

# Annual Report and Accounts

2020/21



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# **Libraries NI**

## **The Northern Ireland Library Authority**

### **Annual Report and Accounts For the year ended 31 March 2021**

Laid before the Northern Ireland Assembly  
under Schedule 1, clauses 16 and 17 of the Libraries Act (Northern Ireland) 2008  
by the Department for Communities on 19 November 2021



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Any enquiries should be sent to [businesssupport@librariesni.org.uk](mailto:businesssupport@librariesni.org.uk) or in writing to Business Support 2nd Floor, Portadown Library, 24 - 26 Church Street, Portadown, BT62 3LQ.

This publication is also available on our website at [www.librariesni.org.uk](http://www.librariesni.org.uk).

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## Foreword

I am pleased to present this Annual Report and Accounts for the year 2020/21. The Report includes an overview of the programme of work to fulfil the Authority's terms of reference, deliver its Business Plan, and continue to be responsive to the environment in which it operates, at the very heart of Northern Ireland's communities.

The 2020/21 financial year was one of the most challenging years ever faced by Libraries NI. Like so many other public services and wider society, Libraries NI was impacted by the Covid-19 pandemic, which caused widespread disruption to our normal operations and the provision of the library service. We began the year in lockdown but managed to maintain the organisation's infrastructure through staff working remotely, which enabled us to continue service delivery and ensure essential support functions were carried out. The programme of core and regular activity sessions and other services delivered across the whole of the library network was severely disrupted. Library buildings were closed to the public until July 2020, when they reopened on a phased basis, with additional services being piloted and introduced over a period to October. Libraries were closed again in October, re-opened for two weeks in December and then closed again until 8 March, when access for IT and internet services was reinstated.

However, despite the closure of buildings, library services continued to be provided throughout the year. An emphasis was placed on supporting eBooks, eMagazines, audio books and online programming and activities, all of which saw a dramatic increase in use immediately following the beginning of the lockdown and subsequently throughout the remainder of the year. Despite the many challenges, through the efforts of our staff, e-Services proved to be both highly popular and successful and consequently we were able to continue to provide a range of services, including the introduction of new services such as BookBox and Book and Collect, and I know this was greatly appreciated by members of the public during a period of great social upheaval. Much of our efforts and energies through 2020/21 were focused on responding to the Covid-19 pandemic and then 'reconnecting' services with our users and the communities we serve.

It has also been yet another challenging financial year, in which uncertainty regarding the amount of money made available by Government at the beginning of the year presented a challenge to our capacity to plan and deliver services. I was pleased to see that resources secured in-year meant that we were ultimately able to deliver strongly against our plans and targets, respond to the challenges of the pandemic, and begin the task of reconnecting with library users.

Libraries deliver a range of core programming that contribute to wellbeing, literacy, and combatting social isolation. During this year, programmes could not take place as normal in libraries as a result of the lockdown and the restrictions that were put in place to stop the spread of the virus. So, taking account of technical, copyright and publishing issues, many activities were moved online. These included Rhythm and Rhyme, delivered on Facebook and Zoom, regular children's storytimes delivered both on Facebook and through YouTube, and reading groups and creative writing groups delivered via Zoom.

The importance of digital inclusion was high on our agenda and throughout 2020/21 Libraries NI offered digital support via various channels, including e-mail and telephone. Help sheets were created to provide easy access to basic digital skills, and modules to support digital learning were developed and delivered in a format that would work via the Zoom platform. Not only did these programmes improve digital skills but equally importantly, they also helped people maintain connections with friends and families and equipped them to access Libraries NI resources.

Other activities that were delivered include Heritage from Home, a really successful programme of twenty-two online talks, workshops and musical events during January to March 2021, relating to four themes: Partition, Family History, the Environment and Ancient Ireland, covering archaeology, folklore and prehistory.

Another programme aimed at tackling social isolation and loneliness was Happiness Labs, which encouraged groups who normally met within library settings to meet, engage and interact in an online setting. These very popular sessions included a Healthy Eating cookery demonstration, Chair Yoga, Mindfulness, a Positivity talk, Hatha Yoga and Tai Chi. At the end of the workshop there was an opportunity for interaction and participants were encouraged to have a cup of tea together virtually.

For younger library members, Libraries NI took part in the Reading Agency's Summer Reading Challenge entitled 'Silly Squad', which was delivered entirely online. Children were encouraged to register online with the aim of encouraging them to continue reading over the summer break and to help maintain literacy levels during a year in which children's education had also been badly disrupted. This year, for the first time, Libraries NI also took part in the Reading Agency's Winter Mini Challenge, which ran from 1 December 2020 to 15 January 2021, again with the aim of helping to develop and maintain literacy levels among children.

As part of our partnership with BBC Northern Ireland, from 19 to 25 October 2020, the highly successful Book Week NI celebrated the benefits and pleasures of reading through the theme of Stories and Storytelling. There were a number of new features in 2020, including a daily podcast, a specially commissioned TV programme 'Read all About IT', with contributions from well-known people such as the BBC's Director General, the PSNI Chief Constable and the Children's Commissioner. There were also online activities such as a virtual conversation hosted by BBC Radio Ulster's William Crawley, who interviewed renowned crime writers Ann Cleeves and Brian McGilloway. The virtual audience was made up of Libraries NI reading group members, and the event was later available on the BBC's dedicated Book Week website.

Libraries NI was pleased to continue its participation in the Boardroom Apprentice programme in 2020/21. This innovative programme provides individuals who wish to become Board Members within the public and third sectors the opportunity to gain practical experience, training and support through a non-voting placement with a host Board.

Especially at a time like this it is important to recognise also the tremendous work carried out by our staff across the service on a daily basis, against a backdrop of wider societal upheaval and the uncertainty brought about by the Covid-19 pandemic. Despite this, the library service continued to deliver services throughout the entirety of the period of disruption, and more detail on what we were able to achieve is set out in the

'Performance Report: Analysis' section below. All staff, ably led by the Senior Management Team, are to be commended for their continued commitment, professionalism and consistently high levels of achievement in delivering a high-quality public library service in Northern Ireland in the most exceptional circumstances.

I am ever conscious that the success of our service to our communities depends also on the continuing co-operation with our many partner organisations within the public, community, voluntary and trade union sectors. In particular, I wish to thank the Minister and Departmental officials, whose support was vital in enabling the Authority to operate so successfully in such a difficult environment during the year under review.

As a Board we were unable to come together in the normal way for physical meetings due to the by now familiar restrictions in response to the Covid-19 pandemic. Undeterred by this, however, the Board and its committees continued to meet virtually to ensure that the governance and oversight of Libraries NI continued uninterrupted. In this regard I would like to record my gratitude to my fellow Board Members for their continued support and their dedication to the work of the public library service in what has been the most challenging of years.



**Professor Bernard Cullen**  
**Chairperson**

**Date: 14 October 2021**

# Performance Report

## Overview

This Overview aims to provide sufficient information to allow the reader to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

## Chief Executive's Statement

The financial year 2020/21 commenced with an initial extremely challenging budget allocation of £26,165,000. This was exacerbated by the loss of income and additional expenses arising from the impacts of the Covid-19 pandemic (£249,503 in total comprising of £130,516 for physical safety and social distancing measures, £22,223 for additional cleaning and hygiene supplies and £96,764 for personal protective equipment). The financial situation eased through the course of the year, with additional funding being made available including for staff costs, replacement of lost income, additional safety measures and book stock. This resulted in a total revised budget of £30,327,000 which facilitated a spend on library stock of £3.062 million in 2020/21, compared to £4.47million in 2019/20.

In 2020/21, reported net expenditure for the year was £36,166,000. After subtracting non-cash expenditure and other expenditure not scoring against budget, recurrent net expenditure was £29,092,000 against an allocated budget of £30,327,000. Capital expenditure was £4,854,000 within an allocated budget of £4,917,000.

The capital allocation for 2020/21 was £4,917,000, which allowed for the completion of a number of projects carried forward from 2019/20 and expenditure on a number of new minor works and small projects in 2020/21 including a new changing places facility at Coleraine library, the refurbishment of Lurgan library and remediation of fire safety issues at Belfast Central library. While the coronavirus (Covid-19) pandemic resulted in disruption to projects early in the year the capital programme was nevertheless substantively completed and this was reflected in the reported minor underspend.

As we moved into 2020/21 we faced great uncertainty and significant disruption to library operations and services caused by the global coronavirus pandemic. Up until July 2020 all branch libraries were closed to the public and we were restricted to the provision of online services and resources including eBooks, eMagazines, eNewspapers and Audiobooks. Branch libraries began to reopen again from July and new services such as Book and Collect and Bookbox were introduced and other services including printing, photocopying and access to study space were reintroduced in September 2020. On 16 October 2020 further Covid-19 restrictions came into effect across all of Northern Ireland and this resulted in the closure of libraries for browsing and study space. There was a further relaxation of restrictions from 11 December 2020 which permitted the reinstatement of access for browsing and study space in libraries. However further Covid-19 restrictions came into force from 26 December 2020 setting out a widespread lockdown and once again services such as access to libraries for browsing and study space ceased and broadly that situation persisted up until and beyond 31 March 2021.

The disruption to the library network meant that libraries were not open to the public for much of the year and the services we were able to provide were very much constrained through Covid-19 restrictions and this was reflected in the targets, objectives and Key Performance Indicators (KPIs) set in the Annual Business Plan. Services offered in 2020/21 were in line with government and public health restrictions which often changed at short notice. Throughout the year we had to adapt and respond in ways that ensured library services continued to be provided to the people and communities we serve and this included an emphasis on and development of online events, activities and resources as well as the introduction of new services such as Book and Collect, Bookbox and Print and Collect.

I was greatly encouraged by the response of our staff, right across the library network, to this unprecedented challenge, and the achievements this year are testimony to their professionalism, dedication and commitment in the most challenging of circumstances. I want to place on record my sincere appreciation to staff across the service, in both frontline and support services, for the contribution that they have made to the delivery of the 2020/21 Business Plan and for their continued support in difficult and uncertain times. This Annual Report gives a flavour of the range of programmes, activities and services which have taken place during the year to support delivery against our key outcomes and corporate objectives.

Recognising that the most significant opportunities to improve life opportunities exist in the form of early interventions, activities aimed at children and young people are a key element of Libraries NI's approach to tackling social exclusion. While many of our normal branch library activities could not be delivered, resources were made available online, and programmes and activities were adapted and delivered through our website and social media channels. This included Rhythm and Rhyme sessions which were delivered using Zoom and Facebook and proved popular with children and their parents and carers. Other activities included the Summer Reading Challenge, the Winter Mini Challenge and a joint creative writing project for children and young people delivered in partnership with Fighting Words NI. During Children's Mental Health Week we promoted a range of resources to support and help young people to deal with difficult and challenging issues, which was made all the more important in 2020/21 due to the societal disruption caused by the Covid-19 pandemic. The focus of our activities is to encourage reading for pleasure, which, research shows, is linked to improved educational outcomes.

Work continued during the year to build on existing partnerships with other organisations. As a statutory partner in the Community Planning process, Libraries NI continued to engage with each of the Councils on delivering long term community planning objectives, including responses to the coronavirus pandemic, and on developing collaborative approaches for the benefit of citizens.

Supporting literacy and promoting a love of reading remains at the core of our work. In 2020/21 we spent £3.062 million on stock (compared to £4.47 million in 2019/20) in a variety of formats across a range of genres with some in different languages, reflecting the multi-cultural background of library users. This equated to a spend of £1.62 per capita based on official 2019 mid-year population estimates against a public library standard of £2.25. The physical closure of branch libraries for much of the year meant there was an emphasis on eBooks which continued to grow in popularity, as did

the use of eMagazines and audiobooks. The introduction of an eNewspaper service to the digital offer also proved popular with some 406,778 issues over the course of the year.

Libraries NI operates under the Department for Communities (DfC). Increasingly, opportunities are emerging for the public library service to make a significant contribution to the Department as a local access point to many of the services being delivered both by it and other government departments, thus helping to facilitate joined-up approaches to service delivery in all communities, particularly in the context of the Department's Building Inclusive Communities strategy, the draft Programme for Government, the Outcomes Delivery Plan and wider government priorities. A key focus of our Corporate Plan 2020-2024 is the contribution that libraries make to social, community and economic wellbeing as community hubs where people can access a wide variety of learning, information and social resources that make a difference to their quality of life in both the short and long term.

The extensive network of libraries is strategically important and we believe that this importance will strengthen as we re-establish services and continue to work collaboratively with organisations across government departments, public bodies and the voluntary and private sectors. In this way Libraries NI can play its role in the wider societal recovery from the impacts of the pandemic and can support the delivery of other services, providing local access points and helping customers to connect with information and services that contribute to social and economic wellbeing. All of this is only made possible by our dedicated and professional staff who are committed to delivering high standards of service and providing help and support to assist people using libraries, no matter what their background or circumstances.

I am grateful to the Chairperson and the Board of Libraries NI for their continued interest in, and support for, the public library service over the past year. There is no doubt that the next few years will continue to be challenging, the scale of which will inevitably be exacerbated as we emerge from the coronavirus pandemic crisis, and like all public bodies, Libraries NI needs to continue to change, improve and become more efficient in what we do. I am confident that we are well-placed to meet the challenges that lie ahead.

## **Our Purpose**

The Northern Ireland Library Authority, known as Libraries NI, was established as a body corporate on 1 April 2009 as a result of the Review of Public Administration. Its functions are laid down in The Libraries Act (Northern Ireland) 2008. The primary duty of Libraries NI is to provide a comprehensive and efficient public library service for persons living, working or studying in Northern Ireland. In doing so the organisation is required to:

- ensure that facilities are available for the borrowing of, or reference to, library materials sufficient in number, range and quality to meet the general requirements of adults and children (whether by keeping adequate stocks, by arrangements with other bodies concerned with library services or by any other means)

- have regard to the desirability of:
  - encouraging both adults and children to make full use of the library service
  - providing advice as to the use of the library service and making available such bibliographical and other information as may be required by persons using the service
  - promoting literacy and lifelong learning
  - maintaining a collection of library materials relevant to the cultural heritage of Northern Ireland
  - making library premises available for cultural and community activities
  - meeting any special requirements of adults and children by any appropriate means.

