place a Health and Safety Policy based on the Plan-Do-Check-Act framework, with a specific Action Plan for implementation, to ensure continual improvement. The Policy has an organisation chart and arrangements which show how Council will meet its statutory and legal obligations.

The Corporate Health and Safety team updates the Senior Management Team and the Policy & Resources Committee providing an update on compliance with the health and safety framework as well as performance data against specific key targets including accident statistics, policy reviews, risk assessments and inspections. Strategic and operational issues are dealt with at the Corporate Health and Safety Committee which has a Terms of Reference in place for its members consisting of management and trade union representatives. The Corporate Health and Safety Committee review, discuss and update Policy documents, and are provided with an overview report for discussion and information on risk assessments, training, inspections (including any emerging health & safety issues), corrective actions along with additional safeguards (if appropriate), as well as accident information and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) to the Health & Safety Executive in Northern Ireland (HSE NI).

The Corporate Health and Safety team deliver an annual programme of Policy reviews, health and safety inspections, audits, and training to monitor and support the framework. Risk Assessments are carried out both at a Corporate level (e.g. fire safety), as well as at an operational level to identify and manage health and safety risks.

Two Members of the Audit and Scrutiny Committee, usually the Chair and the Vice-Chair of the Committee, attend the review of Council purchase ledger transactions, payroll transactions and treasury management transactions prior to each monthly meeting. The purpose of this activity is to allow payment to be recommended to the Full Council at the monthly meeting. Council retain the service of a solicitor for any legal guidance.

The internal audit function is outsourced and provides an independent opinion on compliance issues. Council's internal audit service provider was appointed in April 2019 for a period of four years until March 2023. They are now in the final year of their contract.

Council has a Fraud Policy (last reviewed in January 2021) in place, which was circulated to all staff and Elected Members. The Fraud Policy is also published on Council's website.

- **Whistleblowing and a system for receiving and investigating complaints from the public.**

Council have a Raising Concerns Policy (last reviewed December 2020) in place. This policy was circulated to all staff and Elected Members. The Raising Concerns Policy is also published on Council's website.

Council's Raising Concerns Policy was activated six times during 2021/22. The Raising Concern allegations were, and are, fully investigated with one closed out and five ongoing.

Council have a robust corporate Complaints Policy and recording system which is maintained by the Policy Team. The Complaints Policy ensures that all public complaints, both formal and informal are appropriately registered, investigated and responded to. Council received 100 informal complaints, 40 formal (stage 1) and 11 formal (stage 2) complaints during 2021/2022. Of the 151 received, 3 were referred to the Northern Ireland Public Service Ombudsman.

Council have an Environmental Policy and set environmental objectives annually.

- **Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.**

Members have undertaken a diverse range of training activities in order to provide them with the capacity and capability to fulfil their role efficiently and effectively. Some of the training provided to Members has covered the key areas of:

- Community Planning;
- Planning;
- Declaration of Interest;
- Standing Orders;
- Audit and Scrutiny;
- Good Relations and Equality;
- Charing Committees;
- Code of Conduct;
- The Prudential Code of Accounting;
- Media;
- Environmental Impact Assessments; and
- Mental Health

Through the Elected Member Development Charter Steering Group, Elected Members are progressing towards the achievement of Elected Member Development Charter. Council are also developing a training programme through the steering group which will focus on the specific requirements of Councillors.

- **Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Strong communication remains critically important to ensuring the Mid and East Antrim community, visitors, would-be investors, key partners and other stakeholders are fully aware of Council's strategic aims, values and objectives. Council uses a wide range of media platforms to communicate within and outside the Borough, including but not limited to, the Council website, corporate publications, brochures and leaflets, social media (Facebook, Twitter, Instagram, LinkedIn), and traditional media, through advisements, broadcasts and PR.

Council's corporate Facebook account has retained its position as a top-performing account across all Northern Ireland Councils. Followers continue to grow rapidly on both Facebook and Twitter with an impressive increase in website users as more and more citizens use these platforms to engage and interact with Council. Digital media has been embraced by Council as a vital tool for sharing the very latest information and updates from Council and its partners.

Council's strategic approach to Communications continues to deliver cost efficiencies, maximisation of resource, and the delivery of Council's Communications function, in line with the objectives set out in the Corporate and Community Plans.

Council is committed to ensuring an increasing volume of documents and online content are produced and made available in accessible formats, such as large print or audio cassette, and in minority languages as we work to ensure equality and promote diversity in our Borough.

Council are now at an advanced stage in preparing a Local Development Plan Strategy for the Borough. The Independent Examination of the Strategy (including points for further consideration and/or revision) is due to take place over the summer, commencing on Monday 6 June 2022. The main purpose of the Local Development Plan is to inform the general public, statutory authorities, service providers and developers of the policy framework and land use proposals that will guide future development decisions in the Borough.

The community panel, which is representative of the Third Sector in our Borough, puts community at the heart of our planning partnership and is central to the decision making processes. It provides the community with a formalised channel to feed in, directly to the partnership, the needs and concerns of the wider community.

The members of the Community Panel then agree representation to sit on other elements of the wider partnership including the Community Planning Strategic Alliance, which includes Council representatives and key decision makers from across the wider public sector and statutory agencies.

Throughout 2021/22 Council have continued to lead the Community Planning process in partnership with a wide range of community, voluntary and statutory partners. COVID-19 changed the priorities for community planning partners within this period. From late March 2020 an emergency response was put in place and the collaboration of statutory, voluntary and community partners was community planning in action. In this period normal community planning activity was parked. As we moved to recovery partners refocused efforts to address the impact of COVID and also picked up on existing projects to continue progress.

Examples of the COVID-19 response projects in collaboration with community planning partners included; Food Box distribution, Chilled Meals project, MEA helpline, Rural Door to Door scheme, Text alert Scheme, Response and Recovery grant Schemes, Slow Cooker Scheme. Much work continues on addressing financial, food and digital poverty and working to address the mental health crisis through our projects such as Take 5.

Council continues to utilise all media and social media platforms and opportunities to communicate the work of the Community Planning Partnership.

Council, through the newly established Poverty Sub Group, continues to develop, in a multi-agency and community/voluntary sector basis a range of initiatives to assist people who are vulnerable. A Programme of 'Chatty Benches' is a key example being developed throughout the Borough.

- **Enhancing the accountability for service delivery and effectiveness of other public service providers.**

Council published the second Statement of Progress in November 2021 which detailed the progress made in each theme. In addition Putting People First was reviewed with five themes reducing to four themes with a number of new cross cutting themes.

The publishing of the second statement by November 2021, the completed review of the plan by March 2022 and formal reporting to the Department for Communities on both ensures accountability to all our key partners and to our residents. All of these actions were completed on time with a new Community Plan being established by Summer 2022.

In line with the Community Planning Guide the Strategic Alliance continues to meet bi-annually and Council as lead partner reports on progress regularly to all statutory partners.

- **Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.**

Mid and East Antrim Council entered into a new Labour Market Partnership to develop annual actions plans to improve employability outcomes and/or labour market conditions locally. MEA Labour Market Partnership consists of a range of representatives from Department for Communities (Jobs & Benefits Office - JBO), Northern Regional College, Galgorm Resort and Spa, Northern Health and Social Care Trust, Northern Ireland Union of Supported Employment, MEA Inter-ethnic Forum, Mid and East Antrim Advice Services, MEA Manufacturing Taskforce Local Enterprise Agencies and Education Authority.

Council utilises the Northern Ireland Audit Office publication "Making Partnerships Work - A Good Practice Guide for Public Bodies" published in April 2019 and applies any relevant governance best practice.

## Review of Effectiveness

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

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework, includes:

- **The Council**

A committee structure is in place within Council which provides Elected Members with a democratic mechanism by which to approve and scrutinise Council business. Positions of responsibility are appointed by d'Hondt. All committee places are appointed through the Quota Greatest Remainder method. Both are set out within the Local Government Act (NI) 2014.

Council business is governed by Council Standing Orders and Committee Terms of Reference to ensure that the transaction of the business of Council and its Committees is properly regulated and conducted in an efficient, fair and legal manner.

- **The Senior Management Team**

The Acting/Temporary Chief Executive leads the Council's Senior Management Team. They are collectively involved with the oversight of the processes involving in maintaining and reviewing the effectiveness of the Council's governance framework.

In doing so the Senior Management Team regularly review:

- Full Council and Committee Actions;
- Corporate Risk Register;
- Corporate Health and Safety;
- Internal and External Audit Reports;
- New and revised Council Policies;
- Performance Improvement Plan;
- Council performance against the priorities set within the Corporate Plan;
- Economic Appraisals/ Business Cases;
- Procurement Actions;
- Human Resource Permissions;
- Financial Reporting;
- Prudential Code of Accounting.

- **The Audit Committee / Overview and Scrutiny Committees / Risk Management Committee**

The Audit and Scrutiny Committee met 4 times during 2021/22. The internal and external auditors attend meetings as appropriate. The Audit and Scrutiny Committee approved a risk based internal audit plan for 2021/22 and considered the findings of internal audit reviews and the external audit reports (Annual Audit Letter and Report to Those Charged with Governance).

The Audit and Scrutiny Committee reviews the Internal Audit function on an annual basis and through the Internal Audit Assurance Statement provided by the Internal Auditor ensured that its internal controls, risk management and governance are adequate and effective and that it has a sound system of internal control.

The effectiveness of the Audit and Scrutiny Committee is due to be reviewed at the Audit and Scrutiny Committee of 23 June 2022. This is done using the self-assessment checklist in the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition). The Committee will also review the implementation of recommendations contained in both internal and external audit reports.

- **Internal Audit**

Council's internal audit function is externally sourced and provides an independent opinion on the Council's Governance Framework.

An annual review of the internal audit function has been carried out in accordance with the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), 2013. This review was presented to the Audit and Scrutiny Committee on 22 April 2022, along with the Annual Internal Audit Assurance Report. Internal Audit reported compliance with the standards.

Internal Audit carried out 8 Assurance reviews in 2021/22, with 7 reviews attaining a Satisfactory Assurance Rating, and 1 review attaining only a Limited Assurance Rating.

Based on the conclusions of the 2021/22, Internal Audit Programme, Internal Audit have provided the Council's Chief Financial Officer with an overall assurance rating of 'Satisfactory' in relation to the Council's system of internal control.

- **Other explicit review/assurance mechanisms**

The Northern Ireland Audit Office undertook an external audit of the Council's 2020/21 financial statements during the year, it provided the Council with an unqualified audit opinion.

The Local Government Act (NI) 2014 places a general duty on councils to "make arrangements to secure continuous improvement in the exercise of its functions." This includes a statutory requirement to publish a Performance Improvement Plan by 30th June each year and a self-assessment of performance for the previous year which is required to be published by 30th September each year.

Council published a Performance Improvement Plan for 2021/22, taking into account the impact of the pandemic. The Plan has been closely monitored for delivery during the year, with quarterly updates provided to Audit & Scrutiny Committee.

Cullybackey was recognised as outstanding in the 'Cultivating your Community' category in the RHS Britain in Bloom competition.

In the regional Translink Ulster in Bloom competition Mid and East Antrim collected several awards, including; Ballymena who won the Large Town / Small City category. Cullybackey Community Partnership were delighted to collect their prize in the Large Village category.

A special youth award was won by Ahoghill in Bloom and The Best Station title was won by Whitehead Railway Station.

In 2020/21 Parks and Open Spaces won:

- 4 x Green Flag Awards (2020), 5 x Green Flag Awards (2021)
- 3 x Seaside Awards achieved for Browns Bay, Ballygally and Carnlough
- 3 x Blue Flag Award for Carrickfergus Marina, Glenarm Marina and Portglenone Marina

The service was also shortlisted for APSE Best Service Team for Cemetery Service.

Carrickfergus Marina has retained its Blue Flag Marina Award and assessment for the 5 Gold Star Anchor Award will take place in the summer of 2022 after the dredging project is complete.

TNI Grading for Carrickfergus Museum and Larne Museum & Arts Centre has not yet taken place, but is expected within the next few months. These will be the museums' first gradings since the Covid-19 pandemic.

Accreditation is not due for renewal this year for Mid-Antrim or Carrickfergus Museum, so their Accreditation status remains.

Andrew Jackson Cottage & US Rangers Museum is currently with the Accreditation panel for renewal decision.

