

# ***Statement of Accounts***

**Newry, Mourne and Down District  
Council**

**For the Year Ended 31<sup>st</sup> March  
2024**



Comhairle Ceantair  
**an Iúir, Mhúrn  
agus an Dúin**

**Newry, Mourne  
and Down**  
District Council

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## Organisational overview and external environment

1. Support the continued growth and development of our local economy;
2. Improve the health and wellbeing of everyone in the district;
3. Protect and enhance our environment to secure a sustainable future;
4. Support regenerative tourism opportunities which promote our culture, heritage and environment;
5. Empowering communities to play an active part in civic life;
6. Develop and revitalise our district;
7. Deliver sustainable services;
8. Represent the voice of the district with our partners.

Our draft [Corporate Plan \(2024-2027\)](#) sets out the strategic direction of the organisation and will continue to guide Council's activities and the allocation of resources over the next year. To support the achievement of our community planning outcomes and corporate objectives, we will continue to work closely with Government Departments and partners across the public, private, voluntary and community sectors whilst investing in our staff, ensuring they have the necessary support and resources required to provide high-quality services for all. A twelve-week consultation has just been completed for the draft Corporate Plan 2024-27. Once analysed the Plan will be finalised and agreed through relevant committees during quarter three of the 2024-25 financial year.

The key services delivered by the Council are outlined below under our Operational Model and the key objectives of the Council are outlined below under the Performance Report. The key deliverables for year ended 31 March 2024 reflect the priorities articulated by local people and relate to the Council's functions as both a civic leader and service provider.

### Operational model

Each year, the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to the relevant committees for approval regarding what the Council hopes to do and how much it will cost. This helps the Council understand how much money is required and, taking account of other sources of income, what 'rate' needs to be set for the Council to raise the required money.

Throughout the year the Council reports to the Strategic Policy and Resources (SP&R) Committee on the financial performance against agreed budget for each Directorate. The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2) and the Movement in Reserves Statement.

The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments and IAS 19 accounting adjustments. There are also variances due to reclassification of income and expenditure to other income and expenditure for financial accounting purposes such as rental and financing activities. Each committee is responsible for the delivery of key services.

The table below highlights the performance against budget for each Directorate. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this Department in the Comprehensive Income and Expenditure Account. The net expenditure reported in the Comprehensive Income and Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.

	INCOME			EXPENDITURE			YTD Net Variance £
	YTD	YTD	YTD	YTD	YTD	YTD	
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	
<b>DEPARTMENT</b>							
Chief Executive	0	16,353	16,353	2,101,849	2,078,852	22,997	39,350
Corporate Services	69,481,481	69,409,684	-71,797	16,128,440	14,354,946	1,773,494	1,701,697
Economic Regeneration & Tourism	6,593,089	6,251,488	-341,601	14,101,493	13,374,773	726,720	385,119
Sustainability and Environment	1,202,459	1,362,369	159,910	31,932,925	33,692,228	-1,759,303	-1,599,393
Active & Healthy Communities	4,969,420	7,430,152	2,460,733	17,981,741	17,911,887	69,854	2,530,587
<b>Net District Fund Expenditure</b>	<b>82,246,449</b>	<b>84,470,046</b>	<b>2,223,597</b>	<b>82,246,448</b>	<b>81,412,686</b>	<b>833,763</b>	<b>3,057,360</b>

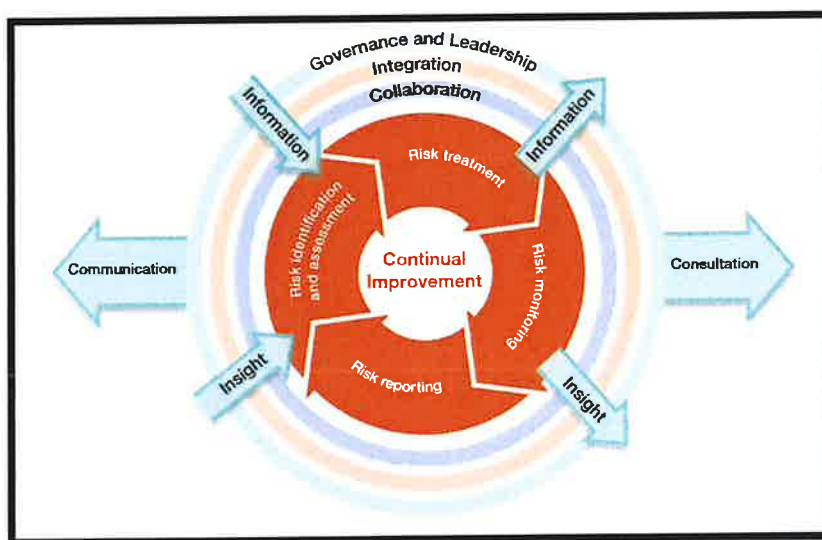
### Risks and opportunities

The Council has an embedded process to manage risks and support the achievement of its corporate objectives and performance targets. The Corporate Risk Register plays an integral role in supporting the development and production of the Corporate Plan and is subject to a quarterly review by the Audit Committee and the Senior Management Team (SMT).

In order to assist the Chief Financial Officer in fulfilling her responsibilities, the Council has put in place a process for assurance / stewardship reporting. The assurance statements should reflect any significant internal control issues in the relevant Directorate or Service Area and are timed to support the Accounting Officer in her preparation of the Annual Governance Statement. Assistant Directors and Directors provide Assurance Statements to the Chief Executive on a quarterly basis. Director Assurance Statements are considered by the SMT on a quarterly basis.

An Internal Audit of Risk Management was completed in November 2023. The Review received a satisfactory assurance rating. The Council's Risk Strategy was revised and approved by the Audit Committee in July 2021 to comply with HM Treasury's best Practice (Orange Book, Management of Risk; Principles & Concept).

The key elements of the risk management process are highlighted below:



SMT reviewed and updated the Corporate Risk Register in September 2024, based on the revised Risk Strategy. The following 12 Corporate Risks were agreed:

Risk	Description
CR01	Failure to deliver the capital investment programme for the District
CR02	Non-compliance with legislative requirements, including procurement
CR03	Failure to effectively manage waste
CR04	Failure to provide robust and timely planning decisions
CR05	Failure to adequately deliver future efficiencies and improvements
CR06	Failure to adequately react to a major incident which would minimise any negative consequences/impact
CR07	Failure to implement an economic development programme to regenerate the district
CR08	Failure to manage sickness absence resulting in delays and an inability to deliver Council services
CR09	Risk to the long term financial stability of Council in relation to the delivery of Council Services
CR10	Failure to effectively plan for and manage a cyber security attack.
CR11	Risk of Industrial Action impacting on Service Delivery
CR12	Insufficient staff resources to deliver Council services in an effective and efficient manner

Controls are in place to manage the risks where possible, and where actions have been identified to further mitigate the risk, they are being progressed by members of SMT and the Corporate Management Teams (CMT), and progress is monitored and reported on a quarterly basis. Council currently has six risks with red residual score ratings which are highlighted in the table above.

The Audit Committee also consider and review Directorate Risk Registers, on a rotational basis, as a mechanism to strengthen the alignment with the Corporate Plan and ensure risks are escalated and deescalated as required.

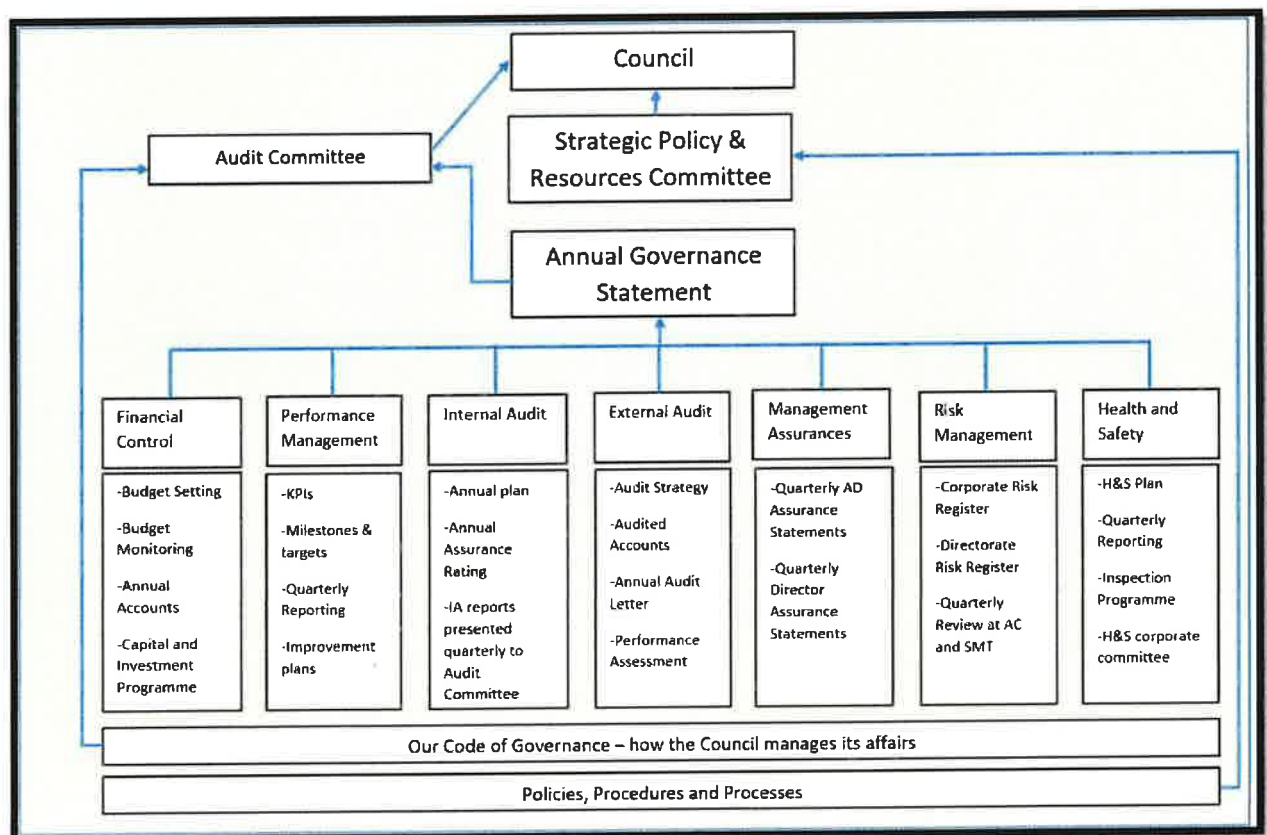


## Governance

The Council's Assurance Mapping and Code of Governance was revised and approved by the Audit Committee in July 2024. The Annual Governance Statement on page 21 details the Council's Code of Governance and significant Governance issues facing the Council.

The work of Council is overseen by the committee structure and detailed further in our Governance Statement on pages 21-34. The Annual Governance Statement for 2023/24 highlights the Council's governance arrangements during the year and how significant governance issues are being addressed and actions implemented. Directors and Members have oversight in accordance with the terms of reference for the relevant Committee as well as finance reports covering all aspects of Council expenditure being presented to Committee on a quarterly basis. The Committee structure, which is based on the full council and 6 standing committees, is described in detail within the Annual Governance Statement

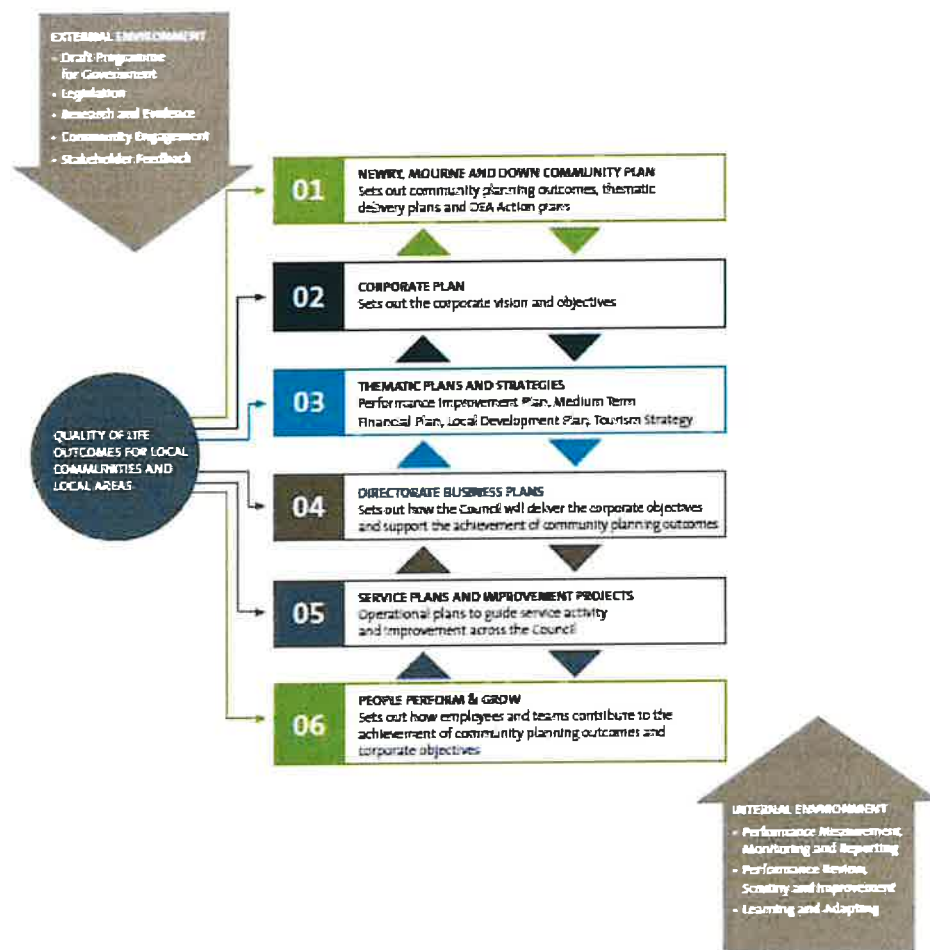
The image below illustrates the assurance framework in place within the Council which is approved annually by the Audit Committee. The framework provides information on compliance with various elements of the Council's Governance arrangements.



## Performance Report

The Council has continued to develop new policies and strategies, renew its key infrastructure, integrate, and modernise its services and meet ever increasing statutory obligations whilst managing expectations and competing demands.

The Council's Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate objectives and performance improvement objectives are being delivered, with the primary goal of making life better for our citizens.



Through the Business Planning and Performance Management Framework, the Council manages performance at all levels across the organisation, to ensure the necessary steps are taken to secure continuous improvement in the exercise of functions. Each level of the Business Planning and Performance Management Framework is, and will be, accompanied by a relevant set of performance measures to monitor and assess the Council's progress in improving the quality of life for local communities.

The table below provides a description of the various plans and strategies that form part of the Council's Business Planning and Performance Management Framework.



Community Plan	The Community Plan for Newry, Mourne and Down sets out the long-term vision for improving the economic, social and environmental wellbeing of the District. Developed in collaboration with partners across the statutory, business and voluntary sectors, the Community Plan is underpinned by Priority Actions Areas and seven DEA Action Plans, which seek to deliver the five community planning outcomes at a local level. Progress in implementing the Community Plan is reviewed on a biennial basis.
Corporate Plan	The Corporate Plan 2024-27 sets out the vision, values and strategic objectives for the Council. Each strategic objective is underpinned by 'supporting actions' and 'measures of success'. Progress in delivering the Corporate Plan is reported annually through the Assessment of Performance.
Thematic Plans and Strategies	The Council has put in place a number of Thematic Plans and Strategies to support the implementation of the Community Plan and Corporate Plan, including the Performance Improvement Plan, Medium Term Financial Plan and Regeneration and Economic Development Strategy. These plans provide the strategic context for multiple programmes of work across the organisation.
Directorate Business Plans	Business Plans are developed annually to demonstrate how Directorates contribute to the achievement of community planning outcomes, corporate objectives and performance improvement objectives. Directorate Business Plans include suites of key performance measures to measure progress and drive continuous improvement, with performance being monitored and reviewed bi-annually by the relevant Committee.
Service Plans and Improvement Projects	Service Plans and Improvement Projects are operational and set out the direction for service areas across the Council. They outline how each service contributes to the delivery of community planning outcomes, corporate objectives and performance improvement objectives, include key performance measures and provide a mechanism to manage performance consistently across the organisation.
People Perform Grow	The Council recognises the significant role employees play in contributing to the achievement of the Community Plan, Corporate Plan, Thematic Plans and Strategies, Directorate Business Plans and Service Plans. People Perform Grow will demonstrate the link between the work of employees and how they contribute to the achievement of key plans and strategies, as well as the outcomes experienced by local communities.

#### Community Plan

The Living Well Together Community Plan outlines the vision for Newry, Mourne and Down to be 'a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high-quality services which are sustainable, accessible and meet people's needs'. The [Community Plan](#) can be downloaded on the Council's website.

Since launching the Community Plan, community planning partners and local communities have come together to deliver high quality services and positive outcomes for all. This ensures that local people have a say on the programmes and policies that are delivered in their area, based on the understanding that more can be achieved when we work together in partnership.

The Council has worked closely with community planning partners to develop actions including through running thematic summits around the themes of Housing and Health and Well-being.

As part of our statutory responsibilities under the Local Government Act (NI) 2014, the Council is required to monitor progress against the outcomes and indicators within the Community Plan every two years. The [2022-23 Statement of Progress](#) provides an overview of the key achievements of the Community Planning Partnership and can be downloaded on the Council's website.

The key achievements of the Community Planning Partnership during 2023/24 can be summarised as follows:

- Promoting the SpeakNMD civic engagement platform which has facilitated multiple consultations, surveys and polls;
- The ongoing work of the Community Support Partnership providing coordinated help to venerable residents;
- Support for the Strategic Stakeholder Forum in providing a social supermarket within the District;
- Facilitation of the YAFTA youth Awards; and
- Hosting the Health and Wellbeing Thematic Summit.

#### Corporate Plan

Consultation on Newry, Mourne and Down District Council's draft Corporate Plan 2024-27 was carried out for 12 weeks and finished on 31 May 2024. It will now go through the Council's committee structure for approval after which it will launch in September 2024. The draft plan sets out the following Mission statement: *'To deliver sustainable services and empower our communities through transparent government and collaboration.'* Progress in delivering the eight strategic objectives within the Corporate Plan will be monitored, reviewed and reported on an annual basis through the Assessment of Performance.

#### Performance Improvement Plan

Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.

Three of the 2024-25 performance improvement objectives have been carried forward from 2023-24. One has been amended to better reflect the link to the proposed new corporate objective it supports as well as the new economic programme 'Go Succeed' which is now in place. Another one has also been amended to include 'by continuing to promote recycling' in its title which was suggested through the consultation and agreed by officers as recycling is a priority of the Department and a key measure of success within the objective.

All were developed within the context of the Corporate Plan 2024-27 and 'proposals for improvement' which were recommended by the NI Audit Office.