## **Our Corporate Goals**

Our corporate goals are articulated through three outcome areas and eleven associated strategic actions and are set out in the Libraries NI Corporate Plan 2020 – 24.

### Outcome area:

### Strategic actions:

#### **A shared, inclusive public library service supporting communities and societal wellbeing**

- Provide a customer focused public library service to people living, working or studying in Northern Ireland which contributes to societal wellbeing
- Create strong mutually beneficial regional and local partnerships, including with other public services and community planning partners, to develop libraries as access points for a wide range of services
- Reduce barriers to library use especially for those at risk of being socially excluded
- Raise awareness and increase understanding of library services with customers, the general public and stakeholders

#### **Inspired, informed and literate children and adults**

- Promote reading, literacy and lifelong learning through delivery of resources, services, programmes, activities and initiatives for children and adults
- Provide access to Heritage resources and services to the widest possible audience

- Improve digital services, access and literacy
  - Promote access to information, information literacy and support children and adults to become more informed citizens
- Effective Governance and delivery**
- Maintain an effective organisational and governance framework and support and develop our people to enable delivery of high quality public services
  - Make best use of available resources to support identified priorities and deliver an effective and valued public library service
  - Develop and implement an Outcome Based Accountability (OBA) approach to business planning and performance measurement.

The Libraries NI outcome areas and strategic actions provide the context and framework for delivery of priorities and services with more detailed annual objectives and targets being set in the Annual Business Plan to ensure the aspirations and ambitions articulated in the four-year Corporate Plan are achieved. Both the Business and Corporate Plans are closely linked to wider government priorities with the aim of making a lasting and sustainable contribution to improving the societal wellbeing of individuals and communities in Northern Ireland.

In seeking to deliver against the outcome areas and strategic actions, we maintain a focus on services through the library network and online in a number of areas including:

- **Children and Young People**

The most significant opportunities to improve people's health, wellbeing and life opportunities exist in the form of early interventions particularly, though not exclusively, designed for children and young people. Children's and young people's services and programmes are a key element in Libraries NI's approach to tackling poverty and social exclusion.

- **Cultural Heritage**

Libraries have a long tradition of collecting and preserving material which relates to our cultural heritage. Access to this cultural heritage, both local and national, can enrich society by nurturing creativity, imagination and a sense of place. It is of central importance in supporting and extending a community's understanding, not only of its local identity, but also of its past and its role in shaping the present.

- **Information and Learning Services**

Libraries have a critical role to play in the provision of learning opportunities and helping to promote greater equality of access to the skills, confidence, technology and connectivity necessary to operate in an increasingly online and digital world. Libraries provide free local access to broadband, Wi-Fi and information technology hardware. More importantly, library staff can support library users in accessing online services and have the skills to understand customer needs to help them navigate through, and make sense of, the myriad of resources that are available. The provision of learning opportunities and the development of people's digital and information literacy skills remains a priority for the service and the increased reliance on being able to access resources and services online as a result of Lockdowns and Covid-19 restrictions served to highlight the importance of the work we do in this area.

- **Support for Health and Wellbeing**

Libraries promote health literacy through the provision of accessible health related information, in online and hard copy formats, through partnerships, events and programmes. The health and wellbeing benefits of reading and of social programmes are well documented. The library network provides welcoming, locally accessible and stigma-free environments for health promoting activities. Libraries NI's support for health and wellbeing is aligned with the widely used 'Five Steps to Wellbeing'.

- **Culture and Creative Development**

Libraries, as neutral trusted venues, are ideally placed within local communities to provide a shared safe social space for cultural and creative engagement, where individuals and communities can explore different cultural traditions and backgrounds.

- **Reading and Reader Development**

The value of reading stretches far beyond the benefits to the individual. Reading is an essential life skill and a gateway to learning and information. It is also a source of pleasure, enjoyment, inspiration and relaxation. Research demonstrates that developing a love of reading is important for children's life chances and is one of the most effective ways of leveraging social change. Reading expands knowledge and vocabulary and can help improve analytical and thinking skills, focus, concentration, and writing skills. Research also shows that reading and taking part in social reading activities such as reading groups has a beneficial effect on health and wellbeing, including mental health, self-esteem, confidence and stress reduction.

## **Key Issues and Risks**

The coronavirus (Covid-19) global pandemic represented the most significant risk in 2020/21 and one that had a significant disrupting impact on all aspects of Libraries NI operations, placing a strain on the organisation and its staff. The year began in

lockdown with libraries closed to the public and all staff, effectively, working from home or remaining at home. Contingency planning measures were deployed as we worked to maintain a level of service through online channels and ensured that core infrastructure and business priorities continued to operate. As we moved through the year the library service operational model was adjusted taking account of restrictions and relaxation of restrictions introduced through coronavirus regulations and government and public health advice. The coronavirus pandemic continues to impact on organisational activities and services and this is likely to continue throughout 2021/22.

The level of uncertainty about longer term planning and funding along with the impact of ongoing industrial action represented the other key risks to the achievement of objectives and targets during 2020/21. The initial budget of £26,165,000 represented a significant challenge, however the risk was greatly mitigated during the course of the financial year through additional in-year allocations.

The impacts of the UK's exit from the European Union have been assessed as low for Libraries NI. However, toward the financial year end a number of supply delays occurred as suppliers struggled to meet delivery deadlines. Libraries NI has signed up to the Trader Support Service (TSS) and has applied for approval through the UK Trader Support Scheme and will continue to take steps to monitor, manage and mitigate issues where possible.

### **Going Concern**

Libraries NI is an Executive Non-Departmental Public Body, sponsored by the Department for Communities (DfC), having been established by statute under the Libraries Act (NI) 2008. Libraries NI received its core resource and capital funding from the DfC during 2020/21, and a budget allocation has been made for 2021/22. While the financial environment is challenging, Libraries NI is of the opinion that the going concern basis of preparation of the Annual Report and Accounts is appropriate. Libraries NI is not aware of any events which would impact upon the entity's status as a going concern. For these reasons Libraries NI has adopted the going concern basis in preparing the Annual Report and Accounts.

## Performance Summary

<u>Outcome area / Targets:</u>	<u>Achievement against target / KPI:</u>																		
<b>A shared, inclusive public library service supporting communities and societal wellbeing</b>																			
Maximise participation levels in a number of areas, including: <ul style="list-style-type: none"> <li>loans and renewals</li> <li>new members</li> <li>active members</li> </ul>	<table> <tr> <td>Loans</td> <td>897,349</td> </tr> <tr> <td>Renewals</td> <td><u>109,932</u></td> </tr> <tr> <td>Total</td> <td><u>1,007,281</u></td> </tr> <tr> <td colspan="2">33,517 (including 28,174 virtual)</td> </tr> <tr> <td colspan="2">155,318</td> </tr> </table>	Loans	897,349	Renewals	<u>109,932</u>	Total	<u>1,007,281</u>	33,517 (including 28,174 virtual)		155,318									
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No. of branch libraries reopened and providing services	94 (This reflects the number of branches reopened between July and October for browsing, excluding libraries closed for refurbishment)																		
% increase in online, eBook and eMagazine activity	<table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>eBooks incl eAudiobooks</td> <td>513,260</td> <td>920,524</td> </tr> <tr> <td>eMagazines</td> <td>637,290</td> <td>983,023</td> </tr> <tr> <td>eNewspapers</td> <td>-</td> <td>406,778</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,150,550</b></td> <td><b>2,310,325</b></td> </tr> <tr> <td><b>Total % increase</b></td> <td colspan="2"><b>100.80%</b></td> </tr> </tbody> </table>		2019	2020	eBooks incl eAudiobooks	513,260	920,524	eMagazines	637,290	983,023	eNewspapers	-	406,778	<b>Total</b>	<b>1,150,550</b>	<b>2,310,325</b>	<b>Total % increase</b>	<b>100.80%</b>	
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<b>Inspired, informed and literate children and adults</b>																			
Deliver programmes which promote reading to children	Achieved – a range of programmes were delivered																		
Deliver programmes which promote reading to adults	Achieved – a range of programmes were delivered  (Due to Covid-19 restrictions all programmes were delivered through online and social media channels)																		

<b>Effective Governance and delivery</b>									
<p>Annual net spend (resource and capital) will be within budget. Underspend will be minimised</p>	<p>Not Achieved – Resource Budget: (4% underspend against 1% target)</p> <table border="1" data-bbox="745 394 1370 486"> <tr> <td>2020/21 Budget</td> <td>£30,327,000</td> </tr> <tr> <td>Year End spend</td> <td>£29,092,000</td> </tr> </table> <p>Achieved – Capital Budget: (1% underspend against 1% target)</p> <table border="1" data-bbox="745 613 1370 705"> <tr> <td>2020/21 Budget</td> <td>£4,917,000</td> </tr> <tr> <td>Year End spend</td> <td>£4,854,000</td> </tr> </table>	2020/21 Budget	£30,327,000	Year End spend	£29,092,000	2020/21 Budget	£4,917,000	Year End spend	£4,854,000
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<p>95% of Internal Audit service targets and standards will be met</p>	<p>All Internal Audit Service targets and standards were met</p>								

# Performance Report

## Analysis

### How we measure performance

The performance management framework consists of:

- the Corporate Plan which sets out the corporate objectives linked to relevant priorities in the draft Programme for Government and the Department's strategies for the public library service
- an annual Business Plan which sets out the actions to be taken and the associated targets
- Key Performance Indicators which are used to report quarterly at Board level and to the Department on progress.

Information on performance is drawn from a range of sources. A statistician, seconded from the Northern Ireland Statistics and Research Agency (NISRA), worked closely with senior management to maintain and support a database which is used to hold data on Libraries NI activities. Due to incomplete data returns to the Libraries NI activity database, as a consequence of ongoing industrial action, there were limitations on the data available from it during 2020/21. Financial information is taken from the audited Financial Statements. Other management information is extracted from information systems which are subject to regular internal audit.

During 2020/21 Libraries NI continued to deliver against corporate goals, strategic objectives, targets and key performance indicators. The 2020/21 business plan was developed in a climate of financial, societal and economic uncertainty following the impact of the Covid-19 pandemic. Public health restrictions were in place for much of the year and this greatly reduced the services we were able to offer and meant that for a large part of the year branch libraries were closed to the public. As a result of this our efforts were very much focused on our response to the pandemic, on 'reconnecting' library services and reopening the library network and consequently targets and key performance indicators (KPIs) reflected this.

Despite the challenges and disruption, library services were continuously offered throughout the year with a significant emphasis on online resources and activities. Branch libraries adapted existing programmes and activities such as storytime and Rhythm and Rhyme and delivered them in new and innovative ways using social media channels. An approach to maximize participation levels was taken and while the number of conventional loans and issues (1,007,281) was well down on recent years, it was nevertheless a commendable achievement in the circumstances. The online offering for eBook, eMagazines and audiobooks, bolstered by the introduction of a new eNewspaper service, not surprisingly, had the most successful year ever. A total loans and issues activity figure of 2,310,325 was recorded for e-resources in 2020/21, which is more than double that recorded in 2019/20 (1,150,550). There was also a strong performance in respect of social media likes which at 75,721 represented a 12.5% increase on the previous year. Although there were 33,517 new library members, including 28,174 virtual members, the overall number of active library members fell to 155,318 reflecting the very challenging operational environment in

2020/21.

The KPI target relating to sickness absence was exceeded, recording the lowest level of absence since Libraries NI was formed, while the KPI for payment performance and the target to keep resource spend within 1% of budget were not achieved. Details of achievement against the KPIs for 2020/21 are set out in the table below.

### Key Performance Indicators

<u>Outcome area / Targets:</u>	<u>Achievement against target / KPI:</u>																		
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Loans	897,349																		
Renewals	<u>109,932</u>																		
Total	<u>1,007,281</u>																		
33,517 (including 28,174 virtual)																			
155,318																			
No. of branch libraries reopened and providing services	94 (This reflects the number of branches reopened between July and October for browsing, excluding libraries closed for refurbishment)																		
% increase in online, eBook and eMagazine activity	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2019/20</th> <th style="text-align: center;">2020/21</th> </tr> </thead> <tbody> <tr> <td>eBooks incl eAudiobooks</td> <td style="text-align: center;">513,260</td> <td style="text-align: center;">920,524</td> </tr> <tr> <td>eMagazines</td> <td style="text-align: center;">637,290</td> <td style="text-align: center;">983,023</td> </tr> <tr> <td>eNewspapers</td> <td style="text-align: center;">-</td> <td style="text-align: center;">406,778</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>1,150,550</b></td> <td style="text-align: center;"><b>2,310,325</b></td> </tr> <tr> <td><b>Total % increase</b></td> <td colspan="2" style="text-align: center;"><b>100.80%</b></td> </tr> </tbody> </table>		2019/20	2020/21	eBooks incl eAudiobooks	513,260	920,524	eMagazines	637,290	983,023	eNewspapers	-	406,778	<b>Total</b>	<b>1,150,550</b>	<b>2,310,325</b>	<b>Total % increase</b>	<b>100.80%</b>	
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Social media likes	75,721 (this represents a 12.5% increase compared to 2019/20)																		
<b>Inspired, informed and literate children and adults</b>																			
Deliver programmes which promote reading to children	Programmes included: Summer Reading Challenge; Winter Mini Reading Challenge; Rhythm and Rhyme sessions; storytimes, craft and lego activities; Book Week NI; Children's Mental Health Week; Northern																		