- Larne Museum & Arts Centre (4\*)
- Carrickfergus Museum (4\*)
- Arthur Cottage and Interpretative Centre (4\*)
- Andrew Jackson Cottage and US Rangers Centre (4\*)
- The Gobbins (4\*)

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Executive/ Audit Committee/ Overview and Scrutiny Committee/ Risk Management Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## **Significant Governance Issues**

### **COVID-19 Pandemic**

Following the onset of the COVID-19 pandemic and the subsequent government lockdown in March 2020, Council continue to see impacts on service delivery and income streams. Council activated its emergency plan in March 2020 and continue to proactively manage. Council are still operating aspects of this emergency plan, with the risk associated with it de-escalated from the corporate risk register back to the service risk register. Council continue to proactively analyse the long-term impacts of the COVID-19 pandemic and effectively plan, in conjunction with Departmental and Government advice.

### **Limited Assurance Audit Review of Cemetery Processes**

Following an internal audit review of Contract Management, a Limited Assurance rating was assigned. Council are currently working to address the recommendations within the report and the details of the report were presented to the Audit and Scrutiny Committee. The risk associated with this area has also been escalated to the Corporate Risk Register.

### **Investigations**

Council are currently undertaking a number of investigations in relation to ongoing concerns and HR matters. These investigations are being undertaken by independent external organisations to ensure all allegations are scrutinised in a fair and balanced manner.

### **Interim Governance Arrangements**

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

  
Chair

Date

20/12/22

Signed

  
Interim Chief Executive

Date

20/12/22

## NORTHERN IRELAND LOCAL GOVERNMENT BODIES'

### REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2022

#### INTRODUCTION

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

#### ALLOWANCE AND REMUNERATION ARRANGEMENTS

##### COUNCILLORS

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019, which came into operation on 1 October 2019.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2021 were issued by the Department for Communities on 8 March 2021 (Circular LG 07/2021). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Mid and East Antrim Borough Council had 40 councillors in 2021/22.

##### SENIOR EMPLOYEES

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Executive Management Team/Senior Management 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 on the basis of fair and open competition.

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

#### ALLOWANCES PAID TO COUNCILLORS

The total amount paid to Councillors by way of allowances, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019 was:

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

Allowance	2021/22		2020/21	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	619,440	40	619,440	41
Special Responsibility Allowance	50,577	21	54,785	23
Chairperson/Mayor Allowance	12,000	2	12,000	2
Vice Chairperson/ Deputy Mayor	7,717	2	7,633	2
Mileage Allowance	15,708	25	12,815	23
Public Transport and Other Travel	2,005	12	76	4
Subsistence	987	5	-	-
Courses/ Conferences Visits	5,493	28	-	-
Dependents' Carers Allowance	95	1	509	1
<b>TOTAL ALLOWANCES</b>	<b>714,022</b>	<b>-</b>	<b>707,258</b>	

Details of the allowances paid to individual councillors in 2021/22 are published on the council website at [www.midandeantrim.gov.uk/council/policies-and-documents/payments-to-councillors-scheme](http://www.midandeantrim.gov.uk/council/policies-and-documents/payments-to-councillors-scheme)

## REMUNERATION OF SENIOR EMPLOYEES

The remuneration of senior employees covers the Executive Management Team/Senior Management Team. The following table provides details of the remuneration paid to senior employees:

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

Officers	2021/22				2020/21			
	Salary (Full year equivalent in brackets where applicable)	Bonus Payments	Benefits in kind (to nearest £100)	Total	Salary (Full year equivalent in brackets where applicable)	Bonus Payments	Benefits in kind (to nearest £100)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anne Donaghy (Chief Executive) (a)	120-125	0	0	120-125	115-120	0	0	115-120
Philip Thompson (Acting Clerk & Chief Executive)(b) (Director of Operations)	90-95	0	0	90-95	85-90	0	0	85-90
Nicola Rowles (Acting Clerk & Chief Executive) (c) (Director of Development)	90-95	0	0	90-95	80-85	0	0	80-85
Katrina Morgan (Director of Community)	90-95	0	0	90-95	85-90	0	0	85-90
Louise Kennedy (Director of Corporate Services)	80-85 90-95 (FTE)	0	0	80-85 90-95 (FTE)	85-90	0	0	85-90
John McVeigh (Director of Support Services) (d)	0	0	0	0	5-10 (80-85)	0	0	5-10 (80-85)

(a) Anne Donaghy was placed on precautionary suspension subject to the completion of an independent disciplinary investigation.

(b) Following the suspension of Anne Donaghy as Chief Executive, Philip Thompson was appointed as Acting Clerk & Chief Executive until 21 February 2022.

(c) Following the resignation of the engaged Consultant as Interim Chief Executive, in March 2022 Nicola Rowles was appointed as Acting Clerk & Chief Executive from 15 March 2022 to 30 April 2022.

(d) John McVeigh ceased in the role of Director of Support Services on 31st May 2020.

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Councils workforce.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2021/22 was £120k - £125k. This was 4.4 times the median remuneration of the workforce, which was £27.5K.

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

	2021/22	2020/21
Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team (£000)	120-125	115-120
Median Total Remuneration (£000)	27.53	26.79
Ratio	4.42:1	4.48:1

In 2021/22, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

### Salary

"Salary" includes gross salary, overtime, and any gratia payments.

### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process.

### Benefits in Kind

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



### Exit Packages for staff

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

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

Severance Package Cost Band	2021/22				2020/21			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	11	11	114	2	8	10	53
£20,001 - £40,000	0	10	10	289	0	0	0	0
£40,001 - £60,000	0	3	3	150	0	1	1	50
£60,001 - £80,000	0	4	4	289	0	0	0	0
£80,001 - £100,000	0	1	1	81	0	0	0	0
£100,001 - £150,000	0	2	2	207	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>31</b>	<b>31</b>	<b>1,130</b>	<b>2</b>	<b>9</b>	<b>11</b>	<b>103</b>

### Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, which provides retirement benefits for council employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

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

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

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2021, were as follows:

**Table 5: Employee Contribution Rates**

Band	Range	Employee Contribution Rate
1	£0 - £15,000	5.5%
2	£15,001 - £23,000	5.8%
3	£23,001 - £38,400	6.5%
4	£38,401 - £46,600	6.8%
5	£46,601 - £92,300	8.5%
6	More than £92,300	10.5%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial published valuation of the Fund as at 31 March 2019 was carried out in 2020/21 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:

**Table 6: Employer Contribution Rates**

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2021/22 was £107,578.

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

**Table 7: Pension Benefits of senior staff in 2021/22 (audited information)**

Officers	Accrued Pension at pension age as at 31/3/22 £'000	Real increase (decrease) in pension and related lump sum at pension age	CETV at 31/3/22 £'000	CETV at 31/3/21 £'000	Real increase in CETV £'000
Anne Donaghy (Chief Executive) (a)	40-45 50-55(LS)	0-2.5 (0-2.5) (LS)	672	633	13
Philip Thompson (Acting Clerk & Chief Executive)(b)	35-40 50-55(LS)	0-2.5 (0-2.5) (LS)	632	588	18
Nicola Rowles (Acting Clerk & Chief Executive) (c) (Director of Development)	0-5 0-5(LS)	0-2.5 0-2.5 (LS)	40	23	9
Katrina Morgan (Director of Community)	25-30 20-25(LS)	0-2.5 (0-2.5) (LS)	361	329	15
Louise Kennedy (Director of Corporate Services)	20-25 5-10(LS)	0-2.5 0-2.5 (LS)	226	199	14
John McVeigh (Director of Support Services) (d)	-	-	-	357	-

(a) Anne Donaghy was placed on precautionary suspension subject to the completion of an independent disciplinary investigation.

(b) Following the suspension of Anne Donaghy as Chief Executive, Philip Thompson was appointed as Acting Clerk & Chief Executive until 21 February 2022.

(c) Following the resignation of the engaged Consultant as Interim Chief Executive, in March 2022 Nicola Rowles was appointed as Acting Clerk & Chief Executive from 15 March 2022 to 30 April 2022.

(d) John McVeigh ceased in the role of Director of Support Services on 31st May 2020.

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

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

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

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

Signed

Interim Chief Executive

Date

20/12/22

#### Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2022 on pages 31 to 91 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 35 to 55.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2022.



Interim Chief Financial Officer

Date 20/12/22

#### Council Approval of Statement of Accounts

These accounts <sup>were</sup> ~~were~~ approved by resolution of the Council/Committee on 20 ~~13~~ December 2022

Chairman



Date

20/12/22

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MID AND EAST ANTRIM BOROUGH COUNCIL**

### **Opinion on financial statements**

I have audited the financial statements of Mid and East Antrim Borough Council for the year ended 31 March 2022 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting on the United Kingdom supported by UK adopted international accounting standards.

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

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22, of the financial position of Mid and East Antrim Borough Council as at 31 March 2022 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 Mid and East Antrim 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 Mid and East Antrim 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 Mid and East Antrim 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 Mid and East Antrim 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 is anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Interim 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 Interim 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 2022 is consistent with the financial statements.

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

In the light of the knowledge and understanding of Mid and East Antrim 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 2021-22;

- 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 Interim Chief Financial Officer for the financial statements**

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Interim 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 Interim 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 Mid and East Antrim 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 Interim Chief Financial Officer anticipates that the services provided by Mid and East Antrim 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 Mid and East Antrim Borough Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations;
- making enquires of management and those charged with governance on Mid and East Antrim 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 Mid and East Antrim 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.
- 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 Mid and East Antrim 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 Mid and East Antrim 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*

*23 December 2022*



# Mid and East Antrim Borough Council

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

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

Service Expenditure	Notes	2021/22			2020/21		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Chief Executive	2	2,991,973	(2,150,024)	841,949	5,830,077	(5,360,589)	469,488
Community	`	16,155,115	(5,432,137)	10,722,978	15,483,513	(4,459,093)	11,024,420
Operations	2	36,736,981	(4,436,827)	32,300,154	33,578,336	(3,150,452)	30,427,884
Development	2	11,299,409	(3,959,687)	7,339,722	11,807,420	(3,596,622)	8,210,798
Corporate Services	2	10,407,828	(1,208,734)	9,199,094	8,154,932	(1,175,058)	6,979,874
<b>Cost of Services on Continuing Operations</b>		<b>77,591,306</b>	<b>(17,187,409)</b>	<b>60,403,897</b>	<b>74,854,278</b>	<b>(17,741,814)</b>	<b>57,112,464</b>
Other Operating Expenditure/Income	8	356,864	(530,450)	(173,586)	244,300	(300,888)	(56,588)
Financing and Investment Income and Expenditure	9	3,776,482	(275,502)	3,500,980	3,802,656	(145,578)	3,657,078
<b>Net Operating Expenditure</b>		<b>81,724,652</b>	<b>(17,993,361)</b>	<b>63,731,291</b>	<b>78,901,234</b>	<b>(18,188,280)</b>	<b>60,712,954</b>
Taxation and Non-Specific Grant Income	10	-	(60,051,097)	(60,051,097)	-	(65,559,194)	(65,559,194)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>81,724,652</b>	<b>(78,044,458)</b>	<b>(3,680,194)</b>	<b>78,901,234</b>	<b>(83,747,474)</b>	<b>4,846,240</b>
Surplus/(Deficit) on revaluation of non-current assets	11			6,427,130			1,493,719
Remeasurements of the Net Defined Benefit Liability (Asset)	21			24,565,000			(8,224,000)
<b>Other Comprehensive Income and Expenditure</b>				<b>30,992,130</b>			<b>(6,730,281)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>27,311,936</b>			<b>(1,884,041)</b>

**Mid and East Antrim Borough Council**  
**Movement in Reserves Statement for the year ended 31 March 2022**

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the council, 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.

