



Fermanagh & Omagh
District Council
Comhairle Ceantair
Fhear Manach agus na hÓmaí

Audited Statement of Accounts Year Ended March 2020



Fermanagh and Omagh District Council

Audited Statement of Accounts for Year Ended 31 March 2020

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Fermanagh and Omagh District Council

Report on Annual Statement of Accounts 2019/20

Introduction

The audited Statement of Accounts for the year ended 31 March 2020 have been prepared in a form directed by the Department for Communities in accordance with Regulations 3(7) and (8) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 (the Regulations) as amended by the Local Government (Accounts and Audit) Coronavirus (Amendment) Regulations (Northern Ireland) 2020.

They have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31 March 2020 (the Code) and the Department for Communities Accounts, Circular LG 03/2020. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

The audited Statement of Accounts explains Fermanagh and Omagh District Council's finances during the financial year 2019/20 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Council's financial performance for the year ended 31 March 2020 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.

The purpose of this narrative report is to provide information on the Council, its objectives, strategies and the principal risks it faces, to provide context to the financial reports for the year. The financial performance considers the initial impact of the COVID-19 Emergency situation in the period to 31st March 2020 and reflects on implications for the Council going forward.

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. Fermanagh and Omagh District Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

The Comprehensive Income and Expenditure Statement

This statement, set out on page 40, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Movement in Reserves Statement

This Statement, as set out on page 41, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance. 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 Balance Sheet

The Balance Sheet, as set out on page 42, shows the value as at 31 March 2020 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 43, 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.

Basis of Preparation

The Accounts have been prepared on a going concern basis, that is, the accounts have been prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future.

Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

In line with the Regulations the Unaudited Statement of Accounts were signed by the Chief Financial Officer and submitted to the Northern Ireland Audit Office and the Department for Communities before the prescribed date of 31 August 2020.

This report provides information about the Council including the Statement of Accounts for the year and a synopsis under the following headings:

Background information and Plans for 2019/20	1) An Introduction to Fermanagh and Omagh District Council 2) Community and Corporate Planning 3) Governance Arrangements and Organisational Model 4) Estimates of Income and Expenditure for 2019/20 5) Medium Term Financial Planning
Review of Performance for 2019/20	6) Revenue Income and Expenditure 2019/20 7) Capital Programme 2019/20 8) Reserves and Treasury Management 9) Performance against the Corporate Plan and Improvement Objectives 10) Summary of Position 2019/20

1 An Introduction to Fermanagh and Omagh District Council

Fermanagh and Omagh District Council (the 'Council') was established as one of the 11 new Councils introduced through the Local Government Reform Programme on 1 April 2015.

The Council covers an area of 2,829 square kilometres in the South West of Northern Ireland which represents approximately 20% of the total land mass of Northern Ireland. Hence, the district is the largest, geographically, of the 11 Council areas, however it has the smallest population with about 116,000 people. The district is a place of outstanding natural beauty, with a unique mix of tranquil Lakelands, heather clad mountains, ancient boglands, forest parks, historic towns and villages and a rich cultural heritage.

The Council has responsibility for a number of statutory and regulatory functions including the Registration of Births, Deaths, Marriages and Civil Partnerships, Building Control, Planning, Environmental Health, Off Street Car Parking and Licensing. It also delivers a range of other public services including waste management and recycling, street cleansing, recreation, sport and leisure services, the management of parks, open spaces and water recreation sites, culture and arts facilities and events, tourism and local economic development and regeneration, as well as community and good relations support.

2 Community and Corporate Planning

Corporate Plan

During the year, The Council approved a new Corporate Plan 2020-2024 'Delivering Sustainable Change Together', <https://www.fermanaghomagh.com/app/uploads/2020/03/Corporate-Plan-20-24.pdf> which sets out the strategic direction for Fermanagh and Omagh District Council for the next four years, contributing towards delivering the six long-term outcomes which our communities have told us will improve quality of life in Fermanagh and Omagh.

The Council's vision for Fermanagh and Omagh is of a welcoming, shared and inclusive district, where people and places are healthy, safe, connected and prosperous; and where our outstanding natural, built and cultural heritage is cherished and sustainably managed.

The Council has defined its core purpose as:

"We work in partnership to improve the lives and wellbeing of our communities and to provide the best quality experience for those who visit our district"

The Council has adopted 6 Values – Leadership; Integrity; Engagement and Involvement; Sustainability; Accountability and Innovation to guide its behaviour in the workplace and how the Council will relate to its work colleagues, customers, communities and partners. A Values Framework has been developed outlining 9 actions that the Council will take to implement these Values.

The Council has also sought to align its services and activities, with 15 related Sustainable Development Goals, to deliver towards the six long-term agreed community planning outcomes across 3 key themes People and Communities; Economy, Infrastructure and Skills and the Environment.

Community Planning

Community planning is a statutory duty for the Council under the Local Government Act (Northern Ireland) 2014 which sees it lead in bringing together partner organisations from the public, private and community/voluntary sectors operating in the area.

"Fermanagh Omagh 2030", the Community Plan for the district, was launched in March 2017, presenting an overarching, long-term strategy for the area, based on a thorough analysis of the district's needs and priorities. The plan brings together the knowledge, expertise and collective resources of a wide range of partners, all working towards a single agreed vision.

The Community Plan sets out three themes and eight long-term outcomes which aim to improve quality of life for local people through improved social, economic and environmental wellbeing, and to contribute to sustainable development. It is being delivered through a partnership structure involving organisations from across the public, private and community/voluntary sectors with the Council acting as lead partner. The Fermanagh Omagh 2030 Community Plan is available on the Council's website <https://www.fermanaghomagh.com/app/uploads/2015/07/Fermanagh-and-Omagh-Community-Plan-2030.pdf> alongside a Statement of Progress which was published in November 2019 <https://www.fermanaghomagh.com/communityplanning/>.

Annual Improvement Objectives

Each year the Council identifies, consults upon and publishes Improvement Objectives which set out what the Council will do in the year ahead to meet its statutory duty to secure continuous improvement. The Council's Improvement Plan for 2019/20 was published during the year and set out five Improvement Objectives. These were:

1. **IO1:** *We will increase uptake of Council provided leisure and recreation opportunities and improve provision of information to support citizens in making healthier choices;*
2. **IO2:** *We will encourage a growth in entrepreneurship and new business starts amongst under-represented groups;*
3. **IO3:** *We will support our local town centre economy by making it easier for residents and visitors to access car parking when visiting our key towns and service centres;*
4. **IO4:** *We will continue to invest in environmental programmes which will reduce waste going to landfill and improve recycling efforts; and*
5. **IO5:** *We will make it easier to communicate and do business with the Council.*

There were 22 strands of work aligned to the above 5 Improvement Objectives and at the end of March 2020 the majority of these had been progressed with 5 targets not achieved, some of which were impacted by COVID-19. 28 Performance Measures were identified and 18 of these demonstrated improvement at 31 March 2020. A self-assessment of the 2019/20 Improvement Objectives will be included in the Council's Annual Performance Report 2019-20 which will be published on the Council's website.

The Department for Communities has issued correspondence to Councils in relation to the requirement to publish Performance Improvement Objectives for 2020/21 (in line with Paragraph 45 of the Local Government Performance Improvement guidance (LG 21/2016) advising that Councils will not be required to meet the June 2020 deadline due to COVID-19. These Objectives when approved will be published on the Council's website.

3 Governance Arrangements and Organisational Model

The District is served by 40 Councillors who were elected across seven District Electoral Areas (DEAs) on 02 May 2019.

The political makeup of the Council is as follows:-

Sinn Féin	15 Councillors
Ulster Unionist Party	9 Councillors
Social Democratic and Labour Party	5 Councillors
Democratic Unionist Party	5 Councillors
Alliance	1 Councillor
Cross Community Labour Alternative	1 Councillor
Independent members	4 Councillors

The policies of Fermanagh and Omagh District Council are agreed by the political leadership and implemented by the senior management and employees of the Council. Council services are delivered from both Omagh and Enniskillen, and normally all Council and Committee meetings alternate between the Grange in Omagh and the Townhall in Enniskillen. In line with The Local Government (Coronavirus) (Flexibility of District Council Meetings) Regulations (Northern Ireland) 2020, meetings have taken place virtually and in some instances with social distancing since the Council stood up its Emergency Plan on

13 March 2020.

The Council operates the following committees which report to monthly Council Meetings:

- Environmental Services Committee
- Regeneration and Community Committee
- Policy and Resources Committee
- Planning Committee
- Brexit Committee

The Council also has an Audit Panel which meets four times per year and reports to the Policy and Resources Committee.

Management Structure

Supporting the work of Councillors is the organisational structure of the Council headed by the Senior Management Team, led by the Chief Executive, Ms Alison McCullagh, who is the Council's Chief Financial Officer. The financial management reporting arrangements of the Council are determined by the organisational structure.

During 2019/20 the Senior Management Team comprised the Chief Executive (the Head of Paid Service) and four Directors:

- Director – Community, Health and Leisure
- Director – Corporate Services and Governance
- Director – Environment and Place
- Director – Regeneration and Planning

The Senior Management Team provides managerial leadership of the Council and supports Elected Members of the Council in developing strategies; identifying and planning resources; delivering plans and reviewing the Council's effectiveness with the overall objective of delivering on the objectives of Council's Corporate Plan. There has been some considerable change in the Senior Management Team during 2019/20 and since the year end, with the Chief Executive and two Directors retiring from their position. A new Chief Executive and two new director appointments have been made and the Director of Environment and Place appointment is being filled on a temporary basis.

Risk Management

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 (the Regulations) place a responsibility on local government bodies to ensure that the financial management of the local government body is adequate and effective and that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council has in place a Risk Management Policy, the aim of which is to establish and operate appropriate risk management procedures and to promote an organisational culture which ensures that risk management is an integral part of every activity. It is supported by detailed procedures and outlines the Council's approach to risk management including roles and responsibilities.

The system of internal control is a significant part of that Council's governance 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 Council has a detailed risk register which outlines specific risks, mitigations and opportunities and this is regularly reviewed. The most significant risks currently relate to uncertainties associated with the Brexit decision; emergency planning challenges; reduction in overall levels of funding available and the potential impact of failure to deliver effective waste management. These issues are further discussed in the Governance statement.

Annual Governance Statement

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 places responsibility on local government bodies to conduct a review at least once in each financial year of the effectiveness of its system of internal control and for the findings of the review to be considered at a meeting, either of the local government body as a whole or a committee of the local government body whose remit includes audit of governance functions.

Following consideration of the findings of the review of the governance arrangements, including Internal Audit's Annual Opinion, the Council approves an Annual Governance Statement which is included in the Accounts. As part of producing this statement, Directors and Heads of Service within the Council are required to produce internal annual assurance statements, setting out the risk control framework in place for their area of responsibility and disclosing any significant governance issues and the actions planned to address them. The significant risk issues highlighted in the statement for 2019/20 relate to COVID 19 financial implications, uncertainties following the Brexit decision and the financial uncertainty in relation to Central Government budgets including the allocation of the Rates Support Grant.

Financial Regulations

The Local Government Finance Act (Northern Ireland) 2011 (the 2011 Finance Act) makes provision for a District Council to make arrangements for the proper administration of its financial affairs. Part 1 of the 2011 Act also makes provisions for a Chief Financial Officer; accounting practices; annual budget; Council reserves and funds; Council borrowing and credit arrangements; capital expenditure and capital receipts; and investment.

To conduct its' business efficiently, the Council ensures that it has sound financial management in place by formally defining roles and responsibilities which are documented and adhered to. This process is aided by the production of the Financial Regulations; the Standing Orders; the Scheme of Delegation; and the Accounting Manual.

The Financial Regulations, which form part of the Council's Constitution, link with other internal regulatory frameworks and set out the overarching financial responsibilities of the Council and its staff and provide the framework within which the Council's financial affairs are to be managed. The Financial Regulations are available to download from the Council website.

Budget Monitoring

The Director of Corporate Services and Governance is responsible for the framework of budgetary management and control which ensures that:

- services are delivered within agreed budgets unless the Council agrees otherwise;
- each Director is provided with timely information on income and expenditure on each budget heading;
- all officers responsible for committing expenditure comply with corporate guidance, Financial Regulations and Standing Orders;
- significant variances from budget are investigated on a timely basis;
- relevant training is provided to Managers responsible for budget monitoring;
- there is a scheme of budget virement; and
- reserves are adequately maintained.

Each Director is responsible for ensuring that their Departments have arrangements to receive all income due and that it does not spend more than the amount of expenditure estimated and approved. Where a Director intends to vary or undertake new policy initiatives which have significant financial consequences then he/she must consult the Director of Corporate Services and Governance before seeking approval from the Policy and Resources Committee. It is the responsibility of Directors to ensure that:

- all income and expenditure is properly recorded and accounted for;
- individual sub-budgets are not overspent;
- discretion is exercised in managing the service's budgets;
- monitoring processes are in place; and

- explanations for variations are provided to the Director of Corporate Services and Governance.

Monthly income and expenditure reports and forecasting information are included as a standing item on the agenda for meetings of the Senior Management Team and Departmental Management Teams. Quarterly reports on the Capital Expenditure and funding streams are presented separately, as part of the reporting requirements under the Prudential Indicators and in conjunction with the Funding and Investment unit of the Council. Regular reports on financial performance are also provided to the Policy and Resources Sub-Committee of the Council.

4 Estimates of Income and Expenditure for 2019/20

The Estimates of Income and Expenditure for 2019/20 were prepared, in accordance with the Local Government Finance Act (Northern Ireland) 2011. Subsection 3 of this Act requires that before 15 February each year the Council:

- Shall consider the estimates for the next financial year;
- May revise the estimates in such a manner as the Council thinks fit;
- Shall approve the estimates, subject to any revisions under paragraph (b);
- Shall authorise the expenditure included in the estimates; and
- Shall fix for the next financial year the amount estimated to be required to be raised by means of rates made by the Council.

The Estimates of Income and Expenditure for 2019/20 were approved by the Council on 7 February 2019 following consultation with a Members Estimates Working Group which met at agreed intervals to consider detailed aspects of the Estimates of Income and Expenditure to inform presentation to the Policy and Resources Committee and a meeting of the full Council.

The overall aim of the Estimates and Rate setting process is to meet legislative requirements to ensure that there is adequate funding in place to support the Council's delivery plans, whilst ensuring that an affordable district rate is charged to the ratepayer. The objectives of the rates process include:

- Supporting the aims and objectives of the Community Plan 2030, and the Corporate Plan 2020/24;
- Helping elected members to determine service and capital priorities and their timing;
- Forecasting the changes in demand for services;
- Highlighting the likely implications of changes in legislation on spending;
- Showing the future costs of alternative policies and match demand with resources;
- Supporting the overall legislative duty of continuous improvement;
- Determining how future operations and resources should be directed; and
- Providing a framework for programming activities by individual services.

The Council strikes a rate each year based on the net expenditure for running its services and to fund the Capital Plan. Other factors, include the level of Central Government Support and the ability of the Rates Base to generate Rates Income.

Central Government Support is provided to the Council by way of the following financial allocations:

- The Rate Support Grant is determined by the Department for Communities based on a formula laid down in the Local Government (Rates Support Grant) Regulations (Northern Ireland) 2011 and considers both Entitlement and Proportion of Rates Support Grant. The formula considers the wealth and needs of the Council area relative to other Council districts in Northern Ireland;
- Part 2 of the Local Government Finance Act (NI) 2011 – Grants to Councils, the Department for Communities each year pay a De-Rating Grant to Council, which represents the difference between the amount of the product (rates income) of the district rate for a year within the Rates (Northern Ireland) Order 1977 and the amount which, but for provisions of Articles 31B and 42 paragraph 4 of Schedule 7 of that Order, would have been the amount of that rates income. The property types that receive a reduction of rates under the Rates (Northern Ireland) Order 1977 include industrial, freight and transport, sport and recreation and community amateur sports clubs; and,
- Section 114 of the Local Government Act (Northern Ireland) 2014 makes provision for the mechanism of the Transferred Functions Grant (TFG) with the quantum of the grant set out in The Local Government (Transferred Functions) Grant Regulations (Northern Ireland) 2015, in the form

of a Net Annual Valuation (NAV) which reflects the funding for functions which transferred from Northern Ireland Executive Departments to the new Councils on 1 April 2015.

- There are a number of other ear-marked grants which are related to specific areas of service delivery.

The penny product is the value of the Council's tax base i.e. the value of non-domestic (net annual valuation) and domestic properties (capital value) in the district area. Land and Property Services (LPS) manage the tax base of the Council by providing rateable values for properties, collecting rates from ratepayer, calculating Gross Rate Income from properties and calculating the Estimated and then the Actual Penny Product for each year.

In formulating the Estimates for 2019/20 consideration was given to the Council's Corporate Priorities, strategic reviews, appraisals needed to support Capital Plans, the penny product and budget available within central government for the Rates Support Grant and other grant support.

The Summary Revenue Estimates for 2019/20 are detailed in the following table which includes approved transfers to and from the Council's Reserves and are following in-year virements approved in line with the Council's Financial Regulations and includes a Balance Applied of £600k which was approved as part of the 2019/20 Estimates. The increase in domestic and non-domestic rate was 2.30% on the 2018/19 year.

Revenue Estimates 2019/20	Total Expenditure	Total Income	Net Expenditure
	£	£	£
Community Planning and Performance	411,250	-	411,250
Policy and Strategic Services	438,400	-104,100	334,300
Corporate Management	1,464,925	-	1,464,925
Environmental Health	2,414,090	-1,052,550	1,361,540
Community Services	2,184,403	-969,800	1,214,603
Arts and Heritage	3,626,135	-900,500	2,725,635
Leisure, Recreation and Sport	5,418,685	-2,349,100	3,069,585
Finance	1,226,600	-20,000	1,206,600
Operations and Estates	2,802,155	-486,550	2,315,605
Democratic and Customer Services	2,039,750	-167,000	1,872,750
Human Resources and Organisational Development	795,300	-38,500	756,800
Building Control and Licensing	2,406,450	-2,079,140	327,310
Waste and Recycling	9,706,637	-514,500	9,192,137
Contracts and Operation Management	763,900	-4,000	759,900
Parks and Open Spaces	5,101,440	-48,200	5,053,240
Funding and Investment	727,380	-	727,380
Planning	1,766,100	-1,076,000	690,100
Tourism and Economic Development	2,830,900	-1,298,700	1,532,200
Bank Interest and Investment Income	-	-60,000	-60,000
Total	46,124,500	-11,168,640	34,955,860
Transfers to/from Reserves			
Renewal and Repairs Fund (net)			476,500
Transformational Fund			-80,000
Capital Fund			175,000
Total			571,500
Financing of Capital Expenditure			
Minimum Revenue Provision/Capital Fund			2,000,000
Direct Revenue Financing			715,000
Total			2,715,000
Total expenditure to be funded			38,242,360
Estimated Central Government Support			3,054,709
Balance Applied			600,000
Estimated Amount to be raised from Rates Base			34,587,651

5 Medium-Term Financial Planning

A Medium-Term Financial Plan was approved by Council in conjunction with the Revenue Estimates for 2019/20 which included the Capital Expenditure Programme for 2019-2022 as well as setting out the Council's overall Financial Strategy. The Capital Plan for 2019/20 was subsequently revised and a summary, together with proposed funding, is detailed below.