	<p>Ireland Science Festival; Blogging workshops and Autism Awareness Week.</p> <p>(Due to Covid-19 restrictions all programmes were delivered through online and social media channels)</p>								
Deliver programmes which promote reading to adults	<p>Programmes included: reading groups; reviews and recommendations delivered; Book Week NI</p> <p>(Due to Covid-19 restrictions all programmes were delivered through online and social media channels)</p>								
% of branch libraries providing Wi-Fi/Public Access Terminals	<p>98% Achieved (94 out of 96 libraries)</p> <p>(This reflects service provision for periods not impacted by COVID restrictions)</p>								
No. of Wi-Fi/Public Access Terminal uses	<p>No. of Wi-Fi Sessions: 30,111</p> <p>No. of PAT Sessions: 54,459</p>								
<b>Effective Governance and delivery</b>									
Annual net spend (resource and capital) will be within budget. Underspend will be minimised	<p>Resource Budget: (4% underspend against 1% target)</p> <table border="1"> <tr> <td>2020/21 Budget</td> <td>£30,327,000</td> </tr> <tr> <td>Year End spend</td> <td>£29,092,000</td> </tr> </table> <p>Capital Budget: (1% underspend against 1% target)</p> <table border="1"> <tr> <td>2020/21 Budget</td> <td>£4,917,000</td> </tr> <tr> <td>Year End spend</td> <td>£4,854,000</td> </tr> </table>	2020/21 Budget	£30,327,000	Year End spend	£29,092,000	2020/21 Budget	£4,917,000	Year End spend	£4,854,000
2020/21 Budget	£30,327,000								
Year End spend	£29,092,000								
2020/21 Budget	£4,917,000								
Year End spend	£4,854,000								
Capital and minor works programmes will be implemented in accordance with the agreed timetable and budget	<p>The 2020/21 programmes were fully delivered in line with agreed timescales and financial allocations</p>								
Reduce sickness absence overall by 2% compared to the 2019 performance (9.68 FTE days)	<p>Composite Average FTE days lost at 31 March 2021 was 5.98 days (This represents a 39% reduction from the 2019 baseline of 9.88 days)</p>								

	The zero absence rate has increased with 60% of staff having recorded no sickness absences in the year to date
95% of ICT service provision standards will be met	As at 31 March 2021 all ICT service provision standards were met
95% of Internal Audit service targets and standards will be met	All Internal Audit Service targets and standards have been met

## **Development and Performance**

### **Access to Services**

The pandemic and changing government regulations posed specific challenges for and disruption to frontline library services and the physical library network. Library buildings closed to the public on 20 March 2020 and began to re-open from 20 July 2020 on a phased basis with additional services being piloted over the period to October. Libraries were closed again in October, re-opening for two weeks in December and then closed again until 8 March 2021 when access for IT services was reinstated. The mobile library service and access to certain materials, which would normally be available for consultation only, was withdrawn throughout the year.

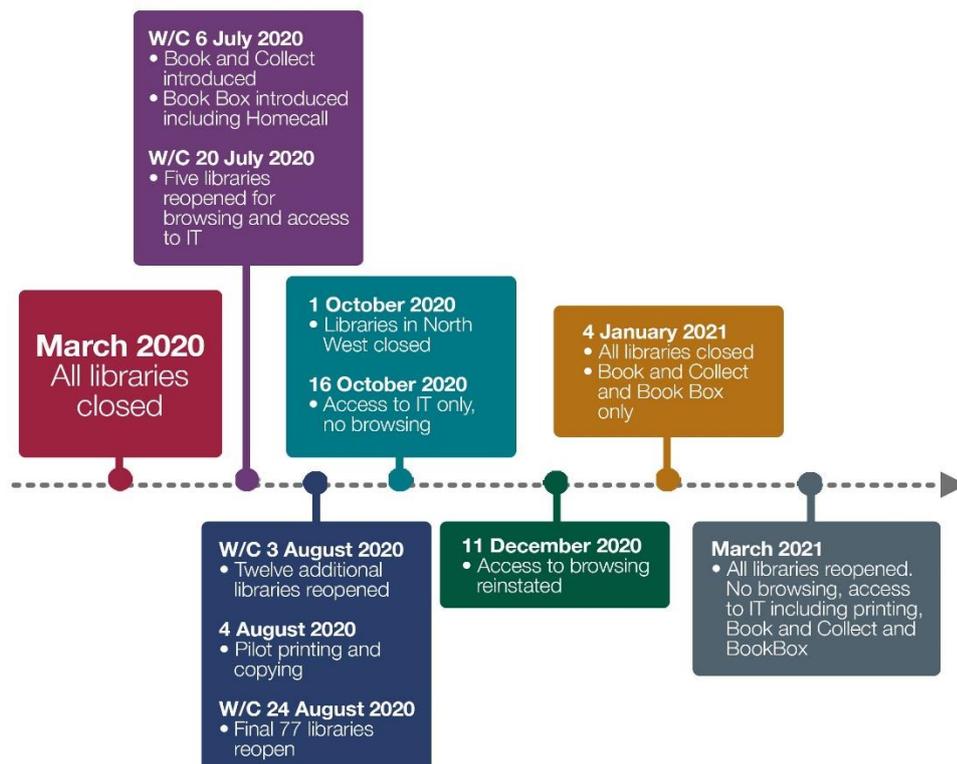
A risk based approach taking account of the regulations and guidance provided was taken to the management of service provision and delivery throughout the year. The year was characterized by uncertainty where existing services were re-introduced, new services were introduced and subsequently services had to be withdrawn. Figure 1 below provides a summary of the Reconnect timeline and the main changes to services over the course of the year.

However, despite the closure of buildings, certain library services continued to be delivered throughout the year. The provision of eBooks and eMagazines was supplemented with eNewspapers from April 2020 and the delivery of library programmes moved almost entirely online.

### **New services**

In addition, a number of new services were developed. Recognising that customers might be hesitant about visiting a library to browse, a new Book and Collect service was introduced which entailed staff putting together collections of books based on customer's interests for collection at the local branch library foyer. For older customers, those who were vulnerable, or had previously used a mobile library service, a new BookBox service was introduced which involved collections of books being delivered to library customers at their home address. Print and Collect, a service providing access to printing whilst libraries were closed, was introduced in March 2021.

The BookBox and Book and Collect services were available throughout the year from their introduction in July 2020. It is anticipated that these services will continue indefinitely.



**Figure 1: Reconnect Timeline**

## Online Services and Programmes

### Switching delivery of our normal programmes online

Libraries deliver a range of core programming which contributes to wellbeing, literacy, and addresses social isolation. During this year, programmes could not be delivered in library premises as a result of lockdown and Covid-19 restrictions in respect of group events. Consequently, activities were moved online and included Rhythm and Rhyme delivered on Facebook and Zoom, regular children’s storytimes delivered both on Facebook and through YouTube and reading groups and creative writing groups delivered through Zoom. Adults and children attended the weekly corporate Rhythm and Rhyme. The challenges of moving online included technical issues and also, in relation to storytimes and Rhythm and Rhyme, copyright matters had to be considered.

The response from customers was encouraging in terms of feedback and engagement.

### Digital Inclusion Activities

Digital inclusion activities have looked very different for Libraries NI over the past 12 months. From April 2020 Libraries NI offered digital support via various channels, including e-mail and telephone and responded to 1,656 requests for digital support.

Help sheets were created to provide easy access to basic digital skills and topics were selected to ensure that the public could help themselves and/or others maintain contact or access to online resources while in lockdown. Help sheets were hosted on the Libraries NI website and included Apps to Stay in Touch, Church Online Access, Online Shopping and Online Learning.

Work on the development of modules to support digital skills in a format that would work via the Zoom platform began in April 2020. Go On NI Modules are delivered to participants who had limited digital skills and this year new modules were developed such as WhatsApp, Zoom and Scam Awareness and customers were also encouraged to use Libraries NI resources such as eMagazines, eBooks and audio books. These programmes and resources improved people's digital skills and also helped them maintain connections with friends and families as well as enabling them to access Libraries NI resources. The delivery of the Zoom sessions, which began in July 2020, saw the reintroduction of group sessions. Initially there were two sessions timetabled each day, however as a result of customer demand, additional sessions were delivered daily. In total, there were 1,240 participants in 552 sessions. Feedback was excellent with many participants reflecting on increased confidence and skill in the use of these platforms and Apps. Responses to the programme evaluation indicated that 92% found the digital assistance was very useful, 88% of respondents felt they had learnt new skills/developed existing skills and 32% felt it helped them to communicate with family/friends.

### **Heritage Services and Heritage from Home**

Access to the Libraries NI heritage collections was restricted during the year as most of the material is provided on a consultation only basis. In addition to providing support for enquiries online, staff provided a number of events.

Heritage from Home was a programme of 22 online talks, workshops and musical events which ran from January to March 2021, relating to four themes: Partition; Family History; the Environment; and Ancient Ireland, covering archaeology, folklore and prehistory.

Speakers at these events included Professor Linda Connolly – Women in the Irish Revolution 1919-23 (Partition); Jayne Shrimpton – Dating Family Photographs Workshop (Family History); An audience with Joe Mahon (Environment); The Vision: Storytelling and Music session (Ancient Ireland). The events were hosted online providing an opportunity to include speakers who would not normally have been available. The specialist nature of some of the topics meant an online event was a much more effective way to reach a large audience, with attendance figures ranging from 42 to 168 at individual talks. Overall, there were 2,216 participants at 22 events. The comments and feedback from audiences have all been very positive for example:-

*'I cannot wait to get a look through the Heritage Section when the Library reopens. Meantime I am really enjoying the heritage talks on Zoom and a great lift to the spirits during the pandemic.'*

There have also been comments from those who delivered the events, including the musicians who were delighted to perform live for the first time in months. The talks reached a new global audience, with participants from as far away as New Zealand

and New Jersey, and importantly they helped to maintain connections with local history groups.

### **Happiness Labs**

Libraries traditionally offer a range of activities which address social isolation. Happiness Labs was a programme developed to offset loneliness by encouraging online social activities. It did so by providing regular contact via Zoom to library users who had previously been part of a Knit and Natter or Tea and Newspapers group but who could no longer meet in the library together due to Covid-19 pandemic restrictions. Twenty libraries were identified to take part in the pilot project, with each library offering six online sessions to their users all of which were delivered by Zoom during February and March 2021. The sessions were delivered by outside facilitators and included a Healthy Eating cookery demonstration, Chair Yoga, Mindfulness, a Positivity talk, Hatha Yoga and Tai Chi. At the end of the workshop there was an opportunity for interaction and those who attended were encouraged to have a cup of tea together virtually. Some of these online groups continued to meet after the initial six sessions in order to allow people who were feeling isolated to continue to engage and feel part of a community or group during the ongoing restrictions. After the roll out to the twenty libraries in the pilot, an additional fifteen sessions were organised and delivered from 8 - 26 March 2021. Again these events were well attended, often with an entire household participating rather than just the person who registered for the event. The following comment captures the impact and difference this programme made:

*'The activities were a lifeline to support socialising, learn new things and prevent loneliness setting in.'*

In total there were 133 sessions with 996 instances of participation.

### **One Chapter More Blog**

During 2020/21 Libraries NI launched a redeveloped website which has allowed more prominence to be given to areas such as reader development. One Chapter More was a blog of short book reviews which signposted customers to inspirational reads and showcased the variety of books in stock. Customers commented on how much they valued the book knowledge and expertise of library staff in selecting books for Book and Collect and BookBox.

### **Reading Challenges**

This year Libraries NI took part in the Reading Agency's Summer Reading Challenge entitled 'Silly Squad' which was delivered entirely online. Children were asked to register online and were encouraged to read more over the summer holiday period with the aim of avoiding the dip in reading levels that can occur during the break from school. The programme's target audience was children aged 4 - 11 years old. The Libraries NI website also featured online activities, book recommendations and craft sessions for children to take part in. Every child who completed their own challenge received a downloadable certificate with 1,153 children taking part in the challenge.

As part of the launch of the Summer Reading Challenge on 15 June, Libraries NI encouraged children to send in their favourite jokes which were featured across our

online platforms. Communities Minister, Carál Ní Chuilín, joined Libraries NI staff in the Falls Road Library on 24 June to promote the challenge and to encourage children to take part. Information was also sent to all primary schools in advance of the summer holidays promoting the programme.

Later in the year, for the first time, Libraries NI took part in the Reading Agency's Winter Mini Challenge which ran from 1 December 2020 to 15 January 2021. The Winter Mini Challenge encouraged children to keep up their reading habits over the winter holidays, with a free-to-access website featuring rewards and incentives for reading and reviewing books. Although uptake was limited, this was, nevertheless, an important initiative aimed at supporting children's literacy during a very challenging period.

## **Working in Partnership**

### **Book Week NI**

In the fifth year of the partnership with BBC Northern Ireland, Book Week NI celebrated the benefits and pleasures of reading. This year it took place from 19 to 25 October 2020 and the theme was Stories and Storytelling. Inevitably much of the activity was online as libraries were closed for browsing and branch events during the week long initiative. This year again, there was a campaign asking people to pledge to read for at least 15 minutes and to engage with the hashtag #bookweekni on social media.

There were a number of new features in 2020 including a daily podcast, a specially commissioned TV programme 'Read all About IT', with contributions from well-known people such as the BBC's Director General, the PSNI Chief Constable and the Children's Commissioner. There were also online activities such as a virtual conversation hosted by BBC Radio Ulster's William Crawley who interviewed renowned crime writers Ann Cleeves and Brian McGilloway. The virtual audience was made up of Libraries NI reading group members and the event was later available on the BBC's dedicated Book Week website.

Book Week NI 2020 has considerable reach on social media. Initial findings from the BBC indicate a 12% increase in the reach of Facebook posts and approximately 44,000 people watched Book Week videos on Twitter, representing a 15% increase from the previous year. There was also an increase in viewings on traditional media channels. Approximately 12% of the NI population watched the BBC Newsline feature on Book Week NI and radio programmes (on BBC Radio Ulster and Foyle) reached approximately 330,000 people, representing a large proportion of the NI population.

### **Fighting Words NI - Fantastic Fictions**

Libraries NI collaborated in September 2020 to develop a joint creative writing project with Fighting Words. Formed in 2015, Fighting Words NI is a creative writing centre for children and young people. The project, aptly named 'Fantastic Fictions' created an opportunity to encourage children across Northern Ireland to draw inspiration from their own experience of reading. Libraries contacted local primary schools and recruited primary six and seven pupils from 22 schools to write about their favourite book or character with all stories being published by Fighting Words NI.