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
<b>Balance as at 1 April 2020</b>	<b>4,219,435</b>	<b>9,536,038</b>	<b>-</b>	<b>13,755,473</b>	<b>101,169,643</b>	<b>114,925,116</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	4,846,240	-	-	4,846,240	-	4,846,240
Other Comprehensive Income and Expenditure	-	-	-	-	(6,730,281)	(6,730,281)
<b>Total Comprehensive Income and Expenditure</b>	<b>4,846,240</b>	<b>-</b>	<b>-</b>	<b>4,846,240</b>	<b>(6,730,281)</b>	<b>(1,884,041)</b>
Adjustments between accounting basis & funding under regulations	4,598,194	(274,477)	-	4,323,717	(4,323,717)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>9,444,434</b>	<b>(274,477)</b>	<b>-</b>	<b>9,169,957</b>	<b>(11,053,998)</b>	<b>(1,884,041)</b>
Transfers to / from Statutory and Other Reserves	(9,399,312)	9,399,312	-	-	-	-
<b>Increase/ Decrease in year</b>	<b>45,122</b>	<b>9,124,835</b>	<b>-</b>	<b>9,169,957</b>	<b>(11,053,998)</b>	<b>(1,884,041)</b>
<b>Balance as at 31 March 2021</b>	<b>4,264,557</b>	<b>18,660,873</b>	<b>-</b>	<b>22,925,430</b>	<b>90,115,645</b>	<b>113,041,075</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(3,680,194)	-	-	(3,680,194)	-	(3,680,194)
Other Comprehensive Income and Expenditure	-	-	-	-	30,992,130	30,992,130
<b>Total Comprehensive Income and Expenditure</b>	<b>(3,680,194)</b>	<b>-</b>	<b>-</b>	<b>(3,680,194)</b>	<b>30,992,130</b>	<b>27,311,936</b>
Adjustments between accounting basis & funding under regulations	9,669,186	(437,029)	-	9,232,157	(9,299,657)	(67,500)
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>5,988,992</b>	<b>(437,029)</b>	<b>-</b>	<b>5,551,963</b>	<b>21,692,473</b>	<b>27,244,436</b>
Transfers to / from Statutory and Other Reserves	(5,822,222)	5,822,222	-	-	-	-
<b>Increase in year</b>	<b>166,770</b>	<b>5,385,193</b>	<b>-</b>	<b>5,551,963</b>	<b>21,692,473</b>	<b>27,244,436</b>
<b>Balance as at 31 March 2022</b>	<b>4,431,327</b>	<b>24,046,066</b>	<b>-</b>	<b>28,477,393</b>	<b>111,808,118</b>	<b>140,285,511</b>

**Mid and East Antrim Borough Council**  
**Balance Sheet as at 31 March 2022**

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

	Note	31st March 2022	31st March 2021
		£	£
Fixed Assets	11	221,546,114	216,231,534
Long Term Debtors	15	1,226,850	1,393,794
<b>LONG TERM ASSETS</b>		<b>222,772,964</b>	<b>217,625,328</b>
Short Term Investments	16	10,432,122	14,936,844
Inventories	14	393,212	325,415
Short Term Debtors	15	8,249,862	9,990,645
Cash and Cash Equivalents	25	9,444,799	5,594,423
Assets Held for Sale	11	260,843	516,000
<b>CURRENT ASSETS</b>		<b>28,780,838</b>	<b>31,363,327</b>
Short Term Borrowing	17	8,137,860	10,925,591
Short Term Creditors	18	9,787,283	9,843,316
Provisions	19	284,483	1,784,661
<b>CURRENT LIABILITIES</b>		<b>18,209,626</b>	<b>22,553,568</b>
Provisions	19	3,177,404	3,029,883
Long Term Borrowing	17	46,604,261	49,742,129
Other Long Term Liabilities	21	42,677,000	60,022,000
Donated Assets Account	22	600,000	600,000
<b>LONG TERM LIABILITIES</b>		<b>93,058,665</b>	<b>113,394,012</b>
<b>NET ASSETS</b>		<b>140,285,511</b>	<b>113,041,075</b>
<b>USABLE RESERVES</b>			
Capital Grants Unapplied Account	26	1,457,613	736,114
Capital Fund	26	5,700,253	5,129,533
Renewal and Repairs Fund	26	2,725,617	2,725,617
Other Balances and Reserves	26	14,162,583	10,069,609
General Fund	26	4,431,327	4,264,557
		<b>28,477,393</b>	<b>22,925,430</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	27	73,156,807	72,439,677
Revaluation Reserve	27	82,297,689	78,985,995
Pensions Reserve	27	(42,677,000)	(60,022,000)
Accumulated Absences Account	27	(444,450)	(751,169)
Provisions Discount Rate Reserve	27	(524,928)	(536,858)
		<b>111,808,118</b>	<b>90,115,645</b>
<b>NET WORTH</b>		<b>140,285,511</b>	<b>113,041,075</b>

**Mid and East Antrim Borough Council**  
**Cash Flow Statement at 31 March 2022**

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

	Note	2021/22	2020/21
		£	£
Net (Deficit)/Surplus on the provision of services		(3,680,194)	4,846,240
Adjustment for non-cash movements	25a	17,056,529	18,031,840
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25a	2,044,497	(8,762,951)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>15,420,832</b>	<b>14,115,129</b>
Cash flows from Investing Activities	25d	(5,644,857)	(5,564,009)
Net Cash flows from Financing Activities	25e	(5,925,599)	(4,898,977)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>3,850,376</b>	<b>3,652,143</b>
Cash and cash equivalents at the beginning of the reporting period		5,594,423	1,942,280
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>9,444,799</b>	<b>5,594,423</b>

**Mid and East Antrim Borough Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2022**

**1 Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 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 receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

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

ii) **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 operations or transferred operations under machinery of government arrangements during the financial year.

iii) **Provision for Single Status, Job Evaluation and Pay and Grading Reviews**

The Council has made a provision for the costs of settling claims for back pay arising from discriminatory payments incurred before the Council implemented its Single Status Policy. Local government reform resulted in the assets and liabilities of the former Ballymena, Carrickfergus and Larne legacy councils being transferred to Mid and East Antrim Borough Council on 1 April 2015.

As the staff of the former legacy councils and those transferring in from the Department of the Environment's Planning Service are protected by the Transfer of Protected Undertakings Act (Northern Ireland) 2006 (TUPE), Council agreed Terms and Conditions with all Trade Unions in October 2021.

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 highly liquid 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.

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.

## **Employee Benefits**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the 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 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**

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

### **The Northern Ireland Local Government Officers' Pension Fund**

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

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

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

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

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

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

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

Service Cost comprising:

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.]

Within Financing and 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 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.

Within Other Comprehensive Income and Expenditure (Remeasurements)

Return on Plan Assets – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. 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.



## Within the Movement in Reserves Statement Appropriations

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

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

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

## Discretionary Benefits

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

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

## 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 Statement of Accounts and is usually the date the Local Government Auditor issues the certificate and opinion. Where material adjustments are made in this period they will be disclosed.

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

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 (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

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.

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

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

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

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

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

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

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

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; and
- 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.

### **Instruments entered into before 1 April 2006**

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

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 in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

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

xiv) **Intangible Assets**

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

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) 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 First In First Out (FIFO) costing formula.

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

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

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

xvii) **Landfill Allowance Scheme**

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

xviii) **Leases**

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

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

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

**The Council as Lessee - Finance Lease**

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

Lease payments are apportioned between:

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

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

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

**Operating Leases:**

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

**The Council as Lessor - Finance Lease**

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

Lease rentals receivable are apportioned between:

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

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

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



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

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

xix)

### **Disposals and Non-Current Assets Held for Sale**

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

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

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

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

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

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

xx) **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xxi) **Property, Plant and Equipment**

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

**Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The de minimus threshold is £5,000. Capital expenditure below this threshold is treated as revenue expenditure.

**Measurement**

Assets are initially measured at cost, comprising:

- a) the purchase price;
- b) any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- surplus assets - the current value measurement base is fair value, estimated at 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 by:

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

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

## **Depreciation**

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

Depreciation is calculated on the following bases:

- buildings - straight-line allocation over the useful life of the property as estimated by the valuer;
- vehicles, plant, furniture and equipment - a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer; and
- infrastructure - straight line allocation over 18-42 years.

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

## **Componentisation**

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

Componentisation is only applicable to larger value land and buildings or equipment assets.

## **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.

Valuation of Land and Buildings are carried out externally by Land and Property Services (LPS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

## **Dredging**

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour or marina, deepening or extension of a harbour or marina basin in order to allow access to larger vessels and which will result in future economic benefits for the Council. This expenditure is capitalised and depreciated over the economic life of the asset. Major maintenance dredging is expenditure incurred to restore a channel or marina basin to its previous condition and depth. On average the Council incurs such expenditure every 8 years. At the completion of major maintenance dredging the channel or basin has an average service potential of 8 years. Major maintenance dredging is regarded as a separate component of the asset and is capitalised and depreciated evenly over the 8 years subject to the findings of hydro-graphic reports carried out over the period.

xxii) **Heritage Assets**

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

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

The 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 policy on impairment.

At the end of this reporting period the Council holds £1.18m in Heritage Assets. These were mainly museum collections, paintings, books, sculptures, and other artefacts. The value was determined by the services of an external valuer. Further information is shown in Note 11f.

xxiii) **Provisions**

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

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

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

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

xxiv) **Reserves**

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

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

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

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

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

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

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

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

xxvii) **Value Added Tax**

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

xxviii) **Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

\* Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;

\*Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

\* Level 3 – unobservable inputs for the asset or liability.

**b 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.

The standards introduced by the 2021/22 Code and relevant for additional disclosures that will be required in the 2021/22 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- a) Definition of a Business: Amendments to IFRS 3 Business Combinations:
- b) Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7; and
- c) Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

It is not anticipated that these accounting changes will impact on the financial statements.

**c Critical Judgements in Applying Accounting Policies**

In applying accounting policies set out from 1a above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts include:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

**d Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

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

The items in the Council's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:



d **i) *Property, Plant and Equipment***

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

**ii) *Pension Liability***

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

**iii) *Third Party Investments***

The Council administers investments for third parties outside the organisation. These investments are not included in the accounts of Mid and East Antrim Borough Council (See Note 16 for further details).

2

a Expenditure and Funding Analysis

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

	2021/22			2020/21		
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Chief Executive	5,222,519	4,380,570	841,949	693,378	223,890	469,488
Support Services	-	-	-	9,528,146	9,528,146	-
Community	6,639,878	(4,083,100)	10,722,978	4,449,021	(6,575,399)	11,024,420
Operations	25,890,575	(6,409,579)	32,300,154	25,424,927	(5,002,957)	30,427,884
Development	3,658,292	(3,681,430)	7,339,722	5,464,424	(2,746,374)	8,210,798
Corporate Services	8,501,590	(697,504)	9,199,094	5,938,528	(1,041,346)	6,979,874
<b>Net Cost of Services</b>	<b>49,912,854</b>	<b>(10,491,043)</b>	<b>60,403,897</b>	<b>51,498,424</b>	<b>(5,614,040)</b>	<b>57,112,464</b>
<b>Other Income and Expenditure</b>	<b>(55,901,846)</b>	<b>821,857</b>	<b>(56,723,703)</b>	<b>(62,974,550)</b>	<b>1,015,846</b>	<b>(61,958,704)</b>
<b>(Surplus) or Deficit</b>	<b>(5,988,992)</b>	<b>(9,669,186)</b>	<b>3,680,194</b>	<b>(11,476,126)</b>	<b>(4,598,194)</b>	<b>(4,846,240)</b>
<b>Opening General Fund</b>			<b>4,264,557</b>			<b>4,219,435</b>
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>			<b>5,988,992</b>			<b>11,476,126</b>
<b>Transfers to/from Unusable Reserves</b>						
<b>Transfers to/from Usable Reserves</b>			<b>(5,822,222)</b>			<b>(9,399,312)</b>
<b>Closing General Fund</b>			<b>4,431,327</b>			<b>6,296,249</b>

2  
b

Note to the Expenditure and Funding Analysis

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

Adjustments between Funding and Accounting Basis  
2021/22

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total Adjustments
	£	£	£	£	£
Chief Executive	(235,126)	(451,579)	5,067,275	-	4,380,570
Community	(2,706,982)	(1,544,400)	168,282	-	(4,083,100)
Operations	(4,311,710)	(2,185,642)	87,773	-	(6,409,579)
Development	(2,560,139)	(1,291,516)	170,225	-	(3,681,430)
Corporate Services	(170,498)	(532,863)	5,857	-	(697,504)
<b>Net Cost of Services</b>	<b>(9,984,455)</b>	<b>(6,006,000)</b>	<b>5,499,412</b>	<b>-</b>	<b>(10,491,043)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	2,035,857	(1,214,000)	-	-	821,857
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(7,948,598)</b>	<b>(7,220,000)</b>	<b>5,499,412</b>	<b>-</b>	<b>(9,669,186)</b>

Adjustments between Funding and Accounting Basis  
2020/21

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total Adjustments
	£	£	£	£	£
Chief Executive	226,880	-	(2,990)	-	223,890
Support Services	4,288,071	(23,207)	5,263,282	-	9,528,146
Community	(5,765,120)	(788,838)	(21,441)	-	(6,575,399)
Operations	(4,006,726)	(978,013)	(18,218)	-	(5,002,957)
Development	(2,067,437)	(649,306)	(29,631)	-	(2,746,374)
Corporate Services	-	(1,008,636)	(32,710)	-	(1,041,346)
<b>Net Cost of Services</b>	<b>(7,324,332)</b>	<b>(3,448,000)</b>	<b>5,158,292</b>	<b>-</b>	<b>(5,614,040)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	2,058,846	(1,043,000)	-	-	1,015,846
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(5,265,486)</b>	<b>(4,491,000)</b>	<b>5,158,292</b>	<b>-</b>	<b>(4,598,194)</b>

### 3 a Expenditure and Income Analysed by Nature

		Restated*	
Expenditure		2021/22	2020/21
	Notes	£	£
Employee Benefits Expenses	7a	27,067,675	27,167,486
Other Services Expenditure		44,273,547	40,233,300
Depreciation, Amortisation, Impairment	11	7,845,615	8,579,342
Interest Payments	9	2,490,951	2,676,806
Other Operating Income - Disposal of Assets	8a	356,864	244,300
<b>Total Expenditure</b>		<b>82,034,652</b>	<b>78,901,234</b>
Income		2021/22	2020/21
	Notes	£	£
Fees, Charges and other service Income		(17,395,472)	(17,803,891)
Interest and Investment Income	9	(67,439)	(83,501)
District rate income	10	(49,656,597)	(52,611,243)
Government grants and Contributions**	10	(10,394,500)	(12,947,951)
Other Operating Income - Disposal of Assets	8a	(530,450)	(300,888)
<b>Total Income</b>		<b>(78,044,458)</b>	<b>(83,747,474)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>		<b>3,990,194</b>	<b>(4,846,240)</b>

\* The 2020/21 figures have been restated to reflect reporting the Disposal of Assets between Income and Expenditure rather than reporting net through expenditure

\*\* (These figures include additional Covid19 Grant Support Funding from the Department of Communities of £3.57M and £88k of Department of Agriculture, Environment and Rural Affairs)

### b Revenue from contracts with service recipients

The Council does not receive material monies from contracts with service recipients.