2019/20 Capital Estimates (Revised)	Gross Spend	Grant	Net Cost
	£	£	£
Projects subject to external funding (deemed priority)	5,200,000	3,812,000	1,388,000
Council funded projects	2,500,000	0	2,500,000
General allocations to support in year works planned	1,500,000	0	1,500,000
Total	9,200,000	3,812,000	5,388,000
Funded by:			
Repairs and Renewals Fund			1,465,000
Capital Fund			1,320,000
Other earmarked Reserves			758,000
Revenue Transfers			810,000
Internal Borrowing			1,035,000
Total Council Funding and Proposed Borrowing			5,388,000

A Medium-Term Financial Plan for the period 2020/21 to 2024/25 was approved by Council in February 2020 which includes proposed capital spending plan in the table below:

Capital Estimates	2020/21	2021/25	Total
	£m	£m	£m
Projects subject to external funding (deemed priority)	9.10	10.60	19.70
Council funded projects	2.40	49.30	51.70
General allocations to support in year works planned	1.30	3.30	4.60
Total	12.80	63.20	76.00
Anticipated Funding	6.75	8.06	14.81
Council Funding and Proposed Borrowing	6.05	55.14	61.19

The major expenditure included in the Capital Plan involves enhancement of Council properties and facilities, including leisure centres; tourism facilities; theatres; play parks, park development and open spaces; waste infrastructure and Revitalisation, Environmental Improvement and Village Renewal Schemes. Investment is also proposed in the provision of upgrading information technology, Full Fibre NI project and the replacement of fleet, plant and equipment.

Whilst the Medium-Term Financial Plan is reviewed on an annual basis, there is ongoing review work both in connection with current and future financial projections.

Prudential Indicators

Prudential Indicators for 2019/2022 have been prepared in line with CIPFA's Prudential Code and they include the impact of the financing strategy for the 2019/2022 capital plans on the Council's borrowing levels. The main objective of Prudential Indicators is to ensure that the Council's capital plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. In order to account for the repayment of the Council's borrowing, irrespective of when the timing of loan receipts and payments might take place, the Council is required to make an annual prudent provision for the repayment of borrowing through a charge to its General Fund referred to as Minimum Revenue Provision (MRP). The Council's approved MRP policy is based on the asset life method for borrowing.

The Council is satisfied that it has adequate cashflow to meet future revenue expenditure through existing working capital and income streams, including the impact of the Covid-19 Emergency and will keep the Prudential Indicators under review in this context. Quarterly reports on Prudential Indicators are presented to the Policy and Resources Committee.

6 Revenue Income and Expenditure 2019/20

The Net Cost of Services (on Continuing Operations) for 2019/20 reported in the Comprehensive Income and Expenditure Statement is £43.39m (2018/19 £43.99m). The Net Cost of Services is adjusted for differences in the Funding and Accounting Basis (Note 2a) which results in a Net Cost of Services chargeable to the General Fund of £33.18m (2018/19 £32.09m).

The Council's financial performance for the 2019/20 year has resulted in an overall surplus (underspend against budget) and this has been contributed to by:

- Efficiencies generated in year and general underspends in some budget areas which have been utilised, in part, by additional expenditure incurred due to COVID-19 (£62k); and loss of income (£90k) from closed Council facilities as a result of COVID-19;
- Non-utilisation of a budget of £200k landfill provision which is due to the successfully agreed (with NIEA) reduction in the aftercare period of Drummee Landfill site from 60 to 20 years;
- Additional income (£200k) generated in areas including Building Regulations, Off-Street Car-Parking and Trade Waste Income; Bank interest received in excess of budget (£104k) due to increases in interest rates and new investment opportunities;
- Additional income received due to rates refunds on certain buildings (£65k);
- Underspend in Members Allowances (£37k);
- Non-utilisation of a provision (£200k) included in Corporate Management budget in the 2019/20 Estimates as a prudent response to the uncertainty, at that time, relating to the availability of Central Government grants.

The draft surplus for the year also includes some overspends against budget, as previously reported to the Policy and Resources Committee, which have arisen due to variation in income levels and expenditure not anticipated at the time of setting the 2019/20 budgets and some costs which were budgeted to be funded by reserve transfers.

Rates Income of £34,587,561 has been supplemented by an additional £692,497 of Rates finalisation income which results in total Rates income for 2019/20 of £35,280,058 (Note 10e).

The Council receives central government support from the Department for Communities by way of a De-Rating Grant, Transferred Functions Grant and Rates Support Grant which are classified as Revenue Grants (Note 10e). The Department for Communities (DfC) updated the allocation of the De-Rating Grant for 2019/20. The Council received £1,857,146 of grant from the Department for Communities and the indicative year end position amounts to £1,898,675 which results in a further amount due from the Department of £41,529. Transferred Functions Grant of £547,563 was received during 2019/20 and this amount is in line with the Estimates for 2019/20. The Council's contribution to the Northern Ireland Public Services Ombudsman is deducted from this grant payment from the Department for Communities. The Ombudsman costs for 2019/20 were £32,064. The Transferred Functions Grant includes a contribution towards the costs of the Council providing a Regional Property Certificate Function on behalf of all 11 NI Councils. Transactions relating to this service including the Transferred Functions Grant received from the DfC are not included in the Statement of Accounts but are disclosed in Note 28.

The Expenditure and Funding Analysis at Note 2 shows how Council annual expenditure is used and funded from resources (government grants, rates and general income) in comparison with those resources consumed and earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Service functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Council operates a landfill site at Drummee (Enniskillen) and maintains closed landfill sites at Mullaghmore (Omagh) and Glassmullagh (Enniskillen). Aftercare provisions are required in compliance with the Northern Ireland Environment Agency (NIEA) for both Drummee and Glassmullagh (Note 19). The Council also has an interest in a waste disposal site at Tullyvar Road, Aghnacloy, Co Tyrone. This comprises a landfill site, a recycling centre and associated services which is jointly owned and operated with Mid Ulster District Council. On the basis of technical advice, the Council's share of financial results for this operation is accounted for as a joint arrangement, the details of which are set out in Note 29.

A summary of the actual income and expenditure (excluding technical accounting adjustments and Tullyvar) and including finance and investment income and expenditure (Note 9) and the income and expenditure for the Regional Property Certificate Unit (Note 28) for 2019/20 compared with the Estimates for the year is shown below.

	2019/20		
	Actual (£)	Estimated (£)	Variance (£)
Net Income and Expenditure *	33,174,412	34,955,860	1,781,448
Transfers to/from Reserves	2,435,387	571,500	(1,863,887)
Financing of Capital Expenditure			
Minimum Revenue Provision	1,325,736	1,605,000	279,264
Loan interest	384,264	395,000	10,736
Direct Revenue Financing	821,353	715,000	(106,353)
Total net expenditure to be funded	38,141,152	38,242,360	101,208
Central government grant support	(3,151,579)	(3,054,709)	96,870
Rates income	(35,280,058)	(34,587,651)	692,407
Total Grant and Rates Income	(38,431,637)	(37,642,360)	789,277
Balance Applied	-	(600,000)	(600,000)
Total Income (including balance applied)	(38,431,637)	(38,242,360)	189,277
Surplus for the year	290,485	-	290,485

* Includes Finance and Investment Income and RPC expenditure

Significant Transactions in 2019/20

i) Provisions

The Council has an obligation for the closure of Drummee Landfill Site and for the aftercare of both Drummee and Glassmullagh Landfill Sites. Provisions are required in the Annual Statement of Accounts of the Council for both landfill sites. A 60 year provision is required for Glassmullagh Landfill Site which was agreed by the Northern Ireland Environment Agency as at 31 March 2014 and during 2019/20 the Council successfully agreed a reduced landfill site aftercare period of 20 years for Drummee Landfill Site. Both provisions are assessed annually by a suitably qualified civil engineer. Discount rates are used to discount the cash flows in the provisions and reliance is placed on the rates provided by the Council's Treasury Management Advisors. The provisions are detailed in Note 19 to the Statement of Accounts.

ii) Valuation of Council Property

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 due to the COVID-19 pandemic, there is a shortage of reliable market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations provided by LPS were reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation. The overall movement is an increase of £3.62m (Land – increase in value of £1.34m and Buildings – increase in value of £2.27m) and is included in Note 11 to the accounts.

iii) Transactions Relating to Retirement Benefits

The Council participates in the Northern Ireland Local Government Officers' Pension Fund. The Scheme, which is administered by Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC), is accounted for as a defined benefit scheme and reliance is placed on the accounting schedules for this Scheme which are provided by an independent firm of Actuaries. 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. Full detail included within Note 21. 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. A loss of £705k (Note 9c) representing the net interest on the net defined liability is included in the Comprehensive Income and Expenditure Statement. The actuarial valuation of the Council's pension scheme liabilities shown on the Balance Sheet has increased by £10.95m to £42.697m.

The Council also participates in the Northern Ireland Civil Service Pension Scheme which is an unfunded multi-employer defined benefit scheme. The Council is unable to identify its share of the underlying assets and liabilities of this scheme and it is not included in the Annual Statement of Accounts.

7 Capital Programme 2019/20

The revised planned spend for the Capital Programme in 2019/20 was £9.20m. During the year, the Council expended £5.15m (Note 11 & 12) for capital purposes and additions to investment properties of £376k (note 11d). The remainder of the 2019/20 programme has been reprofiled for future years.

The capital expenditure for year was funded by Government grants, revenue contributions, transfers from the Council's usable funds, internal borrowings and capital receipts. The funding of the capital programme is detailed in the Note 12 to the Accounts.

The most significant spends on capital programmes were:-

Park Development at Gortin Glen	£1.06m
Vehicles, plant and equipment	£736k
Upgrades to Council Buildings	£685k
Enniskillen Public Realm Scheme	£560k
Buttermarket, Enniskillen Revitalisation Projects	£368k
Village Renewal Schemes	£240k
Upgrade to recycling facilities	£230k
St Julian's Road, Omagh environmental improvements	£200k
Road name signage programme	£200k
Upgrades to play areas	£155k
Landfill Site Development	£150k
Community Centre enhancements	£150k

The Council's total fixed assets amounted to £138.4m at 31 March 2020 (Note 11). Included in this amount are intangible assets valued at £120k (Note 11c) which relates solely to market rights. Also included are investment properties valued at £6.76m (Note 11d) which comprise assets held for rental income, valued at £4.10m and assets held for future market appreciation of £2.70m.

A valuation of freehold and leasehold properties was carried out as at 31 March 2020 by an independent valuer from Land and Property Services. This valuation resulted in an overall increase in value of Land and Buildings of £3.62m of which £3.66m was credited to the Revaluation Reserve and £66k of impairment losses were charged to the Comprehensive Income and Expenditure Statement in the year.

8 Reserves and Treasury Management

The Local Government Finance Act (Northern Ireland) 2011 requires the Chief Financial Officer to submit a report to Council on the adequacy of the financial reserves for a financial year. In arriving at her recommendation on the minimum prudent level of reserves, strategic, operational and financial risks were taken into account. The minimum general reserve balance set by the Council for 2019/20 was £3.5m. The position will increase the Council's General Reserve balance by £290k to £3.79m which exceeds the minimum general reserve balance set for 2019/20 of £3.5m but which is considered prudent in light of the current economic climate.

The financial position for 2019/20 includes transfers (Note 4b) from the Council's specified Usable Reserves to the General Fund of £588k, interest of £77k and transfers to the following Usable Reserves

from the General Fund (exclusive of Tullyvar movement of £115k):

Capital Fund	£1,195k
Renewal and Repairs Fund	£727k
General Contingency Reserve	£590k
Transformational Fund	£200k
Economic Development Reserve	£150k
Election Reserve	£85k

The net movement is £2.3m which is detailed included in the Movement in Reserves Statement (page 41). The General Contingency Reserve includes a sum ring-fenced to meet a Community grant scheme, to support the recovery phase of the Council following significant losses of income and exceptional costs as a result of COVID-19 and other related issues.

Treasury Management

A Treasury Management Policy (incorporating Treasury Management practices) which sets out the expected treasury management activities and treasury management practices was approved by the Council for 2019/20 and it is linked to the Council's Corporate and Capital Plans. The Council aims to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity giving priority to security first, liquidity second and then return.

The Council use the services of treasury management advisors to continually assess and monitor the credit quality of financial institutions within which short-term investments are held. At the end of the financial year 31 March 2020, the Council had £19.9m of short-term investments, deposits and cash balances (includes Tullyvar investment - Note 25b). The return on investments earned during the year was £161k (Note 9b).

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been funded from loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure (this is known as the Councils Internal Borrowings). This strategy is prudent as investment returns are low and counterparty risk is relatively high.

There were no new loans or leases taken out during the year. The total level of borrowing at 31 March 2020 is £6.17m (Note 17). The Minimum Revenue Provision charge to the General Fund was £1.33m (Note 12). Interest paid on loans during the year was £384k (Note 9a).

9 Performance Against the Corporate Plan and the Council's Improvement Objectives

Performance against the Council's Improvement Objectives is monitored quarterly and the Council's performance against its Corporate Plan is monitored on a six-monthly basis. Comprehensive details of how the Council performed are published annually through an Annual Performance Report published in September each year and reflecting on the previous financial year. The Annual Report for 2018/19 was published in September 2019 and is available on the Council's website at https://www.fermanaghomagh.com/app/uploads/2019/11/FODC-Annual-Performance-Report-2018-2019_Revised-November-2019-1.pdf along with the NIAO Annual Performance Improvement Report <https://www.fermanaghomagh.com/app/uploads/2019/04/FODC-Annual-Performance-Improvement-Report-18-19-NIAO.pdf>

The five Improvement Objectives for 2019/20, have been grouped under the Community Plan and Corporate Plan Themes:

People and Communities

1. We will increase uptake of Council provided leisure and recreation opportunities and improve provision of information to support citizens in making healthier choices;

Economy, Infrastructure and Skills

2. We will encourage a growth in entrepreneurship and new business starts amongst under-represented groups;
3. We will support our local town centre economy by making it easier for residents and visitors to park in our key towns and service centres;

Environment

4. We will continue to invest in environmental programmes which will reduce waste going to landfill and improve recycling efforts;

Supporting Service Delivery

5. We will make it easier to communicate and do business with the Council.

Performance Measures

A set of seven performance measures is in place for Local Government through the Local Government (Performance Indicators and Standards) Order (NI) 2015. These relate to three distinct service areas, i.e. planning, economic development and waste/recycling. The Council in its Annual Performance Improvement Plan sets out the detailed arrangements for management, monitoring and reporting on these statutory indicators. In addition, the Council also reports annually on a range of self-imposed performance measures through its Annual Performance Report. This suite of measures continues to be developed as we work with other Councils towards agreeing regional benchmarking arrangements. Regular reports on progress related to performance measures and performance objectives are presented on performance to Council's Policy and Resources Committee and to the Council's Audit Panel.

10 Summary of Position for 2019/20

In addition to meeting statutory functions, during 2019/20, the Council administered the local government elections and worked to deliver on its Corporate Plan. It progressed a number of areas of strategy and policy development, most notably in relation to Climate Change and Sustainable Development. A comprehensive programme of economic development work, including revitalisation projects and other funded capital schemes have been delivered and there has been considerable time and effort devoted to partnership working with other agencies and bodies to support the delivery of effective services in our district. A range of community support facilities and an extensive programme of leisure, recreation and sporting activities have been provided with encouraging uptake by participants across the district.

The Council's financial performance in 2019/20 generated an overall revenue surplus of £290k (after the transfer to earmarked reserves) which was in line with in-year expectations. Generally, the financial standing of the Council continues to be robust and this is demonstrated by this Statement of Accounts. There is evidence of good financial management approaches, disciplines, processes and procedures and a strong governance system. However, it is recognised that the Council operates in an environment of change, and therefore seeks to improve and seek efficiencies to maintain this position.

The Council is satisfied that it has sufficient reserves and balances to provide financial resilience for 2020/21 and with mitigation to manage the financial impacts of Covid-19 in this year. There are considerable risks and challenges as well as opportunities as highlighted throughout this report, but there are established risk management processes in place and, together with robust financial management and reporting, the Council is in a satisfactory position as it moves into 2020/21.

More detailed financial analysis and projection work has commenced to assess longer term impact of the current emergency. It is also acknowledged that challenges exist around resourcing to meet public expectations in certain service areas; working to implement advances in technology in a cost-effective manner and timely delivery of projects in conjunction with multiple partners. The Council recognises that having completed the initial programme of transition to a new organisation following the Review of Public Administration, the focus for the future is on transformational work to develop long-term strategies to ensure continued effective delivery of services in a sustainable manner. This is being approached through a structured programme which will also incorporate financial review to inform medium term planning.

Receipt of Further Information

If you would like to receive further information about these accounts, please do not hesitate to contact the Council.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptional hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Fermanagh and Omagh District Council

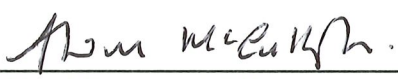
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts

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 as amended by the Local Government (Accounts and Audit) Coronavirus (Amendment) Regulations (Northern Ireland) 2020, the Council, or a Committee, is required by resolution, to approve the accounts.

These audited accounts were approved by the Chief Executive, as Chief Financial Officer of Fermanagh and Omagh District Council, on 18th November 2020.

Signed:  Date: 18/11/2020
Chief Financial Officer

The Chief Financial Officer's Responsibilities

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, as amended by Local Government (Accounts and Audit) Coronavirus (Amendment) Regulations (Northern Ireland) 2020, 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.

Fermanagh and Omagh District Council

Annual Governance Statement

Scope of Responsibility

Fermanagh and Omagh 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, efficiently and effectively.

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

Part 12, section 84, of the Local Government Act (NI) 2014 also places a general duty on Councils to make arrangements to secure continuous improvement in the exercise of its functions.

In discharging this overall responsibility, Fermanagh and Omagh 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.

Fermanagh and Omagh District Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code can be obtained from CIPFA. This statement explains how the Council complies 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 a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which 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 Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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

The governance framework has been in place at Fermanagh and Omagh District Council for the year ended 31 March 2020 and up to the date of approval of the Statement of Accounts.