## **Armstrong Storytelling Trust**

The culture of storytelling was encouraged in partnership with Armstrong Storytelling Trust and the Libraries NI Storyteller in Residence, Liz Weir MBE. The Armstrong Storytelling Trust was established in 2016, by Roger Armstrong, to carry on the work started by his parents Peg and Jim Armstrong who founded the Tullycarnet Yarnspinnners in February 1991, and also funds the Libraries NI Storytelling Residency.

Storytelling events and training happened throughout the year either through content on YouTube or via platforms such as Zoom. This new way of delivering the programme afforded the opportunity to host storytellers from around the world and also to welcome local and worldwide audiences. The 2020/21 season entertained audience figures of 1,773, a 104% increase from the 2019/20 season. The highlight of the year was the thirtieth anniversary celebration of Tullycarnet Yarnspinnners on 18 February 2021. Scottish storyteller Ruth Kirkpatrick entertained an audience of 150 people. The success of this programme has led to piloting another Yarnspinnners programme in Keady Library which will be launched in May 2021.

In association with the Armstrong Storytelling Trust, Libraries NI delivered a programme of storytelling camps to primary school pupils across Northern Ireland. A basic story telling course was delivered as an OCN Level Two accredited storytelling course and this training will help to build capacity in respect of the number of storytellers available to deliver at events. Course participants will feature in future Yarnspinnners sessions and story recordings have been made for use in upcoming initiatives.

## **Community Planning**

Libraries NI continued to be involved as a statutory partner in the community planning process. While meetings were put on hold at the start of the Covid-19 pandemic, they did gradually resume in each Council area via online platforms.

The community planning process delivered a Carnegie shared leadership programme for three Council areas: Armagh City, Banbridge and Craigavon Borough Council; Derry City and Strabane District Council; and Lisburn and Castlereagh City Council. The programme was delivered online via talks and workshops and focused on sharing learning experienced during the Covid-19 pandemic, how community planning can address inequalities and recovery actions moving out of the coronavirus pandemic.

## **Children's Mental Health Week**

During Children's Mental Health Week, which ran from 1 to 7 February 2021, the Minister for Communities, Deirdre Hargey launched, by video, 'Reading Well for Children' and Libraries NI took the opportunity to highlight resources such as 'Reading Well for Young People' (Shelf Help). 'Reading Well for Children' is a compilation of 33 titles targeted at nine to eleven year olds to help them deal with difficult and challenging situations including anxiety, bereavement and bullying. Shelf Help is a collection of 35 books recommended by health professionals and young people with first-hand experience of mental health issues and is aimed at 12 – 18 year olds. Both collections are available in every library and some titles are also available as eBooks. As part of

the launch of the week, Libraries NI shared videos from prominent authors and practitioners such as Dr Dawn Huebner who read from her book *Something Bad Happened*.

### **Liaison with Library Services elsewhere**

During the past year contact with other library services and library organisations increased in order to share information, to learn from others and pass on Libraries NI's learning as well as to show solidarity and to maintain morale. This took the form of contact with individual library services, meetings of umbrella groups such as Libraries Connected and involvement in various online forums such as meetings organised by the National Authorities on Public Libraries in Europe (NAPLE).

Two complementary pieces of research were undertaken on the experience and impact of public libraries during lockdown. One was commissioned by Libraries Connected and the other was undertaken by the Carnegie UK Trust. Libraries NI staff have contributed to the research through surveys and interviews. The research provided valuable evidence about the role and value of libraries and data that can inform future plans as well as evidence for advocacy purposes.

### **Other Events and Activities**

#### **European Heritage Open Days**

Libraries NI participated in European Heritage Open Days (EHOD) during the week 7 - 13 September. The events this year were online virtual experiences. Libraries NI's programme featured two photographic tours of Belfast Central Library, the first a present day virtual tour of the library, and the second a glimpse into the past, featuring photographs of the library throughout its long history. In keeping with this year's theme of 'Heritage and Education', the Bigger and McDonald photograph archive held in Derry Central Library was showcased, in an online exhibition entitled 'A Slice of School Life'. Content was hosted on the Libraries NI website and on social media.

#### **Good Relations Week**

Good Relations Week 2020, held on 14 - 21 September 2020, marked 30 years since the establishment of the Community Relations Council. The aim of Good Relations Week is to showcase and celebrate the efforts of people and communities in tackling sectarianism and racism, and promoting cultural diversity in Northern Ireland. The theme for 2020 was 'Celebrating Our Journey, Embracing Our Future'. This year, events for Good Relations Week were entirely online and Libraries NI participated by creating digital activities including craft videos, Makaton rhymes, creative writing and book recommendations around the theme for the week with activities hosted on library Facebook pages. The Armstrong Storytelling Trust recorded stories to celebrate diversity and these were broadcast via social media.

#### **Macmillan Coffee Morning**

The official date for the World's Biggest Coffee Morning was Friday 25 September. The theme this year was "Raise a Mug" and due to Covid-19 restrictions, people got

involved virtually by taking and sharing a selfie whilst enjoying a cuppa on the day. Libraries NI staff posted photos on social media accounts to show that we are still supporting this worthwhile cause and continued to promote Macmillan information in the library.

### **Get Online Week**

Online IT events took place in communities all across the UK during Get Online Week, 19 – 25 October 2020, showing people how to stay connected and how the internet can make life easier, cheaper, healthier and more fun! Libraries NI invited people to take part by offering a programme of free Zoom classes and 1-to-1 virtual sessions. During Get Online Week, 28 sessions were delivered and these were attended by about 70 people. The pandemic has made it even more important than before that everyone has the skills, confidence and access to IT to operate safely online and Libraries NI staff worked to develop new resources to meet emerging needs such as how to use Zoom.

### **Northern Ireland Science Festival**

Libraries NI contributed to the festival, held from 15 – 28 February 2021, in a number of ways.

In partnership with Libraries NI, author Shirley-Anne McMillan hosted a Question and Answer session with 16-year-old Dara McAnulty, prize winning author of *Diary of a Young Naturalist*. As well as talking about nature, the environment and autism, Dara talked about the importance of libraries and paid tribute to the role that Ormeau Road Library, in particular, has played in his life.

Libraries NI's partners, Science Starz were back with more hands-on fun science and thanks to the support of the Halifax Foundation NI, 300 science kits were distributed for children by local library staff to groups in the community in disadvantaged areas in Belfast, Derry and Dungannon. Also, simple science videos linked to well-known picture books were available on the Libraries NI website throughout the festival.

Virtual heritage exhibitions were also available on the Libraries NI website. 'Science and Technology in the Archives' featured items held in the newspaper and archive collections relating to scientists and innovators from Northern Ireland and 'Treasures of the Fine Book Room' included some of the most eye-catching items in the Fine Book Room of Belfast Central Library.

Science-related videos highlighting books, posters, artefacts and more were shared on the Libraries NI Instagram and of course science eBooks were also promoted.

### **Stock**

The Covid-19 emergency presented unique challenges for Libraries NI with an increased demand for electronic resources as a result of the closure of library buildings. Continued investment in these resources in 2020/21 saw growth in the borrowing of both eBooks and eMagazines which increased by 79% and 54% respectively from the previous year.

In addition to eBooks and eMagazines, eNewspapers were added to the digital offer on 21 April 2020. The number of eNewspapers borrowed was 406,778 until March 2021.

In 2020/21 Libraries NI spent £3,061,548 on stock which equates to £1.62 per capita, based on NISRA 2019 mid-year population estimates.

## **Rural Needs**

The network of branch libraries and mobile services such as Homecall and BookBox continued to provide services to rural dwellers. Libraries NI has 29 libraries based in villages with a population of 5,000 or less. In addition, 18 libraries based in larger villages or towns have a customer base including at least 40% rural dwellers. Libraries NI continued to work in partnership with the Department of Agriculture, Environment and Rural Affairs (DAERA) to deliver actions arising from the agreed Memorandum of Understanding (MOU). Some actions from the MOU were paused due to the Covid-19 pandemic, including the plan to extend the Out of Hours service to Omagh Library.

From June 2018, The Rural Needs Act (Northern Ireland) 2016 applied to Libraries NI requiring the organisation to 'have due regard to rural needs'. In July 2020 DAERA reviewed the implementation of the Act and Libraries NI identified a number of actions which have been implemented. These include the appointment of a Rural Needs Co-ordinator who participated in the DAERA forum, in addition Rural Needs Impact Assessment templates for internal facing policies were reviewed and updated and awareness raising sessions were held for managers.

Libraries NI reviewed or developed 33 policies or strategies in 2020/21 of which 24 related to governance, IT security and other internal matters. Six policies related to customers and services and were classified as cross cutting while three policies or strategies related to library services (Volunteer Policy, Cultural Heritage Provision in County Armagh and Implementing Operation ReConnect). A Rural Needs Impact Assessment was completed for all of these.

Implementing Operation ReConnect looked at the strategy to reconnect customers safely with Libraries NI following the closures due to the Covid-19 pandemic restrictions. A number of recommendations were identified to ensure Libraries NI had due regard to rural needs, including implementing a new home delivery BookBox service and keeping any reduction of opening hours to a minimum.

## **Marketing and Communications**

The impact of three lockdown periods and changing government guidance had a major influence on the communication of different messages to customers, staff and stakeholders. The use of multiple communication channels was important with the website and social media dominating as branches were closed and then email and poster/graphic communications increased in prominence as branches reopened. Some communication channels like local newspapers were limited temporarily by the pandemic and the subscription to the newspaper monitoring service was therefore paused.

ReConnect was the major project to re-engage with customers and this involved graphic design, public relations, video production, messaging on social media and information guidance through the website. The ReConnect charter was an example of one of the many graphics that were created to advise customers of the different services on offer and the impact of the Covid-19 regulations whilst in libraries. Libraries were part of Step Two in the NI Executive's first plan coming out of Covid-19 and it was vitally important that communications were clear, focused on customer safety, reactive to change and constantly monitored.

Throughout the pandemic, libraries played a role in supporting NI Executive messaging about Covid-19 and public safety through the Libraries NI website, dynamic graphics on social media pages and, when open, plasma screens in libraries.

During the year it was essential to develop services online and then, when coming out of lockdown, to provide a blended approach for service delivery. For the online services, social media and web platforms were established for presenting videos and promoting virtual events to the public with new content based playlists established on YouTube and structural changes to the Libraries NI website.

One of the key successes of Libraries NI's communications during the pandemic was increased use of video. The videos were initially limited by broadband speed and video editing requirements but the overall quality of both content and delivery improved over time with technical improvements and increased staff experience and confidence. Notable successes were the reopening videos for both staff and customers and the videos created to show customers how to download and use apps for online resources.

There was increased activity across all social media platforms throughout the year and this included a digital marketing campaign focused on the electronic resource offer. This resulted in an increased number of social media users/'likes' with an increase of over 12.5% on the previous year.

The total refresh of the website was a major project during the year. Challenges included working remotely with the design team and internal stakeholders, transferring documents and the learning process of a new website content management system. The new website was launched in December to provide a vastly improved functionality and architecture with much greater flexibility for mobile and tablet devices.

## **Assets**

Although funding for maintenance and upgrading of the estate continued to be limited throughout the year a range of projects aimed at enhancing the public library facilities were undertaken, including the following:

- Upgrading of roof structures at Comber and Portaferry libraries were completed
- a refurbishment of Lurgan Library was completed
- a range of work was completed at Belfast Central Library to address a range of fire safety issues including the provision of a new enclosed external fire escape staircase

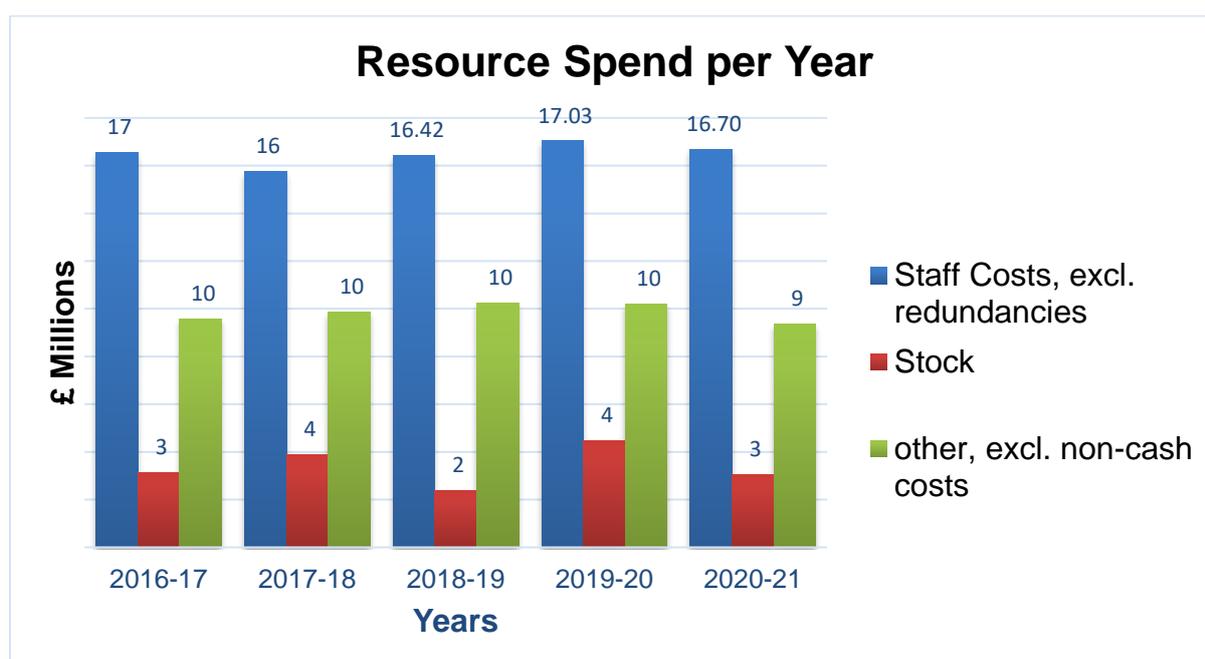
- work was completed at Ballynahinch Library to install a new energy efficient gas boiler and a project to upgrade the heating and cooling systems at Ballymena Library commenced
- toilet facility upgrades were completed at Newry Library
- A new ‘changing places’ facility was completed at Coleraine Library and construction commenced on a similar provision at Strabane Library
- refurbishment works commenced at Newcastle Library
- two new mobile library vehicles were procured as replacements for aging vehicles.