**4 Adjustments between an Accounting Basis and Funding Basis under Regulations**  
**a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:**

		2021/22		2020/21	
	Notes	£	£	£	£
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:					
Derecognition (other than disposal) of non-current assets	11	235,126		41,294	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11, 11e, 22	900,184		2,747,076	
Depreciation charged in the year on non-current assets	11	<u>7,845,615</u>	<b>8,980,925</b>	<u>8,579,342</u>	<b>11,367,712</b>
Net Revenue expenditure funded from capital under statute	12		<b>1,003,533</b>		<b>518,019</b>
Carrying amount of non current assets sold	8, 9d	424,364		244,300	
Proceeds from the sale of PP&E, investment property	8, 9d	<u>(667,587)</u>	<b>(243,223)</b>	<u>(300,888)</u>	<b>(56,588)</b>
Net charges made for retirement benefits in accordance with IAS 19	21b		<b>11,557,000</b>		<b>8,466,000</b>
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21b		<b>(4,337,000)</b>		<b>(3,975,000)</b>
Capital Grants and Donated Assets Receivable and Applied in year	10c		<b>(422,692)</b>		<b>(1,293,250)</b>
Capital Grants Receivable and Unapplied in year	10d		<b>(1,369,946)</b>		<b>(709,008)</b>
Adjustments in relation to Short-term compensated absences	18		<b>(306,719)</b>		<b>130,783</b>
Provisions Discount Rate Reserve Adjustment	27h		<b>(11,930)</b>		<b>(11,423)</b>
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	12		<b>(5,180,762)</b>		<b>(5,277,652)</b>
Direct revenue financing of Capital Expenditure	12,23		-		<b>(4,561,399)</b>

**9,669,186** **4,598,194**

Employers contributions payable to NILGOSC and the retirement benefits payable direct to pensioners figure of £4,337K (2020/21 £3,975k) as shown in note 4 excluded the following costs:

- a. Employers contributions payable to NICS - £315k (2020/21 £383k) in respect of planners
- b. Additional costs of early retirement pension paid to NILGOSC of £523k (2020/21 £82k)
- c. A decrease of £307k (2020/21 £131k) re accumulated absences
- d. Employers contributions payable in respect of Councillors - £108k (2020/21 £115k) as included within note 7d.

**b Net transfers (to)/from statutory and other earmarked reserves:**

	Notes	2021/22 £	2021/22 £	2020/21 £	2020/21 £
<b>Capital Fund</b>					
Other	26c	<u>(850,000)</u>	<b>(850,000)</b>	<u>(1,020,000)</u>	<b>(1,020,000)</b>
<b>Other Funds and earmarked reserves</b>					
Other	26e	<u>(4,972,222)</u>	<b>(4,972,222)</b>	<u>(8,379,312)</u>	<b>(8,379,312)</b>
<b>Unusable reserves</b>					
Capital Adjustment Account		<u>-</u>	-	<u>-</u>	-
			<b>(5,822,222)</b>		<b>(9,399,312)</b>

## 5 Cost of Services on Continuing Operations

### a General power of competence

Prior to Local Government Reform on 1st 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 with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £0 during 2021/22 (£0 in 2020/21).

### b External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Councils external auditors.

	2021/22	2020/21
	£	£
External Audit Fees	83,200	60,300
Other Fees	22,000	5,500
	105,200	65,800

The External Audit fee amount of £83,200 includes an increased current year fee of £75,000 plus under accruals of £2,700 and £5,500 for 2020/21 and 2019/20 respectively. The other fees of £22,000 (2020/21 £5,500) were incurred in respect of performance audit services provided by the appointed auditor.

## 6 Operating and leases Council as Lessor

### a leases (Council as lessor)

The Council has a number of leases, present value of the lease payments receivable under these arrangements are not material.

### b Operating Leases (Council as lessor)

The Council leases out property and equipment under operating leases for the following purposes:

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £350,730 (2020/21 £274,236). No Contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 0 and 125 years. Future lease income is set out below.

	31st March 2022	31st March 2021
	£	£
Not later than 1 year	176,699	187,603
Later than 1 year and no later than 5 years	442,048	276,615
Later than 5 years	2,357,492	2,364,818
	2,976,239	2,829,036

### Council as Lessee

### c Leases (Council as lessee)

Council has now repaid all vehicles held under leases, these vehicles are included within Vehicles, Plant and Equipment.

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

The Council has acquired its photocopiers, printers and motor vehicles by entering into operating leases, with typical lives of 3/5 years.

The future minimum lease payments due under non-cancellable leases in future years are:

	31st March 2022	31st March 2021
	£	£
Not later than 1 year	414,325	305,142
Later than 1 year and no later than 5 years	902,008	607,389
Later than 5 years	3,629,322	1,941,301
	<b>4,945,655</b>	<b>2,853,832</b>

Where assets acquired under operating leases are sub-let, disclosures is required of the future minimum sublease payments expected to be received by the Council, per paragraph 4.2.4.2(7) of the Code.

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

	2021/22	2020/21
	£	£
Minimum lease payments	445,406	322,800
<b>Total</b>	<b>445,406</b>	<b>322,800</b>

#### 7 Employee Costs and Member Allowances

a Staff Costs	2021/22	2020/21
	£	£
Salaries and Wages	20,787,145	21,067,545
Employers NIC	2,082,553	2,011,813
Employers Superannuation	4,197,977	4,088,128
<b>Total staff costs</b>	<b>27,067,675</b>	<b>27,167,486</b>

In addition, agency costs during the year amounted to £5,813,512 (2020/21 £4,282,232).

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

At last published actuarial valuation dated 31st March 2019 the funds assets meet 112% of liabilities at that date (2016-96%). We are awaiting publication of the actuarial valuation that took place as at 31 March 2022.

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

b Average Number of Employees	2021/22	2020/21
	FTE	FTE
Chief Executive	43	3
Support Services	-	47
Community	120	171
Operations	231	242
Development	115	143
Corporate Services	50	59
<b>Total Number</b>	<b>559</b>	<b>665</b>

	2021/22	2020/21
	Actual Numbers	Actual Numbers
Full-time numbers employed	559	616
Part-time numbers employed	167	99
<b>Total Number</b>	<b>726</b>	<b>715</b>

c Senior Employees' Remuneration			2021/22	2020/21
£50,001 to £60,000			3	7
£60,001 to £70,000			10	7
£70,001 to £80,000			1	-
£80,001 to £90,000			2	4
£90,001 to £100,000			2	-
£100,001 to £110,000			-	-
£110,001 to £120,000			-	1
£120,001 to £130,000			1	-
Total Number			19	19

d Members' Allowances			2021/22	2020/21
			£	£
Basic allowance			619,440	619,440
Mayor's & Deputy Mayor's Allowance			19,717	19,633
Special Responsibility Allowances			50,577	54,785
Dependents' carers allowance			95	509
Employer costs			157,112	162,545
Mileage			15,708	12,815
Conferences and Courses			5,493	-
Travel & Subsistence Costs			2,992	76
Total			871,134	869,803

#### e Northern Ireland Civil Service Pension Arrangements

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

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities.

The most up to date published actuarial valuation was carried out as at 31 March 2019. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DOF Superannuation and Other Allowances Resource Accounts as at 31 March 2022. We are awaiting publication of the actuarial valuation that took place as at 31 March 2022.

For 2021/22, employers' contributions of £315,123.76 (2020/21 £334,321.08) were payable to the NICS pension arrangements at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution.

None of Mid and East Antrim Borough Council employees have opted to open a partnership pension account.

No persons retired early on ill-health grounds as such the actuarial cost for employees for the early payment of retirement benefits was £nil (2020/21 £nil).

### 8 Other Operating Income & Expenditure

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

	2021/22	2020/21
	£	£
Proceeds from sale	(530,450)	(300,888)
Carrying amount of non-current assets sold (excl Investment Properties)	356,864	244,300
	<b>(173,586)</b>	<b>(56,588)</b>

Other Operating Expenditure			2021/22	2020/21
			£	£
[Surplus] / Deficit on Non Current Assets			(173,586)	(56,588)
			<b>(173,586)</b>	<b>(56,588)</b>



## 9 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2021/22	2020/21
	£	£
Government Loan Interest	2,475,515	2,620,285
Other interest (please specify)	15,436	56,521
	<b>2,490,951</b>	<b>2,676,806</b>

### b Interest and Investment Income

	2021/22	2020/21
	£	£
NIHE Loan interest receivable	61,275	67,605
Investment income on Fund Balances:		
Other Investment income	6,164	15,896
	<b>67,439</b>	<b>83,501</b>

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

	2021/22	2020/21
	£	£
Net interest on the net defined benefit liability (asset)	1,214,000	1,043,000
	<b>1,214,000</b>	<b>1,043,000</b>

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

	2021/22	2020/21
Income/Expenditure from Investment Properties:	£	£
Income including rental income	(63,623)	(62,077)
Expenditure	4,031	2,662
<b>Net income from investment properties</b>	<b>(59,592)</b>	<b>(59,415)</b>
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	(137,137)	-
Carrying amount of investment properties sold	67,500	-
<b>(Surplus)/deficit on sale of Investment Properties:</b>	<b>(69,637)</b>	<b>-</b>
<b>Changes in Fair Value of Investment Properties</b>	<b>(7,303)</b>	<b>80,188</b>
	<b>(136,532)</b>	<b>20,773</b>

Financing and Investment Income and Expenditure	2021/22		2020/21		2020/21	
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Interest Payable and Similar Charges	2,490,951	-	2,490,951	2,676,806	-	2,676,806
Interest and Investment Income	-	(67,439)	(67,439)	-	(83,501)	(83,501)
Pensions interest cost	1,214,000	-	1,214,000	1,043,000	-	1,043,000
Other investment income	71,531	(200,760)	(129,229)	2,662	(62,077)	(59,415)
Changes in Fair Value of Investment Properties	-	(7,303)	(7,303)	80,188	-	80,188
	<b>3,776,482</b>	<b>(275,502)</b>	<b>3,500,980</b>	<b>3,802,656</b>	<b>(145,578)</b>	<b>3,657,078</b>

# 10 Taxation and Non Specific Grant Income

## a Revenue Grants

	2021/22	2020/21
	£	£
General	(8,601,862)	(7,479,427)
Other - DFC Covid-19 related grant	-	(3,466,266)
	<b>(8,601,862)</b>	<b>(10,945,693)</b>

## b Capital Grants and Donated Assets - Applied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and applied in year	(422,692)	(1,293,250)
	<b>(422,692)</b>	<b>(1,293,250)</b>

## c Capital Grants - Unapplied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and not applied in year	(1,369,946)	(709,008)
	<b>(1,369,946)</b>	<b>(709,008)</b>