The [Performance Improvement Plan](#) 2024-25 was approved by the SP&R Committee on 13 June 2024 and published on the Council's website ahead of the statutory deadline of 30 June 2024.



The performance improvement objectives do not describe every improvement the Council plans to make during 2024-25. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Objectives 2024-25 are:

1. We will support the health and wellbeing of local people by improving our leisure facilities and services
2. We will contribute to growing the economy by supporting local businesses and job creation
3. We will improve the cleanliness of our District by continuing to promote recycling and addressing littering, fly tipping and dog fouling incidents
4. We will improve our sustainability and reduce our impacts in relation to climate change
5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme

#### Performance 2023-24

Through the annual Assessment of Performance 2023-24, which will be published in September 2024, Council has monitored progress in delivering the Corporate Plan 2021-23 and Performance Improvement Plan 2023-24, including the statutory performance indicators and standards. The table below provides an overview of performance during 2023-24.

Performance Improvement Objective	Progress	Status Trend
 <p><b>We will support the health and wellbeing of local people by improving our leisure facilities and services</b></p>	10% increase in paid attendances at Council leisure centres	△
	16.1% increase in the number of people participating in targeted health programmes	😊 △
	11% decrease in the number of young people participating in targeted youth health and wellbeing initiatives	😞 ▼
	4.1% increase in the number of Council leisure centre memberships	😊 △
	3 capital leisure projects progressed	😊
	16.6% increase in recorded visits at community trails	😊 △
 <p><b>We will grow the economy by supporting local businesses and creating new jobs</b></p>	90 new jobs promoted through business start activity	😐 ▼
	12 new social enterprise businesses supported and 16 new social enterprise jobs created	😊 △
	90 new enterprises created as a result of support	😐 ▼
	351 existing businesses supported to progress growth and scaling ambitions	😊 △
	'Make it Local' campaign rolled out	😊
	25 fixed penalty notices issued and 19 paid	😞 ▼

 <p><b>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</b></p>	19 community clean ups supported	☹️ ▼
	Increase in the rate of recycling, to 50.0%*	😊 ▲
	Second lowest levels of waste sent to landfill across all NI Councils	😊 ▲
	9 'Live Here, Love Here' environmental projects supported	▼
	Responsible Dog Ownership promoted across Council's social media channels	😊
 <p><b>We will improve our sustainability and reduce our impacts in relation to climate change</b></p>	1 vehicle within the Council fleet that has an alternative fuel source	😐
	20 Council supported EV charging points installed	😊
	75% of Council fleet younger than 8 years	😊
	Installed 5 drinking water fountains across the District	😊
	2,800 trees planted on Council managed estate	😊
 <p><b>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</b></p>	The Council received the second highest number of planning applications across the 11 Council.	😊
	The processing time for local planning applications increased from 21.6 weeks in 2022-23 to 33.7 weeks in 2023-24	☹️ ▼
	The processing time for major planning applications increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24	☹️ ▼
	The number of planning applications in the system for 12 months or more increased from 228 by year end 2022-23 to 352 by year end 2023-24	☹️ ▼
	The number of enforcement cases in the system for 12 months or more increased from 500 by year end 2022-23 to 599 by year end 2023-24	☹️ ▼

\* The 2023-24 data in relation to the statutory performance indicators for waste management remains provisional, as the end of year validated data will be published by DAERA in Q3 2024-25.

## **Financial Statements**

The Narrative Report provides an overview for Newry, Mourne and Down District Council (NMDDC) and it accompanies the 2023/24 Annual Accounts. It sets the context for Council, outlining corporate governance, performance requirements and financial performance.

The Council's financial performance for the year ended 31st March 2024 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2024 (the Code) and the Department for Communities Accounts Direction, Circular LG 05/2024. 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 Council's finances during the financial year 2023/24 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

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

## **Group Accounts**

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. The 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 50, shows the movement in the year on the different reserves held by Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES).

These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net Increase/Decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

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

This statement, as set out on page 49, 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 rates income. Council's raise rates income to cover expenditure in accordance with regulations; this may be different from the accounting cost. The rates income position is shown in the Movement in Reserves Statement.



## **The Balance Sheet**

The Balance Sheet, as set out on page 51, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the 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 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'.

## **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 52, 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 rates income 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.

## **Basis of Preparation**

The Council's Statement of Accounts are prepared on an accruals basis and are intended to present to readers a true and fair view of financial activity during the 2023/24 year. There are strict controls governing the accounting standards that must be complied with, accounting policies must be applied on a consistent basis and officers must follow relevant accounting and disclosure requirements.

There are also materiality thresholds to be adhered to and officers are obliged to make judgements and estimates that are reasonable and prudent and have endeavours to ensure that as much information as possible has been presented to make the accounts as user friendly as possible within these limitations.

## **Expenditure and Funding Analysis**

The resourcing of the Council's activities is outlined in the Annual Report, demonstrating the funding available and what services this funding provided for 2023/24.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to 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 main services provided under each committee are summarised in this note and performance against budget is summarised in the Narrative Report. The main variances from the results as reported in the Narrative Report will arise due to the accounting cost of providing services in accordance with generally accepted accounting practices, such as depreciation charges



and IAS 19 pension adjustments which are not funded from taxation. These charges are summarised per committee in Note 2a and Note 2b.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## **Financial Performance**

For the year ended 31 March 2024, the Council's Usable Reserves increased by £3,780k to £39,521k. The budget plans formed part of the annual estimates for 2023/24. The total gross expenditure budget for the Council was set at £82,246k. This budget was agreed as part of the rates estimates process by full Council in February 2023.

The Council reported a £3,057k surplus on service delivery at year end. Performance against budget for each of the Committees is continuously monitored throughout the year. Management Accounts are presented and scrutinised quarterly at the SP&R Committee. Assistant Directors provide variance analysis reports quarterly to both the Finance Team and their Director. The year-end Management Accounts position was presented to Committee on 13 June 2024.

Operationally, Council had a small deficit. There was several non-recurring, one off savings this year which will not be realised in future years totalling £3,193k. The one-off savings included;

- Council was advised by Land and Property Services NI (LPSNI) that there is a positive rates finalisation of £315k based on current Actual Penny Product data and this has been reflected in these Accounts. LPSNI have now began a process to recover debt, this process was operating at a reduced capacity since COVID. The impacts of the recent floods on our rate base for 2024/25 have yet to be determined. Council was also advised of a positive outturn in the De-Rating Grant of £61k which has been included.
- There were savings of £1,595k in relation to utility costs. When the Rate was set in February 2023, Council was dealing with significant utility overspends in year as utility prices were soaring (£1,196k actual overspend at 2022/23-year end). Due to energy prices and inflation dropping significantly in year, significant savings were achieved in year. The utility budgets for 2024/25 were substantially reduced to reflect the changing market.
- There was significant Capital financing savings in year (loan interest and Minimum Revenue Provision (MRP)). This was due to capital projects not commencing in year as projected. Some of the significant projects which have been delayed and therefore cashflow requirement reduced included; NCCR, Newry City Park, Mourne Gateway and Donard Park. MRP savings were mainly due to the lead time in securing new vehicles. It was estimated that £4.5m of vehicles would be capitalised at year end (March 2023). However, Council only capitalised less than £2m due to the lead time in ordering vehicles.
- Investment income was greater than budget due to interest rates rising and the cashflow being greater than expected due to delays in capital projects.

Council has a number of significant pressures in year. The Department for Communities (DfC) advised Council of a further Rate Support Grant (RSG) cut of £4m to the baseline total NI Local Government allocation to £4.9m. This has led to a RSG deficit of £711k for 2023/24 year against budget.

Other significant overspends during the 2023/24 year include; Repairs and Maintenance costs were £825k over budget, plant and Vehicle Hire was £349k over budget and Environmental costs were £148k over budget.

Overall income (excluding grants and investment income) reported a £390k deficit against budget. Some of the most significant variances are highlighted below;

- Planning fee and building control income had a £764k deficit against budget. These are demand led services which had a significant surge during the COVID years.
- Registration income was also recorded a £36k deficit against budget, again this is a demand led service.
- The introduction of charging at forest car parks was delayed and was only introduced in April 2024. Therefore, the full deficit was realised during the 2023/24 year.

Tourism income was £297k greater than budget, this includes Caravan Parking and box office receipts. Leisure income was also greater than budget and back to pre-pandemic levels. However, the impact of the closure of the Newry Leisure Centre pool will have a detrimental impact on 2024/25 actuals.

A surplus of £1,179k for Council payroll costs was recorded and this was due to the level of vacant posts in year. A key change when striking the Rate in 2024/25 was the inclusion of a vacancy allowance within the payroll line. This acknowledges that Council will never have a full complement of staff.

The Cost of Services on Continuing Operations of £70.2m (2022/23 - £73.6m), as reported in the Comprehensive Income and Expenditure Statement, also includes the accounting cost of providing services in addition to the amount funded from taxation.

### **Borrowings**

For the 2023/24 year the Council has an authorised borrowing limit of £130m (2022/23 - £126.1m). This is based on the Council's forecast capital expenditure plans over the medium to long term. In conjunction with the Council's projected capital financing requirement of £120m (2022/23 - £94.4m) at year end, this ensures the Council only borrows for capital purposes.

The Council currently holds £60.3m (2022/23 - £59.4m) of loans, an increase of £0.9m on the previous financial year, as part of its strategy for funding previous years' capital programmes. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing. During the year, Council repaid external loans of £4.1m. In December 2023, Council borrowed £5m on a short-term basis.

### **Capital Expenditure**

The Council has an ambitious four-year capital programme of £91 million (net of funding) at February 2023. The four-year capital programme is updated and approved by Council in February each year. The investment will help Council meet the strategic objectives which are set out in the Corporate Plan. The capital plan is continually reviewed by the Strategic Finance Working Group (SFWG).

The total net expenditure reported in the Comprehensive Income and Expenditure Statement includes allocations of £7.6m (2022/23 - £5.1m) to fund completed capital expenditure.

The most significant capital projects which were completed during the year include;

• Fleet Acquisitions	£6.2m
• Warrenpoint Foreshore project	£2m
• Kilbroney Walking Trails	£1.2m
• 16 The Square Rostrevor	£0.6m

### **Revaluation of Assets**

A valuation exercise was carried out by LPSNI as at 31 March 2024 on the Council's land and buildings. As a result, the value of land and buildings have increased from £188.9 million at 31 March 2023 to £193.2m at 31 March 2024.

### **Strategy and resource allocation**

The Medium-Term Financial Plan was approved by Council on 6 February 2023. In accordance with the Local Government Finance Act (NI) 2011, the Chief Executive, as Chief Financial Officer is required to provide assurance to members on the robustness of the revenue estimates and the adequacy of the Council's reserves position as part of the rate setting process. Detailed estimates were formulated, presented and scrutinised by members. They considered past outturn, current spending plans and likely future demand and pressures.

When setting the district rate for 2023/24 consideration was given to the following key financial factors and uncertainties for the Council:

- The future impact of soaring levels of inflation and the cost-of-living crisis. The effects COVID19 continued to have bearing on Council's operations and finances, for example, leisure income had not increased to pre COVID Levels in 2022/23. The future impact of these two Economic Shocks on operations, on the rate base and on the finances remained uncertain, and many assumptions were included within the budgets for 2023/24.
- When Council was striking the Rate in February 2023, there was no budget set at a NI Executive level as the Executive had not been sitting. Prior to the collapse of the Assembly, Ministers were determining a three-year budget for NI (2022-25), with a draft budget out for consultation in December 2021. This would have been a significant help to Local Councils in determining the Annual District Rate. In the absence of an agreed and legislated budget, there were some significant uncertainties which remained at the time of striking the district rate.

Included within our 2023-24 estimates were various areas of funding received from central Government. Amounts were included based on previous arrangements with central Government.

At the time of striking the rate, Councils had been advised of the percentage allocations of Rates Support Grant (RSG) being made available by the DfC for 2023/24. However, until a draft budget was agreed, the total amount of RSG to be awarded to the Local Government sector had not been confirmed.

- Various uncertainties remained as to the impact of Brexit on the NI Economy, the NMDDC rate base and funding streams, and no provision were made in the estimates for any financial implications arising. Furthermore, included within our 2023/24 estimates were various areas of funding received from the European Union under programmes which we have been advised will continue during the 2023/24 year and into future years.

Other factors leading to the 2023/24 rate increase included;

- A £962.50 pay award per employee was estimated plus an additional scale point for every Member of staff which was agreed as part of the 2022/23 local pay award. A national insurance (Health and Social Care Levy) increase from April 2023 was also factored into Council's budgets.
- Council utility costs increased at unprecedented levels in 2022/23. Significant increases in budgets for Electricity, Gas, Heating Oil and Fuel were allowed for in line with 2022/23-year actuals and forecasted usage for 2023/24.
- The increased tonnages and associated costs of waste and recycling across the District were factored into the 2023/24 budgets. Waste contracts were linked with CPI, which was 9.2% in December 2022.
- The Council Insurance budget increased significantly based on 2022/23 actuals. The Brokers stressed that the unprecedented times, and the current increasingly hardening market is accelerating across a range of covers. This trend has been ongoing for 3 years due to a number of factors, however both Brexit & COVID have added to worsening conditions and increasing uncertainty.

A detailed cashflow was prepared by Management and reviewed by the Chief Executive to provide her with assurance as to Council's ability to continue as a going concern. This was reviewed and updated throughout the year.

## **Outlook**

The Council is fully aware that it is operating in a continually challenging environment with the cost of living crisis and global inflationary pressures impacting everyone within the District. The future impact of these economic pressures on operations, on the rate base and on the finances is uncertain, and many assumptions were included in budgets for 2024-25.

The Council continues to face a range of significant budget pressures including general inflation, utility prices, increases in demand for everyday services as the population grows, and increases in core costs such as wage increases, the national living wage and pension contributions. The Council will also face significant year on year increases in costs in several areas such as waste disposal costs and construction costs. The impact of the recent flooding on the Non-Domestic Rates Base has yet to be determined for future years. Various uncertainties remain as to the impact the Windsor Framework will have on the NI Economy and the Council.

However, the Council is committed to delivering business as usual where possible and will continue to achieve the strategic objectives outlined in the Corporate Plan. The Council strives to deliver its services at the highest standards and some of our key achievements for the year are presented within our Performance Report at page 7.

The Council seeks out opportunities to pursue additional funding streams for the District, adopting innovative approaches to delivering services and working in partnership to ensure the Council optimises its resources to deliver on its eight key Corporate objectives. A few of the current significant initiatives that Council is currently developing are outlined below, along with some key successes in year;

1. City Deal – The signing of the Belfast Region City Deal (BRCD) document on 15 December 2021 is the first of its kind in Northern Ireland and confirms partners' joint commitment to fully implement and deliver on all aspects of the City Deal proposals. The £1 billion of co-investment secured from central government and the BRCD

partners, will deliver a bespoke package of funding across the BRCD Region. BRCD funding has enabled Council to progress on the following ground-breaking projects that will be transformational for our district:

- **The Mourne Mountains Gateway** will redefine visitors' experience of the Mourne Mountains whilst supporting the sustainable growth of tourism and protecting the natural heritage and habitat of the region. The project will deliver a world class visitor attraction, and will create improved, and more sustainable access to the Mournes. NMDDC has signed a Contract for Funding and following a procurement process have appointed an Integrated Consultant Team (ICT) to develop the design and under all professional services to inform a planning application.
  - **Newry City Centre Regeneration** will deliver a civic hub, theatre and conferencing facilities which, together with new public realm and grade A office provision, will revitalise the city. The regeneration will also create and sustain jobs, increase visitor numbers, appeal to residents and stimulate the evening economy. A BRCD Contract for Funding was agreed in January 2023 for Newry City Centre Regeneration Projects supported by the Deal for which £5 million BRCD funding has been allocated for its Public Realm, along with £3 million for a Grade A Office Accommodation Fund. NMDDC have submitted a planning application for both projects and currently in procurement for Contractors.
  - **Newry Southern Relief Road** will link the A1 bypass with the A2 Warrenpoint dual carriageway providing an alternative strategic route for traffic that reduces pressure on Newry city centre, facilitates onward travel to Dublin and improves access to other regional gateways.
  - **Digital and Innovation Projects** will play a critical role in contributing to economic inclusion and sustainable growth. The key interventions of the Digital Programme include; The Belfast Region Innovation Challenge Fund, Enabling Infrastructure and Regional Innovation Hubs.
  - **Skills and Employment projects** will create skills for growth, inclusion and for a digital future are key priorities for BRCD partners.
2. Newry City Park - On the 14 December 2021 the Department of Finance announced a £16.2 million funding package for the Albert Basin Park Project in Newry as part of the Executives City/Growth Deal Complimentary fund. The funding will help Council realise our vision for a world-class city park, central to our Newry City Centre Regeneration plans. The Outline Business Case (OBC) was formally submitted in May 2022 to DfC and has been reviewed and approved by DfC economists. Council formally presented the OBC to a Casework Committee in July 2023 with formal approval of this OBC currently pending. Council is currently commencing the procurement of an Integrated Consultant Team for this project which is scheduled to complete in September 2027.
  3. The Digital Transformation Flexible Fund (DTFF) – The Council is a lead member of the Full Fibre Northern Ireland (FFNI) Consortium, which is comprised of all 11 local authorities outside of Belfast and administrates the DTFF. DTFF is a Northern Ireland wide grant scheme designed to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies to achieve business transformation in small and micro-businesses.  
  
The £7.5m funding programme is delivered by all local authorities in Northern Ireland under the FFNI Consortium and supported by Invest NI. DTFF can offer eligible businesses and social enterprises help to fund their digital transformation project. Digital technology is transforming the way in which businesses operate and can help gain a competitive edge and achieve long term success.
  4. Shared Island Funding – NMDDC has partnered with a number lead councils in the South to submit applications to the Shared Island Funding Scheme. Across the entire

scheme, more than €4.3m has been allocated to 15 lead Local Authorities in the South, working in partnership with nine Councils in Northern Ireland to develop collaborative cross border investment projects over the next 12 months. NMDDC is a partner in six of these projects, with total award of €995,000.

5. Levelling Up Funding – Council received £2.82m funding towards a new recreation centre at Camlough Lake. Camlough Lake is one of 10 projects across NI which have been allocated more than £71m from the UK government's Levelling Up Fund, a regional development plan to create jobs and boost the economy. Plans for the new leisure and recreation centre include an event space, toilet, showers, changing facilities, parking and enhanced access to the Lake with a slipway provision.
6. UNESCO - Mourne Gullion Strangford has been awarded internationally coveted UNESCO Geopark status. The UNESCO Executive Board met in Paris on Wednesday 24 May 2023 and announced that Mourne Gullion Strangford had been welcomed into its network of global Geoparks, making it one of only 18 outstanding landscapes worldwide to be awarded full accreditation this year.

On the 25 July 2023, the Mourne Gullion Strangford UNESCO Global Geopark featured within a newly illustrated map which is available to download from the [UK National Commission for UNESCO](#). Our Geopark is featured alongside 57 other unique UNESCO sites in the UK and crown dependencies.