The Governance Framework

The key elements of the systems and processes that comprise the Council's governance arrangements are detailed below:

Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users

The 'Fermanagh and Omagh 2030 Community Plan' is the overarching, long-term strategy for the district. It was developed following significant consultation and in its role as lead partner, in February 2017, the Council agreed the Vision and Outcomes set out in the Community Plan for the district. The Community Plan was formally launched to the public in March 2017 and copies have been widely distributed. Since then a Community Plan Action Plan has been developed and widely consulted upon. It was agreed by the

Council and by the Community Planning Partnership in March 2018 and includes reference to the Vision for the district and how the agreed long-term outcomes for the district will be taken forward through a range of partnership actions. Both documents are available to view at www.fermanaghmagh.com.

Alongside this, the Council undertook a review of its Corporate Plan 2015/19 and agreed to update its Corporate Vision and Values to align with those set out in the Community Plan. The Council's Corporate Plan sets out, in the medium term, how the Council will contribute to the achievement of the community planning outcomes and also sets the framework for development of the annual Service Delivery and Improvement Plans within the Council. A Corporate Plan Update 2017/19, which is available to view on the Council's website (www.fermanaghmagh.com) was agreed and published. This aligns the remaining corporate actions for 2015/19 to the community planning outcomes and also introduces an additional outcome relating to the Council itself.

The Corporate Plan Update 2017/19 is issued to all consultees on the Council's consultee database and copies are available to the public at key Council facilities. Internal communication channels have included staff briefings, corporate communication bulletins, the use of the staff intranet and corporate induction briefings for new employees. A 'one page' corporate plan summary paper has been provided to all staff.

During the 2019/20 year, the Council embarked on a process to develop a new Corporate Plan, aligned to the Community Plan and to the Outcomes Based Accountability approach. This was agreed by the Council in January 2020, following a period of public consultation, for implementation commencing in the 2020/21 financial year.

Reviewing the Council's vision and its implications for Council's governance arrangements

The Council's Vision has been reviewed and confirmed to align with the Vision for the district as set out in the Community Plan. This has also been carried forward into the new Corporate Plan 2020-24 in order to ensure ongoing strategic alignment between both key strategies.

Elected members receive performance reports setting out progress towards delivery of the Corporate Plan twice annually with an Annual Performance Report published in September each year.

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

Fermanagh and Omagh District Council continued to use the information and data provided by the Residents' Survey completed in 2017/18 to inform service delivery, engagement with residents and service users. The objectives of the survey were two-fold:

- The Council has an improvement objective to assess the satisfaction of the residents of the district; and
- The Council has the lead role in the development and rollout of the Community Plan for the district, which requires long-term data to track performance. The Residents' Survey provided data against a range of performance indicators and helped to fill gaps in existing data, including data on issues such as wellbeing and communication that were not available.

The survey provided a wide range of valuable statistical data which can be used as a baseline for gauging future quality of services and service user satisfaction. The overall residents' satisfaction rating for the Council was 70%.

The Council continued to implement its Action Plan along with the Project Citizen Action Plan, its Marketing Communications Strategy and a Digital Marketing Strategy. These strategies are closely aligned, place significant emphasis on citizen involvement in the Council's decision-making process, communicating with the public and on customer satisfaction with service delivery. The associated action plans set out the corporate objectives and actions focused on the delivery of high-quality services for customers to meet their needs. Performance indicators are also in place to measure the outcomes from the implementation of these strategies.

The Connect Centre in Strule House, Omagh has been operating since April 2018 and in March 2020 the second Connect Centre was opened in County Buildings, Enniskillen. Both Connect Centres provide a town centre-based customer hub where residents can call in to do business with the Council or ring, whereby Customer Service Advisors provide advice or undertake a business transaction as a first point of contact. Service Users can also email requests for information, complaints or requests for a service to a dedicated email address – info@fermanaghomagh.com which are responded to by the Customer Service Advisor Team.

The Council also has in place a Comments, Compliments and Complaints policy and procedure, through which customers can provide feedback on their satisfaction levels with the Council's service delivery. Customers can provide feedback through email, telephone, letter, face to face, via the website or Facebook. The Leisure Centres, Arts Centres and Registration Services have specific customer satisfaction/comments recording processes in place. The feedback received from all these sources is used to inform service delivery and improvements.

The Customer Services Strategy and Customer Service Protocol is due for review in line with the new Corporate Plan 2020-2024, which will include the development of revised Customer Service Protocols and Guidance.

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

Fermanagh and Omagh District 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. The Council operates a Committee System. Meetings of the Council and Committees are 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. The Constitution is available on the Council's website:

<https://www.fermanaghomagh.com/your-council/about-the-council/council-constitution-standing-orders/>.

Within the Constitution, the Scheme of Delegation clearly defines the roles and responsibilities of the Chief Executive, Directors and Heads of Service.

The minutes and associated reports for all Council and Committee Meetings are uploaded to the Council's website www.fermanaghomagh.com with the exception of confidential minutes and reports. Additionally, all Council and Committee meetings are audio recorded, which are uploaded to the website, except for discussions relating to confidential business. These actions ensure that the Council is communicating with its public in an open and transparent manner.

The implementation of the Council's Marketing Communication and Digital Marketing Strategies and associated actions continued to support effective communications with the public. The delivery of the actions is linked to the key objectives to improve communications. This work is also reflected in the Council's Performance Improvement objectives for 2019/20 - 'We will make it easier to communicate and do business with the Council.'

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

The Council's Constitution includes the Northern Ireland Local Government Code of Conduct for Councillors, the Code of Conduct for Employees and the Employee/Councillor Working Relationship Protocol which sets out the working relationship between Councillors and Employees and the steps to be taken to deal with concerns and seek a resolution to difficulties that may arise. All Members were issued with a copy of the Constitution as part of their induction.

The Constitution which includes the Codes of Conduct relevant to Councillors and Officers is uploaded for Members reference to the documents section of Minutepad (App for paperless documents) and is on the

Council internet and intranet for reference by Members, Staff and the public.

The Council adopted the Code of Conduct for Local Government Employees as outlined in Circular LGRJF/09 – November 2014 and the associated Local Government Employee and Councillor Working Relationship Protocol. The Code builds on, and is in keeping with, the seven principles of public life articulated by the Nolan Committee on Standards in Public Life and the five further principles of conduct that have been adopted by the Northern Ireland Assembly.

The Code of Conduct for Councillors sets out the principles and rules of conduct which Councillors must observe. Councillors have a personal responsibility to ensure that they are familiar with and understand their obligations under the Code. The principles are intended to promote the highest possible standards of behaviour for Councillors. The rules are the practical application of the principles and Councillors are required to observe both the rules and principles. Councillors are required to confirm that they have read and will observe the Code of Conduct.

The Code sets out standards of behaviour expected of Council officers and also deals with the disclosure of information, political neutrality and potential conflicts of interest, appointments and other employment matters, outside commitments, personal interests and equality issues. The Code also emphasises the importance of separation of roles particularly during procurement and the use of financial resources and specifically addresses fraud and corruption, hospitality and gifts, sponsorship and whistleblowing.

Following the NI Local Government Election in May 2019 a programme of Councillor Induction was undertaken which included training on the NI Local Government Code of Conduct for Councillors incorporating the Register of Interests as required by law to be completed by individual Councillors and made available for public inspection; Standing Orders and the Planning Protocol.

Council meetings are managed in accordance with the Council's Standing Orders. The Council Solicitor provides advice and guidance to Members and Officers on the implementation of the Code of Conduct, Standing Orders and Planning Protocol when required. A legal representative attends the monthly Planning Committee meetings, Council meetings and other Committee meetings in an advisory capacity as required. The Council also maintains Registers of Interest which have been completed by all Members and senior Council Officers in accordance with best practice and these are kept under regular review.

A range of employee training took place in 2019/20 including four Corporate Induction Programmes for new employees which specifically includes information on the Code of Conduct. The Council's eLearning system also includes a module on the Code of Conduct for Employees. A copy of the Code of Conduct for Employees is included in the employee induction pack as well as being provided on the Employee Intranet.

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

Fermanagh and Omagh District Council's Constitution, which was approved in April 2015, includes Financial Regulations, Standing Orders and the Scheme of Delegation.

Any changes to the Constitution or Planning Protocol are approved by the Council and any changes agreed by the Council are applied to the copies displayed on the Council website and to the master copy retained within the Council's Democratic and Customer Services' function where a change register is maintained. Members are provided with an updated hard copy on request.

The Council's Financial Regulations set out the overarching financial responsibilities of the Council and its staff and provides the framework within which the Council's financial affairs are managed. The Financial Regulations, which were reviewed and updated during 2019/20, are supported by a detailed Accounting Manual which covers all operational areas within the Finance section.

The Council is committed to working in partnership and has established and facilitated a Community Planning Partnership for the district. This Partnership, which includes a Strategic Partnership Board, has agreed a governance structure and guidance document setting out the community planning governance arrangements which apply in the Fermanagh and Omagh district. It outlines the mechanisms of the

partnership and the role and remit of the various structures within the partnership. This has been approved by the Board and the respective partners.

Fermanagh and Omagh District Council strives to ensure the data used to support evidence led-decision making is sufficiently robust. This is achieved through using official statistics as the preferred source of information, due to the inherent robustness and accompanying technical reports outlining methodology and flagging any issues. In instances where the range of official statistics are not broad enough to provide insight, the Council will use other sources. However, the source will be vetted in advance, with any quality assurance issues identified clearly and communicated clearly alongside the information. Indicators of quality that the Council will look for include source (is it a statistic or a piece of management information), traceability, sample method and standard error.

The Council (and Community Planning Partnership) are utilising an Outcomes Based Accountability approach. The population indicators used in the Community Plan can all be sourced accordingly; the vast majority are sourced from NISRA, and in most instances are aligned to the Programme for Government indicators (where possible). No project specific data, which can be volatile and lack robustness, are used at the population indicator level due to robustness issues.

As part of the Council's assurance framework, Directors and Heads of Service are required to assess the adequacy of the risk management regime within their Directorates and to provide assurance statements which serve to inform the overall governance statement.

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

Fermanagh and Omagh District Council has an established Risk Management Policy, the aim of which is to establish and operate risk management procedures and to promote an organisational culture which ensures that risk management is an integral part of every activity. The Policy is supported by a Risk Management Procedure which provides guidance on Risk Identification and Analysis and the Monitoring and Reporting Timetable. Departmental Risk Registers are reviewed bi-annually and are reported to Senior Management Team.

The Council's Corporate Risk Registers (Internal and External) are informed by the Departmental Risk Registers and reviewed by Senior Management and reported to the Audit Panel. The Audit Panel considers and approve any updates to the Risk Management Policy, considers the effectiveness of the Council's risk management arrangements, and seeks assurances that action has been taken on risk related issues identified by External and Internal Audit. The minutes of the Audit Panel are reported through the Policy and Resources Committee to the Council.

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

Fermanagh and Omagh District Council is committed to carrying out business fairly, honestly and openly and has a zero tolerance towards fraud, bribery and corruption. The Council expects full compliance with the requirements of the Bribery Act 2010 from Members, Employees, Agents, Partners, Suppliers and Groups or Individuals applying for, or in receipt, of grant aid.

The Council has in place a Fraud and Corruption Policy the objective of which is to ensure that the approach of the Council to Fraud and Corruption is open, clear and transparent to all. The policy, which was reviewed and updated during 2019/20, details the processes of reporting suspicion and includes a fraud response plan, reporting responsibilities and the role of Internal Audit. Fraud and Whistleblowing are a standing item on the Audit Panel agenda and regular reports on any relevant matters were provided during the 2019/20 year.

Ensuring effective management of change and transformation

Fermanagh and Omagh District Council considers that there has been effective management of the initial phase of change related to local government reform with the transition to a new organisation. The organisational structure has been implemented; a robust policy and procedure framework is in place and

a range of complex legacy issues have been progressed and/or concluded.

Fermanagh and Omagh District Council recognises that further transformation change is required within specific service areas and the organisation generally in the context of other strategic issues and the Community Plan 2030 for the district. The following actions have been progressed to support effective transformative change:

- A number of scoping studies have been completed by the Strategic Investment Board to inform areas for consideration in the context of transformation;
- A formal Programme has been developed with governance overseen by a Transformation Working Group comprising representative Councillors and senior officers;
- Internal project teams have been established to consider the areas of Leisure, Recreation, Sport and Wellbeing and Fleet Management and a Corporate Project Manager has been appointed to support Programme Management; and
- A programme of capacity building training has commenced to support management of change.

Ensuring the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) and, where they do not, explain why and how they deliver the same impact

The CIPFA Statement on the Role of the Chief Financial Officer (2016) sets out five principles that define the core activities and behaviours that belong to the role of the CFO in public sector organisations and the organisational arrangements needed to support them: -

The CFO in a public sector organisation:

- Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy;
- Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

- Must be satisfied that the finance function is resourced and fit for purpose; and
- Its staff is professionally qualified and suitably experienced.

Fermanagh and Omagh District Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (2016).

Ensuring the Council's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit 2019 and, where they do not, explain why and how they deliver the same impact

The CIPFA Statement on the Role of the Head of Internal Audit 2019 sets out five principles that define the core activities and behaviours that are expected of this role in public service organisations and the organisational arrangements needed to support them:

Core activities and behaviours:

- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence-based opinion on all aspects of governance, risk management and internal control.

To perform this role the Head of Internal Audit:

- must be a senior manager with regular and open engagement across the organisation,

- particularly with the Leadership Team and with the Audit Panel;
- must lead and direct an internal audit service that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

Fermanagh and Omagh District Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit 2019.

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

Fermanagh and Omagh District Council has established an Audit Panel to support the Chief Executive in her responsibilities for issues of governance, risk management and control and associated assurance. The Audit Panel reports formally to the Council's Policy and Resources Committee.

The purpose of the Audit Panel is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process alongside the Council's arrangements to secure continuous improvement in its functions.

The Audit Panel has seven members with cross-party representation, appointed for the term of the Council, and two non-voting, externally recruited independent members.

The Audit Panel met four times during 2019/20 and the Chair of the Audit Panel may also convene additional meetings as they deem necessary. Audit Panel meetings will normally be attended by the Chief Executive, the Director of Corporate Services and Governance, the Head of Finance, the Head of Community Planning and Performance, the Internal Auditor and a representative of External Audit. The Audit Panel may ask any other officials of the Council to attend to assist it with its discussions on any particular matter.

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

The Council has complied with the Local Government Finance Act (NI) 2011, the Local Government (Capital Finance and Accounting) Regulations (NI) 2011 and the supporting codes - the Prudential Code and the Treasury Management Code.

The Chief Executive is, for the purpose of Section 1 of the Local Government Finance Act (Northern Ireland) 2011, the Chief Financial Officer of Fermanagh and Omagh District Council and is charged with ensuring the lawfulness and financial prudence of decision-making; providing advice and guidance and ensuring that expenditure is lawful. The Council ensures that professional advice on matters that had legal or financial implications is available and properly considered with the legal advisors in attendance at meetings (including planning meetings), if deemed necessary.

Each Director and Head of Service is responsible for ensuring compliance with relevant legislation, regulations, internal policies and procedures within their service area, and provides an assurance statement to the Chief Executive in this regard. The Council's Chief Executive has ultimate responsibility for generally securing compliance within the organisation.

Whistleblowing and for receiving and investigating complaints from the public

Fermanagh and Omagh District Council has a Fraud and Corruption Policy and a Whistleblowing Policy both of which were reviewed, updated and approved by the Council in 2019/20.

The Council is committed to carrying out business in a transparent manner, fairly, honestly and openly and has a zero tolerance towards bribery. The Council expects full compliance with the requirements of the Bribery Act 2010 from Councillors, Employees, Agents, Partners, Suppliers and Groups or Individuals applying for, or in receipt of, grant aid. It is committed to developing, implementing and maintaining

effective procedures and controls to prevent any occurrence of fraud and corruption.

The aim of the whistleblowing arrangements is to act as a deterrent to malpractice; encourage openness; and promote transparency and to underpin the Council's approach to risk management.

The Council's Fraud and Corruption Policy and Whistleblowing Policy are provided to all new employees as part of the induction process. Fraud training was provided in 2017/18 and Fraud Awareness and the Council's Whistleblowing Policy are included as modules in the Council's Learning Management System.

Fermanagh and Omagh District Council is committed to dealing with all complaints fairly and impartially. The complaints procedure is available in electronic format via the Council website or is available in hard copy on request. An internal audit review of Customer Service (Complaints and Feedback) was completed and work on the recommendations is ongoing. A LEAN review of Customer Complaints was undertaken in March 2019. The resultant Action Plan was agreed and implemented in 2019/20.

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

Fermanagh and Omagh District Council was accredited with the Elected Member Development Charter Award Level 1 in September 2018. Members are invited to undertake an Individual Training Needs Analysis following which appropriate learning and development opportunities are identified and arranged. An Elected Member Development Steering Group, which is in place, comprises cross-party representation and meets bi-monthly to champion learning and development for Members of the Council. The Council has an approved Elected Member Learning and Development Policy which assists in embedding learning and development.

Elected Members are informed of the required training they have to undertake to fulfil their role as Councillor as part of the induction process. This includes the Code of Conduct for Councillors; Equality training; GDPR, the Constitution including Standing Orders and use of MinutePad for accessing documentation for Council and Committee meetings. Additionally, Members are informed of other discretionary training they can avail of, which includes Media Presentation Skills, Chairing of Meetings etc. which they can voluntarily undertake. If Members identify any specific individual training needs they wish to address, these are noted and arrangements made through the Council's Democratic Services' function. The Council actively participates in the Northern Ireland Local Government Association (NILGA) Regional Learning and Development Programme which has provided a range of capacity building for Members over the course of the last financial year. During 2018/19, 6 Members achieved the ILM Level 7 Leadership Development Programme Award and 4 achieved the NILGA Local Planning Leadership Programme ILM Endorsed Award. There have been no further changes in 2019/20.

Members attend a significant number of Informal Meetings with other statutory, voluntary and community organisations which helps to inform Members of regional and/or local issues coupled with best practice visits as required. Members are nominated to attend a range of conferences and seminars which all add to their learning and development and enhance their ability to more effectively undertake their role as Councillors.

The Council's Employee Learning and Development Policy was reviewed and updated in January 2019. The policy sets out the Council's commitment to the development and training of employees and outlines the range of supports available to employees to support the delivery of the Council's aims and objectives as outlined in the Corporate Plan. The Learning and Development policy is intrinsically linked to the Council's performance management cycle and learning and development needs are identified and reviewed at the performance appraisal stage twice yearly.