## d District Rates

	2021/22	2020/21
	£	£
Current year	(49,656,597)	(52,611,243)
	<b>(49,656,597)</b>	<b>(52,611,243)</b>

Taxation and Non Specific Grant Income	2021/22	2020/21
	£	£
District Rate Income	(49,656,597)	(52,611,243)
Revenue Grants	(8,601,862)	(10,945,693)
Capital Grants and Contributions	(1,792,638)	(2,002,258)
	<b>(60,051,097)</b>	<b>(65,559,194)</b>

Mid and East Antrim Borough Council  
Notes to the Financial Statements  
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11 a Long - Term Assets - Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Non Operational Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	36,961,803	159,110,878	4,371,431	5,666,120	15,238,982	360,487	5,693,768	22,000	227,425,469	1,181,473	1,333,300	516,000	230,456,242
Additions	8,335	1,414,163	10,726	84,515	1,346,314	-	5,241,029	-	8,105,082	-	-	-	8,105,082
Revaluation increases/ (decreases) to Revaluation Reserve	(112,960)	446,316	-	-	-	-	-	-	333,356	-	-	(21,407)	311,949
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(130,800)	(1,263,636)	-	84,796	-	-	-	-	(1,309,640)	-	-	-	(1,309,640)
Derecognition - Disposals	(73,825)	-	-	-	(1,060,747)	-	-	-	(1,134,572)	-	-	(280,000)	(1,414,572)
Derecognition - Other	-	-	-	-	-	-	(235,126)	-	(235,126)	-	-	-	(235,126)
Reclassifications & Transfers	-	3,362,299	-	-	48,265	-	(3,410,564)	-	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	(23,750)	(22,500)	-	-	-	-	-	-	(46,250)	-	-	46,250	-
Balance as at 31 March 2022	36,628,803	163,047,520	4,382,157	5,835,431	15,572,814	360,487	7,289,107	22,000	233,138,319	1,181,473	1,333,300	260,843	235,913,935
Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Non Operational Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	-	872,427	2,731,538	-	11,430,888	-	-	-	15,034,853	-	-	-	15,034,853
Depreciation Charge	-	6,485,819	157,452	135,792	1,066,552	-	-	-	7,845,615	-	-	-	7,845,615
Depreciation written out on Revaluation Reserve	-	(6,115,181)	-	-	-	-	-	-	(6,115,181)	-	-	-	(6,115,181)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(266,361)	-	(135,792)	-	-	-	-	(402,153)	-	-	-	(402,153)
Derecognition - Disposals	-	-	-	-	(990,208)	-	-	-	(990,208)	-	-	-	(990,208)
Balance as at 31 March 2022	-	976,704	2,888,990	-	11,507,232	-	-	-	15,372,926	-	-	-	15,372,926
Balance as at 31 March 2022	36,628,803	162,070,816	1,493,167	5,835,431	4,065,582	360,487	7,289,107	22,000	217,765,393	1,181,473	1,333,300	260,843	220,541,009

Mid and East Antrim Borough Council  
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11 b Long - Term Assets - Comparative Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Non Operational Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	37,208,404	162,775,998	4,371,431	5,740,095	14,555,595	360,487	5,025,389	22,000	230,059,399	1,181,473	402,747	-	231,643,619
Additions	77,509	1,880,604	-	279,621	856,889	-	4,172,151	-	7,266,774	-	-	-	7,266,774
Donations	-	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Revaluation increases/decreases to Revaluation Reserve	458,999	(5,895,916)	-	(39,640)	-	-	-	-	(5,476,557)	-	-	25,776	(5,450,781)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(122,486)	(79,355)	-	(3,183,153)	-	-	-	-	(3,384,994)	-	-	(102,878)	(3,487,872)
Derecognition - Disposals	(235,623)	-	-	-	(173,502)	-	-	-	(409,125)	-	-	-	(409,125)
Derecognition - Other	-	-	-	-	-	-	(31,847)	-	(31,847)	-	(9,447)	-	(41,294)
Reclassifications & Transfers	(425,000)	429,547	-	2,869,197	-	-	(3,471,925)	-	(598,181)	-	(60,000)	593,102	(65,079)
											-		
Balance as at 31 March 2021	36,961,803	159,110,878	4,371,431	5,666,120	15,238,982	360,487	5,693,768	22,000	227,425,469	1,181,473	1,333,300	516,000	230,456,242
Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Non Operational Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	-	768,150	2,574,846	-	10,642,824	-	-	-	13,985,820	-	-	-	13,985,820
Depreciation Charge	-	7,216,694	156,692	253,067	952,889	-	-	-	8,579,342	-	-	-	8,579,342
Depreciation written out on Revaluation Reserve	-	(6,942,761)	-	(1,739)	-	-	-	-	(6,944,500)	-	-	-	(6,944,500)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(169,656)	-	(251,328)	-	-	-	-	(420,984)	-	-	-	(420,984)
Derecognition - Disposals	-	-	-	-	(164,825)	-	-	-	(164,825)	-	-	-	(164,825)
Balance as at 31 March 2021	-	872,427	2,731,538	-	11,430,888	-	-	-	15,034,853	-	-	-	15,034,853
<b>Net Book Values</b>													
Balance as at 31 March 2021	36,961,803	158,238,451	1,639,893	5,666,120	3,808,094	360,487	5,693,768	22,000	212,390,616	1,181,473	1,333,300	516,000	215,421,389
Balance as at 31 March 2022	36,628,803	162,070,816	1,493,167	5,835,431	4,065,582	360,487	7,289,107	22,000	217,765,393	1,181,473	1,333,300	260,843	220,541,009

## 11 c Property, plant and equipment

### Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings - 30-50 years
- Vehicles, Plant, Furniture and Equipment - 3-7 years
- Infrastructure - 18-42 years

### Effects of Changes in Estimates

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

### Revaluations

A full revaluation exercise of Council's freehold properties was carried out at the 31 March 2017 by an independent valuer, LPS.

In accordance with the statements of asset valuation practice and guidance notes of the Royal Institute of Chartered Surveyors from 1 April 2017 the Council has operated a rolling programme for its revaluation of freehold and leasehold properties with approximately 20% of these assets being revalued by physical inspection and the remainder being revalued by desktop exercise. This revaluation was also carried out by an independent valuer, LPS.

The LPS valuations for 31 March 2022 are fully reflected in the closing carrying values of Land, Buildings, Investment Properties and Surplus Assets.

## d Intangible Assets

The Council accounts for its software as fixed assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software. Intangible assets at the year end are held within Work In Progress as the projects are ongoing and will be capitalised once complete.

Non Operational Assets	2021/22	2020/21
	£	£
Balance at start of year:		
Gross carrying amounts	1,333,300	402,747
Accumulated amortisation	-	-
Net carrying amount at start of year	1,333,300	402,747
Additions	-	1,000,000
Other Changes	-	(69,447)
<b>Net carrying amount at end of year</b>	<b>1,333,300</b>	<b>1,333,300</b>
Comprising:		
Gross carrying amounts	1,333,300	1,333,300
<b>Net carrying amount at end of year</b>	<b>1,333,300</b>	<b>1,333,300</b>

## e Investment Properties

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

Investment Properties	31/03/2022	31/03/2021
	£	£
Rental Income from Investment Activities	63,623	62,077
Direct Operating expenses arising from investment properties	(4,031)	(2,662)
<b>Net gain/(loss)</b>	<b>59,592</b>	<b>59,415</b>

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

## 11 Cont'd

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

Investment Properties	2021/22	2020/21
	£	£
Balance at start of the year	1,326,145	1,340,873
Additions	-	381
Disposals	(67,500)	-
Net gains/losses from fair value adjustments	7,303	(80,188)
Transfers to/ from property, plant and equipment	-	65,079
<b>Balance at end of the year</b>	<b>1,265,948</b>	<b>1,326,145</b>

2021/22 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2022
	£	£	£	£
Residential properties (market rental)	1,265,948	-	-	1,265,948
Office units	-	-	-	-
Commercial Units	-	-	-	-
<b>Total</b>	<b>1,265,948</b>	<b>-</b>	<b>-</b>	<b>1,265,948</b>

2020/21 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2021
	£	£	£	£
Residential properties (market rental)	1,326,145	-	-	1,326,145
Office units	-	-	-	-
Commercial Units	-	-	-	-
<b>Total</b>	<b>1,326,145</b>	<b>-</b>	<b>-</b>	<b>1,326,145</b>

### Transfers between levels of the fair value hierarchy

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

### Valuation Techniques

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

## f Heritage Assets

Heritage Assets for Mid and East Antrim consist of the following for each legacy Council:

Ballymena Legacy Council - Museum Collection £95,000, Civic Regalia £65,000, Mace £2,000 and Artwork £19,175.

Carrickfergus Legacy Council - Paintings & Books £215,449, Sculptures £65,599 and other Artefacts £541,250.

Larne Legacy Council - Art Collection £113,750, Ceremonial Dress £35,340 and all other Heritage assets £28,910.

Ballymena and Larne Heritage assets were valued by a fine art consultant - Ballymena's museum collection at 31 March 2012, Regalia and Mace 31 March 2013 and Artworks 31 March 2017 whilst Larne's Heritage assets were valued at 31 March 2014 and a professional valuer carried out a comprehensive valuation of Carrickfergus's assets in January 2013.

## 11 Cont'd

### g Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2021	-	516,000	516,000
Transferred from Non-Current Assets during year	-	46,250	46,250
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	(21,407)	(21,407)
Derecognition - Disposals	-	(280,000)	(280,000)
<b>Balance as at 31 March 2022</b>	-	<b>260,843</b>	<b>260,843</b>
<b>Net Book Value</b>			
<b>Balance as at 31 March 2022</b>	-	<b>260,843</b>	<b>260,843</b>
<b>Balance as at 31 March 2021</b>	-	<b>516,000</b>	<b>516,000</b>

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2020	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	25,776	<b>25,776</b>
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of	-	(102,878)	<b>(102,878)</b>
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	593,102	<b>593,102</b>
<b>Balance as at 31 March 2021</b>	-	<b>516,000</b>	<b>516,000</b>
<b>Impairment</b>			

The Council intends to dispose of a small piece of Land at Glenarm Amenity Site which will be sold within the next three to four months as well as the sale of the "Ramp" at Circular Road Larne and again this sale will be completed within the next three to four months. The Council has found buyers for both these properties and sale has been agreed.

The gain/loss on assets classified to held for sale and sold during the year was £0 (2020/21 £77,102)

### h Long-Term Assets - Leased Assets

Assets which the Council financed through Long Term Leases are now fully repaid and held within Note 11 under Vehicles, Plant and Equipment.

### i Fair Value Hierarchy for Surplus Assets

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

2021/22 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2022
	£	£	£	£
Type 1	22,000	-	-	<b>22,000</b>
Type 2	-	-	-	-
Type 3	-	-	-	-
<b>Total</b>	<b>22,000</b>	-	-	<b>22,000</b>

2020/21 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2021
	£	£	£	£
Type 1	22,000	-	-	<b>22,000</b>
<b>Total</b>	<b>22,000</b>	-	-	<b>22,000</b>

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

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

## 11 Cont'd

### i Highest and best use of surplus assets

In estimating the fair value of the Council's surplus assets, the highest and best use of the assets is their current use.

#### Valuation Techniques

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

#### Valuation Process for Surplus Assets

Land and Property services have valued Mid and East Antrim's surplus assets using the highest and best use basis of valuation.

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

## 12 Capital Expenditure and Capital Financing

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

Capital Expenditure		2021/22	2020/21
		£	£
<b>Opening Capital Financing Requirement</b>		65,321,862	69,353,362
<b>Capital Investment</b>			
Property, Plant and Equipment	11	8,105,082	7,266,774
Investment Properties	11e	-	381
Revenue Expenditure Funded from Capital under Statute		1,003,533	518,019
Other movements		-	-
<b>Sources of Finance</b>			
Capital Receipts		(667,587)	(300,888)
Government Grants and Other Contributions	10	(1,071,139)	(756,106)
Transfers from Earmarked Reserves		(1,158,528)	(920,629)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	(4,561,399)
Minimum Revenue Provision		(5,180,762)	(5,277,652)
<b>Closing Capital Financing Requirement</b>		<b>66,352,461</b>	<b>65,321,862</b>
<b>Explanation of Movements in Year</b>		<b>2021/22</b>	<b>2020/21</b>
		<b>£</b>	<b>£</b>
Increase in underlying need to borrow		1,030,599	(4,031,500)
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>1,030,599</b>	<b>(4,031,500)</b>

## 13 Future Capital Commitments

The Council has an ongoing programme of capital works and the estimated cost of the schemes is as follows:

Of the capital expenditure disclosed below, £2.7m (2020/21 £1.8m) relates to REFCUS expenditure. These projects include projected expenditure on the Carrickfergus Townscape Heritage (THI), partnership projects with the Department for Communities, the Glenarn Masterplan, the Cullybackey- Galgorm Greenway, and business cases under the Belfast Regional City Deal (BRCD).