7. The PEACEPLUS programme – Peace IV successfully concluded in 2023 meeting the targets throughout the action plan. The action plan delivered £4.7m investment throughout the District. The PEACEPLUS Programme is a €1.14bn investment in the social, economic and environmental development of Northern Ireland and the border counties of Ireland.

Council has been allocated an indicative budget of £7.5M. The aim of this programme is to enable and empower local community partnerships, to select and deliver priority projects on a cross-community basis, which will result in shared and inclusive local services, facilities and spaces; and make a significant and lasting contribution to peace and reconciliation. The programme aims to engage 8,646 participants over a three-year delivery period under the following three core themes: Local Community Regeneration & Transformation; Thriving & Peaceful Communities and Celebrating Cultures and Diversity. Council aims to start delivery of the new PEACEPLUS programme on receipt of a letter of offer from the Special EU Programmes Body (SEUPB) in September 2024.

8. Irish Open - The return of the Amgen Irish Golf Open to the district, specifically Newcastle, represents significant economic benefits for the region. This prestigious event is expected to attract over 70,000 visitors, including Republic of Ireland and UK tourists, golf enthusiasts, and media personnel, thereby boosting the local economy.

The tournament's extensive media coverage will enhance the region's visibility as a prime tourist destination. Approximately 450 million people around the globe are expected to watch the golf which will feature images from the district therefore encouraging future visits to the region.

In line with all other Councils in Northern Ireland and the wider public sector, Council is facing several challenges. Public finances are under increasing pressures. Key risks and planned mitigations are included in our Annual Governance Statement on Pages 21 to 34.



## **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 26<sup>th</sup> September 2024.

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

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

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

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

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

The Chief Financial Officer is also required to:

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

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

### **ANNUAL GOVERNANCE STATEMENT**

The Council's Annual Governance Statement follows the Code of Practice on Local Authority Accounting in the UK 2023/24 and DfC Accounts Directions. The Annual Governance Statement comprises the following sections:

- Scope of responsibility;
- The purpose of the governance framework;
- The governance framework;
- Review of effectiveness;
- Update on significant governance issues that were declared at the year-end 2022/23; and
- Significant governance issues for the year end 2023/24.

#### **Scope of Responsibility**

Newry, Mourne and Down District 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, efficiency and effectively.

Newry, Mourne and Down District Council also has a duty under Local Government Act (Northern Ireland) 2014 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Newry, Mourne and Down District 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.

The Council has prepared an Annual Governance Statement, which is consistent with the principles of the new CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an Annual Governance Statement.

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

The governance framework comprises the systems and processes, and culture and values, by which the local government body is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority 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 the local government body'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.

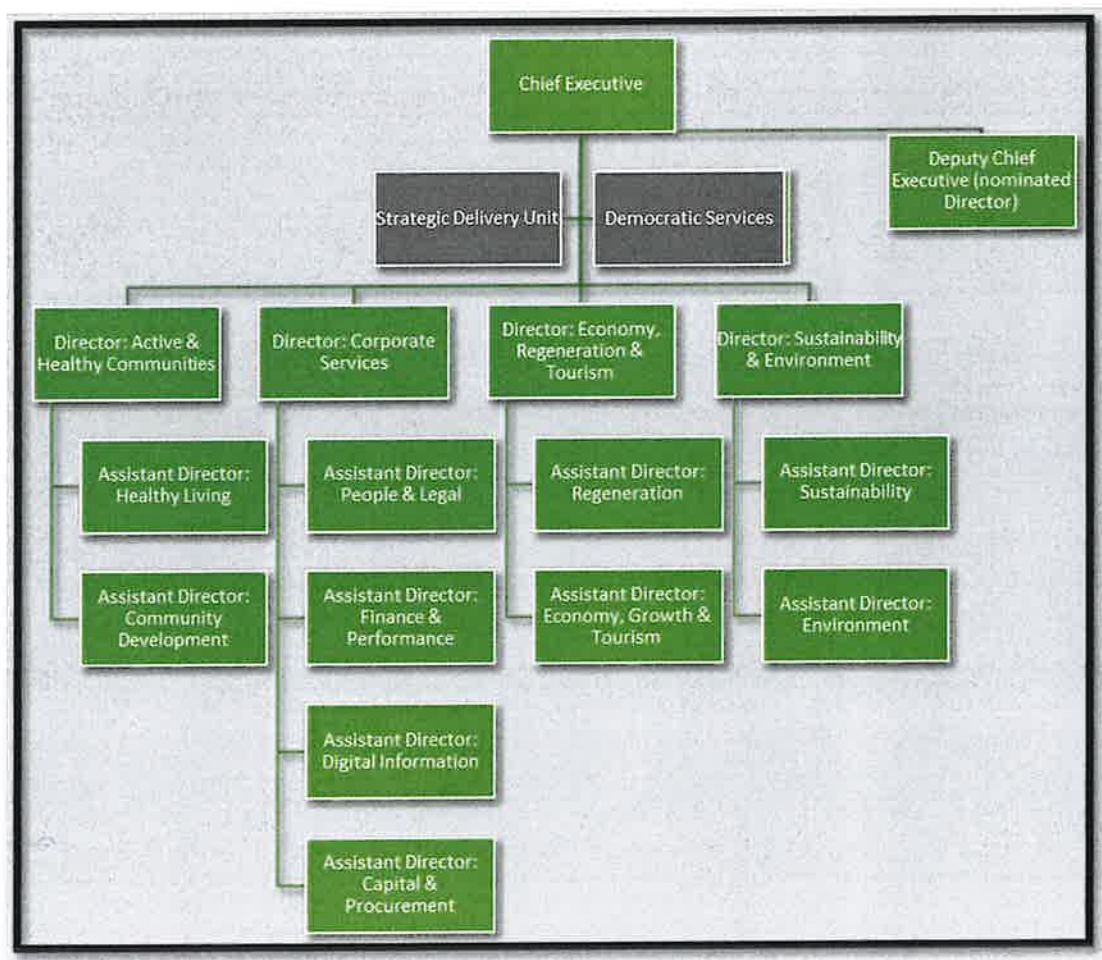
The governance framework has been in place at Newry, Mourne and Down District Council for the year ended 31 March 2024 and up to the date of approval of the financial statements.

### The governance framework

The Council's 41 Elected Members and its committee and management structure ensures sound governance, ownership and scrutiny in the decision-making process across the entire organisation.

The Coronavirus Act 2020 (Extension of Provisions Relating to Local Authority Meetings) (No. 2) Order (Northern Ireland) 2023 provided councils with the flexibility to hold meetings by remote or hybrid means until 4 March 2024. The Minister for Communities has not extended the legislation beyond the 4 March 2024.

The committee and management structure demonstrate how the decision-making process is implemented in Council as follows:



The Council's governance framework 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 Council operates a Committee System. Meetings of the Council and Committees are open to the public and live audio is open to the public, with the exception of where 'confidential' or 'exempt' matters are being discussed, as defined by the Local Government

Act (Northern Ireland) 2014. Council meetings are managed in accordance with the Council's Standing Orders. The Council's Constitution is available on the Council's website. The Council's Constitution 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.

Within the Constitution, the Scheme of Delegation clearly defines the roles and responsibilities of the Chief Executive, Directors and Assistant Directors. During 2023/24 the Council's Statutory Committees have operated with delegated authority for decision making on specific issues in accordance with their terms of reference. The minutes and associated reports for all Council and Committee Meetings are published on the Council's website with the exception of confidential minutes and reports.

Through the work of the committees, our Members oversee the work of the Council. All Committee decisions need to be ratified by the full Council except where Committees have been granted delegated authority to make decisions. The full Council is the overarching decision-making body.

The Enterprise, Regeneration and Tourism (ERT) Committee is responsible for the development and implementation of strategies, policies, programmes and projects directed to the regeneration and growth of the district in the context of the outcomes agreed in the community and corporate plans. The ERT committee is also responsible for all matters pertaining to policy and legislation in relation to building control and licencing issues.

The Active and Healthy Communities (AHC) Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at improving life at local level in the context of the outcomes agreed in the community and corporate plans.

The Sustainability and Environment (S&E) is responsible for the development and implementation of strategies, policies, programmes and projects aimed at ensuring the waste and maintenance service is delivered across the district in the context of the outcomes agreed in the community and corporate plans.

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

The Audit Committee provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is relied upon by Council, to the extent that it exposes it to risk and weakens the control environment.

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

In addition to the committees listed above, there are also 22 Council Project Boards and Forums which have been established to support the work of Committees during the 2023/24 year.

The Council has an Assurance Framework in place that provides sufficient, continuous and reliable assurance on organisational stewardship and the management of major risk to organisational success and the delivery of improved, cost-effective services. The Assurance Framework is reviewed and approved by the Audit Committee annually. The framework is structured and provides reliable evidence to underpin the assessment of risk and control environment for the Annual Governance Statement.

The Council's Code of Governance is based on the seven core principles set out in the CIPFA/SOLACE Framework (2016 edition). How we meet these seven core principles is reviewed annually at the July Audit Committee meeting. A summary of the key elements of our governance framework are set out in the following table:

#### **A. Behaving with integrity**

- Shared values communicated via community plan, corporate plan and key strategies
- Mandatory Code of Conduct for Councillors
- NI charter for Elected Member Development
- Staff Code of conduct
- Council Constitution including Standing Orders, Financial Regulations and Scheme of Delegation
- Council Anti-Fraud Policies and Fraud Response Plan
- National Fraud Initiative
- Council Raising Concern Policy
- Gifts and Hospitality Policy
- Declarations of interest
- Conflict of Interest Policy

#### **B. Ensuring Openness**

- Council and Committee meetings open to the public
- Council and Committee agendas and minutes displayed on the Council web site
- Consultation and engagement with staff and trade unions
- Annual financial report published on the Council's web site
- Prompt Payment Statistics published on the website quarterly
- Access to Information Policy and Procedure
- Community Plan and Local Development Plan

#### **C. Defining Outcomes**

- Community and Corporate Plans
- Organisational Development
- Tourism Development and Marketing Strategy
- Performance Improvement Plans
- Local Development Plan

#### **D. Optimising the achievement of outcomes**

- Corporate, Directorate & Service plans
- Constitution
- Strategic financial planning
- Risk Management Policy

#### **E. Developing Capacity and Capability**

- Organisational Development
- People, Perform, Grow introduced
- Learning and Development Policy in place
- Harmonisation of policies
- Development of a joint Employee Relations consultation and negotiating policy
- Elected Members Development Charter/ Member Leadership Programme

#### **F. Finance, Performance and Risk Management**

- Financial Regulations
- Risk Management Policy
- Audit Committee
- National Fraud Initiative
- AD of Finance & Performance who liaises fully independent outsourced Internal Audit firm
- Annual Internal Audit Strategy and Plan
- Data Protection policy and procedures
- Director and Assistant Director quarterly assurance reporting
- Independent Audit Committee Chairperson



#### **G. Transparency, Reporting and Effective Accountability**

- NMDDC website - Publication of key reports including Annual Accounts, Annual Governance Statement and Performance Improvement Report
- Committee support framework
- Internal Audit effectiveness annually reviewed against the Public Sector Internal Audit Standards
- Monitoring of all Internal and External Audit recommendations and quarterly updates to the Audit Committee.

The Chief Executive is the Council's designated Chief Financial Officer (CFO) under the Local Government Finance Act (Northern Ireland) 2011, responsible for the proper administration of the Council's financial affairs. Local Regulations in Northern Ireland do not require the Chief Financial Officer to be a professionally qualified accountant nor the role to be separated from that of the Chief Executive as per the CIPFA principles. The Council is satisfied that the Chief Executive is supported by several fully qualified and experienced staff who are members of various bodies within the Consultative Committee of Accountancy Bodies (CCAB) and as such ensure the decisions made by the CFO are based on sound technical knowledge and understanding.

Having considered all the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014), the Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The Council is committed to the highest possible standards of openness, probity and accountability. The Council has a Whistleblowing Policy where concerns can be raised. The policy is due to be updated in the 2024/25 financial year. The Fraud Policy and Fraud Response plan were updated in April 2024. Fraud and Raising Concerns are a standing agenda item at Audit Committee quarterly.

Codes of Conduct are in place for both staff and Elected Members and define the high ethical values and standards of behaviour expected, to make sure that public business is conducted with fairness and integrity. A Conflict of Interest Policy also exists for both staff and Members.

Directors, Assistant Directors and Heads of Service are responsible for ensuring compliance with relevant laws, regulations, internal policies and procedures. The Quarterly Assurance Statement Process provided to the Chief Executive provides an opportunity to highlight any concerns. Council has a Head of Legal Services, who is a practicing Solicitor, with an internal legal team and a continuing arrangement with Belfast City Council Legal Services for further support when required.

Council utilises various media streams to deliver internal and external communications, such as the Council website, publications, brochures, leaflets, social media and media advertisements and broadcasts. The Council continues to explore ways to digitise services and use online technology and social media to enhance communication with residents, customers, businesses and potential visitors to the District.

The Council continuously strives to have the highest standards of governance arrangements in place and endeavours to ensure that its partners also have high standards of governance arrangement in place. Council would control this in numerous ways such as Service Level Agreements, Letters of Offers and signed contracts.

Council developed new structures and processes, so Council could comply with the new GDPR laws and implement best practice guidance from the Information Commissioners Office (ICO) & Public Records Office NI (PRONI). There have been no breaches of personal data reported to the ICO during the 2023/24 year.



### **Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Statement, including the system of internal control. The review of effectiveness is informed by the work of the SMT within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's annual report, and by comments made by the External Auditors.

Recommendations arising out of Internal and External reviews are agreed with Management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Registers are maintained of all outstanding recommendations and these are circulated at Audit Committee. Assistant Directors must update quarterly progress on implementing recommendations as part of the Assurance Statement process. Follow up reviews are also reported to the Audit Committee.

The Chief Executive has responsibility for preparing this Annual Governance Statement. In preparing this statement, she has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's SMT to collectively contribute and have oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interests for both Members and Officers, reports of the Internal and External Auditor, the Corporate Risk Register and Assurance Statements provided by each Director and Assistant Director for year ended 31 March 2024.

The Council itself maintains overall control of the governance framework. Primary responsibility for overseeing the governance process is the responsibility of the Audit Committee as a standing committee of Council. The role of the Audit Committee extends to receiving reports from the Council's internal and external auditors to ensure that any issues raised are subject to due consideration and are addressed by officers on a timely basis. In considering this Annual Governance Statement, the Audit Committee have considered the review of the governance framework and system of internal controls prepared by the Chief Executive.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework:

- **the Members:** 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 and Committee Members are appointed as per the Local Government Act (NI) 2014 and are reflective of the broad political makeup of the Council as elected.

The main decision-making body is full Council of Elected Members who are ultimately responsible for ensuring effective governance arrangements are in place for Council to achieve its goals and objectives. Council meets monthly in statutory meetings. Council has established sub-Committees of Council to consider in further detail its operations in line with specific areas of responsibility, as set out in the Constitution. These Committees of Elected Members are informed by Council Officers.

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 Officers:** The Chief Executive ensures that all Council services and activities are delivered in accordance with the aims of the Council's Corporate Plan. The Chief Executive is supported by a SMT who meet weekly to monitor strategic direction and good governance across the District. CMT meet monthly. SMT and CMT also meet as a group monthly. The Directors meet regularly with senior members of their Directorates

to ensure that all staff are aware of Council's priorities and that risks are being appropriately managed.

Quarterly Assurance Statements are completed by Assistant Directors and Directors to provide the Chief Executive assurance over the controls in place. The Assurance Statements also make the Chief Executive aware of any of the risks arising which may have a significant impact on Council.

- **The Audit Committee:** The Audit Committee provides an important source of assurance to those charged with governance about the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and other performance. The Audit Committee has an Independent Chairperson and met on five occasions during 2023/24. The Audit Committee Terms of Reference were revised in May 2024 and sets out the purpose and the roles and responsibilities of Committee.

The effectiveness of Audit Committee was reviewed at the Committee on 23 May 2024. The Committee was satisfied with its overall performance when compared against the National Audit Office (NAO) checklist. The Audit Committee Annual report 2023/24 will be presented to the July 2024 Audit Committee to support the completion of the Annual Governance Statement.

- **By Internal Audit:** The Internal Audit function is carried out by an independent body in accordance with Public Sector Internal Audit Standards (PSIAS). It provides assurance and advisory services to assist Council achieve its objectives and improve the effectiveness of internal control, risk management and governance processes. Seven internal audit assignments were carried out in 2023/24 as per the agreed Internal audit plan. Four reviews received a Satisfactory Assurance rating, one review was advisory, and two reviews received a Limited Assurance rating.

Internal Audit also carried out a follow up review of the 2022/23 recommendations. The review identified that, out of the 51 accepted recommendations, 33 recommendations were fully implemented, 7 recommendations were partially implemented, 8 recommendations were not implemented. There was a further 3 recommendations where Internal Audit were unable to test the implementation status. These recommendations will be followed up internally and reported to Audit Committee quarterly until they are implemented.

The two limited assurance reports are referenced below;

1. **Contract Management:** Internal Audit identified a number of key controls failing in respect of the Council's systems in relation to contract management. In particular they highlighted a number of repeat recommendations that have not progressed relating to: the policy environment and training arrangements; the controls in place to manage contracts and monitor contract spend; the implementation of Procurement Action Plans; the excessive use of Single Tender Actions; and the completion of Post Project Evaluations.
2. **Compliance checking - facilities review** (focusing on fire risk, asbestos and legionella compliance checking): Specifically, Internal Audit identified a need to: strengthen the policy environment; implement appropriate controls to ensure that health and safety inspections and risk assessments are completed in a timely manner; establish a central repository to record health and safety compliance check data; enhance the current reporting and oversight arrangements for health and safety compliance checking; implement effective contract management practices; and provide Fire Risk Awareness training to Facility Managers.

The Assistant Director of Finance and Performance will continue to follow up on the legacy internal audit recommendations which have not yet been implemented. The progress on the implementation on internal audit recommendations will be reported quarterly at the Audit Committee along with an update on outstanding external audit recommendations. A new performance management and audit tracking system is due to go live in September 2024. This should further assist Management with the tracking and implementing legacy recommendations.

The PSIAS require an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. A leading expert in public sector audit, risk and governance in public services undertook an External Assessment of Council's Outsourced Internal Audit Function and provided a report on the 21 December 2023.

This review found the Internal Audit team that services the Council conforms to the required Code of Ethics and this is embedded in its audit work. Internal Audit also fully conforms to the PSIAS. The review concluded that on the basis of information reviewed, the Council can be satisfied that its Internal Audit Service provides a high quality and professional service which adds value to the assurance framework.