In 2018, the Council agreed a Corporate Learning and Development Plan (2018/20) which identifies the corporate learning and development needs of employees and the proposals to address these. The Corporate Learning and Development Plan will be due for review in 2020.

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

Council and Committee meetings are open to the public and are recorded. The agendas and associated papers, audio recordings and minutes of the meetings are available on the Council's website www.fermanaghomagh.com.

The Council's corporate strategies in the areas of Community Engagement and Involvement Strategy and Communications as described previously, place significant emphasis on citizen involvement in the Council's decision-making process, communicating with the public and on customer satisfaction with service delivery. These were subject to public consultation for equality impact assessment.

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

Fermanagh and Omagh District Council leads the Community Planning process involving a number of statutory partners who are key public sector providers. Through this process, the Council has sought to focus service delivery for the district to ensure effective meaningful outcomes are achieved in line with the key objectives of the Community Plan around People and Communities; Economy and Environment. All papers relating to Community Planning Strategic Partnership Board meetings are publicly available at www.fermanaghomagh.com and a performance management framework is in place. In November 2019, the Fermanagh and Omagh Community Planning Partnership published its first Statement of Progress in fulfilment of its legislative requirement to do so. This is available to view at <https://www.fermanaghomagh.com/communityplanning/statement-of-progress/>.

In addition, the Council has sought to lobby and make representations on a range of service issues relative to the effectiveness of delivery of public services in the district.

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

Fermanagh and Omagh District Council, as lead partner with responsibility to initiate, maintain, facilitate and participate in community planning for its district, has put in place processes to ensure effective governance of the community planning partnership for the district. In 2017, the partnership established a Partnership Agreement and Operating Arrangements which have since been reviewed with a Governance Framework and Guidance Paper agreed by the Partnership in February 2019 and available to view at www.fermanaghomagh.com. The partnership has established a Partnership Agreement and Operating Arrangements and has agreed a core set of values and principles, including commitments to openness, accountability and transparency; continuous improvement; effective engagement; and working collaboratively. Reports on the process and progress in relation to community planning are reported regularly to the Council's Policy and Resources Committee which has responsibility for oversight of the community planning function. Minutes of meetings of the Community Planning Strategic Partnership Board are also published on the Council's website.

The Local Government Act (NI) 2014 provides the Council with a general power of competence, enabling it to take any action it considered appropriate provided the action was not prohibited by any other legislation. Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their district.

Review of Effectiveness

Fermanagh and Omagh District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. As outlined earlier, during the year the Council has taken steps to strengthen its governance processes. The review of effectiveness is informed by the work of the senior managers within Fermanagh and Omagh District Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report and also by any relevant comments made by the external

auditors.

Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. During 2019/20, Internal Audit assignments were carried out in accordance with the Annual Internal Audit Plan agreed by the Audit Panel. Any weaknesses identified in internal control procedures were considered by senior management and reported to the Audit Panel with actions agreed to strengthen the internal control environment. All internal audit reports included an overall assurance on the quality and effectiveness of internal control within the areas audited.

Internal Audit, on the basis of the systems reviewed and reported on during the year, has considered that the overall control environment within the Council is of a good standard and should be categorised as Satisfactory.

The assurance framework requires Directors and Heads of Service to consider annually the adequacy of risk management arrangements, internal controls and wider governance issues within their service areas. It also provides information on the level of compliance with the various elements of the Council's Governance Framework. The Heads of Services and Directors are required to monitor and keep under review the operation of internal controls within their area, and to implement changes where deemed necessary.

The Audit Panel provides independent assurances to the Council on the adequacy of the Council's risk management framework and associated control environment. It also provides an independent scrutiny of the Council's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment. The Audit Panel met four times during 2019/20 and satisfactorily discharged its programme of work and therefore is satisfied that the governance arrangements in place are effective and continue to be fit for purpose.

Significant Governance Issues

The following significant Governance Issues have been identified as presenting significant risk to the Council:

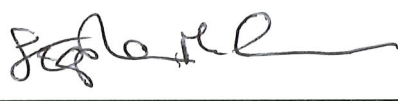
- The Council's Emergency Management Team stood up on 13 March 2020 in response to COVID-19. Emergency plans have been activated and the Emergency Management Team has proceeded to implement these. The financial and going concern implications of the current Covid-19 situation have been considered in the context of financial planning and action to mitigate against losses is being progressed.
- The Council has previously identified that the Brexit decision creates considerable uncertainties and risks which may affect a number of different aspects of the Council's business. The Council established a Brexit Committee which is responsible for monitoring and reviewing potential impacts for the Council and the district as a result of the UK leaving the European Union. Internal risk registers have been prepared by each service area and these are kept under review. The Council also has representation on the various Professional Officer Groups which consider Brexit and associated matters.
- The Council previously identified financial uncertainties stemming from the impact of Central Government budgets and this is still a risk due to the uncertain financial climate. The Council continues to lobby for a review of the policy objectives of the Rates Support Grant and is proactive in seeking to maximise external funding streams. The Council's allocates a modest contingency budget to absorb short term fluctuations and seeks to manage long terms adjustments through financial planning.

We propose, over the coming year, to consider what further steps can be taken to address the above matters and to further enhance our governance arrangements. We will continue to monitor these risks and take appropriate remedial actions and will report as part of the next annual review.

Signed: 

Date: 18 November 2020

Chief Executive of Fermanagh and Omagh District Council

Signed: 

Date: 18 November 2020

On behalf of the Policy and Resources Committee of Fermanagh and Omagh District Council.

Fermanagh and Omagh District Council

Remuneration Report for the year ended 31 March 2020

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 2019 were issued by the Department for Communities on 06 March 2019 (Circular LG 07/2019). Details of the allowances paid to individual Councillors are published on Council websites.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Fermanagh and Omagh District Council had 40 councillors in 2019/20.

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 Senior Management Team.

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and on the basis of fair and open competition.

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

Allowances Paid to Councillors

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

Table 1: Total Allowances paid to Councillors (audited information)

	2019/20		2018/19	
	Total Allowances	Number of Councillors receiving the allowance	Total Allowances	Number of Councillors receiving the allowance
	£		£	
Basic Allowance	602,477	54*	590,879	40
Special Responsibility Allowance	28,358	28	25,298	17
Chairperson/ Mayor Allowance	10,027	2	10,000	2
Vice Chairperson/ Deputy Mayor Allowance	4,812	2	5,000	2
Mileage Allowance	75,253	40	80,152	34
PCSP Attendance Allowance	6,540	14	7,020	10
Subsistence/Miscellaneous	176	7	791	9
Public Transport and Other Travel Incidentals	89	2	0	0
Courses/ Conferences Visits (registration & joining fees)	978	0	4,202	0
Dependents' Carers Allowance	0	0	916	1
Total	728,710		724,258	

Details of the allowances paid to individual Councillors in 2019/20 are published on the Council website at www.fermanaghomagh.com/your-Council/Councillors-expenses.

*Only 40 members paid in any one month. 13 members not re-elected and 1 replaced mid year.

The above allowances do not include employer costs - these are shown in Note 7.

Remuneration of Senior Employees

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

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

Officers	2019/20				2018/19			
	Actual Salary (Full year equivalent in brackets where applicable)	Bonus Payments	Benefits in kind (to nearest £100)	Total	Actual Salary (Full year equivalent in brackets where applicable)	Bonus Payments	Benefits in kind (to nearest £100)	Total
	£	£	£	£	£	£	£	£
Brendan Hegarty (retired 31 October 2019)	103,840 (116k)	0	0	103,840	114,455	0	0	114,455
Alison McCullagh (appointed as Chief Executive 1 Feb 2020)	93,340 (105k)	0	0	93,340	84,761	0	0	84,761
Robert Gibson (retired 31 March 2020)	89,170	0	0	89,170	84,761	0	0	84,761
Kevin O'Gara	89,059	0	0	89,059	84,761	0	0	84,761
Celine McCartan	89,574	0	0	89,574	83,296	0	0	83,296
Kim McLaughlin (appointed as Director 1 March 2020)	56,079 (82k)	0	0	56,079	0	0	0	0

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

The banded remuneration of the highest paid member of the Senior Management Team in the financial year 2019/20 was £100k - £110k. This was 5 times the median remuneration of the workforce, which was £21.1k.

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

	2019/20	2018/19
Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team	£100k-£110k	£110k-£120k
Median Total Remuneration	£21.1k	£20.5k
Ratio	5:1	5.6:1

In 2019/20, no employees received remuneration in excess of the highest paid member of the 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

There were no bonuses paid in 2019/20.

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

There were no exit packages provided by the Council in 2019/20. (2018/19 – none).

Independent Member – Audit Panel

Gary Miller and Bronagh Slevin are Independent Members of the Audit Panel. Their role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. A payment of £250 is paid per meeting (this includes preparation time) plus travel and expenses.

Pension Benefits

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

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

conversion rate is £12 additional lump sum for every £1 of pension given up.

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

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

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2019, were as follows:

Table 4: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,800	5.5%
2	£14,801 - £22,600	5.8%
3	£22,601 - £37,700	6.5%
4	£37,701 - £45,700	6.8%
5	£45,701 - £90,400	8.5%
6	More than £90,400	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 2016 was carried out in 2016/17 and set the employer contribution rates for the 3 years commencing 1 April 2017 as follows:

Table 5: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2017 - 31 March 2018	18% + 2% deficit recovery contribution
1 April 2018 - 31 March 2019	19% + 2% deficit recovery contribution
1 April 2019 - 31 March 2020	20% + 2% deficit recovery contribution

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 2019/20 was £116,390 (note 7d).

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

Table 6: Pension Benefits of senior staff in 2019/20 (audited information)

Officers	Accrued Pension at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20	CETV at 31/3/19	Real increase in CETV
	£	£	£	£	£
Brendan Hegarty	50,436	2,798	958,484	899,492	50,026
Alison McCullagh	32,755	5,918	479,899	379,369	85,302
Robert Gibson	37,123	3,130	747,667	689,383	38,901
Kevin O'Gara	39,996	1,953	829,684	796,012	12,086
Celine McCartan	41,535	2,591	537,650	486,772	34,455
Kim McLaughlin	10,918	2,010	145,530	117,258	27,522

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.

Alison McCullagh
Chief Executive

18 November 2020

Fermanagh and Omagh District Council

Certificate of the Chief Financial Officer

I certify that:

- a) the Audited Statement of Accounts for the year ended 31 March 2020 on pages 40 to 43 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 44 to end.
- b) in my opinion the Audited 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 31 March 2020.

Signed: 
Chief Financial Officer

Date: 18/11/2020

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council on 18th November 2020.

Signed: 
Councillor Stephen McCann

On behalf of the Policy and Resources Committee of Fermanagh and Omagh District Council.

Date: 18/11/20

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERMANAGH AND OMAGH DISTRICT COUNCIL

Opinion on financial statements

I have audited the financial statements of Fermanagh and Omagh District Council for the year ended 31 March 2020 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. 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 2019-20, of the financial position of Fermanagh and Omagh District Council as at 31 March 2020 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 of opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs). 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 Fermanagh and Omagh District Council in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- Fermanagh and Omagh District Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Fermanagh and Omagh District Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Fermanagh and Omagh District Council's ability to continue to adopt the going concern basis.

Other Information

The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. 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 the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, 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:

- 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 2020 is consistent with the financial statements.

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 and for being satisfied that they 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.

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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

This report is made solely to the Members of Fermanagh and Omagh 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.

Matters on which I report by exception

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 2019-20;
 - 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.

Certificate

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



Pamela McCreedy
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

27 November 2020

Fermanagh and Omagh District Council

Comprehensive Income and Expenditure Statement for the year ended 31 March 2020

Service Expenditure	Notes	2019/20			2018/19		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	£	£
Community Planning and Performance	2	460,228	(1,875)	458,353	453,247	-	453,247
Policy and Strategic Services	2	432,622	(45,576)	387,046	467,118	(76,002)	391,116
Corporate Management	2	1,489,868	(72,838)	1,417,030	1,419,969	(959)	1,419,010
Environmental Health	2	2,617,333	(1,040,348)	1,576,985	2,819,834	(1,070,221)	1,749,613
Community Services	2	3,040,897	(1,344,676)	1,696,221	2,592,667	(1,201,533)	1,391,134
Arts and Heritage	2	4,588,472	(1,305,160)	3,283,312	4,743,278	(1,117,481)	3,625,797
Leisure, Recreation and Sport	2	7,545,357	(2,366,452)	5,178,905	7,354,071	(2,413,120)	4,940,951
Finance	2	1,237,658	(30,637)	1,207,021	1,391,991	(28,576)	1,363,415
Operations and Estates	2	3,347,190	(424,198)	2,922,992	4,819,396	(365,904)	4,453,492
Democratic and Customer Services	2	2,514,730	(200,581)	2,314,149	2,297,116	(200,330)	2,096,786
Human Resources & Organisational Development	2	877,071	(50,937)	826,134	899,383	(50,443)	848,940
Building Control and Licensing	2	2,893,340	(2,243,430)	649,910	2,875,631	(2,383,153)	492,478
Waste and Recycling	2	10,276,901	(570,839)	9,706,062	11,501,940	(530,905)	10,971,035
Contracts and Operation Management	2	904,357	(10,834)	893,523	862,804	(7,444)	855,360
Parks and Open Spaces	2	7,612,472	(106,521)	7,505,951	6,071,217	(80,079)	5,991,138
Funding and Investment	2	1,097,757	(105,727)	992,030	861,628	(110,827)	750,801
Planning	2	1,810,666	(1,020,028)	790,638	1,801,420	(1,117,393)	684,027
Tourism and Economic Development	2	3,763,977	(2,428,255)	1,335,722	3,983,217	(2,347,796)	1,635,421
Non-distributed costs	2	-	-	-	-	-	-
Tullyvar	2,29	336,538	(83,701)	252,837	(60,092)	(61,747)	(121,839)
Cost of Services on Continuing Operations		56,847,434	(13,452,613)	43,394,821	57,155,835	(13,163,913)	43,991,922
Other Operating Expenditure/Income	8	18,524	(35,417)	(16,893)	33,000	(40,500)	(7,500)
Financing and Investment Income and Expenditure	9	1,271,018	(378,289)	892,729	1,114,082	(1,382,030)	(267,948)
Net Operating Expenditure		58,136,976	(13,866,319)	44,270,657	58,302,917	(14,586,443)	43,716,474
Taxation and Non-Specific Grant Income	10	-	(42,415,735)	(42,415,735)	-	(39,002,761)	(39,002,761)
(Surplus)/Deficit on the Provision of Services		58,136,976	(56,282,054)	1,854,922	58,302,917	(53,589,204)	4,713,713
Surplus/(Deficit) on revaluation of non-current assets	11c	-	-	(3,666,680)	-	-	(4,058,111)
Impairment losses on non-current assets charged to the Revaluation Reserve	27c	-	-	-	-	-	1,607,340
Remeasurements of the Net Defined Benefit Liability/(Asset)	21	-	-	6,360,627	-	-	(2,976,668)
Other Comprehensive Income and Expenditure				2,693,947			(5,427,439)
Total Comprehensive Income and Expenditure				4,548,869			(713,726)

Fermanagh and Omagh District Council

Movement in Reserves Statement for the year ended 31 March 2020

	General Fund Summary	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
Balance as at 31 March 2018	3,193,344	17,119,032	134,055	20,446,431	94,755,940	115,202,372
Movement in reserves during the year						
Surplus/(Deficit) on the provision of services	(4,713,713)	-	-	(4,713,713)	8,100	(4,705,613)
Other Comprehensive Income and Expenditure	-	-	-	-	5,427,439	5,427,439
Total Comprehensive Income and Expenditure	(4,713,713)	-	-	(4,713,713)	5,435,539	721,826
Adjustments between accounting basis & funding under regulations	8,215,051	(1,444,056)	(15,355)	6,755,640	(6,755,640)	-
Net increase before transfers to Statutory and Other Reserves	3,501,338	(1,444,056)	(15,355)	2,041,927	(1,320,101)	721,826
Transfers to/from Statutory and Other Reserves	(3,193,014)	3,193,014	-	-	-	-
Increase in year	308,324	1,748,958	(15,355)	2,041,927	(1,320,101)	721,826
Balance as at 31 March 2019	3,501,668	18,867,990	118,700	22,488,358	93,435,839	115,924,197
Movement in reserves during the year						
Surplus/(Deficit) on the provision of services	(1,854,922)	-	-	(1,854,922)	8,100	(1,846,822)
Other Comprehensive Income and Expenditure	-	-	-	-	(2,693,947)	(2,693,947)
Total Comprehensive Income and Expenditure	(1,854,922)	-	-	(1,854,922)	(2,685,847)	(4,540,769)
Adjustments between accounting basis & funding under regulations	4,465,565	211,419	35,417	4,712,401	(4,712,401)	-
Net increase before transfers to Statutory and Other Reserves	2,610,643	211,419	35,417	2,857,479	(7,398,248)	(4,540,769)
Transfers to/from Statutory and Other Reserves	(2,320,158)	2,320,158	-	-	-	-
Increase in year	290,485	2,531,577	35,417	2,857,479	(7,398,248)	(4,540,769)
Balance as at 31 March 2020	3,792,153	21,399,567	154,117	25,345,837	86,037,591	111,383,428

Fermanagh and Omagh District Council

Balance Sheet as at 31 March 2020

	Notes	31 March 2020	31 March 2019 (Re-stated)
		£	£
Fixed Assets	11a	131,555,022	129,476,680
Intangible Assets	11c	120,000	115,000
Investment Properties	11d	6,760,701	6,112,301
Long-Term Debtors	15	668,413	698,759
LONG-TERM ASSETS		139,104,136	136,402,740
Inventories	14	389,965	406,470
Short-Term Debtors	15	13,136,117	11,280,098
Short-Term Investments	16	7,500,000	1,500,000
Cash and Cash Equivalents	25	12,448,647	17,656,273
Assets Held for Sale	11f	476,507	276,489
CURRENT ASSETS		33,951,236	31,119,330
Bank Overdraft	25	1,014,300	947,856
Short-Term Borrowing	17	902,862	1,043,658
Short-Term Creditors	18	7,167,733	6,033,241
Provisions	19	96,533	104,126
CURRENT LIABILITIES		9,181,428	8,128,881
Provisions	19	4,524,167	5,549,780
Long-Term Borrowing	17	5,269,349	6,172,212
Other Long-Term Liabilities	21	42,697,000	31,747,000
LONG-TERM LIABILITIES		52,490,516	43,468,992
NET ASSETS		111,383,428	115,924,197
USABLE RESERVES			
Capital Receipts Reserve	26a	154,117	118,700
Capital Grants Unapplied Account	26b	8,108,725	5,511,045
Capital Fund	26c	3,860,228	3,690,254
Renewal and Repairs Fund	26d	4,254,737	4,091,578
Other Balances and Reserves	26e	5,175,877	5,575,113
General Fund	26f	3,792,153	3,501,668
		25,345,837	22,488,358
UNUSABLE RESERVES			
Capital Adjustment Account	27a	85,070,551	85,936,895
Revaluation Reserve	27c	44,600,734	40,345,472
Pensions Reserve	27e	(42,697,000)	(31,747,000)
Capital Receipts Deferred Account	27f	706,269	706,269
Accumulated Absences Account	27g	(862,573)	(816,425)
Provisions Discount Rate Reserve	27h	(780,390)	(989,372)
		86,037,591	93,435,839
NET WORTH		111,383,428	115,924,197

Fermanagh and Omagh District Council

Cash Flow Statement for the year ended 31 March 2020

	Notes	2019/20	2018/19
		£	£
Net Surplus/(Deficit) on the provision of services		(1,854,922)	(4,713,713)
Adjustment for non-cash movements	25a	10,666,933	11,284,432
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25a	(4,397,142)	(1,604,801)
Net cash flows from operating activities		4,414,869	4,965,918
Cash flows from Investing Activities	25d	(8,645,280)	(6,533,696)
Net Cash flows from Financing Activities	25e	(1,043,659)	(1,257,273)
Net increase or decrease in cash and cash equivalents		(5,274,070)	(2,825,051)
Cash and cash equivalents at the beginning of the reporting period	25b	16,708,417	19,533,468
Cash and cash equivalents at the end of the reporting period		11,434,347	16,708,417

Fermanagh and Omagh District Council

Notes to the Statement of Accounts for the year ended 31 March 2020

Comprehensive Income and Expenditure Statement

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.