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	9,526,771	(3,540,403)	<b>5,986,368</b>
Other Commitments	6,113,083	(2,003,589)	<b>4,109,494</b>
<b>Total</b>	<b>15,639,854</b>	<b>(5,543,992)</b>	<b>10,095,862</b>



14	Inventories	2021/22 £	2020/21 £
	Other	146,488	133,179
	Bins	180,962	109,899
	Trading Outlets	37,076	57,626
	Stationery	28,686	24,711
	<b>Total</b>	<b>393,212</b>	<b>325,415</b>

The above figures are stated net of an obsolete provision of £20,690 (2020/21 £17,127).

15	Debtors	2021/22 £	2020/21 £
a	Long Term Debtors		
	Employee car loans	-	1,528
	NIHE Loans	900,372	1,008,858
	Landfill asset	326,478	383,408
	<b>Total Long-Term Debtors</b>	<b>1,226,850</b>	<b>1,393,794</b>

b	Short Term Debtors	2021/22 £	2020/21 £
	Government Departments	1,400,107	4,454,830
	Other Councils	-	30,620
	Bodies external to general government	-	6,578
	NIHE loans	108,485	101,854
	Employee car loans	1,528	1,833
	Revenue Grants	2,169,503	1,786,583
	Capital Grants	1,170,475	476,701
	Interest Receivable	2,638	459
	Value Added Tax	1,571,350	1,949,348
	Prepayments	696,851	526,742
	Landfill asset	43,708	47,541
	Other	334,265	378,075
	Trade receivables	854,199	282,455
	Impairment loss - Trade receivables	(103,247)	(52,974)
	<b>Total Short-Term Debtors</b>	<b>8,249,862</b>	<b>9,990,645</b>

<b>Total Debtors</b>	<b>9,476,712</b>	<b>11,384,439</b>
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16	Investments	2021/22 £	2020/21 £
a	Long Term Investments		

The Council does not hold any long term investments.

b	Short-Term Investments	2021/22 £	2020/21 £
	Investments - Landfill	2,460,489	2,321,023
	Investments - Other	7,971,633	12,615,821
	<b>Total Short-Term Investments</b>	<b>10,432,122</b>	<b>14,936,844</b>

	Analysed over:	2021/22 £	2020/21 £
	Other deposits	10,432,122	14,936,844
	<b>Total Short-Term Investments</b>	<b>10,432,122</b>	<b>14,936,844</b>
	<b>Total Long Term and Short-Term Investments</b>	<b>10,432,122</b>	<b>14,936,844</b>

## 16 Cont'd

- b** The Council administers third party investments totalling £315,465 (2020/21: £311,613), these values are not included in the accounts of Mid and East Antrim Borough Council.

The legacy Larne Borough Council received a donation from Fort James Paper Mill to be used for the benefit of the people of Larne, at 31 March 2022, the balance on deposit was £2,198 (2020/21 £2,198). It also had investments in the Northern Ireland Central Investment Fund for Charities of £43,548 (2020/21 £40,806) and a Charities Account of £17,271 (2020/21 £16,027).

The legacy Carrickfergus Borough Council had an investment, Legg Trust Fund, with a balance of £251,682 at 31 March 2022 (2020/21 £251,635).

Third Party Investments also include legacy Larne council bank deposits for various community groups of £947 (2020/21 £947).

<b>17</b>	<b>Borrowings</b>			
<b>a</b>	<b>Short Term Borrowing</b>		<b>2021/22</b>	<b>2020/21</b>
			<b>£</b>	<b>£</b>
	Loans re-payable within one year		8,137,860	10,925,591
	<b>Total Short Term Borrowing</b>		<b>8,137,860</b>	<b>10,925,591</b>
<b>b</b>	<b>Long Term Borrowing</b>		<b>2021/22</b>	<b>2020/21</b>
			<b>£</b>	<b>£</b>
	Between 1 and 2 years		3,151,697	3,137,860
	Between 2 and 5 years		10,421,310	9,271,936
	Between 5 and 10 years		14,742,339	15,000,694
	In more than 10 years		18,288,915	22,331,639
	<b>Government Loans Fund</b>		<b>46,604,261</b>	<b>49,742,129</b>
	<b>Total Borrowing</b>		<b>54,742,121</b>	<b>60,667,720</b>
<b>18</b>	<b>Creditors</b>			
<b>a</b>	<b>Short Term Creditors</b>		<b>2021/22</b>	<b>2020/21</b>
			<b>£</b>	<b>£</b>
	Government Departments		2,131,808	1,366,305
	Other Councils		-	97,574
	Bodies external to general government		78,707	937,268
	Remuneration due to employees		-	328,383
	Accumulated Absences		444,450	751,169
	Loan Interest Payable		390,254	428,613
	Capital Creditors		246,128	454,516
	Receipts in advance		404,674	283,848
	Trade creditors		6,077,968	5,186,427
	Other		13,294	9,213
	<b>Total Short Term Creditors</b>		<b>9,787,283</b>	<b>9,843,316</b>
<b>b</b>	<b>Long Term Creditors</b>		<b>2021/22</b>	<b>2020/21</b>
	<b>Other creditors falling due after more than one year</b>		<b>£</b>	<b>£</b>
	Government Departments		-	-
	Other Councils		-	-
	Public corporations and trading funds		-	-
	Bodies external to general government		-	-
	Rates clawback		-	-
	Remuneration due to employees		-	-
	Accumulated Absences		-	-
	Receipts in advance		-	-
	Trade creditors		-	-
	Other		-	-
	Contract Payables		-	-
	<b>Total Long Term Creditors</b>		<b>-</b>	<b>-</b>
	<b>Total Creditors</b>		<b>9,787,283</b>	<b>9,843,316</b>

## 18 Cont'd

### c Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 40,284 invoices totalling £66,545,446.

The number of disputed invoices were 0.

The Council paid:

38,164 (94.74%) invoices with 30 calendar days target;  
27,210 (67.55%) invoices within 10 working days target; and  
2,120 invoices outside of the 30 day target.

The average number of days taken to pay suppliers during the year was 12.31 days.

## 19 Provisions

	Balance as at 1 April 2021	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2022
	£	£	£	£	£	£
Landfill Closure	2,751,972	201,892	(123,191)	-	-	2,830,673
Insurance	487,311	161,017	(84,670)	(41,444)	-	522,214
Single Status	39,000	-	(3,000)	-	-	36,000
Other	1,536,261	33,000	(1,496,261)	-	-	73,000
<b>Total</b>	<b>4,814,544</b>	<b>395,909</b>	<b>(1,707,122)</b>	<b>(41,444)</b>	<b>-</b>	<b>3,461,887</b>

Current Provisions	1,784,661	136,244	(1,628,133)	(8,289)	-	284,483
Long Term Provisions	3,029,883	259,665	(78,989)	(33,155)	-	3,177,404
<b>Total</b>	<b>4,814,544</b>	<b>395,909</b>	<b>(1,707,122)</b>	<b>(41,444)</b>	<b>-</b>	<b>3,461,887</b>

### Comparative Year

Provisions	Balance as at 1 April 2020	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Restated Balance as at 31 March 2021
	£	£	£	£	£	£
Landfill Closure	2,559,123	316,040	(123,191)	-	-	2,751,972
Insurance	421,561	103,537	(27,787)	(10,000)	-	487,311
Single Status	39,000	-	-	-	-	39,000
Other	271,000	1,300,261	(35,000)	-	-	1,536,261
<b>Total</b>	<b>3,290,684</b>	<b>1,719,838</b>	<b>(185,978)</b>	<b>(10,000)</b>	<b>-</b>	<b>4,814,544</b>

Current Provisions	510,482	1,432,906	(163,748)	5,021	-	1,784,661
Long Term Provisions	2,780,202	286,932	(22,230)	(15,021)	-	3,029,883
<b>Total</b>	<b>3,290,684</b>	<b>1,719,838</b>	<b>(185,978)</b>	<b>(10,000)</b>	<b>-</b>	<b>4,814,544</b>

### Landfill Closure

The landfill closure provision relates to the subsequent closure costs for the closed Ballymacvea landfill site for the next 46 years. A full revaluation of the provision was carried out during the year ended 31 March 2022 by Consulting Engineers Taggart and the valuation has been discounted in line with real discount rates at 31 March 2022 i.e. the discount rates are based on the National Loans fund borrowing rates.

## 19 Cont'd

### Insurance

The insurance provision relates to the Council's estimated self insurance liability re employers and public liability claims lodged against Council. It would be expected that the majority of this expenditure will be incurred within the next three to five years.

### Single Status

This provision relates to the estimated cost of Council's obligations to its employees under the National Agreement on Pay and Conditions of Service ("The Green Book") which the Council expects to finalise within the coming year. The majority of these obligations under the Green Book have been determined and agreed.

### Other

This provision relates to the estimated costs of pending Judicial Reviews, High Court actions and other legal cases.

## 20 Financial Instruments

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

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. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and, as such, there is no further additional estimated exposure to default and inability to collect.

	2021/22	2020/21
<b>Trade Debtors inclusive of Vat can be analysed as follows:</b>		£
Less than three months	731,622	228,720
Three to six months	70,585	9,973
Six months to one year	26,421	17,138
More than one year	25,571	24,736
<b>Total</b>	<b>854,199</b>	<b>280,566</b>

There is no historical experience of default in relation to deposits with banks and other financial institutions. Therefore there is no estimated exposure to risk of default.

### Liquidity Risk

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under financial liabilities is included in notes 17 to 19. All trade and other payables are due for payment within one year.

### Market Risk

#### Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments. The Council is in receipt of loans from the Department of Finance and some short term loans from Local Authorities, these loans are at fixed concessionary rates that differ from the prevailing market rates.

#### Foreign Exchange Risk

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

#### Fair Value of Soft Loans & Government Loans

The Council is in receipt of loans from the Department of Finance at concessionary rates and local authorities' loans at rates of interest that differ from prevailing market rates. The fair value of these loans is £72,718,845 (2020/21 £60,692,149) broken down as follows:-

	2021/22	2020/21
Government Loans Fund	67,727,884	52,867,712
Local Authorities	4,990,961	7,824,437
<b>Total</b>	<b>72,718,845</b>	<b>60,692,149</b>

## 20 Cont'd

### Material soft loans made by the Council

#### Soft Loans

The Council has made no material soft loans during the year.

#### Employee Car Loans

The Council continues to recoup a car loan from an employee who transferred from another Council.

## 21 Retirement Benefits

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

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

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

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

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

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

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

	Note	2021/22 £	2020/21 £
Net cost of services:			
Current service cost		9,854,000	7,391,000
Past service cost/(gain)		489,000	32,000
Net Interest on net defined benefit Liability (asset)		1,214,000	1,043,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>11,557,000</b>	<b>8,466,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(11,557,000)	(8,466,000)
Employers' contributions payable to scheme		4,337,000	3,975,000
<b>Net adjustment to General Fund</b>		<b>(7,220,000)</b>	<b>(4,491,000)</b>

The service cost figures include an allowance for administration expenses of £98,000 (2020/21 £99,000).

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2021/22 £	2020/21 £
Liability gains/(losses) due to change in assumptions		16,289,000	(42,464,000)
Liability gains/(losses) due to due to demographic changes		2,379,000	-
Liability experience gains/(losses) arising in the year		(602,000)	1,853,000
Actuarial gains/(losses) on plan assets		6,499,000	32,387,000
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>24,565,000</b>	<b>(8,224,000)</b>

## 21 Cont'd

**C Assets and liabilities in relation to retirement benefits**

Reconciliation of present value of the scheme liabilities:		Note	2021/22 £	2020/21 £
Balance as at 1 April			242,289,000	193,670,000
Current service cost			9,854,000	7,391,000
Interest cost			5,048,000	4,412,000
Contributions by members			1,255,000	1,260,000
Remeasurement (gains) and losses:				
Actuarial gains/losses arising from changes in financial assumptions			(16,289,000)	42,464,000
Actuarial gains/losses arising from demographic changes			(2,379,000)	-
Actuarial gains/losses arising on liabilities from experience			602,000	(1,853,000)
Past service costs/(gains)			489,000	32,000
Estimated unfunded benefits paid			(54,000)	(55,000)
Estimated benefits paid			(5,055,000)	(5,032,000)
<b>Balance as at 31 March</b>			<b>235,760,000</b>	<b>242,289,000</b>

Reconciliation of present value of the scheme assets:		Note	2021/22 £	2020/21 £
Balance as at 1 April			182,267,000	146,363,000
Interest Income			3,834,000	3,369,000
Contributions by members			1,255,000	1,260,000
Contributions by employer			4,337,000	3,975,000
Remeasurement gain/(loss)			6,499,000	32,387,000
Unfunded benefits paid			(54,000)	(55,000)
Benefits paid			(5,055,000)	(5,032,000)
<b>Balance as at 31 March</b>			<b>193,083,000</b>	<b>182,267,000</b>

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 £10,333,000 (2020/21 gain of £35,756,000).