- **Other explicit review / assurance mechanisms:**

- Health and Safety: Reviews of Health and Safety by professionally qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.  
A Court Case on the 26 March 2024 sentenced Council and a local Company for Health and Safety Offences following the death of an Electrician in Slieve Gullion Forrest Park during storm Ali on 19 September 2018. Council pleaded guilty to failing to ensure, so far as reasonably practical, the health and safety of employees and non-employees and failing to make appropriate risk assessments for non-employees and employees. Council was fined £20k.  
The Council takes its health and safety responsibilities seriously. It was acknowledged that there were failings in our health and safety processes at that time and Council have now taken action to rectify this.
- Risk Management: Risk Management is embedded across all activities of the Council and a revised Risk Strategy was presented to the July 2021 Audit Committee to ensure Council's Risk Management complied with HM Treasury's best practice. The Corporate Risk Register is presented quarterly to both SMT, CMT and the Audit Committee.
- External Funding: External funding throughout the year is subject to independent audits from the relevant funders i.e. European Court of Auditors, Government Departments, SEUPB.
- Local Government Audit: Work carried out by the Local Government Auditor during 2022/23 is also used by the Council as an additional assurance mechanism. The Council's Performance Improvement Plan has also been externally audited by the NIAO.
- National Fraud Initiative (NFI) – Council participated in the 2022/23 NFI data matching exercise. The result of the matches work was reported to the Audit Committee in 2023/24. Seven duplicate payments were found (all relating to grants) amounting to £27,256. Council has reclaimed £4,349 and entered repayment plans for £19,357. £3,550 could not be recovered. Controls have been strengthened as a result of the findings.

The Accounting Officer has also been advised on the review of effectiveness of the governance framework by the Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

## **Update on Significant Governance Issues that were declared in 2022/23**

Seven issues were declared in last year's Governance Statement and all seven remain as significant Governance concerns for 2023/24 as detailed in points 1 to 7 below. The wording and focus of significant governance number 6 has changed slightly to reflect employment issues generally rather than succession planning.

## **Significant Governance Issues in 2023/24**

The significant governance issues for 2023/24 were identified through the review of significant risks within the Corporate Risk Register for the year ending 31 March 2024, consideration of significant events / issues, internal / external audit reports and a review of the Directorate Assurance Statements at year end.

### **1. Procurement and Contract Management**

Procurement and Contract Management remain a significant risk within the Council's Corporate Risk Register. Corporate Risk 2 details 'Non-compliance with legislative requirements, including procurement'.

Even though progress has been made, we are still highlighting procurement and contract management as a significant governance concern. Procurement activity across the Council remains largely reactionary i.e. based on operational pressures. Linked to that are the identified deficiencies in contract management practices whereby contracts for ongoing requirements lapse and are not retendered in time or spend under contracts exceeds the approved values.

An Internal Audit completed in April 2024 highlighted several significant concerns and had a limited level of assurance. It is imperative now that the Procurement Action Plans which are in place for each Directorate are given renewed impetus, so they provide strategic direction and guide each Directorate's Procurement activity. This will be aided by Management Team driving procurement as a corporate priority and reviewing progress against the Procurement Action Plans on a more regular basis. A formal action plan will be established and monitored monthly by SMT.

Other workstreams timetabled for completion in the 2024/25 financial year include developing a new procurement policy to reflect the wide-ranging changes to processes and procedures required to ensure compliance under the Procurement Regulations 2024. Procurement and Contract Management Training) has been ongoing since January 2024. Further sessions are scheduled, and it is planned that the Procurement Training Programme will be delivered on a rolling basis to enable new staff and annual refresher training to be facilitated.

Finance will explore ways to incorporate contract management tracking codes going forward into the payment and finance systems. Work is currently underway to increase the visibility of Council's procurement processes to ensure a more competitive bidding environment.

### **2. Financial Position of Council**

Our financial planning processes take on greater importance given the current economic climate. The financial landscape for the Council is likely to remain challenging for the foreseeable future. It is critical that we have adequate financial resources in place to fund the Council's future requirements, ambitions and priorities regarding waste management, leisure facilities, climate, innovation, and capital investment.

The challenges faced by the Council over the past few years have been unprecedented and are likely to continue given the on-going global unrest and the resultant economic impacts.

Council currently faces several significant financial pressures;

- **Cost of living / Interest rate pressures**

The Monetary Policy Committee (MPC) held Bank Rate at 5.25% in March 2024. It is forecast that MPC cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. CPI increased by 2.3% in the 12 months to April 2024. On a monthly basis, the CPI rose by 0.3%. The figures mean a June 2024 Bank Rate cut is highly improbable according to treasury experts.

This has a direct impact on Council's capital expenditure, especially funded projects, including the Belfast City Region Deal (BRCD). Project budgets already include significant levels of optimum bias and contingency. However, the level of funding support from BRCD is fixed for each project and no additional government funding is available.

Therefore, as projects progress through the delivery phase, developing more accurate and informed costs, project specific solutions are being identified at key decision points (i.e. at design, procurement, and Full Business Case) including value engineering and commitment of potential additional funding from other sources.

- **Pay Pressures**

Future pay awards have a significant impact on our Council's budget and District Rate going forward. Payroll costs represent approximately 60% of Councils net spend and therefore substantial national pay awards have a direct impact on rate increases and service provision going forward. The pay award for 2024/25 has yet to be agreed by Joint Trade Unions.

- **Central Government funding cuts**

The level of funding available from Central Government has been reduced significantly in the past number of years. RSG is a key area of funding for seven District Councils. RSG was devised to assist the least wealthy and most deprived and rural Councils to provide equality of service provision equal to the wealthier Councils. The RSG is statutory but is a discretionary quantum which is not ring-fenced within the Department for Communities budget.

The first year post local Government Reform, the total RSG pot was £15.6m. This has been reducing year on year. In 2023/24 the regional pot was only £4.9m. DfC advised Councils in June 2024, that the RSG pot was to be reduced again by £1.8m to £3.1m for 2024/25.

- **Belfast Region City Deal Funding going forward**

On the 13 September 2024 the UK government announced that it was pausing funding of City Deals in Northern Ireland. The implications of the pause were not clear. It is understood the pause happened in the context of the UK spending review and the Government does not want to commit funds before that process is completed in October 2024.

On the 16 September 2024, The Secretary of State confirmed that following communication with HM Treasury nothing has changed on the status of the Belfast Region City Deal, which was signed back in December 2021.

The Belfast Region City Deal partners welcome the clarification received from the Department of Finance, following communication between the NI Secretary of State and HM Treasury in relation to the continued commitment to the Belfast Region City

Deal, signed in December 2021. The Belfast Region City Deal partners remain focused on fully implementing our Deal and on maximising the wide range of benefits this investment will bring to our region and the people who live here.

- **Animal Welfare funding**  
Northern Ireland councils are continuing with a judicial review into a Stormont decision to withdraw funding for animal welfare, despite an offer of a one-off payment from the Environment Minister. In August 2023, DAERA confirmed it had axed all animal welfare funding to local authorities, while warning the councils they were still legally obliged to deliver the service. The total funding for all eleven Councils amounted to £1.25m in 2023/24.
- **Volatility of our rates base**  
A significant uncertainty for Council is the number of non-Domestic Revaluation Challenges outstanding. If a significant proportion of these challenges to LPSNI are successful, this will have a negative impact on our estimated and actual penny product which would devalue our ratebase.

In November 2023 our Council Area was subject to unprecedented flooding and our two major urban centres (Newry and Downpatrick) were most impacted, with many properties severely damaged. The risk is that some of these businesses may not find it viable to trade going forward. The impact would be two-fold, our rates bases would inevitably fall if there were an increase in vacant non-domestic properties. Council may also struggle to attract business investment into these areas if these premises are unable to secure flood insurance going forward.

- **Brexit Implementation Programme for Port Health**  
The Council's Port Health duties include overseeing the import of food into Warrenpoint, including checks on High-Risk Food not of Animal Origin and fish and fishery products for human consumption. Since 31st December 2020 when the UK left the EU, these checks now apply to products arriving in Warrenpoint Port from GB, as well as other countries outside the EU.

Council has continued work with partners and stakeholders to ensure the Council meets its current statutory duties, while also taking steps to prepare for future operational requirements. The programme of work has focused on securing temporary funding (currently allocated on an annual basis), implementing an updated temporary staffing model (including addressing recruitment and retention issues).

Some uncertainty remains following the implementation of new arrangements in October 2023, and the extent to which businesses will utilise the flexibilities for reduced 'green lane' checks. The ongoing uncertainty has caused delays to completion of new inspection facilities, development of IT processes, and development of a sustainable resourcing model for the future.

However, the new inspection facility at Warrenpoint Port has now commenced with an aim for completion by July 2025. The Council are liaising closely with DAERA to ensure operational readiness. Further work will be required in 2024/25 and beyond to develop a longer-term staffing model, and to secure a sustainable funding arrangement to support the service going forward.

A new Capital Projects Procedure was approved by Council in May 2024. Work is now underway for Reserves Policy to be developed and implemented by September 2024. The purpose of the Reserves Strategy will be to manage the financial pressures Council face going forward.



### 3. Planning Backlog

The 'failure to provide robust and timely planning decisions' is highlighted as a risk within the Corporate Risk Register. This has been reinforced by the development of the performance improvement objective to 'improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme' which was agreed in 2023-24 and has been carried forward to 2024-25.

During 2023-24, Newry, Mourne and Down received 1,277 planning applications, which is the second highest across Northern Ireland, behind Belfast City Council. This represents a decrease of 13.6% when compared to the number of applications received during 2022-23. Newry Mourne and Down opened 250 enforcement cases in 2023-24 which is a decrease of 21.9% when compared to the number opened during 2022-23.

Through the Performance Improvement Plan, the Council has agreed and published a suite of performance measures and targets to reduce the backlog of planning applications. Progress in achieving the targets set is monitored and reported to the SMT, SP&R Committee and Audit Committee on a bi-annual basis.

The Council has not yet achieved the statutory standards, and the time taken to process planning applications has increased between 2022-23 and 2023-24. It also did not achieve the statutory standard of 70.0% for enforcement cases processed within 39 weeks however the percentage processed during this period has increased.

- The time taken to process local planning applications has increased from 21.6 weeks in 2022-23 to 33.7 weeks by 2023-24 and is above the current Northern Ireland average of 20.8 weeks.
- The time taken to process major planning applications has increased from 89 weeks in 2022-23 to 154.8 weeks in 2023-24 and is above the current Northern Ireland average of 46.5 weeks.
- The percentage of planning enforcement cases processed within 39 weeks increased from 58.6% in 2022-23 to 60.0% in 2023-24 but is below the current Northern Ireland average of 76.4%.

The continued implementation of the performance improvement objective during 2024-25 along with the continued bedding in of the new Planning IT System should deliver service improvements by addressing the backlog of planning applications in the system, reducing the caseloads of Planning Officers, improving processing times and putting in place sound foundations to provide a more modern, efficient, resilient and responsive Development Management Service. There is also new planning performance project underway led by Department for Infrastructure with representation from Councils to improve planning performance across NI.

Internal Audit also completed an advisory review of overturned decisions with the Planning Committee in May 2024. Internal Audit raised a number of high priority recommendations in relation to; the need to formally monitor the number of planning decisions being overturned by the Planning Committee; the need to strengthen documentation and record keeping to support the overturning of planning decisions by the Planning Committee; the need to ensure that Planning Policy is being consistently applied when making planning decisions; and the need to consider introducing mandatory rotation requirements for Members of the Planning Committee.

Work has commenced on the implementation of these recommendations at June 2024 Planning Committee, and an action plan will be presented to committee on all key actions in July 2024.

Council has received the Northern Ireland Audit Office (NIAO) report into 'Public Bodies' response to misrepresented soil sample analysis'. This report is relevant to only a limited number of Planning applications within this Council area. The findings and recommendations within the report are being carefully considered and appropriate actions will be developed and implemented during 2024/25 that will strengthen the control environment when dealing with the alleged misrepresentation of information in planning applications.

#### 4. Absenteeism

The 'failure to manage sickness absence resulting in delays and an inability to deliver Council services' is included as a risk in the Corporate Risk Register. Sickness absence has marginally decreased in 2023-24, with figures revealing that between March 2023 and March 2024 the number of days lost due to sickness absence decreased slightly by 364, from 19,460 (amended) to 19,096, representing an overall decrease of 1.87%.

However, for the twelve months to the end of March 2024, the average number of day's sick absence in the Council was 23.9 days as compared to 23.3 days in 2022-23, based on full time equivalents. Senior management continues to put in place arrangements to monitor and reduce the number of days lost per employee:

- The Managing Attendance Policy and Procedure has been in place from April 2020 and a recent audit confirmed satisfactory assurance.
- Ongoing provision of support and guidance to line managers, reminding them of their responsibilities in relation to absence management, return to work meetings and the completion of the mandatory training.
- Quarterly reporting of absence management figures to the SMT and monthly reporting of outstanding return to work meetings to SMT and CMT. SP&R also briefed on absence figures.
- The Corporate Performance Dashboard includes two performance measures in relation to the number of days lost and outstanding return to work meetings. The Dashboard is monitored and reported to the SMT and CMT on a quarterly basis and the data is analysed at a corporate, directorate and departmental level.
- The employee led Health & Wellbeing Forum continue to support and promote health and wellbeing initiatives. Employee health and wellbeing is a fundamental element of People Perform Grow which provides an opportunity for employees to discuss any health and wellbeing matters with their line manager.
- Council also continues to invest in employee wellbeing through the provision of a funded Health Cash Plan for Employees.

However, senior management recognise that further improvements are required to address the number of days lost due to sickness absence. Audit recommendations will be taken forward during 2024-25, particularly in relation to return to work interviews, mandatory training and absence reporting. Further actions will be highlighted within Council's Corporate Risk Register.

#### 5. Digital Information and Cyber Security

Digital Information and Cyber Security is a significant governance issue, similar to many other organisations. Cyber security is overseen through the Council's Risk Management Processes. It remains as one of our red risks on Council's Corporate Risk register. Threat activity is continuing to increase on an ever-steepening trajectory.

Cyber Security is a key consideration and robust measures, which are kept under regular review, are in place to minimise the risk posed to Council. Council is progressing several actions to mitigate the Digital information/Cyber risk;

- Continual refinement of Service Area Business Continuity Scenario Plans with a focus on cyber security/disaster recovery and ensuring critical functions can remain operational in the event of a partial/total loss of IT services;
- Implementation of additional security measures including, where supported and appropriate; multifactor authentication, conditional access and modern authentication;
- Increasing User resilience through continual training on a range of cyber security topics, unannounced testing and interactive learning experiences, remediation and management alerting of non-compliance;
- Continuing to engage with and follow guidance from the National Cyber Security Centre (NCSC);
- Use of NCSC Cyber Defence tools including; Mail Check, Web Check, Early Warning, Protective DNS;
- Penetration testing, actioning recommendations resulting therefrom where possible and appropriate;
- Vulnerability scanning, actioning recommendations resulting therefrom where possible and appropriate;
- Implementation of Privileged Access Management and identity security;
- Implementation of Zero Trust security model;
- Use of always-on Virtual Private Network to ensure all remote access is managed through our security infrastructure and Regular patching;
- Use of Mobile Device Management tools to protect and manage endpoints;
- Incorporation of business continuity and cyber security clauses into contracts;

#### 6. Succession Planning and Talent Recruitment

Insufficient staff resources to deliver Council services in an effective and efficient manner is included as a risk in the Corporate Risk Register. Council continues to face challenges in recruitment at all levels with the organisation for certain posts. Progress has been made in concluding the Planning for the Future processes. All Directors posts have been filled with all but two Assistant Director positions remaining vacant. Alternative recruitment methods are being employed to ensure these key posts are filled. Council will continue to recruit posts, including hard to fill posts in 2024/25, particularly in leisure and planning services.

#### 7. Industrial Relations

Management and the recognised Trade Unions within Council reached agreement and industrial action ended on 28 February 2024. Progress has been made in relation to a number of agreed actions including the reduction to a 36 hour working week. An independent facilitator is supporting Management and Joint Trade Union side in the development of an Industrial Relations Framework and a workplan will be agreed in due course.

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**  
**Date**

  
26 September 2024  
CHAIR

**Signed**  
**Date**

  
26 September 2024  
CHIEF EXECUTIVE

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

### **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2024**

#### **INTRODUCTION**

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

#### **ALLOWANCE AND REMUNERATION ARRANGEMENTS**

##### **COUNCILLORS**

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

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

Following local elections on 18 May 2023, 462 councillors were elected to the 11 councils for a four year term. Newry, Mourne and Down District Council had 41 councillors in 2023/24.

##### **SENIOR EMPLOYEES**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the 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 Commission's 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.

##### **INDEPENDENT MEMBER - AUDIT COMMITTEE**

Brona Slevin is an Independent Member and Chairperson of the Audit Committee. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. This was a four year temporary appointment from 15 April 2019 until 31 March 2023. Ms Slevin's appointment has been extended until 31 July 2024. A payment of £500 is paid per meeting (this includes preparation time of £250 and £250 for the meeting), plus travel and expenses. In 2023/2024 Ms Slevin claimed for 11 meetings and associated preparation time of £5,500, 3 from 2021/2022, 5 from 2022/2023, and 1 for 2023/2024. Ms Slevin claimed mileage of £421.20.

## ALLOWANCES PAID TO COUNCILLORS

The total amount paid to Councillors by way of allowances, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

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

Allowance	2023/24		2022/23	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	696,913	52	670,168	49
Special Responsibility Allowance	80,181	31	80,286	25
Chairperson/Deputy Mayor Allowance	20,165	2	20,165	3
Vice Chairperson/ Deputy Mayor Allowance	6,293	2	6,293	2
Mileage Allowance	24,062	29	32,369	27
Public Transport and Other Travel Incidentals	3,021	4	7,139	9
Subsistence	2,054	4	5,201	9
Courses/Conferences Visits (registration & joining fees)	3,235	2	9,219	8
Dependents' Carers Allowance	219	1	755	1
<b>TOTAL ALLOWANCES</b>	<b>836,143</b>	<b>-</b>	<b>831,595</b>	

Details of the allowances paid to individual councillors in 2023/24 are published on the council website at [www.newrymournedown.org/councillors-allowances-and-expenses](http://www.newrymournedown.org/councillors-allowances-and-expenses).

## 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	2023/24				2022/23			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Total £'000
<b>Marie Ward</b> Clerk & Chief Executive	150 - 155	-	100	150 - 155	125 - 130	-	100	125 - 130
<b>Michael Lipsett</b> Director of Active & Healthy Communities (Date Left 14/04/2023)	0 - 5 (95 - 100 full year equivalent)	-	100	0 - 5	90 - 95	-	100	90 - 95
<b>Dorinnia Carville</b> Deputy Chief Executive Designate (Date left 31/07/2022)	-	-	-	-	30 - 35 (95 - 100 full year equivalent)	-	100	30 - 35
<b>Conor Mallon</b> Director of Enterprise, Regeneration & Tourism	95 - 100	-	100	95 - 100	90 - 95	-	100	90 - 95
<b>Jonathon McBride</b> Director of Neighbourhood Services (Date Left 30/06/2022)	-	-	-	-	25 - 30 (85 - 90 full year equivalent)	-	100	25 - 30
<b>Andrew Cassells</b> Director of Sustainability & Environment (Date Left 31/03/2024)	95 - 100	-	100	95 - 100	65 - 70 (90 - 95 full year equivalent)	-	100	65 - 70
<b>Josephine Kelly</b> Director of Corporate Services	95 - 100	-	100	95 - 100	40 - 45 (90 - 95 full year equivalent)	-	-	40 - 45
<b>Andrew Patterson *</b> Director of Active & Healthy Communities (From 01/02/2024)	70 - 75 (95 - 100 full year equivalent)	-	100	70 - 75	65 - 70	-	100	65 - 70
<b>Sinead Murphy **</b> Director of Sustainability & Environment (From 01/03/2024)	70 - 75 (95 - 100 full year equivalent)	0	100	70 - 75	65 - 70	-	100	65 - 70



\* Andrew Patterson was promoted in-house from the post of Assistant Director of Economy, Growth and Tourism to Director of Active & Healthy Communities from 01/02/2024, so the previous years salary is not comparable.