Movement in Reserves Statement

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.

Balance Sheet

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'.

Cash Flow Statement

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

1 Accounting Policies

A) General Principles

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020. 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 2019/20 supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation

of certain categories of non-current assets and financial instruments.

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as Inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected. Expected losses will be reviewed post year end on an individual debtor basis to determine the level of doubtful debt required.

ii) Cash and Short Term Investments

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 3 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.

Short term investments are liquid assets that mature between 92 days and 365 days.

iii) 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.

iv) 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.

v) Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, and non-monetary benefits 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 and which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required 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. Council employees who transferred from Central Government on 01 April 2015 as a result of Local Government Reform, are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)).

The Northern Ireland Local Government Officers' Pension Fund

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

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

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

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

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Property – market value
- Unitised securities – current bid price

The change in the net pension's liability is analysed into seven 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 Statement.

Within Financing and Investment Income and Expenditure:

Net Interest on the Net Defined Benefit Liability – i.e. the net interest expense for the Council, the change during the period in the net defined benefit liability 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 at the beginning of the period - taking into account any changes in the net defined benefit liability 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 charged to the Pension 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 pension 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 Reserve 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, appropriations are made to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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

Principal Civil Service Pension Scheme Northern Ireland

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.

vi) 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:

- a) 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; and
- b) 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.

vii) Exceptional Items

When items of income and expense are material, their nature and amount are 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.

viii) 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.

ix) Financial Instruments

Financial Liabilities

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

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

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.

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 Statement is the amount receivable for the year in the loan agreement.

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

Expected Credit Loss Model

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

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

Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

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

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

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

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

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

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

x) 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.

xi) 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:

- a) the Council will comply with the conditions attached to the payments; and
- b) the grants or contributions will be received.

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

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

xii) 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. market trading rights) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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

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

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

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

xiii) Inventories and Long-Term Contracts

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

xiv) 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 measurable 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.

xv) 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.

xvi) Leases

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

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

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

The Council as Lessee - Finance Lease

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

Lease payments are apportioned between:

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

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

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

The Council as Lessee - Operating Lease

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

The Council as Lessor - Finance Lease

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

Lease rentals receivable are apportioned between:

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

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

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

The Council as Lessor - Operating Lease

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life

of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xvii) 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.

xviii) Overheads and Support Services

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

xix) Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

Impairment

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

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

- a) where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gain) ; or
- 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:

- Plant and equipment - depreciated on historic cost using a standard life of 5 years. IT equipment is depreciated using a standard life of 3 years. Carpark plant and equipment is depreciated using a standard life of 15 years.
- Infrastructure Assets - depreciated on a straight-line allocation over a range of 10 to 20 years depending on the type of the asset.
- Buildings, installations and fittings - depreciated on a straight-line basis on their carrying value over the estimated remaining useful life of the asset as advised by the valuer from Land and Property Services. Depending on the type of building, installation or fitting, the maximum useful life will be in the range of 15 to 50 years.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Componentisation is only applicable to larger value land and buildings or equipment assets.

Revaluations

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

xx) 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 the Council in pursuit of its overall objectives in relation to the maintenance of heritage.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policy on impairment.

The majority of the Council's Heritage Assets are held in Enniskillen Castle which has two collections of heritage assets which are held in support of its primary objective i.e. increasing the knowledge, understanding and appreciation of the Council's history and local area. The Council also holds several pieces of public art. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Council's collections of heritage assets are accounted for as follows:

Local History & Folk Life - The collection of local history and folk life includes important artefacts from the history of the local area. These items are reported in the Balance Sheet at insurance valuation which is based on market values. The collection of local history and folk life artefacts are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation. The collection is relatively static and acquisitions and donations are rare. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation ascertained

by the museum's curators in accordance with the Council's policy on valuations.

Fine & Decorative Arts Collection - the fine and decorative arts collection includes paintings (both oil and watercolour) and sketches and is reported in the Balance Sheet at market value. Valuations are completed periodically when there has been changes in the market for similar items or when the museum curator believes valuation is necessary. The assets within the fine and decorative arts collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions. Art Sculptures are carried at historical cost and are not depreciated. The carrying amount of Heritage Assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note in this summary of significant accounting policies. The Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the statement of accounts and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

xxi) 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 will make provision for the closure and aftercare costs of its landfill sites in compliance with Regulations or 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. Long-term provisions are discounted to present value.

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 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.

xxii) 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 in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against District Rates for the expenditure.

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

xxiii) Charges to Revenue for Non-Current Assets

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

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

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

xxiv) 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.

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

xxvi) 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 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 Statement of Accounts are categorised within the fair value hierarchy, as follows:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council 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; and
- Level 3 – unobservable inputs for the asset or liability.

xxvii) Joint Operation

A joint operation is one whereby parties that have joint control of the arrangement have rights to assets and obligations for liabilities of a joint arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint arrangements. In relation to its interest in a joint arrangement, the Council recognises: -

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Council's interest in Tullyvar Waste Disposal Site is accounted for as a joint operation. The Council's share of income and expenditure of the Tullyvar Waste Disposal Site is included within the Comprehensive Income and Expenditure Statement and the Council's share of the assets, liabilities and reserves are included in the relevant lines in the Balance Sheet. The joint arrangement is detailed in Note 29.

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.

Accounting changes that are introduced in the 2020/21 Code are:

- IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS Standards 2015 – 17 Cycle
- IAS 28 Interest in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

Accounting changes deferred until 01 April 2021

- IFRS 16 Leases

C) Critical Judgements in Applying Accounting Policies

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

The Statement of Accounts also 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 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

i) Landfill

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

ii) Pension Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out in Note 21.

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

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

The items in the Council's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

i) Property, Plant and Equipment

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

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

It is estimated that the annual depreciation charge for buildings would increase by £343k for every year that useful lives had to be reduced.

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 due to the COVID-19 pandemic, there is a shortage of reliable market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations provided by LPS were reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation.

ii) Fair Value Measurement

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (ie Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in activate markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's Chief Valuation Officer and External Valuer.) Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in the notes.

The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and

discounts rates - adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

iii) Provisions

The Council has made a provision for the closure and aftercare of its landfill sites over a period of between 20 years and 60 years. Any changes to the estimation of costs or discount rates would lead to a higher or lower provision requirement. A suitably qualified engineer has assessed the provision costs. The discount rates used are provided by the Council's Treasury Management Advisors.

iv) Pension Liability

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

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £3.325m.

However, the assumptions interact in complex ways. During 2019/20, the Council's actuaries advised that the net pension liability had increased by £2.426m as a result of experience and decreased by £9.416m attributable to updating of the assumptions.

Fermanagh and Omagh District Council
Notes to the Statement of Accounts for the Year Ended 31 March 2020

2 Expenditure and Funding Analysis

a) The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, general income and rates income) by the Council 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 departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis	2019/20			2018/19		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Community Planning and Performance	408,535	49,818	458,353	370,933	82,314	453,247
Policy and Strategic Services	341,363	45,683	387,046	315,468	75,648	391,116
Corporate Management	1,241,735	175,295	1,417,030	1,180,954	238,056	1,419,010
Environmental Health	1,245,307	331,678	1,576,985	1,254,509	495,104	1,749,613
Community Services	1,196,914	499,307	1,696,221	1,076,468	314,666	1,391,134
Arts and Heritage	2,622,591	660,721	3,283,312	2,526,676	1,099,121	3,625,797
Leisure, Recreation and Sport	3,248,724	1,930,181	5,178,905	2,830,182	2,110,769	4,940,951
Finance	1,060,596	146,425	1,207,021	1,116,735	246,680	1,363,415
Operations and Estates	1,998,033	924,959	2,922,992	2,145,855	2,307,637	4,453,492
Democratic and Customer Services	2,068,045	246,104	2,314,149	1,713,327	383,459	2,096,786
Human Resources and Organisational Development	723,812	102,322	826,134	705,974	142,966	848,940
Building Control and Licensing	141,370	508,540	649,910	(166,663)	659,141	492,478
Waste and Recycling	8,201,122	1,504,940	9,706,062	8,862,936	2,108,099	10,971,035
Contracts and Operation Management	770,864	122,659	893,523	719,987	135,373	855,360
Parks and Open Spaces	5,067,789	2,438,162	7,505,951	4,833,899	1,157,239	5,991,138
Funding and Investment	915,363	76,667	992,030	638,527	112,274	750,801
Planning	753,082	37,556	790,638	641,443	42,584	684,027
Tourism and Economic Development	1,153,037	182,685	1,335,722	1,310,764	324,657	1,635,421
Non-distributed costs	16,792	(16,792)	-	16,401	(16,401)	-
Tullyvar	-	252,837	252,837	-	(121,839)	(121,839)
Net Cost of Services	33,175,074	10,219,747	43,394,821	32,094,375	11,897,547	43,991,922
Other Income and Expenditure	(35,785,717)	(5,754,182)	(41,539,899)	(35,595,713)	(3,682,496)	(39,278,209)
Surplus/(Deficit)	2,610,643	(4,465,565)	(1,854,922)	3,501,338	(8,215,051)	(4,713,713)
Transfer (to)/from Statutory and Other Reserves	(2,435,387)			(2,962,868)		
Transfer (to)/from Tullyvar Reserve	115,229			(230,146)		
Surplus/(Deficit) on General Fund Balance in Year	290,485			308,324		
Opening General Fund	3,501,668			3,193,344		
Closing General Fund	3,792,154			3,501,668		

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 2019/20

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other Adjustments	Total
	£	£	£	£	£
Community Planning and Performance	-	49,848	(30)	-	49,818
Policy and Strategic Services	-	48,861	(3,178)	-	45,683
Corporate Management	-	164,600	10,695	-	175,295
Environmental Health	7,384	314,241	10,053	-	331,678
Community Services	342,007	154,066	3,234	-	499,307
Arts and Heritage	344,128	319,480	(2,887)	-	660,721
Leisure, Recreation and Sport	1,477,277	460,082	(7,178)	-	1,930,181
Finance	-	146,935	(510)	-	146,425
Operations and Estates	764,154	163,086	(2,281)	-	924,959
Democratic and Customer Services	-	246,046	58	-	246,104
Human Resources and Organisational Development	18,624	83,846	(148)	-	102,322
Building Control and Licensing	270,372	243,006	(4,838)	-	508,540
Waste and Recycling	1,155,237	529,916	20,669	(200,882)	1,504,940
Contracts and Operation Management	5,782	103,263	13,614	-	122,659
Parks and Open Spaces	1,848,185	563,664	26,313	-	2,438,162
Funding and Investment	-	72,878	3,789	-	76,667
Planning	-	53,078	(15,522)	-	37,556
Tourism and Economic Development	4,120	184,269	(5,704)	-	182,685
Non-distributed costs	-	(16,792)	-	-	(16,792)
Tullyvar	137,608	-	-	115,229	252,837
Net Cost of Services	6,374,878	3,884,373	46,149	(85,653)	10,219,747
Other Income and Expenditure from the Expenditure and Funding Analysis	(6,343,953)	705,000	-	(115,229)	(5,754,182)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	30,925	4,589,373	46,149	(200,882)	4,465,565

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

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

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

- i) For services this represents the removal of the employer pension contributions made by the Council as permitted by statute and the replacement with current service costs and past service costs; and
- ii) For financing and investment income and expenditure; the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other Statutory Adjustments relate to the adjustments made for Short-term employee benefits. 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 and which employees can carry forward into the next financial year. 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.

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

- i) Provisions Discount Rate Reserve Adjustment
- ii) Other Non-Cash items relating to Tullyvar Joint Operation.

c) Adjustments between Funding and Accounting Basis 2018/19

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 Adjustments	Total
	£	£	£	£	£
Community Planning and Performance	-	80,141	2,173	-	82,314
Policy and Strategic Services	-	78,248	(2,600)	-	75,648
Corporate Management	-	251,494	(13,438)	-	238,056
Environmental Health	4,623	493,722	(3,241)	-	495,104
Community Services	68,504	244,319	1,843	-	314,666
Arts and Heritage	635,736	451,367	12,018	-	1,099,121
Leisure, Recreation and Sport	1,396,873	690,400	23,496	-	2,110,769
Finance	-	248,429	(1,749)	-	246,680
Operations and Estates	2,032,915	261,767	12,955	-	2,307,637
Democratic and Customer Services	-	380,825	2,634	-	383,459
Human Resources and Organisational Development	-	139,453	3,513	-	142,966
Building Control and Licensing	271,267	378,226	9,648	-	659,141
Waste and Recycling	1,276,022	830,910	19,013	(17,846)	2,108,099
Contracts and Operation Management	1,336	145,741	(11,704)	-	135,373
Parks and Open Spaces	278,392	858,099	20,748	-	1,157,239
Funding and Investment	-	112,232	42	-	112,274
Planning	-	-	42,584	-	42,584
Tourism and Economic Development	-	319,694	4,963	-	324,657
Non-distributed costs	-	(16,401)	-	-	(16,401)
Tullyvar	108,307	-	-	(230,146)	(121,839)
Net Cost of Services	6,073,975	5,948,666	122,898	(247,992)	11,897,547
Other Income and Expenditure from the Expenditure and Funding Analysis	(4,584,642)	672,000	-	230,146	(3,682,496)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,489,333	6,620,666	122,898	(17,846)	8,215,051

3 Expenditure and Income Analysed by Nature

Expenditure	Notes	2019/20	2018/19
		£	£
Employee Benefits Expenses	7	26,556,128	25,586,321
Other Services Expenditure		4,589,373	6,620,667
Support Services Recharges		260,808	256,924
Depreciation, Amortisation, Impairment	4	6,410,241	5,262,875
Interest Payments	9	1,271,018	1,114,082
Gain on the Disposal of Assets	4	(16,893)	(7,500)
Other Expenditure		19,066,301	19,690,748
Total Expenditure		58,136,976	58,524,117
Income			
Interest and Investment Income	9	(378,289)	(1,382,030)
District rate income	10	(35,280,058)	(34,120,733)
Government grants and Contributions	10	(7,135,677)	(4,882,028)
Support Service Income		(260,808)	(256,924)
Other Income		(13,227,222)	(13,168,669)
Total Income		(56,282,054)	(53,810,404)
(Surplus)/Deficit on the Provision of Services		1,854,922	4,713,713

4 Adjustments between an Accounting Basis and Funding Basis under Regulations

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

	Notes	2019/20		2018/19	
		£	£	£	£
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		-		(1,607,340)	
Derecognition (other than disposal) of non-current assets	11	-			
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11a,c	248,386		904,192	
Depreciation charged in the year on non-current assets	11	<u>6,161,855</u>	6,410,241	<u>5,966,023</u>	5,262,875
Net Revenue Expenditure funded from capital under statute	12		146,392		-
Carrying amount of non-current assets sold	8	18,524		33,000	
Proceeds from the sale of PP&E, investment property and intangible assets	8, 26a	<u>(35,417)</u>	(16,893)	(40,500)	(7,500)
Net charges made for retirement benefits in accordance with IAS 19	21b		8,462,000		10,225,000
Direct revenue financing of capital expenditure	12		(821,353)		(807,545)
Capital Grants and Donated Assets Receivable and Applied in year	10c		(450,313)		(872,908)
Capital Grants Receivable and Unapplied in year	10d		(3,911,412)		(691,393)
Adjustments in relation to short-term compensated absences	27g		46,148		122,896
Adjustments in relation to lessor arrangements	26f		-		(239,810)
Provisions Discount Rate Reserve Adjustment	27h		(200,882)		(17,846)
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	12,27a		(1,325,736)		(1,154,386)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(3,872,627)		(3,604,333)
			4,465,565		8,215,051

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

	Notes	2019/20		2018/19	
		£	£	£	£
Capital Fund					
Interest		(20,424)		(25,588)	
Other	26c	(1,186,693)	(1,207,117)	(1,100,000)	(1,125,588)
Renewal and Repairs Fund					
Interest		(27,374)		(28,370)	
Other	26d	(716,840)	(744,214)	(726,500)	(754,870)
Other Funds and earmarked reserves					
Interest		(29,641)		(32,410)	
Other	26e	(454,415)	(484,056)	(1,050,000)	(1,082,410)
Total			(2,435,387)	(2,962,868)	
From Other Funds (Tullyvar)	26e	115,229	115,229	(230,146)	(230,146)
Total			(2,320,158)	(3,193,014)	

5 Cost of Services on Continuing Operations

a) General power of competence

Prior to Local Government Reform on 1 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, (www.legislation.gov.uk/nia/2014/8/section/79), the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £0 during 2019/20 (£0 in 2018/19).

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 Council's external auditors.

External Audit Fees	2019/20		2018/19	
	£	£	£	£
External Audit Fees	73,500		61,100	
Other Fees	-		-	
	73,500		61,100	

The audit fees for 2019/20 include the financial audit fees and the improvement and assessment audit fees. There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described (2018/19 £0.)

6 Operating and Finance Leases

a) Council as Lessor Finance Leases (Council as lessor)

The Council has leased out a number of properties within the District to further community, recreational and commercial activities. At the inception of the leases, the lease terms ranged from 99 to 999 years.