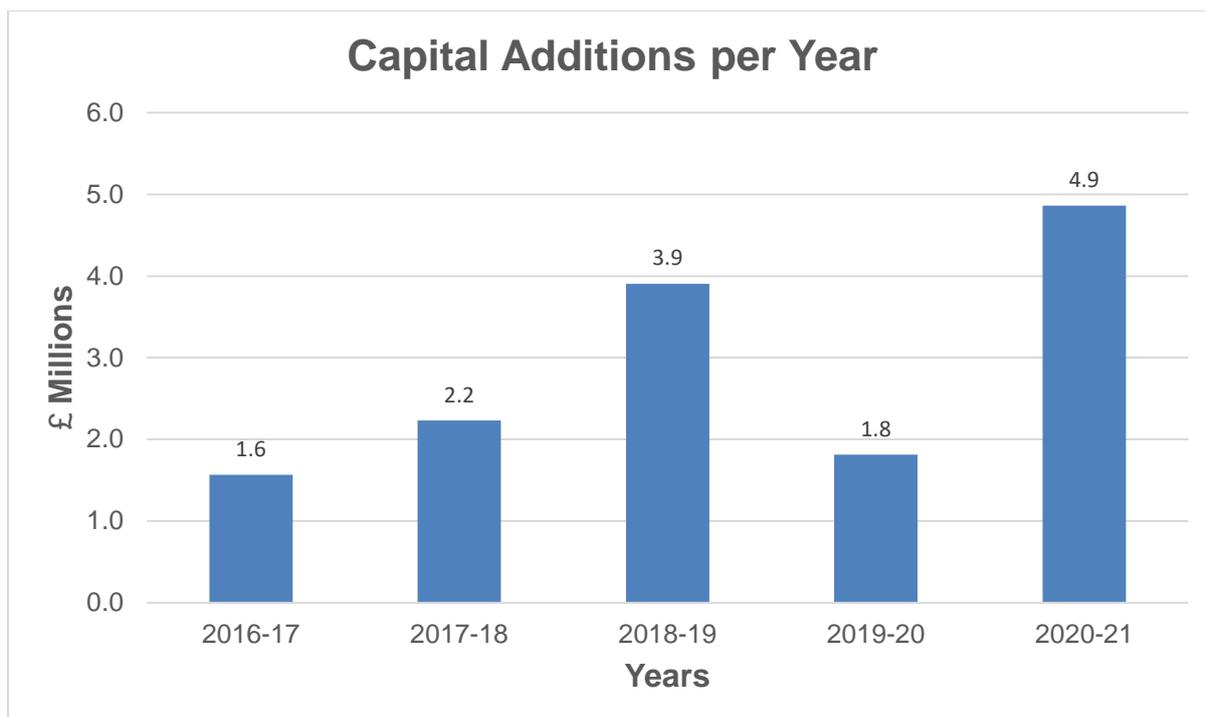
## Finance, Payroll and Procurement

Libraries NI is a designated body for the purposes of the Whole of Government Accounts. Results from Libraries NI’s draft accounts were consolidated within a single account for Northern Ireland and ultimately for the UK public sector.

One of the major challenges facing Libraries NI in 2020/21 was the setting of a balanced initial resource budget for the organisation. After submission of successful bids to the Department for Communities, additional funding allocations were received in year which alleviated pressures in the key areas of staffing, book stock, the e3 project and specific Covid-19 related expenditure (£249,503 in total comprising of £130,516 for physical safety and social distancing measures, £22,223 for additional cleaning and hygiene supplies and £96,764 for personal protective equipment). Additional funding provided through the Covid-19 Cultural Resilience Fund facilitated provision of a range of online programming while access to libraries was restricted.

The following tables show the long-term spend trends in relation to resource and capital and reflect the reducing baseline resource budgets available and the variability of capital allocations.





The finance teams were faced with new challenges as a result of the Covid-19 pandemic and restrictions. A change to predominantly home working, additional safety measures and limited interaction between team members contributed to a difficult working environment. Business continuity arrangements were implemented to ensure that Finance, Payroll and Procurement services continued to be delivered, in the context of government regulations and the restrictions in force over the course of the year.

Despite the impact of the pandemic, the performance on payment of suppliers within 30 working days remained strong at 95% (2019/20 98%). However, performance on the average 10-day payment target dropped to 73% (2019/20 91%).

The Procurement Team liaised between Libraries NI management and the Education Authority CoPE, the Construction and Procurement Delivery CoPE and the Procurement Team in DfC, to deliver value for money and propriety in the procurement of goods and services.

The Finance and Payroll teams took part in the biannual National Fraud Initiative data matching exercise, to assist the government in identifying potential fraud. Results from the exercise for 2020/21 will be investigated during 2021/22.

### **Human Resources (HR)**

HR is responsible for providing a wide range of advice, support and guidance on all matters pertaining to the employment, management and development of staff in Libraries NI.

### **Recruitment and Selection**

During 2020/21 there were 52 recruitment exercises carried out with a total of 460

application forms received. This compared to 104 recruitment exercises carried out in the previous year when a total of 1,151 applications were received. The reduction from the previous year was due to government restrictions arising from the Covid-19 pandemic. The exercises completed were carried out in line with government regulations or remotely using video technology. All appointments were made according to the Libraries NI Code of Procedures on Recruitment and Selection.

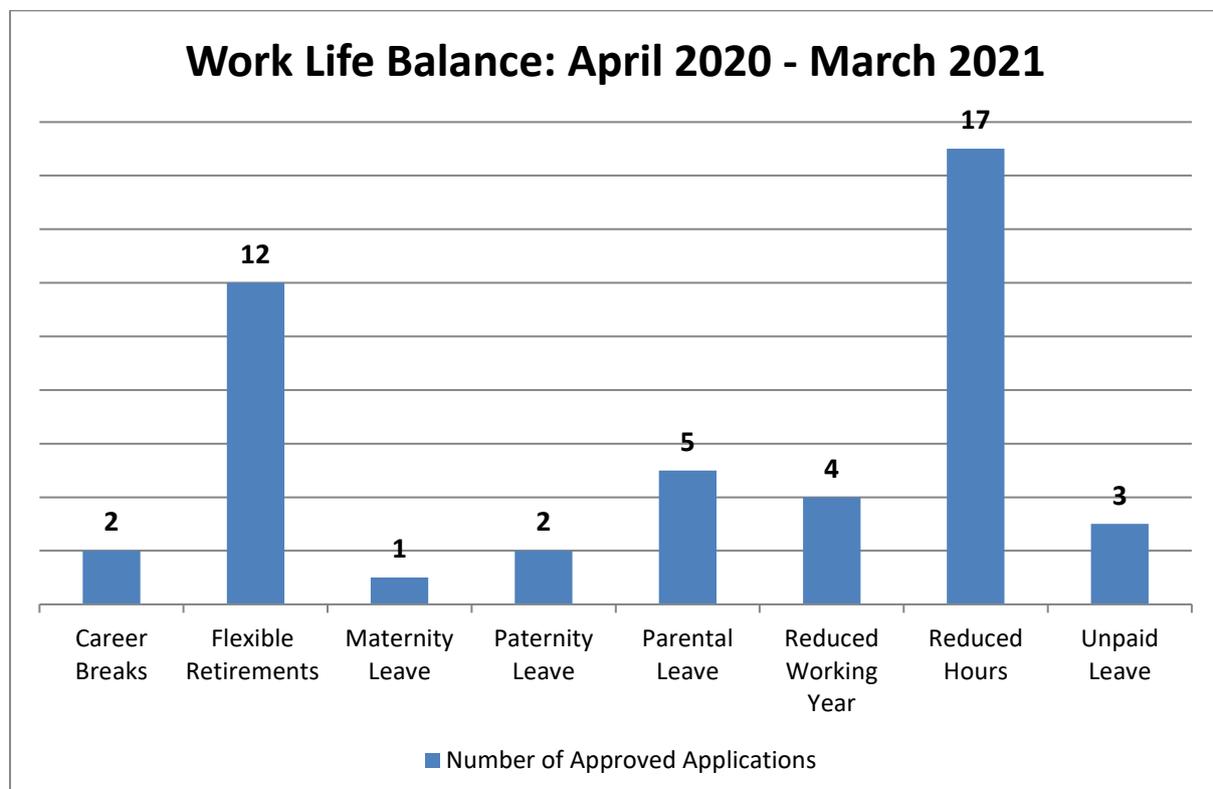
### Agency Support

Agency supply was obtained under the Northern Ireland Civil Service (NICS) Temporary Workers contract until it expired in December 2020 and procurement action commenced to establish a replacement supply framework.

In 2020/21 HR processed a total of 62 requests for agency workers, equating to 47.33 full-time posts for the year. Agency workers were used predominantly to support short term business needs including sickness cover, project backfill and vacancies. The majority of requests were for frontline posts at first entry recruitment grade.

### Employee Relations

Libraries NI is committed to providing staff with work life balance opportunities. During 2020/21, 46 applications for Work Life Balance adjustments were approved, as shown by type in the following graph.



## Employee Engagement and Trade Union Relationships

Throughout the year regular communication was provided to employees through internal communications such as Senior Management Team Blogs, Health and Wellbeing Updates and Staff Alerts. Given the challenges presented by the Covid-19 pandemic and in recognition of the importance of keeping in contact and providing staff with timely information on library services and the support available to them, this communication was further strengthened by the Chief Executive's weekly messages, Frequently Asked Questions and Working Together Staff Protocols circulated from HR. Regular meetings are held between staff at different levels to allow a free flow of information and ideas. The Negotiating Committee which includes representation from the recognised trades unions met formally with Management each quarter. A working group was established to discuss specific Covid-19 related issues. In 2020/21 time off with pay equating to FTE 1.00 was granted to elected trade union representatives to attend industrial relations duties.

## Leavers

During 2020/21 43 staff left the employment of Libraries NI. The reasons are shown in the chart below. In this year there was a reduction of 23% from 2019/20, when 56 employees left employment with Libraries NI.



## Pension

During 2020/21, HR reassessed pension contribution bandings for all staff who were members of the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). Following reassessment, all members were notified of their specific pension contribution rate. This resulted in 60 pension banding changes being processed. In addition, 7 members returning from an authorised unpaid period of

absence were notified of their eligibility to apply to pay Additional Pension Contributions (APC) to cover lost pension. One member took up this opportunity.

## **Health and Wellbeing**

During 2020/21 HR Health and Wellbeing continued to provide staff with an environment and opportunities that encouraged and enabled them to lead healthy lives and make choices that support their overall wellbeing inside and outside of work. Libraries NI recognised the challenges posed to staff due to the ongoing Covid-19 pandemic and a wide range of health and wellbeing information and initiatives was regularly communicated to staff through the staff Intranet and Libraries NI Extranet. This includes information about employee assistance programmes, support agencies and material to promote and support good mental health, a healthy lifestyle and healthy eating.

HR continues to work collaboratively with managers and trade unions to manage sickness absence effectively and provide a supportive employee culture. Libraries NI saw an improvement in its overall absence rates compared to the previous years and a small number of staff suffered from Covid-19. It is recognized that different working practices and library closures may have impacted the absence rates however given the seriousness of the pandemic it is reassuring that the supportive working environment for staff has also had an impact on the absence rates.

In 2020/21 the confidential counselling service provided by Inspire Workplaces was accessed by employees on 57 occasions compared to 96 during 2019/20. HR facilitated eight eye tests. The Occupational Health Service is accessed under the Education Authority CoPE, and provided by Birmingham Hospital Saturday Fund (BHSH). During 2020/21 62 medical referrals were attended by 45 employees and were predominantly carried out using video technology. Some employees attended more than one medical assessment. In 2020/21 medical referrals reduced by 39.8% when compared to 2019/20.

Of the 62 referrals, 42 related to employees who were absent from work through illness; 20 were for various other health related matters.

Following medical assessment, workplace adjustments were facilitated for eight employees, two on a temporary basis and three on a permanent basis. Of the 42, six employees were also supported through a phased return to work programme. All remaining cases were kept under review resulting in a return to work, ill health retirement or redeployment.

## **Staff Training and Development**

In previous years the vast majority of training and development delivered to staff has been in a face-to-face classroom-style setting. Covid-19 and the need for social distancing has meant that in general the traditional means of delivery was not possible for most training interventions with only First Aid Refresher training and Forklift Driver certification being delivered in 'real world' settings.

The opportunity was taken to develop alternative means of delivering training and development to staff with a range of online courses being delivered including: PRINCE2 Practitioner; Creating a Culture of Good Mental and Emotional Wellbeing; Public Accountability and Governance for Senior Managers; Storytelling; Workplace Investigations; Designated Officer (Safeguarding); Driver CPC; Alzheimer's Awareness; Safeguarding Awareness and Autism Awareness.

Staff were also given the opportunity to attend a number of virtual conferences including CILIP - Libraries Connected; CIPD Organisational Development Conference; and NI Procurement Conference.

A number of Board Members attended Governance and Accountability training, delivered online.

The Service Level Agreement with The Centre for Applied Learning (Northern Ireland Civil Service Centralised Training Unit) was renewed in 2020/21 and was used to enable all newly appointed staff to complete a number of Health and Safety related modules, including Health and Safety Awareness for All Staff, Basic Manual Handling Awareness, and Display Screen Equipment Awareness. All staff were required to complete these modules as part of their return to the workplace following lockdown as well as their annual completion of the Fire Safety Awareness module.