\*\* Sinead Murhpy was promoted in-house from the post Assistant Director Environment to Director of Sustainability & Environment from 01/03/2024, so the previous years salary is not comparable.

The role of Deputy Chief Executive is not assigned to any nominated Director position, but rather the additional responsibilities can be assigned to any substantive Director role. As such, remuneration will be paid via an honorarium allowance, added to the respective Director salary at the time of assuming this responsibility. The honorarium will continue to be paid for undertaking this role and should it become necessary for the additional responsibilities of Deputy Chief Executive to transfer to another Director position for whatever reason, payment of this honorarium allowance will cease.

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 Council's workforce.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2023/24 was £150 - £155. This was 5.29 times the median remuneration of the workforce, which was £28,586.

**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)**

	2023/24	2022/23
Salary Band of Highest Paid member of the Executive Management Team / Senior Management Team	£150k - £155k	£125k - £130k
Median Total Remuneration	£28,586	£25,898
Ratio	5.29	4.99

In 2023/24, 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. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023/24 relate to performance in 2023/24.

#### **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 2023/24 (audited information)**

Severance Package Cost Band	2023/24				2022/23			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	0	0	0	-	7	7	82
£20,001 - £40,000	0	4	4	110	-	10	10	303
£40,001 - £60,000	0	1	1	56	-	9	9	465
£60,001 - £80,000	0	0	0	0	-	3	3	213
£80,001 - £100,000	0	1	1	85	-	3	3	264
£100,001 - £150,000	0	4	4	505	-	1	1	100
£150,001 - £200,000	0	2	2	387	-	-	-	-
£200,001 - £250,000	0	2	2	443	-	-	-	-
£250,001 - £300,000	0	1	1	263	-	-	-	-
<b>Total</b>	0	15	15	1,849	-	33	33	1,427

Where an individual has a non-standard pension arrangement (e.g. accelerated accrual or membership of a Supplementary Scheme), this should be disclosed in the report.

## Pension

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 2023, were as follows:

**Table 5: Employee Contribution Rates 2023/2024**

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

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

**Table 6: Employer Contribution Rates**

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2023/24 was £152,265.36.

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

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

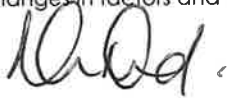
Officers	Accrued Pension at pension age as at 31/03/2024 and related lump sum	Accrued Pension at pension age as at 31/03/2024 and related lump sum £'000	CETV at 31/03/2024 £'000	CETV at 31/03/2023 £'000	Real increase in CETV £'000
<b>Marie Ward</b> Clerk & Chief Executive	30 - 35 no lump sum	2.0 - 2.5 no lump sum	485	419	31
<b>Michael Lipsett</b> Director of Active & Healthy Communities (Date Left 14/04/2023)	50 - 55 plus lump sum of 75 - 80	(-1.5) - (-2.0) plus lump sum of (-5.0) - (-5.5)	1,077	1,052	22
<b>Conor Mallon</b> Director of Enterprise, Regeneration & Tourism	10 - 15 no lump sum	2.0 - 2.5 no lump sum	174	130	26
<b>Andrew Cassells</b> Director of Sustainability & Environment (Date left 31/03/2024)	3.0 - 3.5 no lump sum	2.0 - 2.5 no lump sum	62	25	28
<b>Josephine Kelly</b> Director of Corporate Services	2.5 - 3.0 no lump sum	2.0 - 2.5 no lump sum	46	14	23
<b>Andrew Patterson</b> Director of Active & Healthy Communities (From 01/02/2024)	20 - 25 no lump sum	1.0 - 1.5 no lump sum	318	281	28
<b>Sinead Murphy</b> Direstor of Sustainability & Environment (From 01/03/2024)	10 - 15 no lump sum	2.5 - 3.0 no lump sum	211	156	48

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

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

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

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



**Chief Executive**

**26 September 2024**

## Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2024 on pages 49 to 52 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 53 to 74.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2024.



**Chief Financial Officer**

**Date** 26 September 2024

## Council Approval of Statement of Accounts

These accounts were approved by resolution of the Audit Committee on 19 September 2024.



**Chairman**

**Date** 26 September 2024



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWRY, MOURNE AND DOWN DISTRICT COUNCIL**

### **Opinion on financial statements**

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

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

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, of the financial position of Newry, Mourne and Down District Council as at 31 March 2024 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

### **Basis for opinion**

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

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

### **Other Information**

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

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

I have nothing to report in this regard.

### **Opinion on other matters**

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

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

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

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

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

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24;

- does not comply with proper practices specified by the Department for Communities;
- is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

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

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Newry, Mourne and Down District Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Financial Officer anticipates that the services provided by Newry, Mourne and Down District 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 the Newry, Mourne and Down District Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Local Government Code of Audit Practice;
- making enquires of management and those charged with governance on Newry, Mourne and Down District 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 Newry, Mourne and Down District Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;

- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business; and

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 Newry, Mourne and Down District 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 Newry, Mourne and Down District Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



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

27<sup>th</sup> September 2024

**Newry, Mourne and Down District Council**

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

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

		2023/24			2022/23		
		Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
Service Expenditure	Notes	£	£	£	£	£	£
Chief Executive	2	2,568,415	(16,353)	2,552,062	2,166,843	(12,317)	2,154,526
Corporate Services	2	11,048,029	(545,332)	10,502,697	16,833,673	(393,993)	16,439,680
Enterprise, Regeneration & Tourism	2	16,559,758	(5,897,459)	10,662,299	17,004,283	(6,654,600)	10,349,683
Sustainability & Environment	2	38,068,121	(1,426,305)	36,641,816	33,987,266	(1,398,261)	32,589,005
Active & Healthy Communities	2	20,948,945	(11,111,520)	9,837,425	18,677,903	(6,569,614)	12,108,289
<b>Cost of Services on Continuing Operations</b>		<b>89,193,268</b>	<b>(18,996,969)</b>	<b>70,196,299</b>	<b>88,669,968</b>	<b>(15,028,785)</b>	<b>73,641,183</b>
Other Operating Expenditure/Income	8	140,061	(197,760)	(57,699)	1,458,847	(957,067)	501,780
Financing and Investment Income and Expenditure	9	1,838,832	(706,008)	1,132,824	3,319,391	(287,760)	3,031,631
(Surplus) or Deficit on Discontinued Operations							
Share of Operating Results of associates and joint ventures							
<b>Net Operating Expenditure</b>		<b>91,172,161</b>	<b>(19,900,737)</b>	<b>71,271,424</b>	<b>93,448,206</b>	<b>(16,273,612)</b>	<b>77,174,594</b>
Taxation and Non-Specific Grant Income	10	-	(70,466,725)	(70,466,725)	-	(66,093,986)	(66,093,986)
<b>(Surplus)/Deficit on the Provision of Services</b>		<b>91,172,161</b>	<b>(90,367,462)</b>	<b>804,699</b>	<b>93,448,206</b>	<b>(82,367,598)</b>	<b>11,080,608</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(5,566,908)			(10,282,873)
Impairment losses on non-current assets charged to the Revaluation Reserve	11						
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	27						
Remeasurements of the Net Defined Benefit Liability (Asset)	21			4,607,000			(67,030,000)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures							
<b>Other Comprehensive Income and Expenditure</b>				<b>(959,908)</b>			<b>(77,312,873)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(155,209)</b>			<b>(66,232,265)</b>



**Newry, Mourne and Down District Council**  
**Movement in Reserves Statement for the year ended 31 March 2024**

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (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 2022</b>	<b>11,150,134</b>	<b>24,494,065</b>	<b>-</b>	<b>35,644,199</b>	<b>48,267,940</b>	<b>83,912,139</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(11,080,608)	-	-	(11,080,608)	-	(11,080,608)
Other Comprehensive Income and Expenditure	-	-	-	-	77,312,873	77,312,873
<b>Total Comprehensive Income and Expenditure</b>	<b>(11,080,608)</b>	<b>-</b>	<b>-</b>	<b>(11,080,608)</b>	<b>77,312,873</b>	<b>66,232,265</b>
Adjustments between accounting basis & funding under regulations	11,832,553	(654,796)	-	11,177,757	(11,177,757)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>751,945</b>	<b>(654,796)</b>	<b>-</b>	<b>97,149</b>	<b>66,135,116</b>	<b>66,232,265</b>
Transfers to/from Statutory and Other Reserves	(805,907)	805,907	-	-	-	-
<b>Increase/Decrease in year</b>	<b>(53,962)</b>	<b>151,111</b>	<b>-</b>	<b>97,149</b>	<b>66,135,116</b>	<b>66,232,265</b>
<b>Balance as at 31 March 2023</b>	<b>11,096,172</b>	<b>24,645,176</b>	<b>-</b>	<b>35,741,348</b>	<b>114,403,056</b>	<b>150,144,404</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(804,699)	-	-	(804,699)	-	(804,699)
Other Comprehensive Income and Expenditure	-	-	-	-	959,908	959,908
<b>Total Comprehensive Income and Expenditure</b>	<b>(804,699)</b>	<b>-</b>	<b>-</b>	<b>(804,699)</b>	<b>959,908</b>	<b>155,209</b>
Adjustments between accounting basis & funding under regulations	5,950,230	(1,365,807)	-	4,584,423	(4,584,423)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>5,145,531</b>	<b>(1,365,807)</b>	<b>-</b>	<b>3,779,724</b>	<b>(3,624,515)</b>	<b>155,209</b>
Transfers to/from Statutory and Other Reserves	(1,251,106)	1,251,106	-	-	-	-
<b>Increase/Decrease in year</b>	<b>3,894,425</b>	<b>(114,701)</b>	<b>-</b>	<b>3,779,724</b>	<b>(3,624,515)</b>	<b>155,209</b>
<b>Balance as at 31 March 2024</b>	<b>14,990,597</b>	<b>24,530,475</b>	<b>-</b>	<b>39,521,072</b>	<b>110,778,541</b>	<b>150,299,613</b>

**Newry, Mourne and Down District Council**  
**Balance Sheet as at 31 March 2024**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category 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 2024	31st March 2023
Fixed Assets	11	213,311,899	205,729,723
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	15	35,587	50,478
Other Long Term Assets	21	-	4,232,000
<b>LONG TERM ASSETS</b>		<b>213,347,486</b>	<b>210,012,201</b>
Short Term Investments	16	-	-
Inventories	14	614,096	620,391
Short Term Debtors	15	10,603,800	7,555,063
Cash and Cash Equivalents	25	1,629,128	7,800,171
Assets Held for Sale	11	133,000	-
<b>CURRENT ASSETS</b>		<b>12,980,024</b>	<b>15,975,625</b>
Bank Overdraft	25	-	-
Short Term Borrowing	17	8,928,191	4,091,304
Short Term Creditors	18	13,445,039	13,283,991
Provisions	19	-	1,416,976
Contract Liabilities		-	-
<b>CURRENT LIABILITIES</b>		<b>22,373,230</b>	<b>18,792,271</b>
Long Term Creditors	18	-	-
Provisions	19	1,496,926	1,777,219
Long Term Borrowing	17	51,345,741	55,273,932
Other Long Term Liabilities	21	812,000	-
Contract Liabilities		-	-
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
<b>LONG TERM LIABILITIES</b>		<b>53,654,667</b>	<b>57,051,151</b>
<b>NET ASSETS</b>		<b>150,299,613</b>	<b>150,144,404</b>
USABLE RESERVES			
Capital Receipts Reserve	26	-	-
Capital Grants Unapplied Account	26	1,633,556	-
Capital Fund	26	15,000,000	15,000,000
Other Balances and Reserves	26	7,896,919	9,645,176
General Fund	26	14,990,597	11,096,172
		<b>39,521,072</b>	<b>35,741,348</b>
UNUSABLE RESERVES			
Capital Adjustment Account	27	42,148,047	43,798,791
Revaluation Reserve	27	70,472,665	67,521,006
Pensions Reserve	27	(812,000)	4,232,000
Accumulated Absences Account	27	(658,977)	(654,204)
Provisions Discount Rate Reserve	27	(371,194)	(494,537)
		<b>110,778,541</b>	<b>114,403,056</b>
<b>NET WORTH</b>		<b>150,299,613</b>	<b>150,144,404</b>

**Newry, Mourne and Down District Council**  
**Cash Flow Statement at 31 March 2024**

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

	Note	2023/24	2022/23
		£	£
Net Deficit on the provision of services		(804,699)	(11,080,608)
Adjustment for non-cash movements	25	5,779,364	15,739,410
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(2,116,436)	(2,980,322)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>2,858,229</b>	<b>1,678,480</b>
Cash flows from Investing Activities	25	(9,937,968)	(8,072,521)
Net Cash flows from Financing Activities	25	908,696	(10,342,321)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(6,171,043)</b>	<b>(16,736,362)</b>
Cash and cash equivalents at the beginning of the reporting period		7,800,171	24,536,533
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,629,128</b>	<b>7,800,171</b>

**1 Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 also requires disclosure in respect of:

**Summary of Material Accounting Policy Information**

**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**

Newry, Mourne and Down District Council has not acquired operations (or transferred operations under combinations of public sector bodies) during the financial year.

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

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

As each of the legacy councils had substantially completed its Single Status, Job Evaluation and Pay and Grading Reviews, Council has not acquired an opening provision for such matters. 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 has not sought to amend these employees' terms and conditions of employment. Appropriate provision will be made for any financial consequences of employees' terms and conditions as and when required.

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 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
- unlisted securities – current bid price

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.

#### 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)

The 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 are earned by employees.

## Discretionary Benefits

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

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

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.

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.

**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).

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 [FIFO/weighted average] 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.

## Leases

Leases are classified as 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 - 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 - 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.

**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 not charged to service segments.

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.

**Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

- Community assets and assets under construction – depreciated historical cost
- Land, buildings, infrastructure and surplus assets - held at current value
- Investment assets – held at fair value
- Heritage assets are held at historical cost and not depreciated

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:

- Land: Land is not depreciated as it has an infinite useful life.
- Buildings: Straight-line depreciation over useful life which depends on the type of property and use- it normally ranges from 10 to 50 years.
- Community: No determinable useful life and not depreciated held at nominal value.
- Investment: Held at market/fair value - Not depreciated
- Infrastructure: depreciation is based on a straight line basis using the remaining useful life of the asset.
- Landfill Site: End of Useful Life
- Heritage Assets: These are not normally subject to depreciation and are held at either Historic cost or insurance valuation.
- Plant and Machinery\*: Straight-line depreciation over useful life which depends on the type of asset and ranges from 3 to 7 years.
- Vehicles: Straight-line depreciation over 7 years.
- Information Technology: Straight-line depreciation 3 to 10 years.
- Assets Under Construction: Held at Historic Cost and are not depreciated.
- Intangibles: Software licenses and systems are depreciated over estimated useful life which is normally 3 to 10 years.

*\* Some legacy assets within VPE have longer useful lives*

## 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.

## 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.

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.

The Heritage Assets held by the Council include artefacts, historical furniture, civic items, Ross' Monument, paintings and drawings.

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
- 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 Her 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.

For 2023/24, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.  
It is not anticipated that these accounting changes will impact on the financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Council will adopt IFRS 16 in 2024/25

**c Critical Judgements in Applying Accounting Policies**

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

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

The calculation of the necessary financial provision for the capping and aftercare costs for the landfill sites depends on a judgement around the appropriate discount rate to be used and the number of years over which these costs are needed to be provided. The landfill provision figures are sensitive to the assumptions used.

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

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

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

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). As at the valuation date, LPS considers that the pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of local property market sectors relating to each of the asset types identified and valued. Accordingly, and for avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VP3 and VPGA 10 of the RICS Valuation - Global Standards.

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.

	2023/24			2022/23		
	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	2,552,062	-	2,552,062	2,153,654	(872)	2,154,526
Corporate Services	12,882,837	2,380,140	10,502,697	11,483,562	(4,956,118)	16,439,680
Enterprise, Regeneration & Tourism	7,487,439	(3,174,860)	10,662,299	7,732,894	(2,616,789)	10,349,683
Sustainability & Environment	32,114,322	(4,527,494)	36,641,816	30,036,421	(2,552,584)	32,589,005
Active & Healthy Communities	6,884,033	(2,953,392)	9,837,425	10,298,625	(1,809,664)	12,108,289
<b>Net Cost of Services</b>	<b>61,920,693</b>	<b>(8,275,606)</b>	<b>70,196,299</b>	<b>61,705,156</b>	<b>(11,936,027)</b>	<b>73,641,183</b>
<b>Other Income and Expenditure</b>	<b>(67,066,224)</b>	<b>2,325,376</b>	<b>(69,391,600)</b>	<b>(62,457,098)</b>	<b>103,477</b>	<b>(62,560,575)</b>
<b>Surplus or Deficit</b>	<b>(5,145,531)</b>	<b>(5,950,230)</b>	<b>804,699</b>	<b>(751,942)</b>	<b>(11,832,550)</b>	<b>11,080,608</b>
<b>Opening General Fund</b>			<b>11,096,172</b>			<b>11,150,134</b>
<b>Surplus/(Deficit) on General Fund Balance in Year</b>			<b>3,894,425</b>			<b>(53,962)</b>
<b>Closing General Fund</b>			<b>14,990,597</b>			<b>11,096,172</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  
2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	-	-	-	-
Corporate Services	3,176,838	(786,000)	(10,698)	-	2,380,140
Enterprise, Regeneration & Tourism	(3,184,030)	-	9,170	-	(3,174,860)
Sustainability & Environment	(4,655,493)	-	127,999	-	(4,527,494)
Active & Healthy Communities	(2,945,491)	-	(7,901)	-	(2,953,392)
Net Cost of Services	(7,608,176)	(786,000)	118,570	-	(8,275,606)
Other Income and Expenditure from the Expenditure and Funding Analysis	1,976,376	349,000	-	-	2,325,376
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(5,631,800)	(437,000)	118,570	-	(5,950,230)

Adjustments between Funding and Accounting Basis  
2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	-	(872)	-	(872)
Corporate Services	2,215,354	(7,155,000)	(16,472)	-	(4,956,118)
Enterprise, Regeneration & Tourism	(2,612,819)	-	(3,970)	-	(2,616,789)
Sustainability & Environment	(2,943,670)	-	391,086	-	(2,552,584)
Active & Healthy Communities	(1,795,150)	-	(14,514)	-	(1,809,664)
Net Cost of Services	(5,136,285)	(7,155,000)	355,258	-	(11,936,027)
Other Income and Expenditure from the Expenditure and Funding Analysis	1,491,477	(1,388,000)	-	-	103,477
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(3,644,808)	(8,543,000)	355,258	-	(11,832,550)

### **Adjustments for Capital Purposes**

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

i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

ii) Financing and investment income and expenditure - the statutory charges for capital financing, i.e. Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting

iii) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### **Net change for the Pensions Adjustments**

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

For Services: this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income and expenditure: the net interest on the defined benefit liability is charged to the CIES.