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long-term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

Gross receivables from finance leases	2019/20	2018/19
	£	£
Long-Term Debtors		
Net Present Value	706,269	706,269
Short-Term Debtors		
Net Present Value	37,856	37,856
Gross receivables from finance leases		
No later than 1 year	37,856	37,856
Later than 1 year and no later than 5 years	132,192	132,192
Later than 5 years	536,221	536,221
Total gross receivables	706,269	706,269
Investment in finance leases	706,269	706,269

The gross investment in the finance lease and the minimum lease payments may be analysed as follows:

	2019/20	2018/19
	£	£
No later than 1 year	37,856	37,856
Later than 1 year and no later than 5 years	132,192	132,192
Later than 5 years	536,221	536,221
Total gross investment	706,269	706,269

The unguaranteed residual values of the assets leased under finance leases at the end of the year are estimated to be £0 (2018/19 - £0). The accumulated allowance for uncollectable minimum lease payments receivable is £0 (2018/19 - £0). No contingent rents were recognised as receivable by the Council.

The long-term finance lease debtor relates to a 999-year lease with current rental income of £40,000 per annum and a 5-year rent review period.

b) Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £285k (2018/19 £255k). No contingent rents were recognised.

The lease terms are between 1 and 99 years. Future minimum lease income under non-cancellable operating leases is set out below:

	2019/20	2018/19
	Vehicles, Plant and Equipment	Vehicles, Plant and Equipment
	£	£
Minimum lease rentals receivable:		
No later than 1 year	251,192	264,372
Later than 1 year and no later than 5 years	298,155	394,029
Later than 5 years	1,218,046	320,300
Total	1,767,393	978,701

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2019/20, £0 contingent rents were receivable by the Council (2018/19 £0).

**c) Council as Lessee
Finance Leases (Council as Lessee)**

The Council no longer hold any vehicles that are held under finance leases.

d) Operating Leases (Council as Lessee)

The Council has acquired its office photocopiers and printers by entering into operating leases with typical lives of 3 years.

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

Vehicles, Plant and Equipment	2019/20	2018/19
	£	£
Minimum lease payments	31,516	30,474
Total	31,516	30,474

No sub-lease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under operating lease agreements are used exclusively by the Council.

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

Vehicles, Plant and Equipment	2019/20	2018/19
	£	£
Minimum lease rentals payable:		
No later than 1 year	17,662	13,809
Later than 1 year and no later than 5 years	8,056	6,904
Total	25,718	20,713

7 Employee Costs and Member Allowances

a) Staff Costs

Staff Costs	2019/20	2018/19
	£	£
Salaries and Wages	20,812,729	20,283,042
Employers NIC	1,684,273	1,578,117
Employers Superannuation	4,059,126	3,725,162
Total staff costs	26,556,128	25,586,321

The above Staff Costs include Apprenticeship levy payment of £89k (2018/19: £86k). Also included is £309k (2018/19: £273k) of staff costs in relation to the Regional Property Certificate Unit (RPCU). These staff costs are not included within the Comprehensive Income and Expenditure Statement as the RPCU is accounted for as an Agency Service and is detailed in Note 28. In addition, agency costs during the year amounted to £62k (2018/19: £169k).

For 2019/20 the Council's contribution rate to the NILGOSC scheme was 20% plus a historical deficit recovery contribution of £265,100.

At last actuarial valuation dated 31st March 2019 the funds' assets meet 112% of liabilities at that date. Previous actuarial valuation dated 31st March 2016 the funds' assets meet 82.6% of liabilities.

b) Average Number of Employees – where FTE represents fulltime equivalent employees

Average Number of Employees	2019/20	2018/19
	FTE	FTE
Chief Executive's Department	18	17
Community Health and Leisure	268	251
Corporate Services & Governance	108	108
Environment and Place	288	299
Regeneration and Planning	76	80
Total Number	758	755

	2019/20	2018/19
	Actual Numbers as at 31 March 2020	Actual Numbers as at 31 March 2019
Full-time numbers employed	685	664
Part-time numbers employed	253	258
Total Number	938	922

c) Senior Employees' Remuneration

Senior Employees Remuneration	2019/20	2018/19
	Nos	Nos
£50,001 to £60,000	12	21
£60,001 to £70,000	7	1
£80,001 to £90,000	3	4
£90,001 to £100,000	1	-
£100,001 to £110,000	1	-
£110,001 to £120,000	-	1
Total Number	24	27

d) Members' Allowance

Members' Allowance	2019/20	2018/19
	£	£
Basic Allowance	602,477	590,879
Chair and Vice Chair's allowance	14,839	15,000
Special Responsibility allowance	28,358	25,298
Dependents' Carers allowance	0	916
PCSP Attendance allowance	6,540	7,020
Employer costs – Pension	116,390	107,888
Employer costs – NI	45,295	45,272
Mileage	75,253	80,152
Conferences and courses	978	4,202
Travel and subsistence costs	265	791
Total	890,395	877,418

e) Northern Ireland Civil Service Pension Arrangements

As a result of Reform on 1 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 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 2020.

For 2019/20, employers' contributions of £320k 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 2016 was completed by the Actuary during 2016/17. 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 2019/20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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

8 Other Operating Income and Expenditure

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

	2019/20	2018/19
	£	£
Proceeds from sale	(35,417)	(40,500)
Carrying amount of non-current assets sold (excluding investment properties)	18,524	33,000
Total	(16,893)	(7,500)

Other Operating Expenditure	2019/20	2018/19
	£	£
(Surplus)/Deficit on non-current assets	(16,893)	(7,500)
Total	(16,893)	(7,500)

9 Financing and Investment Income and Expenditure

a) Interest Payable and Similar Charges

	2019/20	2018/19
	£	£
Government loan interest	384,264	442,082
Total	384,264	442,082

b) Interest and Investment Income

	2019/20	2018/19
	£	£
Loan Interest from Other Local Authorities	38,124	-
Bank interest	45,075	38,962
<u>Investment income on Fund Balances</u>		
Capital Fund	20,424	25,588
Repairs & Renewals Fund	27,374	28,370
Other Funds	29,641	32,410
Sub total	160,638	125,330
Other Investment income	40,000	279,810
Total	200,638	405,140

The decrease in Other investment income relates to an adjustment to the calculation in the finance lease of a long-term debtor in 2018/19.

c) Pensions Interest Costs

	2019/20	2018/19
	£	£
Net interest on the net defined benefit liability	705,000	672,000
	705,000	672,000

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

Income/Expenditure from Investment Properties:	2019/20	2018/19
	£	£
Net income from investment properties	(177,651)	(165,790)
Changes in Fair Value of Investment Properties	181,754	(811,100)
	4,103	(976,890)

Financing and Investment Income and Expenditure	2019/20			2018/19		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest payable and similar charges	384,264	-	384,264	442,082	-	442,082
Interest and investment income	-	(200,638)	(200,638)	-	(405,140)	(405,140)
Pensions interest cost	705,000	-	705,000	672,000	-	672,000
Other investment income	-	(177,651)	(177,651)	-	(165,790)	(165,790)
Changes in fair value of investment properties	181,754		181,754	-	(811,100)	(811,100)
	1,271,018	(378,289)	892,729	1,114,082	(1,382,030)	(267,948)

10 Taxation and Non-Specific Grant Income

a) Revenue Grants

	2019/20	2018/19
	£	£
General	(2,773,952)	(2,615,077)
Special Payment	-	(702,650)
Total	(2,773,952)	(3,317,727)

No special payment was made in 2019/20. In 2018/19 the Department for Communities (DfC) made a Special Payment (£702,650) as a result of the unforeseen and sudden financial impact on the Council following the Court Judgement in relation to the allocation of Rates Support Grant (RSG) and the action taken by the DfC to redistribute the available RSG.

b) Revenue Grants - Unapplied

There are no transactions that require the use of this account.

c) Capital Grants and Donated Assets - Applied

	2019/20	2018/19
	£	£
Government & Other Grants - Conditions met and applied in year	(321,573)	(872,908)
Donated Assets – Conditions Met	(165,000)	-
Other	36,260	-
Total	(450,313)	(872,908)

Other relates to the reduction in a Capital Grant previously recognised through the General Fund.

d) Capital Grants - Unapplied

	2019/20	2018/19
	£	£
Government & Other Grants - Conditions met and not applied in year	(3,928,621)	(912,593)
Other	17,209	221,200
Total	(3,911,412)	(691,393)

Other relates to the reduction in a Capital Grant accounted for in 2018/19. (prior year relates to a Capital Grant in 2017/18 treated as Revenue Grant in 2018/19).

e) District Rates

	2019/20	2018/19
	£	£
Current year	(35,280,058)	(34,120,733)
Total	(35,280,058)	(34,120,733)

Taxation and Non-Specific Grant Income Summary	2019/20	2018/19
	£	£
District Rate Income	(35,280,058)	(34,120,733)
Revenue Grants	(2,773,952)	(2,615,077)
Special Payment	-	(702,650)
Capital Grants and Contributions	(4,361,725)	(1,564,301)
Total	(42,415,735)	(39,002,761)

Fermanagh and Omagh District Council

Notes to the Statement of Accounts for the Year Ended 31 March 2020

11 Fixed Assets

a) 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	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	23,850,501	90,632,766	6,477,206	2,044,109	16,405,707	1,635,074	1,802,864	400,829	143,249,056	1,616,656	144,865,712
Balance as at 1 April 2019	23,850,501	90,632,766	6,477,206	2,044,109	16,405,707	1,635,074	1,802,864	400,829	143,249,056	1,616,656	144,865,712
Additions	-	-	-	100,203	1,226,499	-	3,825,789	-	5,152,491	-	5,152,491
Donations	-	-	-	-	-	-	-	-	-	165,000	165,000
Revaluation increases/ (decreases) to Revaluation Reserve	926,822	(1,516,897)	-	(167,736)	-	-	-	2,000	(755,811)	-	(755,811)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	417,850	(494,482)	-	-	-	-	-	10,000	(66,632)	-	(66,632)
Derecognition - Disposals	-	-	-	(20,872)	(135,049)	-	-	-	(155,921)	-	(155,921)
Reclassifications & Transfers	124,828	3,462,419	-	-	-	45,790	(3,868,209)	(244,828)	(480,000)	-	(480,000)
Reclassified to (-) / from (+) Held for Sale	(97,000)	(91,043)	-	-	-	-	-	(3,000)	(191,043)	-	(191,043)
Balance as at 31 March 2020	25,223,001	91,992,763	6,477,206	1,955,704	17,497,157	1,680,864	1,760,444	165,001	146,752,140	1,781,656	148,533,796

a) (current year continued)

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	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2019	-	-	1,788,943	229,591	12,742,722	627,776	-	-	15,389,032	-	15,389,032
Balance as at 1 April 2019	-	-	1,788,943	229,591	12,742,722	627,776	-	-	15,389,032	-	15,389,032
Depreciation Charge	-	4,294,828	323,860	137,608	1,357,802	47,757	-	-	6,161,855	-	6,161,855
Depreciation written out on Revaluation Reserve	-	(4,283,841)	-	(133,650)	-	-	-	-	(4,417,491)	-	(4,417,491)
Derecognition - Disposals	-	-	-	(20,872)	(133,750)	-	-	-	(154,622)	-	(154,622)
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	10,987	2,112,803	212,677	13,966,774	675,533	-	-	16,978,774	-	16,978,774
NBV as at 31 March 2020	25,223,001	91,981,776	4,364,403	1,743,027	3,530,383	1,005,331	1,760,444	165,001	129,773,366	1,781,656	131,555,022

b) 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	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2018	22,724,001	92,841,554	5,189,882	2,123,222	14,885,586	1,585,532	728,688	352,001	140,430,466	1,616,656	142,047,122
Balance as at 1 April 2018	22,724,001	92,841,554	5,189,882	2,123,222	14,885,586	1,585,532	728,688	352,001	140,430,466	1,616,656	142,047,122
Additions	-	-	-	-	1,927,080	-	3,658,126	-	5,585,206	-	5,585,206
Revaluation increases/ (decreases) to Revaluation Reserve	1,258,375	(1,438,811)	-	(79,113)	-	-	-	48,328	(211,221)	-	(211,221)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(12,367)	(1,694,026)	-	-	-	-	-	(8,899)	(1,715,292)	-	(1,715,292)
Derecognition - Disposals	(30,000)	-	-	-	(2,307)	-	-	-	(32,307)	-	(32,307)
Reclassifications & Transfers	(47,508)	1,052,124	1,287,324	-	-	49,542	(2,583,950)	17,399	(225,069)	-	(225,069)
Reclassified to (-) / from(+) Held for Sale	(42,000)	(128,075)	-	-	(404,652)	-	-	(8,000)	(582,727)	-	(582,727)
Balance as at 31 March 2019	23,850,501	90,632,766	6,477,206	2,044,109	16,405,707	1,635,074	1,802,864	400,829	143,249,056	1,616,656	144,865,712

b) (Comparative year continued)

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	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2018	-	15,399	1,465,083	231,841	11,793,366	582,515	-	-	14,088,204	-	14,088,204
Balance as at 1 April 2018	-	15,399	1,465,083	231,841	11,793,366	582,515	-	-	14,088,204	-	14,088,204
Depreciation Charge	-	4,143,375	323,860	108,308	1,345,219	45,261	-	-	5,966,023	-	5,966,023
Depreciation written out on Revaluation Reserve	-	(4,158,774)	-	(110,558)	-	-	-	-	(4,269,332)	-	(4,269,332)
Derecognition - Disposals	-	-	-	-	(2,307)	-	-	-	(2,307)	-	(2,307)
Eliminated on reclassification to Held for Sale	-	-	-	-	(393,556)	-	-	-	(393,556)	-	(393,556)
Balance as at 31 March 2019	-	-	1,788,943	229,591	12,742,722	627,776	-	-	15,389,032	-	15,389,032
NBV as at 31 March 2019	23,850,501	90,632,766	4,688,263	1,814,518	3,662,985	1,007,298	1,802,864	400,829	127,860,024	1,616,656	129,476,680

Valuations - The last valuation of freehold and leasehold properties was carried out as at 31 March 2020 just as the COVID-19 pandemic emerged and was undertaken by an independent valuer from Land and Property Services. Please refer to Note 1 for further information on revaluation and depreciation policies.

Impairment - The revaluations carried out at 31 March 2020 resulted in the recognition of the following Operational Land and Building gains and losses:

- **Land:** Overall increase in value of £1,344,672, of which £926,822 was taken to the Revaluation Reserve, £417,850 being reversals of impairment losses recognised in CIES in previous years.
- **Buildings:** Overall increase in value of £2,272,462 of which £2,766,944 was taken to the Revaluation Reserve and revaluation decreases recognised in the CIES which is £929,336 of impairment losses recognised in year, less £434,854 being reversals of impairment losses recognised in CIES in previous years.

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 due to the COVID-19 pandemic, there is a shortage of reliable market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations provided by LPS were reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. However, LPS advised that their material uncertainty clause serves as a precaution and does not invalidate the valuation.

c) Intangible Assets

The Council owns Intangible Assets which relate solely to market trading rights. The asset was valued at 31 March 2020 by an independent valuer from Land and Property Services. The asset is not amortised as it is considered to have an indefinite life.

	31/3/20	31/3/19
	£	£
Balance at Start of year:		
Gross carrying amount	115,000	115,000
Net carrying amount at start of year	115,000	115,000
Additions	-	-
Revaluation increase	5,000	-
Net carrying amount at end of year	120,000	115,000
Comprising:		
Gross carrying amount	120,000	115,000
Net carrying amount at end of year	120,000	115,000

d) Investment Properties

There were no additions to Investment Properties during the year.

Reclassifications and Transfers includes £220,000 transferred from Operational Buildings during the year.

	31/3/20	31/3/19
	£	£
Rental Income from Investment Activities	177,651	165,790
Net Gain	177,651	165,790

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

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

Investment Properties	31/3/20	31/03/19
	£	£
Opening Balance	6,112,301	5,116,201
Additions	376,354	-
Disposals	-	-
Net gain/(losses) from fair value adjustments	(181,754)	811,100
Reclassifications & Transfers	453,800	185,000
Revaluation decreases to revaluation reserve	-	-
Closing Balance	6,760,701	6,112,301

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2019 and 2020 are as follows:

2019/20 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2020
	£	£	£	£
Office units		450,000		450,000
Commercial Units		6,310,701		6,310,701
Total		6,760,701		6,760,701

2018/19 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2019
	£	£	£	£
Office units	-	450,000	-	450,000
Commercial Units	-	5,662,301	-	5,662,301
Total	-	6,112,301	-	6,112,301

There were no transfers between level 1 and 2 during the year and there has been no change in the valuation techniques used during the year for Investment Properties. Investment Properties comprise assets held for rental income, valued at £4.10m and assets held for future market appreciation of £2.70m.

The fair value of the Council's investment property is measured annually at each reporting date. All valuations 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 who work closely with Council officers regarding all valuation matters.

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

The net loss for the period included in the Surplus or Deficit on the Provision of Services attributable to a change in unrealised gains relating to those assets held at the end of the reporting period amounted to (£181,754) (2018/19 £811,100). This was recognised under Financing and Investment Income and Expenditure in the Surplus or Deficit on the Provision of Services.

e) Heritage Assets

Local History and Folk Life

The Council's collection of Local History and Folk Life artefacts is reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated periodically.

Fine and Decorative Arts

The Council's fine and decorative arts collection is reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated periodically. The collection also has particularly significant items in terms of both value and note, including a collection of William Scott and TP Flanagan paintings valued at £909,500 and £118,400 respectively.

The Council holds a small number of other paintings, pictures and prints. These are not recognised on the balance sheet as cost information is not readily available and the Council believes that the benefits of obtaining valuations for these items would not justify the cost. These items are not considered to be material in value.