## **Information Systems**

The major information systems maintained and supported during 2020/21 in Libraries NI were:

- a Public Access Network which delivers services to library users and includes:
  - provision of public access computer terminals (public computers), including appropriate technology to facilitate use by people with disabilities
  - wireless (Wi-Fi) access in libraries to support the use of customers' own devices
  - a Virtual Library on a multi-platform basis to enable 24/7 access to library services outside the library environment, including a suite of electronic information resources e.g. eBooks and downloadable audiobooks
  - a Radio Frequency Identification (RFID) enabled Library Management System
  - delivering a more integrated approach to resource management and facilitating greater stock security as well as enabling customers to access services
  - RFID enabled kiosks in selected libraries to enable self-service facilities for library users to release staff to provide added value programmes
- a corporate network and series of business applications to facilitate the work of the Finance, Human Resources and Assets Management units

- service wide telephony
- a management information and business intelligence solution to enable the production of better qualitative data and information to support decision-making.

All these systems and associated support services are delivered through a managed service contract with Fujitsu, which is administered by the Libraries NI Intelligent Customer Unit to ensure that an extensive list of performance and availability service levels are met each month. During 2020/21 overall performance was good against the contractual service model and all major service levels were met with only very minor exceptions. Where required mitigating actions were taken on any risks related to Covid-19.

To ensure all IT services continued to meet required service levels significant technology refresh work continued during 2020/21. A new Libraries NI website was launched and a re-designed staff intranet implemented. Elements of the RFID technology were replaced and upgraded. HR, Finance and Payroll applications were upgraded and increased bandwidth was implemented in 68 libraries. A rollout of new corporate and public access desktops commenced supported by a staff training programme on new and updated software applications.

Further work was carried out in 2020/21 to secure replacement arrangements for the current e2 managed service contract which is due to terminate on 30 September 2022. An IS Programme is in place to manage the process and the main focus later in the reporting period was to ensure that the project to secure a service provider for the IT managed service elements can commence procurement early in the 2021/22 financial year. This project is entitled e3 and plans are in place for a contract commencement date of 1 October 2022. These new arrangements are also planned to include full flexibility to ensure they can deliver Information Systems to Libraries NI in the medium to long term.

## **Sustainability**

Sustainable development is based on balancing social, economic and environmental costs and benefits to ensure that human activities do not irreversibly damage the environment. The Libraries NI Environmental Policy statement was reviewed and updated. This policy has supported the work undertaken to manage energy consumption and CO<sub>2</sub> emissions and to comply with best practice and statutory requirements as well as seeking to address 'Everyone's Involved' (2010), the Northern Ireland Executive's Sustainable Development Strategy.

As a consequence of the Covid-19 pandemic libraries were closed for a number of months from the end of March 2020 and limited to providing a reduced service throughout the remainder of the year. Localised restrictions saw many staff working from home, suspension of mobile library services and significant reductions in vehicle fleet activities. As a result there has been notable reductions in the consumption of vehicle fuel, energy for space heating and electricity leading to a significant fall in CO<sub>2</sub> emissions directly linked to our business activities.

While 2020/21 is acknowledged as being an exceptional year with local and national restrictions dictating how we have operated our business, we recognised that the adoption of alternative working methods and different ways of delivering our services put in place in response to the pandemic have also had positive effects in terms of our energy consumption and carbon footprint. We will look to build on the lessons learned from this experience and where possible incorporate measures to further improve energy efficiency measures across the organisation as we move forward and reconnect our services.

Information on Libraries NI's approach and achievements in relation to sustainability is shown below:

- CO<sub>2</sub> emissions from the Library decreased by 19% in 2020/21 while the Libraries NI vehicle fleet produced some 58% less CO<sub>2</sub> compared to 2019/20
- all new major construction projects received a sustainable design brief with appropriate design parameters and criteria including sustainable and legal timber sourcing, site waste management plans and promotion of the Achieving Excellence in Construction initiative. New buildings were designed to include measures to minimise energy in construction and in use, eliminate pollution and minimise waste, preserve and enhance biodiversity, conserve water resources and make the best use of local transport links. In line with the Department's policy, all new construction projects are set a target of achieving a Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' rating to describe the building's environmental performance
- work was completed at Ballynahinch Library to separate the library from an inefficient remote heating boiler providing the building with its own dedicated natural gas fired system
- modern heating controls were installed at Suffolk Library to achieve a more energy efficient and better comfort control over the existing heating system
- insulation to the roof fabric at Portaferry and Comber libraries was upgraded
- a project commenced at Ballymena Library to replace obsolete building heating, cooling and ventilation systems with efficient modern equipment
- mobile library and delivery fleet drivers underwent remote online training to attain or retain a Certificate of Professional Competence (CPC) including efficient driving techniques
- energy assessments were undertaken and Display Energy Certificates, Energy Performance Certificates and Air Conditioning Inspection Certificates supplied to all appropriate sites with 100% of all applicable properties receiving a non-default rating
- staff were facilitated to make maximum use of IT services for home or remote working, reducing business travel, general commuting and accommodation demands across the library estate
- printed material withdrawn from stock, e.g. because of its physical condition or currency, is recycled where possible

- significant efforts have been focused on providing reliable and accessible electronic communication channels, and software upgrades have been introduced to facilitate remote meetings, video conferencing and programme delivery
- all new vehicles commissioned in 2020/21 were fitted with EURO6 compliant engines and AdBlue exhaust additive systems, increasing fuel efficiency and significantly reducing our nitrogen dioxide and diesel particulate emissions.



**Jim O'Hagan**  
**Chief Executive**

**Date: 14 October 2021**

## Accountability Report

### Corporate Governance Report

#### Report of the Board

The Board of Libraries NI, when fully constituted, comprises a Chairperson and 18 Members, of whom a majority are Councillors, within the meaning of the Local Government Act (Northern Ireland) 1972. All Members of the Board are appointed by the Minister of the Sponsor Department.

The following served as Members of the Board during the year:

Professor Bernard Cullen	Chairperson
Mr Neil Bodger	
Alderman Thomas Burns	
Councillor Alistair Cathcart	
Councillor Glenn Finlay	
Councillor Julie Gilmour	
Councillor Cara Hunter <sup>1</sup>	
Councillor Cheryl Johnston	
Councillor Garath Keating	
Mrs Deirdre Kenny	
Councillor Donal Lyons	Vice-Chairperson
Councillor Cathal Mallaghan	
Mrs Wendy Osborne OBE	
Mr John Peto	
Mr Harry Reid	
Dr Margaret Ward	
Councillor Billy Webb MBE JP	
Miss Linda Wilson	

<sup>1</sup> Board Member resigned from the Board on 22 May 2020 following co-option as a Member of the Legislative Assembly

#### Organisational Structure

In the period covered by this Annual Report, Libraries NI was structured on the basis of the Chief Executive's Department and two Directorates, as detailed in the following paragraphs.

#### Chief Executive's Department

The Chief Executive's Department provides services to Board Members, other Departments, libraries and the general public and comprises:

- the Board Secretariat, which provides administrative and secretarial support for the Board and the Audit and Risk Assurance Committee
- Internal Audit, which provides assurance to the Chief Executive, as Accounting Officer, on the adequacy and effectiveness of the organisation's systems of risk management, control and governance.

### **Library Services Directorate**

*Director: Helen Osborn*

The Director of Library Services is responsible for the leadership, management, development and delivery of high quality, effective and efficient services to the public through:

- the Public Library Network, comprising branch, mobile and heritage libraries and related online and outreach services
- the Key Service Priorities, which are concerned with:
  - encouraging people to read, to read more widely and to get more from their reading
  - providing services and programmes which encourage children to become confident readers who enjoy reading
  - promoting digital inclusion through supported access to computers and Wi-Fi and to skills development opportunities
  - preserving, promoting and improving the accessibility of important material related to our cultural heritage
  - providing and supporting formal and informal learning experiences and opportunities for children and adults
  - providing people with access to current and relevant information in printed and online formats and developing information literacy skills
  - facilitating greater community participation in, and access to, cultural activities
  - providing access to information and activities which promote health and wellbeing
- Resources and Bibliographic Services which include the acquisition and cataloguing of stock, the request and inter-library loan service and the exploitation, editing, circulation, promotion and disposal of stock
- Marketing and Communications which is concerned with internal and external communications and promotion, developing the Libraries NI brand and market research.

### **Business Support Directorate**

*Director: Desmond Miskelly*

The Director of Business Support is responsible for the leadership, management, development and delivery of a range of services which support the provision of high quality public library services:

- the Assets Management Unit is responsible for the management, maintenance and development of the organisation's physical assets including land, property and vehicles and for progressing capital development

programmes

- the Finance Unit, consisting of Finance, Payroll and Procurement, is responsible for the provision of quality financial information to support decision-making, with the aim of meeting financial targets and reporting requirements, while complying with corporate governance requirements in relation to financial and procurement matters
- the Human Resources Unit is responsible for advice, support and guidance on employment practices, people management, health and wellbeing, trade union and staff engagement and staff learning and development issues, with the aim of achieving a skilled, motivated, flexible and diverse workforce
- Information Systems comprising of:
  - the Intelligent Customer Unit (ICU) which is responsible for managing the delivery of all services relating to electronic library information systems through the e2 contract
  - the Information and Communications Technology (ICT) Unit which is responsible for the support of information systems in Libraries NI
  - Information Governance which ensures that Libraries NI fulfils its responsibilities in respect of the requirements of Freedom of Information and Data Protection legislation and implements best practice in the discipline of records management
  - Business Analysis which ensures that Libraries NI is provided with appropriate management information and produces official statistics.

## **Register of Interests**

None of the Board Members, members of the key management staff or other related parties have undertaken any material transactions with Libraries NI during the year.

A Register of Members' Interests and a Register of Interests of the Chief Executive and Directors has been published on the Libraries NI website ([www.librariesni.org.uk](http://www.librariesni.org.uk)) and can also be inspected on application to the Chief Executive's Department.

Libraries NI have arrangements in place to manage the reporting on and recording of conflicts of interest, details of the policy and process governing the management of conflicts of interests is available on the Libraries NI website ([Conflicts of Interest Policy](#) )

## **Personal Data**

There were no incidents of data loss during 2020/21 which required to be notified to the Information Commissioner.

## **Corporate Governance Arrangements**

Libraries NI, through its Committee structure, maintains and reviews the system of internal control within the organisation by continually monitoring the service being provided to customers to ensure that it meets its objectives. The Chairperson of the Audit and Risk Assurance Committee reports to the Board on audit activity, including

risk management.

The organisation has complied with the terms of current relevant Dear Accounting Officer (DAO) letters issued by DoF. In particular, grant and grant in aid received from the Sponsor Department has been used for the purposes intended. There was no novel or contentious expenditure for which relevant Departmental approval was not obtained. All other financial transactions conformed to the authorities which governed them, including delegated authority to commit or incur expenditure, and approvals were sought from the Department where required.

Registers of Board Members' and key staff interests are updated on an annual basis. Conflicts of interest relating to Board Members and key staff, actual or potential, are appropriately managed and controlled. A Conflicts of Interest Policy is in place.

An Anti-Fraud Policy, Fraud Response Plan, Fraud Risk Analysis, Anti-Bribery Policy and Whistleblowing Policy (Raising a Concern) are in place. In accordance with agreed procedures all suspected and proven frauds should be notified to the sponsor Department and other relevant bodies. There were no suspected frauds reported during 2020/21.

DfC and all its Arm's-Length Bodies (ALBs) have a Service Level Agreement (SLA) with the NICS Group Internal Audit and Fraud Investigation Service to conduct fraud investigations. However, guidance has been received from the Department that along with its other ALBs Libraries NI is classified as a 'Low User'. Libraries NI Internal Audit will conduct all fraud investigations unless, by exception, additional resources or advice are required from the Department. No fraud investigations were carried out during 2020/21.

An SLA is in place with the Education Authority's Internal Audit and Assurance Service to provide additional resources if required. This resource was also not required in-year.

Throughout the year, performance was monitored in terms of both business objectives and the effectiveness of internal control arrangements. At 31 March 2021, internal control was adequate to provide reasonable assurance of:

- effective and efficient operations
- integrity and accuracy of management information
- the safeguarding of assets
- compliance with laws and regulations.

The Board of Libraries NI, via the Audit and Risk Assurance Committee, received periodic reports concerning internal control. During the year specific attention was given to the control arrangements relating to mission critical projects.

Four Audit and Risk Assurance Committee meetings were held remotely via video conference during the year. The Chief Executive, the Director of Business Support and the Head of Internal Audit attended all meetings. Representatives of the Northern Ireland Audit Office (NIAO) and the Department are invited to attend all meetings of the Audit and Risk Assurance Committee and are provided with a full set of papers for

each meeting, including copies of all Internal Audit reports.

An Internal Audit function, which is compliant with the Public Sector Internal Audit Standards (PSIAS) is in place within Libraries NI. At each meeting of the Audit and Risk Assurance Committee, the Head of Internal Audit reports on issues arising from internal audit reports and provides an opinion on the adequacy and effectiveness of the systems of risk, control and governance together with recommendations for improvement. The Head of Internal Audit's opinion is a key element of the framework of assurance that the Chief Executive needs to inform the completion of the Governance Statement.

The annual Audit Plan for 2020/21 called for the internal audit resource to be used to conduct assignments in different areas of Libraries NI. Actual usage of the Internal Audit resource is detailed in the table below.