### **Other statutory differences**

Other statutory adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure the other statutory adjustments column recognises adjustments to General Fund for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for district rates and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

### **Other non-statutory adjustments**

The reportable segments are based on the organisational structure of the Council comprising the Chief Executive's department and four directorates.

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**c Segmental Income and Expenditure**

Income and expenditure on a segmental basis are analysed below:

	2023/24								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	(16,252)	-	-	-	-	660,881	-	-	-
Corporate Services	(442,809)	-	(287,262)	1,814,085	376,066	5,349,044	-	-	7,065,096
Enterprise, Regeneration & Tourism	(4,366,237)	-	-	-	2,286,536	6,003,956	-	-	897,493
Sustainability & Environment	(1,316,322)	-	-	-	3,905,925	22,000,166	-	-	749,569
Active & Healthy Communities	(3,044,907)	-	-	-	2,551,999	3,101,862	-	-	393,491
Total Income Analysed on a segmental basis	(9,186,527)	-	(287,262)	1,814,085	9,120,526	37,115,909	-	-	9,105,649

	2022/23								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	(8,585)	-	-	-	-	781,485	-	-	-
Corporate Services	(345,242)	-	(228,077)	1,877,785	506,018	5,169,653	-	-	5,722,628
Enterprise, Regeneration & Tourism	(4,289,623)	-	-	-	2,046,248	5,216,334	-	-	566,571
Sustainability & Environment	(1,349,572)	-	-	-	2,790,868	20,229,234	-	-	152,802
Active & Healthy Communities	(2,599,107)	-	-	-	2,492,547	6,641,089	-	-	(697,397)
Total Income Analysed on a segmental basis	(8,592,129)	-	(228,077)	1,877,785	7,835,681	38,037,795	-	-	5,744,604

The following amounts of Covid/Cost-of-Living Funding received have been included in 'Material Items of Income and Expense' above:

	2023/24	2022/23
	£	£
Chief Executive	-	-
Corporate Services	-	-
Enterprise, Regeneration & Tourism	-	(487,000)
Enterprise, Regeneration & Tourism	-	(382,883)
Neighbourhood Services	-	-
Active & Healthy Communities	-	-
Total	-	(869,883)

DFC Covid Recovery Small Settlements Scheme  
DFC Hardship Funding



3 a Expenditure and Income Analysed by Nature

Expenditure		2023/24	2022/23
	Notes	£	£
Employee Benefits Expenses	7	(41,502,322)	(39,511,528)
Other Services Expenditure		(38,153,923)	(41,999,365)
Depreciation, Amortisation, Impairment	11	(9,677,084)	(8,116,142)
Interest Payments	9	(1,814,085)	(3,265,785)
Loss on the Disposal of Assets	8	-	(501,780)
Other Expenditure	9	(24,747)	(53,606)
<b>Total Expenditure</b>		<b>(91,172,161)</b>	<b>(93,448,206)</b>

Income		2023/24	2022/23
	Notes	£	£
Fees, Charges and Other Service Income		19,137,030	15,985,852
Interest and Investment Income	9	636,613	228,690
District Rate Income	10	64,132,152	60,110,791
Government Grants and Contributions	10	6,334,573	5,983,195
Gain on the Disposal of Assets	8	57,699	-
Other Income	9	69,395	59,070
<b>Total Income</b>		<b>90,367,462</b>	<b>82,367,598</b>
<b>Surplus or (Deficit) on the Provision of Services</b>		<b>(804,699)</b>	<b>(11,080,608)</b>

b Revenue from contracts with service recipients

The Council does not receive material revenue 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:

		2023/24	2022/23		
	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:					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	556,558		280,460	
Depreciation charged in the year on non-current assets	11	9,120,526	9,677,084	7,835,682	8,116,142
Net Revenue expenditure funded from capital under statute	12, 26e		3,240,091		1,257,144
Carrying amount of non current assets sold	8a	140,061		1,458,847	
Proceeds from the sale of PP&E, investment property and intangible assets	8a	(197,760)	(57,699)	(957,067)	501,780
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	21b		6,881,000		14,281,000
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21b		(6,444,000)		(5,738,000)
Capital Grants and Donated Assets Receivable and Applied in year	10c		(1,918,676)		(2,023,255)
Capital Grants Receivable and Unapplied in year			-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to short-term compensated absences	27d		4,773		36,833
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment	27e		(123,343)		(392,091)
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, 26e		(5,309,000)		(4,207,000)
Direct revenue financing of Capital Expenditure			-		-
		5,950,230		11,832,553	

Net transfers (to)/from statutory and other earmarked reserves:		2023/24	2023/24	2022/23	2022/23
	Notes	£	£	£	£
<b>Capital Fund</b>					
Interest		-	-	-	-
From Capital		-	-	-	-
Other	26	-	-	-	-
<b>Renewal and Repairs Fund</b>					
Interest		-	-	-	-
Other		-	-	-	-
<b>Capital Receipts Reserve</b>					
Interest		-	-	-	-
Other	26	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		-	-	-	-
From Other Funds		-	-	-	-
Other	26	(1,251,106)	(1,251,106)	(805,907)	(805,907)
<b>Unusable reserves</b>					
Capital Adjustment Account	27	-	-	-	-
		(1,251,106)		(805,907)	

## 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 £Nil during 2023/24 (£Nil in 2022/23).

### b External Audit Fees

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

	2023/24	2022/23
	£	£
External Audit Fees	77,000	76,000
Grant Claim Certification Fees	-	1,314
Other Fees	15,000	13,500
(Over)/Under provided previous year	(6,500)	(2,250)
	85,500	88,564

The other fees of £15,000 (2022/23 £13,500) were incurred in respect of performance audit services provided by the appointed auditor. The amount over provided in the previous year of £6,500 relates to Performance Audit Fees.

## 6 Operating and leases

### Council as Lessor

#### a Leases (Council as lessor)

The Council has no finance leases as lessor.

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

Rental Income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £462,837 (2022/23 £328,617).

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

	31st March 2024	31st March 2023
	£	£
Not later than 1 year	401,746	395,801
Later than 1 year and no later than 5 years	510,335	436,801
Later than 5 years	451,970	283,690
	1,364,051	1,116,292

### Council as Lessee

#### c Leases (Council as lessee)

The assets acquired under these leases are carried as property, plant and equipment in the Balance Sheet at the following net amounts:

	31st March 2024	31st March 2023
	£	£
Other Land and Buildings	-	-
Vehicles, Plant, Furniture and Equipment	-	-

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31st March 2024	31st March 2023
	£	£
Leases liabilities (net present value of minimum lease payments):		
Current	-	-
Non- Current	-	-
Finance costs payable in future years	-	617
Minimum Lease Payments	-	617

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Lease Liabilities	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	£	£	£	£
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	617	-	-
Later than five years	-	-	-	-
	-	617	-	-

Newry, Mourne and Down District Council will adopt IFRS 16 in 2024/25.

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

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

	31st March 2024	31st March 2023
	£	£
Not later than 1 year	190,618	186,768
Later than 1 year and no later than 5 years	424,889	503,602
Later than 5 years	1,432,595	1,487,191
	2,048,102	2,177,561

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

	2023/24	2022/23
	£	£
Minimum lease payments	254,780	124,874
Contingent rentals	-	-
Less: Sublease payments receivable	-	-
Total	254,780	124,874

## 7 Employee Costs and Member Allowances

### a Staff Costs

	2023/24	2022/23
	£	£
Salaries and Wages	29,470,215	28,576,444
Employers NIC	2,827,246	2,788,334
Employers Superannuation	5,978,041	5,667,342
Total staff costs	38,275,502	37,032,120

In addition, agency costs during the year amounted to £3,226,820 (2022/23 £2,479,408). Short term compensated absences during the year amounted to £4,773 (2022/23 £36,832) included above.

The Council's current contribution rate to NILGOSC scheme is 19%. There was no Deficit Recovery Contribution.

At last actuarial valuation dated 31st March 2022 the funds assets meet 111% of liabilities at that date (2019-112%).

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

b Average Number of Employees	2023/24	2022/23
	FTE	FTE
Chief Executive	12	16
Corporate Services	103	108
Enterprise, Regeneration & Tourism	148	146
Sustainability & Environment	325	325
Active & Healthy Communities	210	233
Total Number	798	828

	2023/24	2022/23
	Actual Numbers	Actual Numbers
Full-time numbers employed	734	758
Part-time numbers employed	139	153
Total Number	873	911



c Senior Employees' Remuneration	2023/24	2022/23
	£	£
£50,001 to £60,000	36	27
£60,001 to £70,000	11	14
£70,001 to £80,000	6	2
£80,001 to £90,000	1	-
£90,001 to £100,000	3	2
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	1
£130,001 to £140,000	-	-
£140,001 to £150,000	1	-
Total Number	58	46

d Members' Allowances	2023/24	2022/23
	£	£
Salaries	-	-
Basic allowance	696,913	670,168
Mayor's & Deputy Mayor's Allowance	26,458	26,458
Special Responsibility Allowances	80,181	80,286
Dependents' carers allowance	219	755
Employer costs	213,066	210,535
Mileage	24,062	32,369
Conferences and Courses	3,235	9,219
Travel & Subsistence Costs	5,075	12,340
Miscellaneous Costs	19,108	15,707
Severance Payments	-	-
Total	1,068,317	1,057,837

#### 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 actuarial valuation was carried out as at 31 March 2020. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DOF Superannuation and Other Allowances Resource Accounts as at 31 March 2024.

For 2023/24, employers' contributions of £345,416 were payable to the NICS pension arrangements at one of four rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2020 was completed by the Actuary during 2019-20. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2019. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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

## 8 Other Operating Income & Expenditure

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

	2023/24	2022/23
	£	£
Proceeds from sale	(197,760)	(957,067)
Carrying amount of non-current assets sold (excl. Investment Properties)	140,061	1,458,847
	(57,699)	501,780

### b Other Operating Income/Expenditure

	2023/24	2022/23
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2023/24	2022/23
	£	£
(Surplus)/Deficit on Non Current Assets	(57,699)	501,780
Other Operating (Income)/Expenditure	-	-
	(57,699)	501,780

## 9 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2023/24	2022/23
	£	£
Lease / hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	1,814,085	1,877,785
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	1,814,085	1,877,785

### b Interest and Investment Income

	2023/24	2022/23
	£	£
Bank interest	287,262	228,077
Employee Car Loan Interest	351	613
NIHE Loan Interest Receivable	-	-
Investment income on Fund Balances		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	287,613	228,690

**c Pensions interest costs/(Income) and expected return on pensions assets**

	2023/24	2022/23
	£	£
Net interest on the net defined benefit liability (asset)	(349,000)	1,388,000
	(349,000)	1,388,000

**d Surplus/(Deficit) on trading operations**

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

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

	2023/24	2022/23
	£	£
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(69,395)	(59,070)
Expenditure	24,747	23,606
<b>Net income from investment properties</b>	<b>(44,648)</b>	<b>(35,464)</b>
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<b>(Surplus)/deficit on sale of Investment Properties:</b>	<b>-</b>	<b>-</b>
<b>Changes in Fair Value of Investment Properties</b>	<b>-</b>	<b>30,000</b>
	<b>(44,648)</b>	<b>(5,464)</b>

<b>Financing and Investment Income and Expenditure</b>						
	2023/24			2022/23		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,814,085	-	1,814,085	1,877,785	-	1,877,785
Interest and Investment Income	-	(287,613)	(287,613)	-	(228,690)	(228,690)
Pensions interest cost / (Income)	-	(349,000)	(349,000)	1,388,000	-	1,388,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	24,747	(69,395)	(44,648)	23,606	(59,070)	(35,464)
Changes in Fair Value of Investment Properties	-	-	-	30,000	-	30,000
	<b>1,838,832</b>	<b>(706,008)</b>	<b>1,132,824</b>	<b>3,319,391</b>	<b>(287,760)</b>	<b>3,031,631</b>

**10 Taxation and Non Specific Grant Income**

**a Revenue Grants**

	2023/24	2022/23
	£	£
General	(4,415,897)	(3,959,940)
Other	-	-
	<b>(4,415,897)</b>	<b>(3,959,940)</b>

**b Revenue Grants - Unapplied**

The Council has no Revenue Grants Unapplied.

**c Capital Grants and Donated Assets - Applied**

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and applied in	(1,918,676)	(2,023,255)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(1,918,676)	(2,023,255)

**d Capital Grants - Unapplied**

	2023/24	2022/23
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Other	-	-
	-	-

**e District Rates**

	2023/24	2022/23
	£	£
Current year	(63,817,313)	(59,721,125)
Finalisation - previous year	(314,839)	(389,666)
Transitional Relief	-	-
Finalisation - other years	-	-
	(64,132,152)	(60,110,791)

Taxation and Non Specific Grant Income	2023/24	2022/23
	£	£
District Rate Income	(64,132,152)	(60,110,791)
Revenue Grants	(4,415,897)	(3,959,940)
Capital Grants and Contributions	(1,918,676)	(2,023,255)
	(70,466,725)	(66,093,986)



**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2024**

11 a

Long - Term Assets - Current Year												
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2023	32,163,512	149,441,222	956,139	110,001	16,835,228	26	8,261,606	4,656,501	212,424,235	1,582,006	-	214,006,241
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	32,163,512	149,441,222	956,139	110,001	16,835,228	26	8,261,606	4,656,501	212,424,235	1,582,006	-	214,006,241
Additions	-	644,196	-	-	6,609,880	-	4,667,789	-	11,921,865	-	-	11,921,865
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) to Revaluation Reserve	1,250,808	(1,380,043)	11,350	(481,896)	-	-	-	58,100	(541,681)	2,000	-	(539,681)
Revaluation increases/(decreases) to Surplus or Deficit on the Provision of Services	203,203	(1,618,485)	(850)	-	-	-	-	200	(1,415,932)	-	-	(1,415,932)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(4,760)	-	-	-	(3,437,152)	-	-	(132,600)	(3,574,512)	-	-	(3,574,512)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	5,294,286	-	-	(42,541)	-	(5,144,286)	-	107,459	-	-	107,459
Reclassified to(-)/from(+) Held for Sale	-	-	-	-	-	-	-	(133,000)	(133,000)	-	-	(133,000)
Balance as at 31 March 2024	33,612,763	152,381,177	966,639	(371,895)	19,965,415	26	7,785,109	4,449,201	218,788,435	1,584,006	-	220,372,441

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473
Depreciation Charge	-	6,434,064	15,003	-	2,211,596	-	-	-	8,660,663	-	-	8,660,663
Depreciation written out on Revaluation Reserve	-	(5,575,860)	(13,833)	(516,896)	-	-	-	-	(6,106,589)	-	-	(6,106,589)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(858,204)	(1,170)	-	-	-	-	-	(859,374)	-	-	(859,374)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(3,434,451)	-	-	-	(3,434,451)	-	-	(3,434,451)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	-	4	775,118	(516,897)	11,933,496	1	-	-	12,191,722	-	-	12,191,722
<b>Balance as at 31 March 2024</b>	33,612,763	152,381,173	191,521	145,002	8,031,919	25	7,785,109	4,449,201	206,596,713	1,584,006	-	208,180,719

Long - Term Assets - Comparative Year												
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2022	31,810,512	140,015,207	956,807	110,001	15,672,168	26	7,353,190	3,501,751	199,419,662	1,552,756	23,500	200,995,918
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2022	31,810,512	140,015,207	956,807	110,001	15,672,168	26	7,353,190	3,501,751	199,419,662	1,552,756	23,500	200,995,918
Additions	-	2,609,891	-	-	2,054,524	-	5,797,006	-	10,461,421	8,250	-	10,469,671
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Increases/decreases to Revaluation Reserve	906,575	4,163,253	(124)	-	-	-	-	(9,828)	5,059,876	25,000	-	5,084,876
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Increases/decreases to Surplus or Deficit on the Provision of Services	(43,084)	(781,149)	(544)	-	-	-	-	(121,500)	(946,277)	-	-	(946,277)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(450,491)	(1,000,000)	-	-	(537,189)	-	-	(26,422)	(2,014,102)	(4,000)	(21,000)	(2,039,102)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	(60,000)	4,434,020	-	-	(354,275)	-	(4,888,590)	60,000	(808,845)	-	-	(808,845)
Reclassified to(-)/from(+) Investment Properties/Held for Sale	-	-	-	-	-	-	-	1,252,500	1,252,500	-	(2,500)	1,250,000
Balance as at 31 March 2023	32,163,512	149,441,222	956,139	110,001	16,835,228	26	8,261,606	4,656,501	212,424,235	1,582,006	-	214,006,241

b

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2022</b>	-	3	775,118	(1)	12,422,082	1	-	-	13,197,203	-	-	13,197,203
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2022</b>	-	3	775,118	(1)	12,422,082	1	-	-	13,197,203	-	-	13,197,203
Depreciation Charge	-	5,922,759	14,122	-	1,323,102	-	-	-	<b>7,259,983</b>	-	-	<b>7,259,983</b>
Depreciation written out on Revaluation Reserve	-	(5,184,956)	(13,041)	-	-	-	-	-	<b>(5,197,997)</b>	-	-	<b>(5,197,997)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(694,736)	(1,081)	-	-	-	-	-	<b>(695,817)</b>	-	-	<b>(695,817)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(43,066)	-	-	(537,189)	-	-	-	<b>(580,255)</b>	-	-	<b>(580,255)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	(51,644)	-	-	-	<b>(51,644)</b>	-	-	<b>(51,644)</b>
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	-	4	775,118	(1)	13,156,351	1	-	-	13,931,473	-	-	13,931,473

**Net Book Values**

Balance as at 31 March 2023	32,163,512	149,441,218	181,021	110,002	3,678,877	25	8,261,606	4,656,501	198,492,762	1,582,006	-	200,074,768
Balance as at 31 March 2024	33,612,763	152,381,173	191,521	145,002	8,031,919	25	7,785,109	4,449,201	206,596,713	1,584,006	-	208,180,719



#### 11 c Property, plant and equipment

##### Depreciation

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

- buildings - 10 to 50 years straight line
- \*vehicles, plant, furniture and equipment - 3 to 7 years straight line
- infrastructure - as per buildings
- information technology - 3 to 10 years straight line
- intangibles - estimated useful life

\* Some legacy assets within VPE have longer useful lives

##### Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipments required to be measured at current value is revalued at least every five years. All valuations were carried out externally by Land and Property Services. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic cost adjusted for depreciation.