Art Sculptures

The Council's collection of Art Sculptures is reported in the Balance Sheet at historical cost on the balance sheet and are not depreciated.

f) **Assets Held for Sale**

Assets Held For Sale – Current Year	Current	Total
	£	£
Cost or Valuation		
Balance as at 1 April 2019	276,489	276,489
Transferred from Non-Current Assets during year	217,243	217,243
Derecognition - Disposals	(17,225)	(17,225)
Balance as at 31 March 2020	476,507	476,507

Assets Held for Sale – Comparative Year	Current	Total
	£	£
Cost or Valuation		
Balance as at 1 April 2018	55,318	55,318
Transferred from Non-Current Assets during year	224,171	224,171
Derecognition - Disposals	(3,000)	(3,000)
Balance as at 31 March 2019	276,489	276,489
Net Book Value		
Balance as at 31 March 2020	476,507	476,507
Balance as at 31 March 2019	276,489	276,489

The loss on assets classified as held for sale and disposed of during the year was (£4.9k). (2018/19 gain £7.5k). This balance includes all assets declared as surplus.

g) **Long-Term Assets – Leased Assets**

There was no long term leased assets during the 2019/20 (2018/19 £0) financial year.

h) **Fair Value Hierarchy for Surplus Assets**

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2020 and 31 March 2019 are as follows:

2019/20 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2020
	£	£	£	£
Capital sales market comparables	-	127,000	-	127,000
Market rental capitalisation	-	38,000	-	38,000
Total	-	165,000	-	165,000

2018/19 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2019
	£	£	£	£
Capital sales market comparables	-	364,828	-	364,828
Market rental capitalisation	-	36,000	-	36,000
Total	-	400,828	-	400,828

Transfers between levels of the fair value hierarchy

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

The Surplus assets have been valued to Fair Value as per IFRS 13 and equates to being the Market Value of the interest held, defined in the RICS Valuation – Professional Standards at VPS4, paragraph 1.2. The Valuer will have referenced quoted prices for similar assets or liabilities being sold, purchased or leased in active markets, leading to such comparable quoted prices being classified at Level 2 in the fair value hierarchy.

Valuation Techniques

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

Gains arising from changes in the fair value of surplus assets are recognised in the revaluation reserve, unless they reverse a previous impairment charged to the Surplus or Deficit on the Provision of Services. Losses arising from changes in the fair value of the surplus assets reduce any revaluation reserve balance relating to that asset and, thereafter, are recognised in Surplus or Deficit on the Provision of Services.

The net gain for the period included in the Surplus or Deficit on the Provision of Services attributable to a change in unrealised gains relating to those assets held at the end of the reporting period amounted to £10,000 (2018/19 £8,899). This was recognised under Operations and Estates in the Surplus or Deficit on the Provision of Services.

Valuation Process for Surplus Assets

The fair value of the council's surplus assets are measured at each year end. All valuations are carried out externally, by Land and Property Services, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors who work closely with council officers regarding all valuation matters.

Highest and best use of surplus assets

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

12 Capital Expenditure and Capital Financing

The total Capital Expenditure incurred in the year (and comparative year) is shown below – including the value of assets acquired under finance leases 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, the expenditure results in an increase in the CFR (Capital Financing Requirement), a measure of the Capital Expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure	Notes	2019/20	2018/19
		£	£
Opening Capital Financing Requirement		10,029,301	9,361,994
Capital Investment			
Property, Plant and Equipment	11	5,152,491	5,585,206
Heritage Assets	11	165,000	-
Investment Properties	11d	376,354	-
Intangible Assets		-	-
Revenue Expenditure Funded from Capital under Statute	4	146,392	-
Sources of Finance			
Capital Receipts	26a	-	(55,855)
Capital Grants Applied and Unapplied (and Other Contributions)	27a	(1,800,305)	(1,174,074)
Transfers from Earmarked Reserves	27a	(2,386,261)	(1,726,039)
Sums set aside from Revenue:			
Direct Revenue Contributions	4	(821,353)	(807,545)
Minimum Revenue Provision	4	(1,325,736)	(1,154,386)
Closing Capital Financing Requirement		9,535,883	10,029,301
Explanation of Movements in Year		2019/20	2018/19 (Re-stated)
		£	£
Increase in internal borrowing		869,723	1,930,000
MRP payments in year		(1,325,736)	(1,154,386)
Tullyvar Movement		(37,405)	(103,307)
Increase/(decrease) in Capital Financing Requirement		(493,418)	672,307

13 Future Capital Commitments

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

Capital Commitments	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	7,760,000	(4,105,000)	3,655,000
Other Commitments	4,990,000	(2,650,000)	2,340,000
Total	12,750,000	(6,755,000)	5,995,000

14 Inventories

Inventories	2019/20	2018/19
	£	£
Central Stores	233,720	243,951
Other	156,245	162,519
Total	389,965	406,470

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £2k (2018/19 £11k).

15 Debtors

a) Long-Term Debtors

Long-Term Debtors	2019/20	2018/19 (Re-stated)
	£	£
Finance Lease Debtors	668,413	668,413
Other	-	30,346
Total Long-Term Debtors	668,413	698,759

b) Debtors – Short-Term Debtors

Short-Term Debtors	2019/20	2018/19 (Re-stated)
	£	£
Government Departments	2,274,363	1,654,465
Other Councils	72,100	36,255
Other Debtor – Tullyvar	122,381	162,790
Revenue Grants	696,898	982,326
Capital Grants	9,046,021	6,428,454
Interest Receivable	21,864	34,374
Value Added Tax	412,807	631,560
Prepayments	284,360	221,588
Finance Lease Debtors	37,856	37,856
Other	43,472	753,478
Trade Receivables	570,497	794,437
Impairment Loss - Trade Receivables	(446,502)	(457,485)
Total Short-Term Debtors	13,136,117	11,280,098
Total Debtors	13,804,530	11,978,857

The increase in debtors relates to the timing of various government and capital grants and the recognition of a £3.4m of a capital grant.

Debts amounting to £81.5k were written off in the 2019/20 year. (2018/19 £17.5k). The level of expected losses (Impairment Loss – Trade Receivables) was calculated by reviewing the individual debtor balances.

16 Investments

Short Term Investments	2019/20	2018/19 (Re-stated)
	£	£
Short-Term Investments - Loans to other Local Authorities	7,500,000	1,500,000
Total Short-Term investments	7,500,000	1,500,000

The Council holds monies on deposit at an average rate of 1.07% for periods of 6 to 9 months.

17 Borrowings

a) Short-Term Borrowing

Short-Term-Borrowing	2019/20	2018/19
	£	£
Loans re-payable within one year	902,862	1,043,658
Total Short-Term Borrowing	902,862	1,043,658

b) Long-Term Borrowing

Long-Term Borrowing	2019/20	2018/19
	£	£
Between 1 and 2 years	739,093	902,862
Between 2 and 5 years	1,884,432	2,031,849
Between 5 and 10 years	1,971,269	2,376,481
In more than 10 years	674,555	861,020
Total - Government Loans Fund	5,269,349	6,172,212
Total Borrowing	6,172,211	7,215,870

18 Creditors

a) Short-Term Creditors

Short-Term Creditors	2019/20	2018/19
	£	£
Government Departments	825,028	651,449
Other Councils	491,448	692,228
Other Creditor - Tullyvar	217,544	67,067
Remuneration due to Employees	146,354	98,305
Accumulated Absences	862,573	816,425
Loan Interest Payable	55,533	64,878
Capital Creditors	1,499,507	771,871
Receipts in Advance	643,265	741,598
Trade Creditors	2,426,481	2,129,420
Total Short-Term Creditors	7,167,733	6,033,241
Total Creditors	7,167,733	6,033,241

The short-term creditor balance includes £338k (2018/19 £604k) of amounts due to other Councils as the distribution of income regarding the Regional Property Certificate Unit.

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 2019/20 year the Council paid 18,826 invoices totalling £31.6m (2018/19 20,585 invoices totalling £30.5m). The number of disputed invoices was 958.

The Council paid:

- 17,715 (94%) invoices within 30 calendar days target (2018/19 19,401 (94%) invoices)
- 15,332 (81%) invoices within 10 working days target (2018/19 16,506 (80%) invoices) and
- 1,111 invoices outside of the 30-day target (2018/19 1,184 invoices).

The average number of days taken to pay suppliers during the year was 13 days (2018/19 13 days).

19 Provisions

	Balance as at 1 April 2019 (Re-stated)	Increase/ (Decrease) in provision during year	Utilised during year	Other Movements	Interest cost and/or discount rate changes	Balance as at 31 March 2020
	£	£	£	£	£	£
Landfill Closure – Mullaghmore	120,000	(120,000)	-	-	-	-
Landfill Closure – Drummee	3,433,450	(578,717)	-	(36,384)	-	2,818,349
Landfill Closure – Glassmullagh	1,763,930	-	(22,788)	(10,062)	(91,385)	1,639,695
Landfill Closure – Tullyvar	336,526	88,600	(249,541)	-	(12,929)	162,656
Total	5,653,906	(610,117)	(272,329)	(46,446)	(104,314)	4,620,700
Current Provisions	104,126	-	(7,593)	-	-	96,533
Long-Term Provisions	5,549,780	(610,117)	(264,736)	(46,446)	(104,314)	4,524,167
Total	5,653,906	(610,117)	(272,329)	(46,446)	(104,314)	4,620,700

	Balance as at 1 April 2018	Increase/ (Decrease) in provision during year	Utilised during year	Other Movements	Interest cost and/or discount rate changes	Balance as at 31 March 2019 (Re-stated)
	£	£	£	£	£	£
Landfill Closure – Mullaghmore	120,000	-	-	-	-	120,000
Landfill Closure – Drummee	3,080,054	263,196	-	(3,759)	93,959	3,433,450
Landfill Closure – Glassmullagh	1,732,547	10,700	(29,077)	(10,970)	60,730	1,763,930
Redundancy	82,877	-	(82,877)	-	-	-
Landfill Closure – Tullyvar	742,414	(378,835)	(42,011)	-	14,958	336,526
Total	6,757,892	(104,939)	(153,965)	(14,729)	169,647	5,653,906
Current Provisions	122,877	104,126	(82,877)	(40,000)	-	104,126
Long-Term Provisions	6,635,015	(209,065)	(71,088)	25,271	169,647	5,549,780
Total	6,757,892	(104,939)	(153,965)	(14,729)	169,647	5,653,906

Landfill Closure - Mullaghmore

Ongoing costs continue to be incurred in dealing with the discharge of one of the Council's closed landfill sites. A proposal was prepared in previous years to undertake some work at this site to reduce the level of annual recurring costs and a provision of £120,000 was established to finance these costs which were expected to arise within a 3-year period. Due to delays in obtaining necessary access to adjoining properties this work has not yet been undertaken and the provision has been released to the Comprehensive Income and Expenditure Account line 'Waste and Recycling'.

Landfill Closure – Drummee

The Council has an operational landfill site at Drummee. The Northern Ireland Environment Agency (NIEA) had previously approved the provision calculations for Drummee (as at 31 March 2014) and during 2019/20 the Council was successful in its application to reduce the number of years of aftercare provision from 60 years to 20 years which has resulted in the release of provision of £579k to the Comprehensive Income and Expenditure Account line 'Waste and Recycling'. The calculations at 31 March 2020, which provide for 100% provision of closure and aftercare costs have been assessed and agreed with a qualified civil engineer (Director of Environment and Place). In line with circular, LG 17/18, issued by the Department for Communities in 2018, movements relating to the change in discount rates applied to the Provision is accounted for through the Comprehensive Income and Expenditure Account 'Waste and Recycling' and the Council's Provisions Discount Rate Reserve (Note 27h). Other movements relate to the release of a prior year debtor relating to gas income due.

Landfill Closure – Glassmullagh

The Council has a landfill site at Glassmullagh that has ceased operations. At 31 March 2020, the Council has an obligation for the aftercare costs of the site. The Northern Ireland Environment Agency (NIEA) has approved the provision calculations as at 31 March 2014 and the calculations as at 31 March 2020 have been assessed and agreed with a qualified civil engineer (Director of Environment and Place). Movements in the provision are included in the Comprehensive Income and Expenditure Account line 'Waste and Recycling'. In line with circular, LG 17/18, issued by the Department for Communities in 2018, movements relating to the change in discount rates applied to the Provision is accounted for through the Comprehensive Income and Expenditure Account 'Waste and Recycling' and the Council's Provisions Discount Rate Reserve (Note 27h). Other movements relate to the release of a prior year debtor relating to gas income due.

Landfill Closure – Tullyvar

Detailed at Note 29 - Investment in Joint Operations.

Redundancy

This provision is required to meet the anticipated costs of the early release of staff. No provision in 2019/20 (full balance utilised in prior year).

20 Financial Instruments

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

Credit Risk

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

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

Trade debtors (exclusive of Tullyvar Waste Disposal Site), inclusive of VAT, can be analysed by age as follows:

Trade debtors, inclusive of VAT, can be analysed by age as follows:	
	£
Less than three months	556,293
Three to six months	47,924
Six months to one year	52,964
More than one year	171,831
	829,012

Liquidity Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

The Council has a bank account denominated in Euro but the Council's material exposure to loss arising from movements in exchange rates is not deemed material.

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance at concessionary interest rates that differ from the prevailing market rates. The fair value of these loans is £5,392,815 broken down as follows:

Fair Value	
	£
Government Loans	5,392,815
Total	5,392,815

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

The Council's financial liabilities and financial assets 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	Balance as at 31 March 2020		Balance as at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£	£	£	£
Financial liabilities held at amortised cost	7,810,226	5,392,815	9,247,493	8,956,486
Total	7,810,226	5,392,815	9,247,493	8,956,486

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2020) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	Balance as at 31 March 2020		Balance as at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Values
	£	£	£	£
Long-term debtors (Note 15)	668,413	668,413	698,759	698,759
Loan to other Local Authorities (Note 16)	7,500,000	7,500,000	1,500,000	1,500,000
Total	8,168,413	8,168,413	2,198,759	2,198,759

The fair value of the financial assets is a close approximation to the carrying amount. Short-term debtors and creditors are not disclosed above and are carried at cost as this is a fair approximation of their value.

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

Recurring Fair Value Measurements using:	Balance as at 31 March 2020			Balance as at 31 March 2019		
	Quoted prices in active markets for identical assets/liabilities (level 1)	Other significant observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets/liabilities (level 1)	Other significant observable inputs (Level 2)	Total
	£	£	£	£	£	£
Financial Liabilities						
Financial Liabilities held at amortised cost:						
Loans/ borrowings	-	5,392,815	5,392,815	-	8,956,486	8,956,486
Total	-	5,392,815	5,392,815	-	8,956,486	8,956,486
Financial Assets						
Loans and Receivables	-	8,206,269	8,206,269	-	5,450,531	5,450,531
Total	-	8,206,269	8,206,269	-	5,450,531	5,450,531

The fair value for financial liabilities and financial assets that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate. The fair value for liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

Financial Assets	Financial Liabilities
No early repayment or impairment is recognised	No early repayment is recognised
Estimated ranges of interest rates at 31 March 2020 are based on appropriate rates provided to the Council.	Estimated ranges of interest rates at 31 March 2020 of 0.10% to 1.72% for loans payable based on new lending rates for equivalent loans at that date.
The fair value of trade and other receivables is taken to be the invoiced or billed amount.	

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	2019/20	2018/19
		£	£
Net cost of services:			
Current service cost	21c	7,757,000	6,225,000
Past service cost	21c	-	3,328,000
Net Interest on net defined benefit liability	21c	705,000	672,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	4	8,462,000	10,225,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code	4	(8,462,000)	(10,225,000)
Employers' contributions payable to scheme	21c	3,872,627	3,604,333
Net adjustment to General Fund		(4,589,373)	(6,620,667)

The service cost figures include an allowance for administration expenses of £96k. (2018/19 £75k.)

Remeasurements recognised in Other Comprehensive Income and Expenditure	2019/20	2018/19
	£	£
Liability gains/(losses) due to change in assumptions	3,631,000	(9,464,000)
Liability gains/(losses) due to due to demographic changes	5,801,000	6,680,000
Liability experience gains/(losses) arising in the year	(2,426,000)	(168,000)
Actuarial gains/(losses) on plan assets	(13,607,000)	5,695,000
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure	(6,601,000)	2,743,000

c) **Assets and Liabilities in relation to retirement benefits**

Reconciliation of present value of the scheme liabilities:	2019/20	2018/19
	£	£
Balance as at 1 April	167,770,000	153,292,000
Current service cost	7,757,000	6,225,000
Interest cost	3,990,000	3,952,000
Contributions by members	1,217,000	1,179,000
Remeasurement (gains) and losses:		
- Actuarial (gains)/losses arising from changes in financial assumptions	(3,631,000)	9,464,000
- Actuarial (gains)/losses arising from demographic changes	(5,801,000)	(6,680,000)
- Actuarial (gains)/losses arising on liabilities from experience	2,426,000	168,000
Past service cost	-	3,328,000
Estimated benefits paid	(3,739,000)	(3,158,000)
Balance as at 31 March 2020	169,989,000	167,770,000

Reconciliation of present value of the scheme assets:	2019/20	2018/19
	£	£
Balance as at 1 April	136,023,000	125,189,000
Interest Income	3,285,000	3,280,000
Contributions by members	1,217,000	1,179,000
Contributions by employer	3,855,835	3,587,931
Contributions in respect of unfunded benefits	16,792	16,401
Remeasurement gain/(loss)	(13,607,000)	5,695,000
Assets distributed on settlements	240,373	233,668
Benefits paid	(3,739,000)	(3,158,000)
Balance as at 31 March 2020	127,292,000	136,023,000

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 loss of £10.322m (2018/19 gain of £8.975m)

Fair Value of Plan Assets	2019/20	2018/19
	£	£
Equity investments	54,226,392	80,933,685
Bonds	49,262,004	31,965,405
Property	12,729,200	15,234,576
Cash	5,982,724	3,672,621
Other	5,091,680	4,216,713
Total	127,292,000	136,023,000

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

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

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

	2019/20	2018/19
	£	£
Fair Value of Employer Assets	127,292,000	136,023,000
Present value of funded defined benefit obligation	(169,670,000)	(167,435,000)
Pension liability of Funded Scheme	(42,378,000)	(31,412,000)
Present Value of unfunded defined benefit obligation	(319,000)	(335,000)
Net liability arising from the defined benefit obligation	(42,697,000)	(31,747,000)
Amount in the Balance sheet:		
Liabilities	(169,989,000)	(167,770,000)
Assets	127,292,000	136,023,000
Net Liability	(42,697,000)	(31,747,000)

d) Scheme History

Analysis of scheme assets and liabilities	2019/20	2018/19
	£	£
Fair Value of Assets in pension scheme	127,292,000	136,023,000
Present Value of defined benefit obligation	(169,989,000)	(167,770,000)
Deficit in the Scheme	(42,697,000)	(31,747,000)

Amount recognised in Other Comprehensive Income and Expenditure:	2019/20	2018/19
	£	£
Actuarial gains/(losses)	(6,601,000)	2,743,000
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	240,373	233,668
Remeasurements recognised in Other Comprehensive Income and Expenditure	(6,360,627)	2,976,668
Cumulative actuarial gains and losses	(8,533,438)	(2,172,811)
History of experience gains and losses:		
Experience gains/(losses) on assets	(13,607,000)	5,695,000
Experience gains/(losses) on liabilities	(2,426,000)	(168,000)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £42.7m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet and is matched by a corresponding unusable reserve of (£42.7m.)