<b>Category of Audit/ Allocation of Resource</b>	<b>No. of Days</b>	<b>% of Days</b>
Strategic	11	3%
Support Services	73	22%
Operational	30	9%
Mandatory	4	1%
Location Audits*	52	16%
Consultancy	80	24%
Training**	8	2%
Administration***	76	23%
<b>Total</b>	<b>334</b>	<b>100%</b>

\* Includes audits of 12 Branch Libraries

\*\* Includes receipt of training by Internal Audit staff and provision of training by Internal Audit for other Libraries NI staff

\*\*\* Includes support for the Audit and Risk Assurance Committee

## **Essential Contractual Arrangements**

Libraries NI uses a number of collaborative framework contracts to purchase goods and services. Procurements for the supply of goods and services, including estates-related services are facilitated by the DfC Procurement Team, a Centre of Procurement Excellence (CoPE) or in line with procurement advice provided by a CoPE. All contracts are evaluated on a best value for money basis, which may consider cost and quality factors. All contracts awarded by Libraries NI are a matter of public record and details are available on the Libraries NI website ([www.librariesni.org.uk](http://www.librariesni.org.uk)).

For the period under review, Libraries NI was involved in a Public-Private Partnership (PPP) contract for the provision of a serviced facility at the Lisburn City Library, and a managed services contract for the provision of IT services to all library locations.

## Customer Feedback

Libraries NI welcomes feedback from its customers about their experiences of our services. Feedback allows us to identify and repeat what is good and address any problems with the service provided and helps us improve what we do and how we do it.

All staff are encouraged to engage with customers and to acknowledge and respond to verbal feedback. All formal feedback is dealt with in accordance with the Customer Feedback Policy and Procedures. As a result, all items of complaint are responded to promptly by the appropriate senior level. Compliments and comments continue to be acknowledged where a contact email address has been provided. Where service delivery has not been satisfactory, action is taken, where possible, to enhance the customer experience for the future.

Feedback statistics are provided to Middle and Senior Managers on a monthly basis and to the Senior Management Team and Board Members on an annual basis. A summary of feedback received during 2020/21 is shown in the table below:

<b>Items of feedback received:</b>	<b>188</b>
<b>Nature of feedback:</b>	
complimentary	<b>108</b>
complaint	<b>44</b>
comment	<b>36</b>
<b>Category of feedback:</b>	
Staff	<b>64</b>
Library Services	<b>68</b>
Online Services	<b>50</b>
Facilities and Buildings	<b>5</b>
Stock	<b>1</b>
<b>Average number of days taken to respond:</b>	<b>3 days</b>

Whilst the overall number of items of feedback received has fallen from 496 in 2019/20 to 188 in 2020/21, the percentage of complimentary feedback remains high at 57% (56% in 2019/20). Customers, in particular, have appreciated the range of services provided during and post-lockdown, including access to eBooks and eMagazines, Book Box, Book and Collect as well a range of virtual learning resources and, for example, the Heritage at Home series.

There were no instances of any response exceeding the response limit (15 days) in 2020/21.

Further information on the customer feedback process is available on the Libraries NI website ([www.librariesni.org.uk](http://www.librariesni.org.uk)).

## Access to Information

Libraries NI is committed to making information about its business and how it operates available to service users, the public and staff. The specific categories of information that Libraries NI is required to publish under the terms of the Freedom of Information

Act 2000 can be viewed in the About Us section of the website ([www.librariesni.org.uk](http://www.librariesni.org.uk)). Individuals are permitted, under the Data Protection Act 2018, to request a copy of the personal information that Libraries NI holds about them.

Requests for information can be submitted electronically via the Freedom of Information Mailbox, the Enquiries Mailbox, and the Data Protection Mailbox on the Libraries NI website or by contacting any service point and/or office within the organisation. The majority of requests for information are dealt with routinely as part of normal business. Under the formal access to information regime, 18 requests were received under the Freedom of Information Act 2000 and 12 requests were received under the Data Protection Act 2018 during 2020/21.

### **Preparation of the Accounts**

The Accounts are prepared in accordance with a Departmental Accounts Direction, and comply with the Government Financial Reporting Manual (FReM) 2020/21. They are prepared on an accruals basis and give a true and fair view of Libraries NI's financial position and of its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

### **Public Sector Payment Policy – Measure of Compliance**

Libraries NI's payment policy in respect of trade creditors is consistent with the Northern Ireland Executive's commitment to paying suppliers as quickly as possible and we aim to pay 90% of invoices within ten working days. Libraries NI is bound by the terms of the Late Payment of Commercial Debts (Interest) Act 1998, which allows suppliers to charge interest and costs in respect of undisputed invoices unpaid after 30 days. Libraries NI paid no interest charges in relation to late payment during 2020/21.

<b>Based on invoice Date</b>	<b>2020/21</b>		<b>2019/20</b>	
	<b>Invoices Paid</b>	<b>Paid within Target %</b>	<b>Invoices Paid</b>	<b>Paid within Target %</b>
Total invoices paid	12,813	-	18,079	-
Paid within 30 days	12,174	95%	17,781	98%
Paid within 10 days	9,339	73%	16,604	91%

### **Charitable Donations**

Libraries NI made no donations for charitable or political purposes during the year.

### **Statement of Accounting Officer's Responsibilities**

The Accounting Officer of the Department for Communities has designated the Chief Executive as Accounting Officer for the Northern Ireland Library Authority (Libraries NI). The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding Libraries NI's assets,

are set out in Managing Public Money Northern Ireland issued by the Department of Finance.

Under the Libraries Act (Northern Ireland) 2008 (Paragraph 16), the Department, with the consent of DoF has directed Libraries NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Libraries NI and its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the FReM and in particular to:

- observe the Accounts Direction issued by the Department, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state that applicable accounting standards, as set out in the FReM, have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable
- confirm that he takes personal responsibility for the annual report and accounts and the judgement required for determining that it is fair, balanced and understandable.

As Accounting Officer, the Chief Executive is required to take steps to make himself aware of relevant audit information and to establish that the C&AG is aware of that information.



**Jim O'Hagan**  
Chief Executive

**Date: 14 October 2021**

## **Governance Statement**

### **Introduction/Scope of Responsibility**

As Accounting Officer for the Northern Ireland Library Authority (hereafter referred to as Libraries NI), I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's statutory duties, aims, objectives and policies, whilst safeguarding the public funds and the assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (Northern Ireland). My responsibilities as Accounting Officer are also set out in the Libraries NI Management Statement.

I am required to provide assurance in respect of expenditure incurred by Libraries NI and funded by the Sponsor Department, in delivering the agreed objectives and targets set out in the Libraries NI Corporate Plan and annual Business Plan. The Corporate and Business Plans are developed and agreed by the Board of Libraries NI taking into account Departmental priorities, identified through meetings with Departmental officials.

The Corporate and Business Plans are approved by the Department and progress in relation to agreed KPIs incorporated within the annual Business Plan is reported on a quarterly basis to the Board of Libraries NI and discussed at regular Partnership Meetings with Departmental officials.

### **Compliance with Corporate Governance Best Practice**

During 2020/21 the Libraries NI Board completed a review of its effectiveness and compliance, taking into account best practice guidelines in relation to corporate governance, including the 'Corporate Governance in Central Government Departments: Code of Good Practice'. The Code was written specifically with government departments in mind. Libraries NI seeks to comply with this code to the extent to which it is relevant and meaningful to do so as a Non-Departmental Public Body. A substantial level of compliance with the key principles of the Code was established by the review of effectiveness. In order to continue to enhance the Board's effectiveness an action plan will be implemented.

During 2020/21 Internal Audit also undertook reviews of compliance with corporate governance including a review of Stewardship Reporting (a review of evidence supporting the completion of the Bi-Annual Assurance Statements and the Governance Statement) and Validation of Targets. The ensuing reports concluded that controls were operating in a satisfactory manner. No material issues were identified.

## Governance Framework

The governance framework of Libraries NI comprises the following elements:

The Chief Executive is the designated **Accounting Officer** and is personally responsible for:

- safeguarding the public funds for which he has charge
- ensuring propriety and regularity in the handling of those public funds
- the day to day operation and management of the organisation, including maintaining administrative structures which enable Libraries NI to discharge its statutory responsibilities efficiently and effectively and for ensuring that all legitimate decisions of the Board are implemented.

The **Board** consists of a non-executive Chairperson and, when fully constituted, 18 other non-executive Members, of whom at any time a majority are Councillors (within the meaning of the Local Government Act (Northern Ireland) 1972). The Chairperson and Board Members are appointed by the Sponsor Department.

The Board is a corporate body and its role is set out in the Management Statement drawn up by the Department in consultation with Libraries NI. The Board has corporate responsibility for ensuring that Libraries NI fulfils the aims and objectives set by the Department and for promoting the efficient, economic and effective use of staff and other resources by the organisation. In setting strategic direction the Board takes account of Ministerial and Departmental priorities, the Draft PfG and the NICS Outcomes Delivery Plan.

The Board has agreed Standing Orders, setting out the procedures by which it transacts its business and has adopted a Code of Conduct for Board Members. Board Members complete Declarations of Interest which are published on the Libraries NI website. In addition, at each Board and Committee meeting, Board Members are required to declare if they have any actual or potential conflicts of interest associated with any matter being considered at that meeting.

The following declaration of a potential conflict of interest was recorded:

At the meeting of the Board held on 11 February the Chairperson informed Members that he holds a role in another organisation, The Thomas Doran (Parkanaur) Trust, which also receives funding from the Department for Communities (DfC). He confirmed that this role has been declared on his Register of Interests and although he did not believe it would give rise to a conflict of interest, or a perceived conflict of interest, for the purposes of transparency asked that the matter be noted.

The Board met remotely via Zoom on nine occasions during 2020/21. One meeting took the form of a workshop at which consideration was given to longer term planning issues. The membership of the Board during 2020/21 was as follows:

- Professor Bernard Cullen (Chairperson)
- Councillor Donal Lyons (Vice Chairperson)
- Mr Neil Bodger
- Alderman Thomas Burns
- Councillor Alistair Cathcart
- Councillor Glenn Finlay
- Councillor Julie Gilmour
- Councillor Cara Hunter<sup>1</sup>
- Councillor Cheryl Johnston
- Councillor Garath Keating
- Mrs Deirdre Kenny
- Councillor Cathal Mallaghan
- Mrs Wendy Osborne OBE
- Mr John Peto
- Mr Harry Reid
- Dr Margaret Ward
- Councillor Billy Webb MBE JP
- Miss Linda Wilson

<sup>1</sup> *Term as a Board Member ended 22 May 2020*

Key issues considered by the Board during 2020/21 included the following:

- the Annual Report and Accounts 2019/20
- Key Performance Indicators
- the draft Annual Business Plan 2021/22
- Budget and Spending plan 2020/21
- Board effectiveness review and action plan
- Organisation and Structures: Review
- e2 contract extension and e3 Programme
- Community Planning
- 'Operation Reconnect', consideration of plans to provide services during Covid-19 restrictions
- Update on Libraries NI's financial position
- Provision of Cultural Heritage services in County Armagh
- Recommendation concerning the appointment of a second tier officer

Libraries NI participated in 'The Boardroom Apprentice' scheme, hosting an apprentice in a designated non-voting capacity. The scheme is aimed at providing opportunity for individuals aspiring to future membership of a Board to develop judgement and decision-making skills as well as the transfer of knowledge such as strategy, governance, audit and risk.

The **Audit and Risk Assurance Committee** is responsible for advising the Board and the Accounting Officer on, and for monitoring processes in relation to, internal control, risk management and corporate governance arrangements for compliance with relevant guidance and best practice. In doing so the Committee reviews on a regular basis:

- the Chief Executive's Assurance Statements
- the minutes of the Chief Executive's Partnership Meetings
- the Corporate Risk Register
- the Internal Audit Strategy and Annual Plan
- the External Audit Strategy
- Internal and External Audit reports and management's response to audit recommendations
- relevant policies, processes and procedures including those relating to the Audit and Risk Assurance Committee Scheme of Delegation, the Risk Management Strategy and the Internal Audit Charter.

The Committee provides the Board and the Accounting Officer with an annual report summarising its conclusions from the work that it has carried out during the year and providing assurance regarding the governance framework.

Membership of the Committee during 2020/21 was as follows:

- Mrs Deirdre Kenny (Chairperson)
- Councillor Glenn Finlay (Vice Chairperson)
- Councillor Alistair Cathcart
- Professor Bernard Cullen
- Ms Nuala McAuley (Co-opted Member)
- Mrs Wendy Osborne OBE

The Chief Executive, the Director of Business Support and the Head of Internal Audit attended all meetings of the Audit and Risk Assurance Committee. Representatives of the Northern Ireland Audit Office (NIAO) and the Department are invited to attend all meetings of the Audit and Risk Assurance Committee and are provided with a full set of papers for each meeting, including copies of all Internal Audit reports.

During 2020/21 the Audit and Risk Assurance Committee met remotely via Zoom on four occasions and considered and reported to the Board on the following:

- the Internal and External Audit Strategies
- the annual and assignment specific reports from Internal Audit with assurance levels provided
- reports of the Risk Management Group and its own review of the Corporate Risk Register
- reports from the Chief Executive and Senior Management Team on procedures for monitoring Mission Critical Projects
- reports from Senior Managers on the implementation of Internal Audit recommendations
- its review of the Assurance Statements completed by the Accounting Officer and forwarded to the Department
- reports on Direct Award Contracts
- Internal Audit Quality Assessment Framework – Self-Assessment
- the report on the External Quality Assessment of Internal Audit
- the Accounting Officer’s Governance Statement for 2019/20
- the Annual Report and Accounts and the Comptroller & Auditor General’s Report to those Charged with Governance for 2019/20
- revisions and updates to various corporate governance policies and documents, including the Anti-Fraud Policy, the Fraud Response Plan, the Anti-Bribery Policy and the Internal Audit Charter.

During the year the Committee carried out a review of its terms of reference and its effectiveness, using the National Audit Office (NAO) Self-Assessment Checklist, and determined that it was operating effectively and had added value to corporate governance and control systems.

The **Business Support Committee** makes recommendations to the Board of Libraries NI in relation to a range of issues including:

- financial matters, including the robustness of the process for setting the budget, reporting and monitoring arrangements
- internal and external financial statements, including reviewing the annual accounts prior to, and on completion of, the external audit
- procurement and tendering arrangements, including Single Tender Actions
- staffing policies, procedures and processes
- capital strategies and planned maintenance programmes
- management information requirements and information governance arrangements.