##### Non-operational Property, Plant and Equipment (Surplus Assets)

The Council has surplus assets with a carrying value of £4,449,201 at 31st March 2024.

#### d Intangible Assets

The Council owns intangible assets which relate to market rights, purchased licensed software and a licence for a mountain bike site as follows:

Intangible Assets	2023/24	2022/23
	£	£
Balance at start of year:		
Gross carrying amounts	6,136,459	5,346,653
Accumulated amortisation	2,871,506	2,295,807
Net carrying amount at start of year	3,264,953	3,050,846
Additions	43,548	32,605
Derecognition - Disposals (Cost)	(327,257)	-
Revaluation increases or decreases	-	-
Impairment losses recognised or reversed directly in the Revaluation Reserve	-	-
Impairment losses recognised or reversed directly in the Surplus/Deficit on the Provision of Services	-	-
Amortisation for the period	(459,863)	(575,699)
Derecognition - Disposals (Amortisation)	327,257	-
Transfer from Assets Under Construction (See Note 11a)	42,541	757,201
Net carrying amount at end of year	2,891,179	3,264,953
Comprising:		
Gross carrying amounts	5,946,934	6,136,459
Accumulated amortisation	3,055,755	2,871,506
Net carrying amount at end of year	2,891,179	3,264,953

#### 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	31/03/2024	31/03/2023
	£	£
Rental Income from Investment Activities	69,395	59,070
Direct Operating expenses arising from investment properties	(24,747)	(23,606)
Net gain/(loss)	44,648	35,464

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

Investment Properties	2023/24	2022/23
	£	£
Balance at start of the year	2,390,002	3,670,002
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	-	(30,000)
Transfers to/from inventories	-	-
Transfers to/from property, plant and equipment	(150,000)	-
Transfer to Surplus Assets	-	(1,250,000)
Balance at end of the year	2,240,002	2,390,002

#### Valuation process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors.

The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

#### f Heritage Assets

The Council's collection of Heritage Assets is reported in the Balance Sheet at insurance valuation or historic cost. These assets include museum artefacts, works of art and civic items. Ross' Monument is also included which is situated between Rostrevor and Warrenpoint.

The following table summarises the Heritage Assets held by the Council:

Heritage Assets	31/03/2024	31/03/2023
	£	£
Artefacts	529,452	529,452
Historical Furniture	79,935	79,935
Civic Items	65,600	65,600
Ross' Monument	415,911	413,911
Paintings and Drawings	493,108	493,108
Balance at end of the year	1,584,006	1,582,006

#### g Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2023	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	133,000	-	133,000
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>133,000</b>	<b>-</b>	<b>133,000</b>
<b>Impairment</b>			
Balance as at 1 April 2023	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
<b>Balance as at 31 March 2024</b>	<b>133,000</b>	<b>-</b>	<b>133,000</b>
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2022	-	23,500	<b>23,500</b>
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	(21,000)	<b>(21,000)</b>
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	(2,500)	<b>(2,500)</b>
<b>Balance as at 31 March 2023</b>	-	-	-
<b>Impairment</b>			
Balance as at 1 April 2022	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2023</b>	-	-	-

During 2023/24 non-current assets with a fair value of £133,000 met the criteria to be recognised as assets held for sale.

#### h Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2023	242,308	21,430	<b>263,738</b>
Additions	-	-	-
Disposals	(150,165)	-	<b>(150,165)</b>
<b>At 31 March 2024</b>	<b>92,143</b>	<b>21,430</b>	<b>113,573</b>
<b>Depreciation</b>			
At 1 April 2023	242,308	21,430	<b>263,738</b>
Disposals	(150,165)	-	<b>(150,165)</b>
Provided for year	-	-	-
<b>At 31 March 2024</b>	<b>92,143</b>	<b>21,430</b>	<b>113,573</b>
<b>Net Book Value at 31/3/24</b>	-	-	-

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2022	364,473	36,626	<b>401,099</b>
Additions	-	-	-
Disposals	(122,165)	(15,196)	<b>(137,361)</b>
<b>At 31 March 2023</b>	<b>242,308</b>	<b>21,430</b>	<b>263,738</b>
<b>Depreciation</b>			
At 1 April 2022	364,473	36,626	<b>401,099</b>
Disposals	(122,165)	(15,196)	<b>(137,361)</b>
Provided for year	-	-	-
<b>At 31 March 2023</b>	<b>242,308</b>	<b>21,430</b>	<b>263,738</b>
<b>Net Book Value at 31/3/23</b>	-	-	-

#### h Revaluation

A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2024 on the Council's land and buildings. As a result, the value of land and buildings have increased from £188.9 million at 31 March 2023 to £193.2 million at 31 March 2024.

## 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		2023/24	2022/23
		£	£
<b>Opening Capital Financing Requirement</b>		94,409,923	90,492,621
<b>Capital Investment</b>			
Property, Plant and Equipment	11	11,921,865	10,469,671
Investment Properties		-	-
Intangible Assets		43,548	32,605
Revenue Expenditure Funded from Capital under Statute		3,240,091	1,257,144
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts		(197,760)	(957,067)
Government Grants and Other Contributions	10	(1,918,676)	(2,023,255)
Transfers from Earmarked Reserves		(1,365,807)	(654,796)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(5,309,000)	(4,207,000)
<b>Closing Capital Financing Requirement</b>		100,824,184	94,409,923
<b>Explanation of Movements in Year</b>		2023/24	2022/23
		£	£
Increase in underlying need to borrow		6,414,261	3,917,302
Assets acquired under leases		-	-
Assets acquired under PFI/PPP contracts		-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		6,414,261	3,917,302

## 13 Future Capital Commitments

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

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	15,195,118	8,150,354	7,044,764
Other Commitments	12,627,536	829,875	11,797,661
<b>Total</b>	<b>27,822,654</b>	<b>8,980,229</b>	<b>18,842,425</b>

Schemes underway detail all projects where spend has been incurred prior to the year-end. The Grant Aid element includes all projects where Letters of Offer are awarded by the funding body based on Outline Business Cases. Signed Contracts for Funding may not necessarily be in place at this stage.



14	Inventories	2023/24 £	2022/23 £
	Central Stores	430,111	423,401
	Other	183,985	196,990
	<b>Total</b>	<b>614,096</b>	<b>620,391</b>

15	Debtors	2023/24 £	2022/23 £
a	Long Term Debtors		
	Government Departments	-	-
	Other Councils	-	-
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	Employee car loans	146	1,524
	Revenue Grants	-	-
	Capital Grants	-	-
	Interest Receivable	-	-
	Capital Debtors	-	-
	Loans and advances	32,741	36,341
	Lease debtors	-	-
	Trade debtors	-	-
	NIHE Loans	-	-
	Other	2,700	12,613
	Impairment of loans and receivables	-	-
	Contract Receivables	-	-
	<b>Total Long-Term Debtors</b>	<b>35,587</b>	<b>50,478</b>

b	Short Term Debtors	2023/24 £	2022/23 £
	Government Departments	5,095,790	1,275,548
	Other Councils	90,344	215,731
	Public corporations and trading funds	-	-
	Bodies external to general government	-	-
	NIHE loans	-	-
	Employee car loans	1,934	7,283
	Revenue Grants	1,800,368	2,528,705
	Capital Grants	1,479,305	910,669
	Interest Receivable	20,102	25,428
	Capital Debtors	-	-
	Value Added Tax	1,428,588	1,635,998
	Prepayments	295,311	503,400
	Lease debtors	-	-
	Other	254,318	159,878
	Trade receivables	423,705	570,995
	Impairment loss - Trade receivables	(285,965)	(278,572)
	Contract Receivables	-	-
	<b>Total Short-Term Debtors</b>	<b>10,603,800</b>	<b>7,555,063</b>
	<b>Total Debtors</b>	<b>10,639,387</b>	<b>7,605,541</b>

#### 16 Investments

The Council has no investments.

17	<b>Borrowings</b>			
			2023/24	2022/23
a	<b>Short Term Borrowing</b>		£	£
	Loans re-payable within one year		8,928,191	4,091,304
	Lease Principal		-	-
	<b>Total Short Term Borrowing</b>		<b>8,928,191</b>	<b>4,091,304</b>
b	<b>Long Term Borrowing</b>		2023/24	2022/23
			£	£
	Between 1 and 2 years		3,791,555	3,928,191
	Between 2 and 5 years		11,466,061	11,416,814
	Between 5 and 10 years		14,543,987	16,185,817
	In more than 10 years		21,544,138	23,743,110
	<b>Government Loans Fund</b>		<b>51,345,741</b>	<b>55,273,932</b>
	<b>Total Borrowing</b>		<b>60,273,932</b>	<b>59,365,236</b>
18	<b>Creditors</b>			
			2023/24	2022/23
a	<b>Short Term Creditors</b>		£	£
	Government Departments		2,128,170	1,653,266
	Other Councils		212,040	140,215
	Public corporations and trading funds		25,714	28,330
	Bodies external to general government		-	-
	Rates clawback		-	-
	VAT		-	-
	Remuneration due to employees		2,315,930	2,136,867
	Accumulated Absences		658,977	654,204
	Loan Interest Payable		-	-
	Capital Creditors		2,922,175	3,069,198
	Receipts in advance		879,681	716,021
	Trade creditors		4,245,678	4,777,798
	Other		56,674	108,092
	Contract Payables		-	-
	<b>Total Short Term Creditors</b>		<b>13,445,039</b>	<b>13,283,991</b>
	<b>Total Creditors</b>		<b>13,445,039</b>	<b>13,283,991</b>

The creditor balance for 'Other Councils' relates mainly to legal costs and contributions.  
There are no long-term creditors at 31st March 2024.

#### b 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 17,699 invoices totalling £66,368,816

The number of disputed invoices were Nil.

The Council paid:  
16,812 (95%) invoices with 30 calendar days target;  
8,832(50%) invoices within 10 working days target; and  
887 invoices outside of the 30 day target.

Provisions	Balance as at 1 April 2023 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2024 £
Landfill Closure	1,777,219	35,978	(192,928)	-	(123,343)	<b>1,496,926</b>
Restructuring Costs	1,416,976	-	-	(1,416,976)	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>3,194,195</b>	<b>35,978</b>	<b>(192,928)</b>	<b>(1,416,976)</b>	<b>(123,343)</b>	<b>1,496,926</b>

Current Provisions	1,416,976	-	-	(1,416,976)	-	-
Long Term Provisions	1,777,219	35,978	(192,928)	-	(123,343)	<b>1,496,926</b>
<b>Total</b>	<b>3,194,195</b>	<b>35,978</b>	<b>(192,928)</b>	<b>(1,416,976)</b>	<b>(123,343)</b>	<b>1,496,926</b>

#### Comparative Year

Provisions	Balance as at 1 April 2022 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Restated Balance as at 31 March 2023 £
Landfill Closure	2,568,346	-	(189,680)	(209,356)	(392,091)	<b>1,777,219</b>
Restructuring Costs	2,843,669	-	-	(1,426,693)	-	<b>1,416,976</b>
Other	-	-	-	-	-	-
<b>Total</b>	<b>5,412,015</b>	<b>-</b>	<b>(189,680)</b>	<b>(1,636,049)</b>	<b>(392,091)</b>	<b>3,194,195</b>

Current Provisions	2,843,669	-	-	(1,426,693)	-	<b>1,416,976</b>
Long Term Provisions	2,568,346	-	(189,680)	(209,356)	(392,091)	<b>1,777,219</b>
<b>Total</b>	<b>5,412,015</b>	<b>-</b>	<b>(189,680)</b>	<b>(1,636,049)</b>	<b>(392,091)</b>	<b>3,194,195</b>

#### Landfill Closure

The expected cost of landfill closure and aftercare costs of £1,496,926 is based on the percentage utilisation of the landfill sites of both Drumanakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed as at 31st March 2015. Drumanakelly Landfill Site ceased to take landfill on 30th April 2016. Now that the sites have closed it will take a period of time before there will be a reliable trend for closure and aftercare costs and gas generation income.

#### Restructuring Costs

The provision is for 'Planning for the Future' - a review of the directorate and management structures. During the 2023/24 year a Capitalisation Direction was obtained for £1.76m to finance part of the restructuring costs hence the balance of the provision was subsequently reversed. Actual redundancy payments under this Capitalisation Direction have been charged to the CIES in year.

## 20 Financial Instruments

### Categories of Financial Instruments

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

#### a Financial Assets as at 31 March 2024

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	35,587	274,240	831,408	1,141,235
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	1,354,888	-	1,354,888
<b>Total Financial Assets</b>	-	35,587	1,629,128	831,408	2,496,123
Non-Financial Assets	-	-	-	9,772,392	9,772,392
<b>Total</b>	-	35,587	1,629,128	10,603,800	12,268,515

#### Financial Assets as at 31 March 2023

	Non-Current		Current		Total £
	Investments £	Debtors £	Investments £	Debtors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	50,478	3,773,378	886,125	4,709,981
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	4,026,793	-	4,026,793
<b>Total Financial Assets</b>	-	50,478	7,800,171	886,125	8,736,774
Non-Financial Assets	-	-	-	6,668,937	6,668,937
<b>Total</b>	-	50,478	7,800,171	7,555,062	15,405,711

#### b Financial Liabilities as at 31 March 2024

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	51,345,741	-	8,928,191	8,235,635	68,509,567
<b>Total financial liabilities</b>	<b>51,345,741</b>	-	<b>8,928,191</b>	<b>8,235,635</b>	<b>68,509,567</b>
Non-financial liabilities	-	-	-	5,209,404	5,209,404
<b>Total</b>	<b>51,345,741</b>	-	<b>8,928,191</b>	<b>13,445,039</b>	<b>73,718,971</b>

#### Financial Liabilities as at 31 March 2023

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	55,273,932	-	4,091,304	8,551,054	67,916,290
<b>Total financial liabilities</b>	<b>55,273,932</b>	-	<b>4,091,304</b>	<b>8,551,054</b>	<b>67,916,290</b>
Non-financial liabilities	-	-	-	4,732,937	4,732,937
<b>Total</b>	<b>55,273,932</b>	-	<b>4,091,304</b>	<b>13,283,991</b>	<b>72,649,227</b>

### Material soft loans made by the Council

The Council has one soft loan but does not consider this to be material.

### Employee Car Loans

The Council makes loans for car purchases to employees who are in posts that require them to drive regularly on the Council's business. The balances outstanding are disclosed at Note 15.

## c Fair Values of Financial Assets and Financial Liabilities

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

All financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Liabilities	31st March 2024		31st March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Financial liabilities held at amortised cost [Loans]	60,273,932	53,164,064	59,365,236	55,704,238
<b>Total</b>	<b>60,273,932</b>	<b>53,164,064</b>	<b>59,365,236</b>	<b>55,704,238</b>

The majority of the Council's portfolio of loans are held with the Government Loans Fund and carry a premature redemption penalty if the loans are repaid early.

Other financial assets and liabilities including trade receivables, trade payables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

## d Nature and Extent of Risks Arising from Financial Instruments

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

### Credit Risk

Credit risks arise 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. 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.

### Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy and Prudential Indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

As the Council has ready access to borrowing from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included at Note 17 and other payables are due for payment within one year.

### Market Risk: Interest Rates

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The Council is in receipt of loans from the Department of Finance however these loans are at fixed concessionary interest rates that differ from the prevailing market rates. The Council also occasionally takes out short-term loans from other UK local authorities to benefit from low interest rates available. This is done with advice from the Council's treasury advisers and in line with the Treasury Management Strategy Statement for the year.

### Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro for payments however due to the size of the balances held this would not be considered a material exposure to loss arising from movements in exchange rates.



## 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	2023/24 £	2022/23 £
Net cost of services:			
Current service cost		6,497,000	12,667,000
Past service cost/(gain)		733,000	226,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net interest on net defined benefit Liability (asset)		(349,000)	1,388,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>6,881,000</b>	<b>14,281,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(6,881,000)	(14,281,000)
year:			
Employers' contributions payable to scheme		6,444,000	5,738,000
<b>Net adjustment to General Fund</b>		<b>(437,000)</b>	<b>(8,543,000)</b>

The service cost figures include an allowance for administration expenses of £154k (2022/23 £139k).

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2023/24 £	2022/23 £
Liability gains/(losses) due to change in assumptions		7,103,000	105,867,000
Liability gains/(losses) due to demographic changes		3,032,000	(1,162,000)
Liability experience gains/(losses) arising in the year		(2,706,000)	(14,895,000)
Actuarial gains/(losses) on plan assets		9,876,000	(22,780,000)
Adjustment in respect of paragraph 64		(21,912,000)	-
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(4,607,000)</b>	<b>67,030,000</b>

c Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities:		Note	
		2023/24 £	2022/23 £
Balance as at 1 April		195,482,000	268,675,000
Current service cost		6,497,000	12,667,000
Interest cost		9,100,000	7,209,000
Contributions by members		1,952,000	1,853,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(7,103,000)	(105,867,000)
Actuarial gains/losses arising from demographic changes		(3,032,000)	1,162,000
Actuarial gains/losses arising on liabilities from experience		2,706,000	14,895,000
Other (if applicable)		-	-
Past service costs/(gains)		733,000	226,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(84,000)	(81,000)
Estimated benefits paid		(5,781,000)	(5,257,000)
<b>Balance as at 31 March</b>		<b>200,470,000</b>	<b>195,482,000</b>

Reconciliation of present value of the scheme assets:		Note	
		2023/24 £	2022/23 £
Balance as at 1 April		199,714,000	214,420,000
Interest income		9,449,000	5,821,000
Contributions by members		1,952,000	1,853,000
Contributions by employer		6,360,000	5,657,000
Contributions in respect of unfunded benefits		84,000	81,000
Remeasurement gain/(loss)		9,876,000	(22,780,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(84,000)	(81,000)
Benefits paid		(5,781,000)	(5,257,000)
<b>Balance as at 31 March</b>		<b>221,570,000</b>	<b>199,714,000</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 £19.3m (2022/23 loss of £17m).

Fair Value of Plan Assets	2023/24 £	2022/23 £
Equity investments	87,963,290	82,481,882
Bonds	72,231,820	72,496,182
Property	20,606,010	20,969,970
Cash	27,474,680	11,783,126
Other	13,294,200	11,982,840
	<b>221,570,000</b>	<b>199,714,000</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 £Nil.