Fair Value of Plan Assets	2021/22 £	2020/21 £
Equity investments	82,832,607	84,389,621
Bonds	51,939,327	65,069,319
Property	19,308,300	16,221,763
Cash	7,723,320	9,660,151
Other	31,279,446	6,926,146
<b>Total</b>	<b>193,083,000</b>	<b>182,267,000</b>

The above asset values are at bid value as required by IAS 19.

Details of estimates made by the Fund Manager when assessing the fair values of plan assets.

The amounts included in the fair value of plan assets for property occupied by the Council was £0.

## 21 Cont'd

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

	2021/22 £	2020/21 £
Fair Value of Employer Assets	193,083,000	182,267,000
Present value of funded defined benefit obligation	(235,036,000)	(241,483,000)
Pension asset/(liability) of Funded Scheme	(41,953,000)	(59,216,000)
Present Value of unfunded defined benefit obligation	(724,000)	(806,000)
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(42,677,000)</b>	<b>(60,022,000)</b>
Amount in the Balance sheet:		
Liabilities	(42,677,000)	(60,022,000)
<b>Net Asset/(Liability)</b>	<b>(42,677,000)</b>	<b>(60,022,000)</b>

### d Scheme History

Analysis of scheme assets and liabilities	2021/22 £	2020/21 £
Fair Value of Assets in pension scheme	193,083,000	182,267,000
Present Value of Defined Benefit Obligation	(235,760,000)	(242,289,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>(42,677,000)</b>	<b>(60,022,000)</b>

Amount recognised in Other Comprehensive Income and Expenditure:	2021/22 £	2020/21 £
Actuarial gains/(losses)	18,066,000	(40,611,000)
Expected Return on Plan Assets	6,499,000	32,387,000
Remeasurements recognised in Other Comprehensive Income and Expenditure	24,565,000	(8,224,000)
Cumulative actuarial gains and losses	15,480,000	(9,085,000)
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on liabilities	602,000	1,853,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £42,677,000(2020/21 £60,022,000) has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

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

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

	31/03/2023 £	31/03/2023 %
Projected current cost	9,230,000	89.4%
Net Interest on the net defined benefit liability (asset)	1,098,000	10.6%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	<b>10,328,000</b>	<b>100.0%</b>

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2023 is £10,328,000 (2021/22 £11,625,000).

## 21 Cont'd

### d History of experience gains and losses

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

	2021/22 %	2020/21 %
Experience (gains and (losses)) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	-0.26%	-0.76%

### e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

Pension scheme assumptions:	2021/22 %	2020/21 %
Equity investments	42.9%	46.3%
Bonds	26.9%	35.7%
Property	10.0%	8.9%
Cash	4.0%	5.3%
Other	16.2%	3.8%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	<b>Years</b>	<b>Years</b>
Men	21.8	21.9
Women	25.0	25.1
<i>Longevity at 65 for future pensioners:</i>		
Men	23.2	23.3
Women	26.4	26.5
Inflation/Pension Increase Rate	3.00%	2.70%
Salary Increase Rate	4.50%	4.20%
Discount Rate	2.70%	2.10%
Pension accounts revaluation rate	3.00%	2.70%



The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2022 is set out below.

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

#### **Funded Pension Scheme Benefits**

<b>Discount Rate Assumption</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to discount rate		
Present value of the total obligation	230,570,000	239,502,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	8,925,000	9,544,000
Approximate % change in projected service cost	-3.30%	3.40%
<b>Rate of General Increase in Salaries</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to salary increase rate		
Present value of the total obligation	235,976,000	234,096,000
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	9,230,000	9,230,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to pension increase rate		
Present value of the total obligation	238,562,000	2,351,510,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	9,544,000	8,925,000
Approximate % change in projected service cost	3.40%	-3.30%
<b>Post Retirement Mortality Assumption</b>		
	<b>- 1 Year</b>	<b>+1 Year</b>
Adjustment to mortality age rating assumption*		
Present value of the total obligation	234,262,000	226,810,000
% change in the present value of the total obligation	3.50%	-3.50%
Projected service cost	9,599,000	8,861,000
Approximate % change in projected service cost	4.00%	-4.00%

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

## 21 Cont'd

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

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

	31/03/2022 %	31/03/2021 %
Equity investments	42.90%	46.30%
Government Bonds	24.70%	23.60%
Corporate Bonds	2.20%	12.10%
Property	10.00%	8.90%
Cash	4.00%	5.30%
Other	16.20%	3.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/21. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2022.

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. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

## 22 Donated Assets Account

	Note	2021/22 £	2020/21 £
Opening balance		600,000	-
Add: new donated assets received (condition of use not met)		-	600,000
		<b>600,000</b>	<b>600,000</b>

### Analysis of Donated Assets Account

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

Donated Assets Account	Note	2021/22 £	2020/21 £
Land at Lisnafillon		600,000	600,000
		<b>600,000</b>	<b>600,000</b>

## 23 Capital Grants Received in Advance

### Analysis of Capital Grants Receipts in Advance Balance

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

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.

The Northern Ireland Environment Agency reviews the adequacy of the Council's Financial Provision for landfill capping and aftercare costs in line with its paper "Financial provision for Waste Management activities in NI". As a consequence the current landfill closure provision in the financial statements may change. In addition Council may incur further costs in respect of their landfill site's gas management system.

The Council is one of the parties to the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sport, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that VAT should be repaid. HMRC has appealed the ruling and outcomes of this appeal will be reported to Council in due course. An asset is not included within the Statement of Accounts as the amount of asset cannot be deemed virtually certain.

The Arc 21 Joint Committee has with the approval of their participant Councils entered into a Contingent Liability undertaking with the bidding consortium in the procurement of the Residual Waste Treatment Project and Mid and East Antrim Borough Council has agreed its share of the Contingent liability. Payments made if any in accordance with this undertaking 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.

Covid-19 continued to have a significant impact on the Council during the early months of 2021/22 year with Council using various funding streams from HMRC (Coronavirus Job Retention Scheme), the Department for Communities and the Department of Agriculture, Environment and Rural Affairs to assist.

It is extremely likely during 2022/23 and beyond, that there will be significant impacts from Covid-19 and the additional inflationary pressures on the Council's finances. The Council expects financial pressures to result from increased cost of utilities, a rise in inflation, a sustained loss of income, supporting local businesses through the Covid-19 recovery stages and the likelihood of reduced funding in future years, as the demand on Government resources shifts due to the other priorities.

#### Landfill Allowance and Other Trading Schemes

The Waste and Emissions Trading Act 2003 placed a duty on waste disposal authorities (WDAs) in England, Scotland, Wales and Northern Ireland to reduce the amount of biodegradable municipal waste (BMW) disposed of to landfill. It also provides the legal framework for the Landfill Allowances Scheme (Northern Ireland) Regulations, which came into force on 1 April 2005.

The landfill allowance schemes that operate in Wales and Northern Ireland are not 'cap and trade' schemes and therefore authorities shall not recognise an asset for landfill allowances, grant income in respect of the allowances or liabilities for actual BMW landfill usage.

WDAs in Wales and district councils in Northern Ireland are required to meet annual target figures for the maximum amount of BMW that can be sent to landfill. For each tonne of BMW sent to landfill in excess of the target, an authority may be liable to a penalty (different values apply in Wales and Northern Ireland). However, current guidance indicates the penalty will be exercised with discretion rather than as an automatic consequence of exceeding the target. An authority shall recognise a provision for penalties payable to the Welsh Government or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland. Where a possible landfill allowance liability exists but the authority has concluded that it does not need to make a provision, the authority shall disclose a separate class of contingent liability in relation to the possible penalty.

**25 Other cash flow disclosures**  
**a Analysis of Adjustments to Surplus/Deficit on the Provision of Services**

Adjustment to surplus or deficit on the provision of services for noncash movements			
	Notes	2021/22	2020/21
		£	£
Depreciation	11a	7,845,615	8,579,342
Impairment & downward revaluations (& non-sale derecognitions)		907,487	2,666,888
(Increase)/Decrease in inventories		(67,797)	410
(Increase)/Decrease in Debtors		1,857,454	(3,511,809)
Increase/(decrease) in impairment provision for bad debts		50,273	22,810
Increase/(Decrease) in Creditors		(56,034)	3,893,557
Payments to NILGOSC	21b	7,220,000	4,491,000
Carrying amount of non-current assets sold	11a, 8a	424,364	244,300
AIC/WIP written off to Net Cost of Services	11a	235,126	41,294
Contributions to Other Reserves/Provisions		(1,352,656)	1,523,860
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)	11e	(7,303)	80,188
		<b>17,056,529</b>	<b>18,031,840</b>

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
	Notes	2021/22	2020/21
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		4,504,722	(6,459,805)
Proceeds from the sale of PP&E, investment property and intangible assets		(667,587)	(300,888)
Capital grants included in "Taxation & non-specific grant income"		(1,792,638)	(2,002,258)
		<b>2,044,497</b>	<b>(8,762,951)</b>

**b Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	2021/22	2020/21	2019/20
	£	£	£
Cash and Bank balances	9,444,799	5,594,423	1,942,280
	<b>9,444,799</b>	<b>5,594,423</b>	<b>1,942,280</b>

## 25 Cont'd

<b>c Cash Flow Statement: Operating Activities</b>		<b>2021/22</b>	<b>2020/21</b>
The cash flows from operating activities include:		<b>£</b>	<b>£</b>
Interest received		67,439	83,501
Interest paid		(2,490,951)	(2,676,806)

<b>d Cash flows from Investing Activities</b>		<b>2021/22</b>	<b>2020/21</b>
		<b>£</b>	<b>£</b>
Purchase of PP&E, investment property and intangible assets		8,105,082	7,267,155
Proceeds from the sale of PP&E, investment property and intangible assets		(667,587)	(300,888)
Capital Grants and Contributions Received		(1,792,638)	(1,402,258)
<b>Net Cash flows from Investing Activities</b>		<b>5,644,857</b>	<b>5,564,009</b>

<b>e Cash flows from Financing Activities</b>		<b>2021/22</b>	<b>2020/21</b>
		<b>£</b>	<b>£</b>
Repayment of Short and Long Term Borrowing		(5,925,599)	(4,898,977)
<b>Net Cash flows from Financing Activities</b>		<b>(5,925,599)</b>	<b>(4,898,977)</b>

## 26 Usable Reserves

### a Capital Receipts Reserve

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

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

<b>Movement</b>		<b>£</b>	<b>£</b>
Disposal of Non Current Assets/Capital Sales	4a , 8a	667,587	300,888
Capital Receipts used to finance capital expenditure	12	(667,587)	(300,888)

### b 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.

## 26 Cont'd

b Capital Grants Unapplied account		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			736,114	89,962
Movement				
Unapplied Capital Grants received in year			1,369,946	709,008
Unapplied Capital Grants transferred to CAA in year			(648,447)	(62,856)
At 31 March			1,457,613	736,114

## c Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Capital Fund		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			5,129,533	4,921,707
Transfers between statutory & other reserves & the General Fund			850,000	1,020,000
Transfers between Capital Fund & CAA to finance Capital Expenditure		12	(279,280)	(812,174)
At 31 March			5,700,253	5,129,533

## d Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Renewal and Repairs Fund		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			2,725,617	2,725,617
Transfers between statutory & other reserves & the General Fund			-	-
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure		12	-	-
At 31 March			2,725,617	2,725,617

## e Other Balances &amp; Reserves

Other Balances & Reserves		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			10,069,609	1,798,752
Transfers between statutory & other reserves & the General Fund		4b	4,972,222	8,379,312
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure		11	(879,248)	(108,455)
At 31 March			14,162,583	10,069,609