However, statutory arrangements for funding the deficit means 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 2021	2020/21	2019/20
	£	£
Projected current cost	7,422,000	6,625,000
Net Interest on the net defined benefit liability	930,000	624,000
	8,352,000	7,249,000

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2020 is £3.883m.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2019/20 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2020.

	2019/20	2018/19
	%	%
Experience gains and (losses) on Assets	-10.69%	4.19%
Experience gains and (losses) on Liabilities	1.43%	0.10%

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 2020.

Long-term expected rate of return on assets in the scheme:	2019/20	2018/19
	%	%
Equity investments	42.6%	59.5%
Bonds	38.7%	23.5%
Property	10.0%	11.2%
Cash	4.7%	2.7%
Other	4.0%	3.1%
Mortality assumptions:		
Longevity at 65 current pensioners:	Years	Years
Men	21.8	22.6
Women	25.0	24.9
Longevity at 65 for future pensioners:		
Men	23.2	24.3
Women	26.4	26.7
Inflation/Pension Increase Rate	2.00%	2.20%
Salary Increase Rate	3.50%	3.70%
Discount Rate	2.30%	2.40%
Pension accounts revaluation rate	2.00%	2.20%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these Statement of Accounts 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 2020 is set out below.

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

Funded Assumptions Scheme Benefits

Discount Rate Assumption	2019/20	
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	166,345,000	173,061,000
% change in the present value of the total obligation	-2.0%	2.0%
Projected service cost	7,162,000	7,690,000
Approximate % change in projected service cost	-3.5%	3.6%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	170,418,000	168,931,000
% change in the present value of the total obligation	0.4%	-0.4%
Projected service cost	7,422,000	7,422,000
Approximate % change in projected service cost	0.0%	0.0%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	172,789,000	166,618,000
% change in the present value of the total obligation	1.8%	-1.8%
Projected service cost	7,690,000	7,162,000
Approximate % change in projected service cost	3.6%	-3.5%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	+ 1 Year	- 1 Year
Present value of the total obligation	175,150,000	164,243,000
% change in the present value of the total obligation	3.2%	-3.2%
Projected service cost	7,703,000	7,143,000
Approximate % change in projected service cost	3.8%	-3.8%

* 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 one year older than that.

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

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

	2019/20	2018/19
	%	%
Equity investments	42.60%	59.50%
Government Bonds	26.10%	16.50%
Corporate Bonds	12.60%	7.00%
Property	10.00%	11.20%
Cash	4.70%	2.70%
Other	4.00%	3.10%
Total	100.00%	100.00%

g) Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes, but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2020. 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 2020.

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. Allowance for the McCloud Judgement and GMP Indexation/Equalisation has been accounted for in these results and any change in the allowance since the last accounting date has been reflected through 'Other comprehensive income' in the Comprehensive Income & Expenditure Statement (2018/19 – past service cost).

22 Donated Assets Accounts

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

23 Capital Grants Received in Advance

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

24 Contingencies

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

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

Following review of operational and ongoing legal matters, the following matter has been identified as being a possible obligation that may arise but is not presently recognised as a liability.

Legal matters

The Council is continuing to review the legal position in relation to ongoing property issues. No liabilities are included within the Statement of Accounts as the amount of obligation, if any, cannot be measured with sufficient reliability.

Contingent Asset:

In addition to the above, The Council is one of the parties to the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sports, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that the VAT should be repaid. The Council understands that HMRC is considering the implications of the judgement and the outcome of which will be reported to the Council in due course. An asset is not included within the Statement of Accounts as the amount of the asset cannot be deemed virtually certain.

25 Other Cash Flow Disclosures

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

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2019/20	2018/19
		£	£
Depreciation	4,11	6,161,855	5,966,023
Impairment & downward revaluations (& non-sale derecognitions)	4,11	248,386	(703,148)
(Increase)/Decrease in Stock		16,504	47,574
(Increase)/Decrease in Debtors		790,367	(37,956)
Increase/(Decrease) in impairment provision for bad		(10,983)	27,980

debts			
Increase/(Decrease) in Creditors		416,201	(780,384)
Increase/(Decrease) in Interest Creditors		12,510	(34,374)
Payments to NILGOSC	21b	4,589,373	6,620,667
Carrying amount of non-current assets sold	4,8	18,524	33,000
Contributions to Other Reserves/Provisions		(1,575,804)	145,050
		10,666,933	11,284,432

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2019/20	2018/19
		£	£
Proceeds from the sale of PP&E, investment property and intangible assets	8a	(35,417)	(40,500)
Capital grants included in "Taxation & non-specific grant income"	10e	(4,361,725)	(1,564,301)
		(4,397,142)	(1,604,801)

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:

	2019/20	2018/19 (Restated)	2017/18
	£	£	£
Cash and Bank Balances	1,798,881	386,192	-
Short-Term Deposits (considered to be cash equivalents)	10,019,734	16,449,730	18,866,150
Short-Term Investments (considered to be cash equivalents – Tullyvar cash balances)	630,032	820,351	849,845
	12,448,647	17,656,273	19,715,995
Bank Overdraft	(1,014,300)	(947,856)	(182,527)
Total Cash and Cash Equivalents	11,434,347	16,708,417	19,533,468

c) Cash Flows from Operating Activities

	2019/20	2018/19
	£	£
The cash flows from operating activities include:		
Interest received	178,774	130,956
Interest paid	384,264	442,082

d) Cash Flows from Investing Activities

	2019/20	2018/19
	£	£
Purchase of PP&E, investment property and intangible assets	4,424,855	5,713,870
Purchase of Short-Term Investments (not considered to be cash equivalents)	6,000,000	1,500,000
Proceeds from the sale of PP&E, investment property and intangible assets	(35,417)	(40,500)
Capital Grants and Contributions Received	(1,744,158)	(639,674)
Net Cash Flows from Investing Activities	8,645,280	6,533,696

e) Cash Flows from Financing Activities

	2019/20	2018/19
	£	£
Cash Receipts from Short and Long-Term Borrowing	-	-
Repayment of Short and Long-Term Borrowing	(1,043,659)	(1,017,463)
Other receipts from Financing Activities	-	(239,810)
Net Cash Flows from Financing Activities	(1,043,659)	(1,257,273)

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 the Council's capital financing requirement (or used for purposes permitted by statute).

Capital Receipts Reserve	Notes	2019/20	2018/19
		£	£
At 1 April 2019		118,700	134,055
Movement			
Disposal of Non-Current Assets/ Capital Sales	4, 11	35,417	40,500
Capital Receipts used to finance capital expenditure	12	-	(55,855)
At 31 March 2020		154,117	118,700

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	2019/20	2018/19
		£	£
At 1 April 2019		5,511,045	5,229,062
Movement			
Unapplied Capital Grants received in year	10d	3,911,412	691,393
Unapplied Capital Grants transferred to CAA in year	27a	(1,313,732)	(301,166)
Unapplied Capital Grants adjustment transferred to CAA in year		-	(108,244)
At 31 March 2020		8,108,725	5,511,045

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 Grants	Notes	2019/20	2018/19
		£	£
At 1 April 2019		3,690,254	2,859,608
Transfers between statutory & other reserves & the General Fund	4b	1,207,117	1,125,588
Transfers between Capital Fund & CAA to finance Capital Expenditure	12,27a	(1,037,143)	(294,942)
At 31 March 2020		3,860,228	3,690,254

d) Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011.

Renewal and Repairs Fund	Notes	2019/20	2018/19
		£	£
At 1 April 2019		4,091,578	3,825,717
Transfers between statutory & other reserves & the General Fund	4b	744,214	754,870
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12,27a	(581,055)	(489,009)
At 31 March 2020		4,254,737	4,091,578

e) Other Balances & Reserves

Other Balances & Reserves	Notes	2019/20	2018/19
		£	£
At 1 April 2019		5,575,113	5,204,645
Transfers between statutory & other reserves & the General Fund	4b	368,827	1,312,556
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12,27a	(768,063)	(942,088)
At 31 March 2020		5,175,877	5,575,113

f) General Fund

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

General Fund	Notes	2019/20	2018/19
		£	£
At 1 April 2019		3,501,668	3,193,344
Applied Capital Grants	10	(450,313)	(872,908)
Unapplied Capital Grants received in year	10d	(3,911,412)	(691,393)
Direct Revenue Financing	4, 12	(821,353)	(807,545)
Depreciation and Impairment adjustment	4	6,410,241	5,262,875
Statutory Provision for financing Capital Investment	4	(1,325,736)	(1,154,386)
Net Revenue expenditure funded from capital under statute	4, 12	146,392	-
Surplus/(Deficit) on the Provision of Services	CIES	(1,854,922)	(4,713,713)
Transfers between Statutory and Other Reserves and the General Fund	4b	(2,320,158)	(3,193,014)
Net movements on Pension Reserve	21b	4,589,373	6,620,668
Disposal of Fixed Assets/Capital Sales	3,4,8,27a	(16,893)	(7,500)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4a,27g	46,148	122,896
Other Movements – Discount Rate Reserve Adjustment	4a, 27h	(200,882)	(257,656)
At 31 March 2020		3,792,153	3,501,668

27 Unusable Reserves

a) Capital Adjustment Account

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

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

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

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

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

Capital Adjustment Account	Notes	2019/20	2018/19
		£	£
At 1 April 2019		85,936,895	86,616,254
Applied Capital Grants	10,12	450,313	872,908
Unapplied Capital Grants transferred to CAA in year	12, 26b	1,313,732	301,166
Direct Revenue Financing	4,12	821,353	807,545
Depreciation & Impairment adjustment	4,11	(6,410,241)	(5,262,875)
Statutory Provision for financing Capital Investment	4,12	1,325,736	1,154,386
Net Revenue expenditure funded from Capital under statute	4,12	(146,392)	-
Disposal of Fixed Assets/ Capital Sales	4,11	(18,524)	(33,000)
Capital Receipts used to finance capital expenditure	12	-	55,855
Other Movements		(588,582)	(301,383)
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	2,386,261	1,726,039
At 31 March 2020		85,070,551	85,936,895

b) Financial Instruments Adjustment Account

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

c) Revaluation Reserve

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

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

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

Revaluation Reserve	Notes	2019/20	2018/19
		£	£
At 1 April 2019		40,345,472	37,485,074
Revaluation & Impairment	11,4	3,666,680	4,058,111
Other Movements – Adjustments during the year	4	-	(1,607,340)
Other Movements		588,582	409,627
At 31 March 2020		44,600,734	40,345,472

d) Available for Sale Financial Instruments Reserve

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

e) Pension Reserve

Pension Reserve	Notes	2019/20	2018/19
		£	£
At 1 April 2019		(31,747,000)	(28,103,000)
Net Movements on Pension Reserve	3, 21b	(4,589,373)	(6,620,668)
Revaluation & Impairment	21d	(6,360,627)	2,976,668
At 31 March 2020		(42,697,000)	(31,747,000)

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

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

f) Deferred Capital Receipts Account

The Deferred Capital Receipts Account records capital advances receivable where an amount equal to the advance is included as a deferred capital receipt. These amounts are written down each year by the amount of capital debt repaid to the Council in that year. Other movements relate to an adjustment to the finance lease of a long-term debtor.

Capital Receipts Deferred Account	Notes	2019/20	2018/19
		£	£
At 1 April 2019		706,269	466,459
Other Movements	4	-	239,810
At 31 March 2020		706,269	706,269

g) Accumulated Absences Account

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

Accumulated Absences Account	Notes	2019/20	2018/19
		£	£
At 1 April 2019		(816,425)	(693,529)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	(46,148)	(122,896)
At 31 March 2020		(862,573)	(816,425)

h) Provision Discount Rate Reserve

The Provision Discount Rate Reserve includes the impact of the change in the current value of the long-term provisions for landfill costs as a result of a change in the valuation of provisions due to the change of use of interest rates in previous years. (Note 19). Charges are made annually to the General Fund in respect of the unwinding of this Reserve over the remaining period of the associated landfill provisions.

Provision Discount Rate Reserve	Notes	2019/20	2018/19
		£	£
At 1 April 2019		(989,372)	(1,015,318)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	4	200,882	17,846
Provisions Discount Rate Reserve - Tullyvar		8,100	8,100
At 31 March 2020		(780,390)	(989,372)

28 Agency Services

Fermanagh and Omagh District Council provides a Regional Property Certificate service on behalf of all 11 Councils following the transfer of this service to the Council from the Department for Communities (previously Department of the Environment) on 1 April 2015. A Transferred Function Grant of £377,627 was received from DfC for running costs in 2019/2020. The cost of providing this service in 2019/20 was £350,171. Income received during the year on behalf of the 11 Councils amounted to £1,521,233. Amounts due to other Councils at 31 March 2020 in respect of the Regional Property Certificates is £360,175 and is included within Note 18. Transactions relating to this service are not included within the Statement of Accounts.

Fermanagh and Omagh District Council is the billing authority for Enniskillen BID Ltd and is responsible for collecting the BID Levy following the introduction on 1 April 2017. The cost of providing this service in 2019/20 was £1,586 (2018/19 £2,129) which was fully recouped from the Enniskillen BID Ltd. Invoices raised during the year on behalf of Enniskillen BID Ltd amounted to £206,051 (2018/19 £209,051). Transactions relating to this service are not included within the Statement of Accounts.

29 Joint Arrangements

Tullyvar Joint Committee is the body responsible for a waste disposal site jointly owned and managed by Mid Ulster District Council and Fermanagh and Omagh District Council.

The financial provision for landfill capping and aftercare costs was reviewed in the year and discounted in accordance with IAS 37, this resulted in a total discounted provision of £783,840 (2018/19 £1,313k). An amount of £458,528, (2018/19 £640,014) has been offset against this provision resulting in a net discounted provision of £325,312 (2018/19 £673,055).

In accordance with IAS 37, the provision is based on the percentage utilisation of the site which is currently 100%, no change from previous year. This is in line with the current management position that the site is currently filled and closed but will be "mothballed" for a number of years with the potential for re-opening to fill cell 4 should the need arise. A review undertaken by WDR & RT Taggart resulted in a reduction in the number of years the site is predicted to require aftercare. The previous review in 2014 was based on an aftercare period of 60 years which was the standard at the time and the period recommended by the NIEA. The most recent modelling has estimated a revised aftercare period of 19 years for Tullyvar. The Northern Ireland Environment Agency have reviewed Tullyvar's financial provision for landfill capping and aftercare costs in line with its paper "Financial Provision for waste management activities in NI" and have confirmed they are comfortable with the current provision.

Golder Associates previously reviewed the site gas generation potential and modelled the income

projection. Their model has been reviewed by management to reflect more recent actual gas generation and income figures. The future projected discounted gas income is £458,528 over the next 7 years (2018/19 £640,014), this is accounted for in the measurement of the provision for aftercare costs in line with accounting policy at note 1.

The value of Fermanagh and Omagh District Council's investment in Tullyvar is £2,115k (2018/19: £2,394k) which represents half of Tullyvar's net assets employed and is broken down as follows:

	2019/20	2018/19 (re-stated)
	£	£
Long-term assets	1,743,027	1,814,518
Current assets	752,413	983,141
Current liabilities	(217,544)	(67,067)
Long-term liabilities	(162,656)	(336,528)
Net Assets	2,115,240	2,394,064

The movement in Fermanagh and Omagh District Council's investment in Tullyvar is a decrease of £278k (2018/19 increase of £161k) is broken down as follows:

	2019/20	2018/19
	£	£
Sales	565	72,668
Gas income	64,848	(11,159)
Other	18,288	238
Total Income	83,701	61,747
Administration costs	41,650	111,693
Operating costs	294,888	(171,784)
Total costs	336,538	(60,091)
Net Income/Expenditure	252,837	(121,838)
Revaluation reserve movement	34,087	(31,444)
Provisions Discount Rate Reserve	(8,100)	(8,100)
Net Movement	278,824	(161,382)

30 Related Party Transactions

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

- Transactions with related parties not disclosed elsewhere in these statements of accounts 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. Note that related party relationships where control exists should be disclosed irrespective of whether there have been transactions between the related parties.
- Fermanagh and Omagh District Council appointed Councillors to the boards and committees of 81

various bodies ranging from local groups such as Fermanagh Enterprise Limited and Omagh Independent Advice Services to national groups such as Northern Ireland Amenity Council and the Northern Ireland Local Government Association. During the year the Council had financial transactions with 22 of these bodies.

- Councillors have direct control over the Council's financial and operating policies. In the 2019/20 financial year the Council received £83k for services provided and commissioned £559k of works and services from companies in which Councillors have an interest. The Council entered into these contracts in full compliance with the Council's standing orders and codes of conduct.
- Tullyvar Landfill disposal site is jointly owned by Fermanagh and Omagh District Council and Mid Ulster District Council. During the year Fermanagh and Omagh District Council did not pay any disposal charges and landfill tax and contributions to environmental bodies. (2018/19 £224k)
- In addition, Fermanagh and Omagh District Council paid the Education Authority (Western Region) £118k for Peace IV Action Plan, catering, vehicle hire and Ardhowen concert. The Education Authority (Western Region), in turn, paid Fermanagh and Omagh District Council £158k for building control services, rent, commercial and trade waste charges and hire of the leisure centre facilities.
- Fermanagh and Omagh District Council also paid NILGOSC (Northern Ireland Local Government Officers Superannuation Committee) a total of £3,855k whereby a current employee previously held a public appointment as a member of the Management Committee.
- The Council also paid grants of £954k to a number of organisations in which Councillors and Council officers had an interest. These grants were made with proper consideration of declaration of interests.
- Included in grants is £70k paid to Fintona Regeneration Initiative during 2019/20 from which Fermanagh and Omagh District Council deducted £10k as repayment of a loan.
- During 2019/20, Fermanagh and Omagh District Council had actual expenditure of £2,265k to other Councils with a further £491k (note 18a) outstanding at 31 March 2020. The Council received £211k from other Councils with a further £72k (note 15b) outstanding balance at 31 March 2020. These amounts relate mainly to services provided.

31 Prior Year Restatement

The 2018/19 Balance Sheet has been restated impacting the Provision and Debtor Balances as a result of the reclassification of future estimated gas income in relation to the Tullyvar Landfill site. No other notes have been affected.

The 2018/19 Balance Sheet has been restated impacting the Short-Term Investments, Cash and Cash Equivalents and Cash Flows from Investing Activities as a result of a reclassification of Investment deposits from Cash and Cash equivalents to Short Term Investments. No other notes have been affected.

Fermanagh and Omagh District Council

32 Events after the Reporting Period

There were no additional events occurring after 31 March 2020 which require adjustment to the Council's Statement of Accounts or additional disclosures.

Accounts Authorised for the Issue Certificate –

Date of authorisation for issue –

The Chief Financial Officer authorised the Statement of Accounts for issue on 18th November 2020.