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

	2023/24 £	2022/23 £
Fair Value of Employer Assets	221,570,000	199,714,000
Present value of funded defined benefit obligation	(199,658,000)	(194,583,000)
Pension asset/(liability) of Funded Scheme	21,912,000	5,131,000
Present Value of unfunded defined benefit obligation	(812,000)	(899,000)
Unrecognised Asset	(21,912,000)	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(812,000)</b>	<b>4,232,000</b>
Amount in the Balance sheet:		
Liabilities	(200,470,000)	(195,482,000)
Assets	199,658,000	199,714,000
<b>Net Asset/(Liability)</b>	<b>(812,000)</b>	<b>4,232,000</b>

**d Scheme History**

Analysis of scheme assets and liabilities	2023/24 £	2022/23 £
Fair Value of Assets in pension scheme	221,570,000	199,714,000
Present Value of Defined Benefit Obligation	(200,470,000)	(195,482,000)
Unrecognised Asset	(21,912,000)	-

<b>Surplus/(deficit) in the Scheme</b>	<b>(812,000)</b>	<b>4,232,000</b>
--	------------------	------------------

Amount recognised in Other Comprehensive Income and Expenditure:	2023/24 £	2022/23 £
Actuarial gains/(losses)	(14,483,000)	89,810,000
Expected Return on Plan Assets	9,876,000	(22,780,000)
Increase/(decrease) in irrecoverable surplus from membership fall and other	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(4,607,000)	67,030,000
Cumulative actuarial gains and losses	71,667,000	76,274,000
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	2,706,000	14,895,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £200m has been balanced by the fair value of the assets resulting in a net asset of £21m which has been restricted to £nil as recorded in the Balance Sheet at 31/3/2024.

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 2025**

	31/03/2025 £	31/03/2025 £
Projected current cost	6,213,000	101.7%
Net interest on the net defined benefit liability (asset)	(104,000)	-1.7%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	<b>6,109,000</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 2025 is £5.95m.

**History of experience gains and losses**

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

	2023/24 %	2022/23 %
Experience gains and (losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	-1.35%	-7.62%



#### 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 2024.

Pension scheme assumptions:	2023/24	2022/23
	%	%
Equity investments	39.7%	41.3%
Bonds	32.6%	36.3%
Property	9.3%	10.5%
Cash	12.4%	5.9%
Other	6.0%	6.0%
<b>Mortality assumptions:</b>		
Longevity at 65 current pensioners:	Years	Years
Men	21.7	22.2
Women	24.6	25.0
Longevity at 65 for future pensioners:		
Men	22.7	23.2
Women	25.6	26.0
Inflation/Pension Increase Rate	2.60%	2.70%
Salary Increase Rate	4.10%	4.20%
Expected Return on Assets	0.00%	0.00%
Discount Rate	4.80%	4.70%
Pension accounts revaluation rate	2.60%	2.70%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	0%	0%
Service post April 2009	0%	0%

#### Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2024 is set out below.

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

#### Funded Pension Scheme Benefits

<b>Discount Rate Assumption</b>		
Adjustment to discount rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	196,264,000	203,252,000
% change in the present value of the total obligation	-1.70%	1.80%
Projected service cost	5,983,000	6,449,000
Approximate % change in projected service cost	-3.70%	3.80%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	200,257,000	199,059,000
% change in the present value of the total obligation	0.30%	-0.30%
Projected service cost	6,213,000	6,213,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	202,653,000	196,863,000
% change in the present value of the total obligation	1.50%	-1.40%
Projected service cost	6,449,000	5,983,000
Approximate % change in projected service cost	3.80%	-3.70%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	<b>- 1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	204,849,000	194,467,000
% change in the present value of the total obligation	2.6%	-2.60%
Projected service cost	6,430,000	5,996,000
Approximate % change in projected service cost	3.50%	-3.50%

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

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

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

	31/03/2024	31/03/2023
	%	%
Equity investments	39.70%	41.30%
Government Bonds	15.00%	20.50%
Corporate Bonds	17.60%	15.80%
Property	9.30%	10.50%
Cash	12.40%	5.90%
Other	6.00%	6.00%
<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 31/03/2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2024.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. 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

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. During the year the Council had no Donated Assets and the balance on the Donated Assets Account was £Nil at 31st March 2024 (31/3/2023 £Nil).

#### 23 Capital Grants Received in Advance

The Council has no capital grants received in advance other than those reflected in the Capital Grants Unapplied account.

#### 24 Contingencies

##### a Contingent Liabilities

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 for the Residual Waste Treatment Project and Newry, Mourne and Down District Council has agreed the legacy Down District Council's 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.

The Council has a number of ongoing legal cases, the outcome of which are uncertain and difficult to predict.

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**25 Other cash flow disclosures**

**a Analysis of Adjustments to Surplus/Deficit on the Provision of Services**

<b>Adjustment to surplus or deficit on the provision of services for non-cash movements</b>	<b>Notes</b>	<b>2023/24</b>	<b>2022/23</b>
		£	£
Depreciation	11	9,120,526	7,835,682
Impairment & downward revaluations (& non-sale derecognitions)	11	556,558	250,460
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories		6,295	(45,006)
(Increase)/Decrease in Debtors		(2,747,402)	7,175,437
Increase/(Decrease) in impairment provision for bad debts		7,393	57,839
Increase/(Decrease) in Creditors		(43,798)	(7,349,029)
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	21	437,000	8,543,000
Carrying amount of non-current assets sold	8	140,061	1,458,847
AIC/WIP written off to Net Cost of Services	11	-	-
Contributions to Other Reserves/Provisions		(1,697,269)	(2,217,820)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	30,000
Amounts posted to CIES from Donated Assets Account	22	-	-
		<b>5,779,364</b>	<b>15,739,410</b>

<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing</b>	<b>Notes</b>	<b>2023/24</b>	<b>2022/23</b>
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	(197,760)	(957,067)
Capital grants included in "Taxation & non-specific grant income"	10	(1,918,676)	(2,023,255)
		<b>(2,116,436)</b>	<b>(2,980,322)</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:

	2023/24	2022/23	2021/22
	£	£	£
Cash and Bank balances	259,458	1,848,280	3,533,681
Short Term Deposits (considered to be Cash Equivalents)	1,369,670	5,951,891	21,011,531
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	-	-	(8,679)
	1,629,128	7,800,171	24,536,533

c Cash Flow Statement: Operating Activities	Notes	2023/24	2022/23
		£	£
The cash flows from operating activities include:			
Interest received		287,613	228,690
Interest paid		1,814,085	1,877,785

d Cash flows from Investing Activities	Notes	2023/24	2022/23
		£	£
Purchase of PP&E, investment property and intangible assets		(11,760,567)	(10,904,368)
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	197,760	957,067
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		1,624,839	1,874,780
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>(9,937,968)</b>	<b>(8,072,521)</b>

e Cash flows from Financing Activities	2023/24	2022/23
	£	£
Cash Receipts from Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts	-	-
Repayment of Short and Long Term Borrowing	908,696	(10,342,321)
Other payments for Financing Activities	-	-
<b>Net Cash flows from Financing Activities</b>	<b>908,696</b>	<b>(10,342,321)</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).

Capital Receipts Reserve	Notes	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Disposal of Non-Current Assets/Capital Sales	8	197,760	957,067
Capital Receipts used to finance capital expenditure	3, 11	(197,760)	(957,067)
Other Movements		-	-
<b>At 31 March</b>		-	-

### 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.

Capital Grants Unapplied account	Notes	31/03/2024	31/03/2023
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Unapplied Capital Grants received in year		-	-
Transferred from Other Balances & Reserves in year	26d	1,633,556	-
Unapplied Capital Grants transferred to CAA in year		-	-
<b>At 31 March</b>		1,633,556	-

## 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.

Capital Fund	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		15,000,000	15,000,000
Transfers between statutory & other reserves & the General Fund		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	-	-
<b>At 31 March</b>		<b>15,000,000</b>	<b>15,000,000</b>

## d Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		9,645,176	9,494,065
Transfers between statutory & other reserves & the General Fund	4b	1,251,106	805,907
Transferred to Capital Grants Unapplied Account	26b	(1,633,556)	-
CAA to finance capital expenditure	12	(1,365,807)	(654,796)
<b>At 31 March</b>		<b>7,896,919</b>	<b>9,645,176</b>

(i). Election Reserve - this reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve. The balance at 31/3/24 is £Nil (31/3/23 £489,500).

(ii). Covid Funding Reserve - the Department for Communities allocated funding to Councils to alleviate the impact of exceptional losses and costs incurred as a consequence of Covid-19 and latterly the cost-of-living crisis. This reserve was created to ring-fence the unspent funding. The balance at 31/3/24 is £Nil (31/3/23 £554,397).

(iii). Covid Support Grants Reserve - the Department for Communities issued a range of Covid support grants during the year ended 31st March 2021 for Revitalisation and during the two years ended 31st March 2022 for Community Support. This reserve was created to ring-fence the unspent funding. The balance at 31/3/24 is £18,111 (31/3/23 £32,956).

(iv). Covid Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District post-Covid. The balance at 31/3/24 is £754,920 (31/3/23 £978,804).

(v). Economic Recovery Reserve - this reserve was created to assist with the economic recovery of the District post-Covid. The balance at 31/3/24 is £Nil (31/3/23 £2,250,000).

(vi). Covid Recovery Small Settlements Regeneration Reserve - the Department for Communities issued funding towards the Council's Covid Recovery Small Settlements Regeneration Programme in March 2022 and again in March 2023. The balance at 31/3/24 is £168,689 (31/3/23 £3,529,942) in addition £1,633,556 was transferred to the Capital Grants Unapplied Account at 31/3/24.

(vii). Hardship Funding Reserve - the Department for Communities issued funding to the Council in March 2023 to provide financial support to the most vulnerable in the district. The balance at 31/3/24 is £Nil (31/3/23 £382,883).

(viii). Future Rate Pressure Reserve - this reserve has been created to alleviate future Rate pressures. The balance at 31/3/24 is £2,843,669 (31/3/23 £1,426,693).

(ix). Leisure Claim Reserve - this reserve has been set up to fund future leisure services. The balance at 31/3/24 is £4,111,528 (31/3/23 £Nil).

## e 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	31/03/2024	31/03/2023
		£	£
At 1 April		11,096,172	11,150,134
Applied Capital Grants	10, 12	(1,918,676)	(2,023,255)
Unapplied Capital Grants received in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	9,677,084	8,116,142
Statutory Provision for financing Capital Investment	4	(5,309,000)	(4,207,000)
Net Revenue expenditure funded from capital under statute	4, 12	3,240,091	1,257,144
Surplus/(Deficit) on the Provision of Services	CIES	(804,699)	(11,080,608)
Transfers between Statutory and Other Reserves and the General Fund	4b	(1,251,106)	(805,907)
Net movements on Pension Reserve	4, 21	437,000	8,543,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11	(57,699)	501,780
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	4,773	36,833
Other Movements	27e	(123,343)	(392,091)
<b>At 31 March</b>		<b>14,990,597</b>	<b>11,096,172</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.



Capital Adjustment Account	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		43,798,791	44,288,017
Applied Capital Grants	10, 12	1,918,676	2,023,255
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(9,677,084)	(8,116,142)
Statutory Provision for financing Capital Investment	4, 12	5,309,000	4,207,000
Net Revenue expenditure funded from Capital under	4, 12	(3,240,091)	(1,257,144)
Disposal of Fixed Assets/Capital Sales	4, 11	(140,061)	(1,458,847)
Capital Receipts used to finance capital expenditure	4, 12	197,760	957,067
Other Movements	27b	2,615,249	2,500,789
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	1,365,807	654,796
<b>At 31 March</b>		<b>42,148,047</b>	<b>43,798,791</b>

#### b Revaluation Reserve

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

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

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

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

Revaluation Reserve	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		67,521,006	59,738,922
Revaluation & Impairment	11	5,566,908	10,282,873
Other Movements	27a	(2,615,249)	(2,500,789)
<b>At 31 March</b>		<b>70,472,665</b>	<b>67,521,006</b>



### c Pension Reserve

Pension Reserve	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		4,232,000	(54,255,000)
Net Movements on Pension Reserve	4, 21	(437,000)	(8,543,000)
Revaluation & Impairment	21	(4,607,000)	67,030,000
<b>At 31 March</b>		<b>(812,000)</b>	<b>4,232,000</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.

### d Accumulated Absences Account

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

Accumulated Absences Account	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		(654,204)	(617,371)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	(4,773)	(36,833)
<b>At 31 March</b>		<b>(658,977)</b>	<b>(654,204)</b>

### e Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2018/19 accounts direction (see DfC circular 18/19), 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.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over an agreed period.

Provisions Discount Rate Reserve	Notes	31/03/2024	31/03/2023
		£	£
At 1 April		(494,537)	(886,628)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	123,343	392,091
Other Movements		-	-
<b>At 31 March</b>		<b>(371,194)</b>	<b>(494,537)</b>

## 28 Significant Trading Operations

The Council considers its only significant trading operation to be the provision of car parking facilities. The results for this are disclosed in Note 2, namely Income of £676,039 and costs of £381,558.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council

- the magnitude of each individual trading operation's turnover.
- the risk of financial loss the Council may be exposed to in providing the service to the user.

Non-financial criteria taken into account in deciding whether trading operations are significant to the

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

## 29 Agency Services

1. Newry BID Company Ltd - Business Improvement Districts (BIDs) were an initiative established through the Department for Communities which allow town centres to establish action plans to bring forward additional initiatives, services and projects under a BID plan. Rate paying businesses within the defined BID area then vote whether to accept the plan or not. If the BID is approved by a majority of the ballot received an additional BID levy is then invoiced to all businesses within the BID area to implement the agreed plan. The Council provides invoicing and debt collection services to Newry BID Company Ltd. During the year the Council raised invoices on behalf of the company amounting to £363,451 (2022/23 £317,671). Payments were made to the company of £298,000 (2022/23 £272,000). The company also reimburses the Council's reasonable charges and expenses which amounted to £5,739 (2022/23 £5,739) for the financial year under review. The balance outstanding from the BID company's debtors amounted to £562,877 at 31st March 2024 (31/3/23 £442,560). This resulted in a net amount of debt held by the Council on behalf of the company at 31st March 2024 of £27,735 (31/3/23 £89,489), this balance is included in Short Term Creditors. No transactions other than the charges noted previously have been reflected in the Comprehensive Income and Expenditure Statement.

2. C.A.N.N. is the abbreviation for Collaborative Action for the Natura Network. The Group consists of eleven project partners. Agri-Food and Biosciences Institute, Argyll and the Isles Coast and Countryside Trust, Armagh City, Banbridge and Craigavon Borough Council, East Border Region Ltd, Golden Eagle Trust, Institute of Technology Sligo, Monaghan County Council, Newry, Mourne and Down District Council, Scottish Natural Heritage, Ulster University and the Ulster Wildlife Trust. The project is funded by the Special EU Programmes Body (SEUPB). Newry Mourne and Down District Council (NMDDC) are the lead partners for the project. Claims for the project partners are made by the individual organisations to SEUPB. The funding for all partners is paid into NMDDC's bank account. The Council subsequently pays this funding to the project partners. During this current year NMDDC received €1,072,549 (2022/23 €861,300) of grants from SEUPB on behalf of the project partners and paid €1,089,105 (2022/23 €840,926) to the project partners. These transactions are not reflected in the Council's Revenue accounts. The balance owing to the other project partners at 31st March 2024 was €3,819 (31/3/23 €20,374).

3. The Digital Transformation Flexible Fund (DTFF) - the Council is a lead member of the Full Fibre Northern Ireland (FFNI) Consortium, which is comprised of all local authorities outside of Belfast and administers the project. DTFF is a Northern Ireland wide grant scheme designed to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies to achieve business transformation in small and micro-businesses. The £7.5m funding programme is delivered by local authorities in NI under the FFNI Consortium and supported by Invest NI. There were no agency transactions through the Council's accounts in the year ended 31st March 2024 but it is anticipated there will be transactions in the following financial year as the project gets underway.

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the council.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2023/24 is shown in Note 7. During 2023/24, works and services to the value of £269,970 (2022/23 £598,503) were commissioned from companies in which individual members and senior officers had an interest. In addition a member of the Council is a member of the ARC 21 Committee (disclosed separately below). Contracts were entered into in full compliance with the council's standing orders. In addition, the council paid grants/SLAs totalling £524,600 to voluntary organisations in which 26 members had positions on the governing body and £5,950 to one organisation in which a senior officer had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Civic Centre during office hours.

<u>Organisation</u>	<u>Members</u>	<u>Grants/SLAs</u>	<u>Other</u>
		£	£
Atticall GAA	1	3,000	-
Ballyholland Development Association	1	1,223	-
Ballynagross Rural Community Hub	1	5,074	-
Camlough Community Association	1	421	1,200
Carlingford Lough Commission	2	-	610
Crossgar War Memorial Hall	1	3,665	-
Crossmaglen Rangers GAA Club	1	5,000	-
Cuan Marines Services Ltd	0	-	35,076
Down Community Arts	1	28,446	834
Downpatrick And County Down Railway Society Ltd	1	54,228	-
Downpatrick Town Committee	1	15,000	-
East Border Region Committee	3	22,500	-
Education Authority Southern Region	2	3,224	-
Fired	1	-	200
Hilltown Comm Association	1	12,049	1,290
Kellies Coffee (Income)	1	-	(3,500)
Kellys Point Hire Ltd	0	-	5,840
Kilcoo Eoghan Rua Kilcoo GAA	1	1,573	-
Lecale Conservation Association	1	1,500	-
Lislea Community Association	0	5,950	380
Mourne Heritage Trust	3	341,689	-
Mourne Stimulus Ltd	1	-	2,360
N.I. Local Government Association	2	-	61,091
National Association Of Councillors	1	-	10,040
Newry Advertiser Ltd	1	-	600
Our Lady And St Patrick Primary School	1	4,000	405
Queens University Belfast	1	-	3,754
River Valley Development Assoc	1	6,368	-
Rostrevor Men'S Shed	1	5,641	600
Royal Mail Group Ltd	1	-	136,539

<u>Organisation</u>	<u>Members</u>	<u>Grants/SLAs</u>	<u>Other</u>
		£	£
Safer Warrenpoint Project	1	5,000	-
St Malachys Primary School Castlewellan	2	-	320
St Oliver Plunkett Youth Club	1	190	-
Strangford Coastal Rowing Club	1	5,000	-
Sustainable Northern Ireland	0	-	6,000
Ti Chulainn Ltd	1	-	150
Traditional Arts Partnership (South Armagh)	1	-	2,680
		<b>530,740</b>	<b>266,469</b>
 * Arc 21 - See Below	 1		

The Council incurred expenditure of £586,943 (2022/23 £593,927) to other councils of which £104,875 (31/3/23 £52,630) was outstanding as at 31st March 2024.

The Council has recorded income of £817,543 (2022/23 £687,817) from other councils of which £90,344 (31/3/23 £184,726) was outstanding as at 31st March 2024.

Arc 21, a joint committee organisation, is a waste management group in Northern Ireland representing Councils in the east of the province. The Council's contribution in the current year was £161,822 (2022/23 £156,287). The Council paid an additional £3,163,797 (2022/23 £2,810,089) to Arc 21 for various services provided during the year including the use of the Material Recycling Facility and received income of £115,187 (2022/23 £252,603).

### 31 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Audit Committee on 19 September 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

### 32 Date of authorisation for issue

The Chief Financial Officer authorised these financial statements for issue on 26 September 2024