## 26 Cont'd

### f General Fund

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

General Fund	Notes	31/03/2022	31/03/2021
		£	£
At 1 April		4,264,557	4,219,435
Applied Capital Grants	10b	(422,692)	(1,293,250)
Unapplied Capital Grants received in year	10c	(1,369,946)	(709,008)
Direct Revenue Financing	4a , 12	-	(4,561,399)
Depreciation and Impairment adjustment	4a	8,980,925	11,367,712
Statutory Provision for financing Capital Investment	4a, 12	(5,180,762)	(5,277,652)
Net Revenue expenditure funded from capital under statute	4a , 12	1,003,533	518,019
Surplus/(Deficit) on the Provision of Services	CIES	(3,680,194)	4,846,240
Transfers between Statutory and Other Reserves and the General Fund	4b	(5,822,222)	(9,399,312)
Net movements on Pension Reserve	4a , 21b	7,220,000	4,491,000
Disposal of Fixed Assets/Capital Sales	3a, 4a, 11	(243,223)	(56,588)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(306,719)	130,783
Other Movements		(11,930)	(11,423)
<b>At 31 March</b>		<b>4,431,327</b>	<b>4,264,557</b>

## 27 Unuseable Reserves

### a Capital Adjustment Account

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

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

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

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

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

## 27 Cont'd

<b>a Capital Adjustment Account</b>		<b>Notes</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
			<b>£</b>	<b>£</b>
At 1 April			72,439,677	68,598,952
Applied Capital Grants		10b, 12	422,692	1,293,250
Unapplied Capital Grants transferred to CAA in year			648,447	62,856
Direct Revenue Financing		4a, 12	-	4,561,399
Depreciation & Impairment adjustment		4a	(8,980,925)	(11,367,712)
Statutory Provision for financing Capital Investment		4, 12	5,180,762	5,277,652
Net Revenue expenditure funded from Capital under statute		4, 12	(1,003,533)	(518,019)
Disposal of Fixed Assets/ Capital Sales		4a, 8a, 11	(491,864)	(244,300)
Capital Receipts used to finance capital expenditure		4a, 8a, 12	667,587	300,888
Other Movements			3,115,436	3,554,082
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure		12	1,158,528	920,629
<b>At 31 March</b>			<b>73,156,807</b>	<b>72,439,677</b>

**b Financial Instruments Adjustment Account**

The Council has no transactions that would require use of this account.

**c Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

<b>Revaluation Reserve</b>		<b>Notes</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
			<b>£</b>	<b>£</b>
At 1 April			78,985,995	81,046,358
Revaluation & Impairment		11	6,427,130	1,493,719
Other Movements			(3,115,436)	(3,554,082)
<b>At 31 March</b>			<b>82,297,689</b>	<b>78,985,995</b>

**d Available for Sale Financial Instruments Adjustment Reserve and Financial Instruments Revaluation Reserve**

The Council has no transactions that would require use of these reserve accounts.



**e Pension Reserve**

Pension Reserve		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			(60,022,000)	(47,307,000)
Net Movements on Pension Reserve		4, 21b	(7,220,000)	(4,491,000)
Revaluation & Impairment		21b	24,565,000	(8,224,000)
<b>At 31 March</b>			<b>(42,677,000)</b>	<b>(60,022,000)</b>

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

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

**f Deferred Capital Receipts Account**

The Council has no transactions that would require use of this account.

**g Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the General Fund is neutralised by transfers to or from this Accumulated Absences Account.

Accumulated Absences Account		Notes	31/03/2022	31/03/2021
			£	£
At 1 April			(751,169)	(620,386)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			306,719	(130,783)
<b>At 31 March</b>			<b>(444,450)</b>	<b>(751,169)</b>

**h Provisions Discount Rate Reserve**

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2017/18 accounts direction (see DfC circular 17/18), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

## 27 Cont'd

- h Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Provisions Discount Rate Reserve	Notes	31/03/2022	31/03/2021
		£	£
At 1 April		(536,858)	(548,281)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		11,930	11,423
<b>At 31 March</b>		<b>(524,928)</b>	<b>(536,858)</b>

## i Landfill Regulations Reserve

The Council has no transactions that would require use of this account.

## 28 Significant Trading Operations

The Council does not have any significant trading operations.

## 29 Agency Services

The Council does not provide any Agency services.

## 30 Related Party Transactions

### Related Party Transactions

A Related Party Transaction is a transfer of resource or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on Council or the Government of which it forms a part. A related party is one that has the ability to control 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.

The Council paid amounts of over £3,000 to the following bodies in which Councillors or Council Senior Management had an interest. Councillors were voted on to Management Committees in relation to some of the organisations listed. Any payments were made with proper consideration of declaration of interest.

## Related Party Transactions

	31/03/2022 £	31/03/2021 £
Association for Public Service Excellence	15,344	8,946
Arc 21	6,646,763	5,261,039
Ards & North Down Borough Council	3,524	4,949
Ballee & Harryville Community Enterprise	5,607	2,308
Ballymarlow Community & District Group		-
Ballymena Bid Ltd	96,600	30,847
Ballymena Business Centre	1,560	17,285
Ballymena North Partnership	44,537	12,137
Ballymena Retailers Against Crime	10,250	6,875
Ballymena Chamber of Commerce	4,026	2,000
Carrickfergus Sailing Club	5,088	-
Carrickfergus Enterprise	8,110	2,870
Carrick Rangers Academy	750	4,890
Carrick Rangers Football Club		20,000
Carrickfergus YMCA	62,703	63,746
Carson Project	690	10,117
Causeway Coast & Glens Heritage Trust		22,075
Citizens Advice Bureau	343,326	396,956
County Antrim Agricultural Association		
County Antrim Yacht Club	5,300	3,000
Cullybackey Community Group	4,290	3,630
Doury Road Development Group		3,254
Department for Communities	397,144	-
First Broughshane Presbyterian Church	1,915	3,530
Glenlough Community Association		10,654
Glenravel & District Community & Residents		-
Greenisland Football Club	15,362	2,654
Harryville Partnership		595
IESE	6,000	5,000
Kilwaughter Rural Education Group	553	36,796
Kirkinriola Community Services		5,798
Larne Football Club & Charity	153,686	100,344
Larne Wellbeing Hub	2,496	4,165
Law Society NI	4,334	3,600
Lough Neagh Partnership	3,500	3,500
Mid and East Antrim Agewell Partnership	139,341	168,596
Millbrook Community Centre	9,170	8,843
Millbrook Community Development Association	4,000	3,960
National Association of Councillors (NI)	3,200	3,200
NHSCT	52,537	6,165
Northern Ireland Local Government Association	62,546	44,809
Northern Ireland Chamber of Commerce	3,000	3,350
North Irish Dragoons Society		-
Onus NI Ltd	3,780	18,710
Raglan Community Development Renovation		-
Royal Society for Protection of Birds	21,720	-
St Mary's Ahoghill		-
St Vincent de Paul	9,900	11,000
Translink	3,380	1,136
Tullygarley and District Residents Group		-
Whitehead Community Association	34,231	49,854
	<b>8,190,263</b>	<b>6,373,183</b>

**Joint Committees****Arc 21**

The Council is a member of the Arc 21 Joint Committee which was established for the purposes of managing waste. During the year the Council made a contribution of £115k (2020/21 £141k) towards the running costs of Arc 21. The Council also made payments to Arc 21 of £6.6m (2020/21 £5.2m) for those waste management contracts specifically procured and managed by Arc 21 on behalf of the Council.

The Joint Committee is a partnership of Antrim and Newtownabbey, Mid and East Antrim, Ards and North Down, Belfast, Lisburn and Castlereagh, Newry, Mourne and Down Councils established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public.

The Joint Committee accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by the Local Government Auditor.

**Ballymena Business Improvement District**

The Council administers the debt collection and a Ballymena Bid Bank Account for Ballymena BID Ltd. At 31st March 2022, the balance on this bank account was £20,283 (2020/21 £6,248.43). All transactions relating to this company are not included in the Mid and East Antrim Borough Council financial statements.

31 **Date of authorisation for issue**

The Chief Financial Officer authorised these financial statements for issue on 20 December 2022.

32 The table below reflects the detailed Income and Expenditure Analysis

	2021/22			2020/21		
	Gross Expenditure	Gross Income	Net Expenditure	Restated Gross Expenditure	Restated Gross Income	Restated Net Expenditure
Directorate Expenditure	£	£	£	£	£	£
Chief Executive			0	196,415	(517)	195,898
Finance	1,583,672	(2,065,220)	(481,548)	2,940,415	(4,758,117)	(1,817,702)
HR and OD	1,408,301	(84,803)	1,323,498	1,165,791	(26,678)	1,139,113
<b>Chief Executive</b>	<b>2,991,973</b>	<b>(2,150,023)</b>	<b>841,950</b>	<b>4,302,621</b>	<b>(4,785,312)</b>	<b>(482,691)</b>
Director of Community	1,660,326	(337,429)	1,322,897	4,405,948	(292,885)	4,113,063
Community Planning and Development	3,139,322	(1,190,824)	1,948,498	3,404,600	(1,619,945)	1,784,655
Public Protection, Health and Wellbeing	11,355,467	(3,903,885)	7,451,582	7,312,359	(2,341,684)	4,970,675
<b>Community</b>	<b>16,155,115</b>	<b>(5,432,138)</b>	<b>10,722,977</b>	<b>15,122,907</b>	<b>(4,254,514)</b>	<b>10,868,393</b>
Director of Operations			0	7,526,958	(1,548,681)	5,978,277
Neighbourhood Services	34,213,210	(3,309,780)	30,903,430	26,051,378	(1,601,771)	24,449,607
Head of Capital Works	2,523,771	(1,127,047)	1,396,724	360,606	(204,579)	156,027
<b>Operations</b>	<b>36,736,981</b>	<b>(4,436,827)</b>	<b>32,300,154</b>	<b>33,938,942</b>	<b>(3,355,031)</b>	<b>30,583,911</b>
Director of Development			0	5,160	0	5,160
Economic Development	3,174,050	(650,257)	2,523,793	3,451,876	(1,014,350)	2,437,526
Strategic, Tourism and Regeneration	3,767,121	(1,103,733)	2,663,388	3,543,113	(271,878)	3,271,235
Planning and Building Control	4,358,239	(2,205,697)	2,152,542	3,640,135	(1,661,278)	1,978,857
Refocus			0	1,167,136	(649,116)	518,020
<b>Development</b>	<b>11,299,409</b>	<b>(3,959,687)</b>	<b>7,339,722</b>	<b>11,807,420</b>	<b>(3,596,622)</b>	<b>8,210,798</b>
Corporate Services	5,245,601	(129,552)	5,116,049	4,397,099	(102,631)	4,294,468
Communication	1,405,499	(104,398)	1,301,101	1,022,376	(102,798)	919,578
Digital Transformation and Procurement	2,378,365	(813,202)	1,565,163	2,735,457	(969,629)	1,765,828
Corporate Performance & Improvement	1,378,363	(161,582)	1,216,781	1,527,456	(575,277)	952,179
<b>Corporate Services</b>	<b>10,407,828</b>	<b>(1,208,734)</b>	<b>9,199,094</b>	<b>9,682,388</b>	<b>(1,750,335)</b>	<b>7,932,053</b>
Interest payable	3,704,951	(74,742)	3,630,209	3,799,994	(83,501)	3,716,493
Investment Income	71,531	(200,760)	(129,229)	2,662	(62,077)	(59,415)
<b>Financing and Investment Income</b>	<b>3,776,482</b>	<b>(275,502)</b>	<b>3,500,980</b>	<b>3,802,656</b>	<b>(145,578)</b>	<b>3,657,078</b>
District Rate Income		(49,656,597)	(49,656,597)	0	(52,611,243)	(52,611,243)
General Grant		(8,601,862)	(8,601,862)	0	(10,945,693)	(10,945,693)
Capital Grants		(1,792,638)	(1,792,638)	0	(2,002,258)	(2,002,258)
<b>Other Income &amp; Expenditure</b>	<b>-</b>	<b>(60,051,097)</b>	<b>(60,051,097)</b>	<b>-</b>	<b>(65,559,194)</b>	<b>(65,559,194)</b>

During 2021/22 there was an internal reorganisation of Departments within Directorates. The most significant of these reshuffles were Corporate Performance and Improvement now reports into Corporate Services instead of the Chief Executive Department. Whilst the Head of Capital Works now reports into the Operations Directorate rather than Communities.

Although the 2020/21 comparative figures differ from the Comprehensive Income and Expenditure Statement breakdown on page 31 everything agrees in totality.