The membership of the Business Support Committee during 2020/21 was as follows:

- Councillor Billy Webb MBE JP (Chairperson)
- Mr Neil Bodger (Vice Chairperson)
- Alderman Thomas Burns
- Councillor Cara Hunter<sup>1</sup>
- Councillor Cheryl Johnston
- Councillor Garath Keating
- Miss Linda Wilson
- Professor Bernard Cullen

<sup>1</sup> Term as a Board Member ended on 22 May 2020

During the year the Committee met (remotely via Zoom) on five occasions and considered and reported to the Board on a range of matters within its remit including the following:

#### Finance

- capital and recurrent budget plans and monitoring reports 2020/21
- the Annual Report and Accounts 2019/20
- the NIAO Report to Those Charged with Governance 2019/20
- prompt payment targets and performance
- procurement and Direct Award Contracts
- public and employer liability claims.

#### Human Resources

- absence management monitoring reports
- the Annual Progress Report on Equality, Article 55 Fair Employment report 2019/20
- policies and reviews on Lone Working, Student Work Placement, Discipline and Menopause support
- a revised policy on Travel and Subsistence Expenses
- customer feedback.

#### Assets

- capital works 2020/21
- the estate maintenance programme 2020/21
- tender reports for the appointment of contractors for various remedial works at Newcastle, Ballymena, Comber and Portaferry libraries
- the Health and Safety Annual Report

- policies and reviews on Vehicle Management, Health and Safety and Environmental matters
- a revised Assets Management Policy and Strategy 2020-2024
- use of the Libraries NI seal.

### ICU/ICT

- delivery of the e2 managed services contract
- approval of the Outline Business Case for e3
- policies and procedures in relation to records management, Data Protection and Information Technology security.

The Committee reviewed and monitored the Service Plan relating to the work of the Business Support Directorate (i.e. Assets, Finance, Human Resources and ICT/ICU) and reviewed the related Risk Register. It also carried out an Effectiveness and Compliance review of its functions.

The **Services Committee** advises the Board on strategy and policy in relation to library provision and makes recommendations to the Board on a range of matters including:

- its statutory duty to provide a comprehensive and efficient public library service
- the facilities that should be available for the provision of a library service
- the acquisition, exploitation, retention and disposal of library stock
- encouraging full use of the library service and its facilities
- the development and implementation of the Key Service Priorities
- strategic marketing and communications.

The membership of the Services Committee during 2020/21 was as follows:

- Dr Margaret Ward (Chairperson)
- Councillor Cathal Mallaghan (Vice-Chairperson)
- Professor Bernard Cullen
- Councillor Glenn Finlay
- Councillor Julie Gilmour
- Mrs Deirdre Kenny
- Councillor Donal Lyons
- Mr John Peto
- Mr Harry Reid

During the year the Committee met six times remotely via Zoom and considered and reported to the Board on a range of matters within its remit including the following:

- overview of services provided during lockdown
- Operation ReConnect

- online programming
- policies for Children and Young People's Services, Digitisation, Engaging with Culture and Creativity, Heritage, Information and Learning Services, Loan and Use of Heritage and Other Assets, Managing Unacceptable Behaviour, Media Handling and Volunteering
- consultation on provision of a Cultural Heritage Service in Co. Armagh
- relevant external reports and updates in the wider world of libraries
- customer feedback
- rural needs annual report
- the effectiveness and compliance review.

The Committee received presentations on a number of topics including:

- Communications and Covid-19
- Experience of libraries in the Republic of Ireland during Covid-19 by Mr S Hamilton, Head of Libraries Development for the Local Government Management Agency (LGMA) in Ireland
- Book Week NI 2020.

The Committee also reviewed and monitored the Services Plan relating to the work of the Services Directorate and reviewed the related Risk Register.

The **Remuneration Committee** is responsible for monitoring the annual performance objectives of the Chief Executive and Directors and for determining the appropriate levels of performance related pay to be awarded annually to the Chief Executive and Directors in accordance with their terms and conditions of employment and the agreed performance related pay scheme. Any such award must be within the limits set by the Department of Finance and approved by the Department for Communities (DfC).

The membership of the **Remuneration Committee** during 2020/21 was as follows:

- Professor Bernard Cullen (Chairperson)
- Mrs Deirdre Kenny
- Councillor Donal Lyons
- Dr. Margaret Ward
- Councillor Billy Webb MBE JP

During 2020/21 the Committee met on three occasions and considered the following matters:

- progress on proposals related to Pay and Remuneration for First and Second Tier Officers and engagement with DfC on related issues
- NJC 2020/21 Pay Award for First and Second Tier Officer

- Remuneration Committee Effectiveness Review including the Scheme Specifying the Duties and Responsibilities to be Discharged and the Procedure to be followed by the Remuneration Committee
- a report from the Chairperson on the performance assessment of the Chief Executive in 2019/20 and targets set for 2020/21
- a report from the Chief Executive on the performance assessment of Directors in 2019/20
- agreed schedule of meetings in 2020/21 and options for additional meetings if required.

In February 2021 the Board approved the establishment of an **Information Systems Committee** with the appropriate delegated decision making authority to support the procurement and implementation phases of the e3 information systems and managed services project. The Committee did not meet during 2020/21.

## Attendance at Board and Committee Meetings

	Board	Audit and Risk Assurance Committee	Services Committee	Business Support Committee	Remuneration Committee
<b>Number of Meetings Held</b>	<b>9</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>3</b>
Professor Bernard Cullen (Chairperson)	9	4	6	5	3
Councillor Donal Lyons (Vice-Chairperson)	6	-	6	-	2
Mr Neil Bodger	9	-	-	3	-
Alderman Thomas Burns	9	-	-	4	-
Councillor Alistair Cathcart	9	3	-	-	-
Councillor Glenn Finlay	9	4	6	-	-
Councillor Julie Gilmour	7	-	6	-	-
Councillor Cara Hunter	1	-	-	-	-
Councillor Cheryl Johnston	5	-	-	5	-
Councillor Garath Keating	6	-	1	3	-
Mrs Deirdre Kenny	9	4	6	-	3
Councillor Cathal Mallaghan	8	-	6	-	-
Mrs Wendy Osborne OBE	9	4	-	-	-
Mr John Peto	7	-	6	-	-
Mr Harry Reid	7	-	6	-	-
Dr Margaret Ward	9	-	6	-	3
Councillor Billy Webb MBE JP	9	-	-	5	3
Miss Linda Wilson	8	-	-	5	-
Ms Nuala McAuley Co-opted Member	-	3	-	-	-

The **Senior Management Team** comprises the Chief Executive, the Director of Business Support and the Director of Library Services.

Other elements of the corporate governance structure include:

- an agreed **Organisation Structure** with detailed job descriptions for staff at all levels and associated processes, including a staff appraisal scheme, to ensure that all members of staff are clear about their respective roles and responsibilities
- a **Corporate Plan** for the period 2020 - 2024
- an annual **Business Plan** approved by the Department, setting out, among other things, the vision, mission, aims and corporate objectives of Libraries NI as well as key activities and targets
- a **Board Operating Framework** which sets out the role and responsibilities of the Accounting Officer, the Board and its Committees, including matters reserved to the Board for decision-making and those delegated to Committees and the Chief Executive as Accounting Officer

- a range of **policies, strategies and procedures**, which guide the work of the organisation and are regularly reviewed
- a **Risk Management Framework**, incorporating a Risk Management Strategy, endorsed by the Accounting Officer and the Board through the Audit and Risk Assurance Committee. The Strategy specifies the risk management process within Libraries NI and sets out the roles and responsibilities of Members of the Board and officers
- an **Internal Audit Section**, which provides assurance to the Accounting Officer and the Board on the adequacy and effectiveness of governance arrangements
- **Assurance Statements**, completed bi-annually by the Accounting Officer based on similar stewardship statements from the Directors, who in turn receive assurances from the managers who report to them. The Accounting Officer's Assurance Statements are scrutinised by the Audit and Risk Assurance Committee and the Board. When the Board has satisfied itself as to the assurances provided in the Assurance Statement it is submitted to the Department
- an **Annual Board Assurance Statement** completed by the Chairperson and agreed by the Board, providing assurance about the exercise of his responsibilities as Chairperson and those of the Board itself.

## **Business Planning and Risk Management**

### **Business Planning**

During 2020/21 business planning took place in a climate of financial, societal and economic uncertainty following the impact of the coronavirus (Covid-19) pandemic. Consequently, there was a significant focus on the Libraries NI response to the pandemic, including maintaining service delivery, reconnecting services and introducing new services in response to changing circumstances. Within Libraries NI, business planning is an iterative process involving a number of stages including the following:

- consideration of relevant priorities in the draft Programme for Government, the Outcomes Delivery Plan, the Department's Corporate and Business Plans and 'Delivering Tomorrow's Libraries' as well as the statutory responsibilities placed on Libraries NI by relevant legislation
- Board review of the high-level corporate objectives for continued relevance
- Senior Management Team review of performance against the previous year's targets and KPIs, identifying areas where further work might be undertaken
- Board consideration of reports on performance against the previous year's Business Plan and KPIs
- review of feedback from consultations with library users and other stakeholders
- preparation of an annual Business Plan for consideration and approval by the Board and the Department
- the development of Service Plans which translate the high-level activities and targets contained in the Business Plan into more specific activities and targets
- the setting of objectives and targets at individual staff member level through the

staff appraisal process. (Completion of staff appraisals has been impacted by ongoing industrial action).

## **Risk Management**

Within Libraries NI, Risk Management is designed to:

- identify and prioritise the risks to the achievement of aims, objectives and policies
- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage risks efficiently, effectively and economically.

The Risk Management framework is set out in the following documents which are subject to regular review:

- a Risk Management Strategy
- a Risk Management Policy
- a Risk Appetite
- a Corporate Risk Register
- a Corporate Risk Horizon Scanning document.

The Risk Management framework is designed to manage risk to a reasonable level and recognises that it is not possible to eliminate all risk of failure to achieve the aims, objectives and policies; it can therefore only provide reasonable, not absolute, assurance of effectiveness.

The Corporate Risk Register identifies the key risks directly related to the achievement of Libraries NI's corporate objectives and is linked to the annual Business Plan. The Risk Management Group meets quarterly to review and revise the Corporate Risk Register to ensure that it remains relevant. In doing so, the Risk Management Group considers new risks that have been identified through management channels and changes in the operating environment, and the actions necessary to mitigate them as well as the success of actions taken to address existing risks. During 2020/21 the Risk Management Group comprised the Chief Executive, the Director of Library Services and the Director of Business Support (Chairperson).

The Corporate Risk Register is reviewed in detail at each Audit and Risk Assurance Committee meeting and is considered on a quarterly basis by the Board. The Corporate Risk Register is also discussed with the Department at Partnership Meetings. The relevant Committees consider risk registers relating to Service Plans.

During 2020/21 there were additions to, and removals from, the Corporate Risk Register, as well as updates to mitigating measures. Significant risks identified during the year, and associated mitigating actions, are detailed in the section on Internal Control Divergences.

Capital funding was received to progress the upgrading of IT infrastructure and to undertake a range of minor works and health and safety related schemes. Funding was

also provided to allow the completion of procurement of two replacement mobile library vehicles.

Training on corporate governance and risk management is provided for staff and Board Members to assist them in understanding the governance framework. The Risk Management Strategy and associated documentation is available to all staff on the Intranet. Internal Audit provides a consultancy service to managers concerning the evaluation of risks and the completion of the required documentation. Staff are held accountable for risk management through the performance management (staff appraisal) system. In addition, the management of risk is discussed at the Partnership meetings held between the Sponsor Department and the Libraries NI Accounting Officer.

Libraries NI's risk appetite is conditioned by many issues. Among the more important of these are government statute and guidelines and the attitude of the Sponsor Department. Overall Libraries NI has adopted a "cautious" approach to the management of risk but a specific risk appetite has been identified in respect of each corporate objective and this is reflected in the Risk Management Strategy and Corporate Risk Register.

## **Fraud Risk and Information Risk**

### **Fraud Risk**

Libraries NI has a number of policies in place, designed to minimise the risk of fraud.

These include:

- Anti-Fraud Policy
- Anti-Bribery Policy
- Conflicts of Interest Policy
- Gifts and Hospitality Policy
- Whistleblowing Policy and associated guidance (Raising a Concern)
- Code of Conduct for Staff
- Code of Conduct for Board Members
- Risk Management Policy.

Associated procedures have been established to assist with the prevention of fraud and the management of actual or potential frauds, including:

- Finance, Cash Handling, Pay Related and Procurement procedures
- Travel and Subsistence Reimbursement Claim procedures
- Declaration of Interests (Board Members, relevant staff and suppliers)
- Fraud Response Plan
- Risk Management Strategy.

Relevant staff have received Fraud Awareness training. The Libraries NI Head of Internal Audit is trained in fraud investigation. Additional assistance is available to investigate suspected frauds should this be required. This assistance was not required during 2020/21. There were no suspected frauds notified during 2020/21.

## **Information Risk**

Information technology remains a key area of operations for Libraries NI and a range of policies are maintained to ensure the security and integrity of information and information systems, including:

- an Information Technology Security Policy to ensure business continuity and to minimise the risk of damage by preventing security incidents and reducing impact if these were to occur
- a Corporate Acceptable Use Policy which details how Libraries NI will manage and monitor the use of its information assets and systems and the standards required from users
- a Microsoft Windows Security Policy which sets out the minimum security standards applicable to Libraries NI Personal Computers (PCs)
- an Application Security Policy which sets out the minimum security standards applicable to applications used by Libraries NI
- an Internet Security Policy setting out the minimum security standards applicable to the interconnection of the Libraries NI environment to the Internet
- a Server Security Policy to establish the minimum security standards applicable to all servers within the Libraries NI IT environment
- a Network Security Policy to establish the minimum security standards applicable to the Wide Area and Local Area Networks within the Libraries NI IT environment
- revised records disposal and retention schedules are in place and the Data Protection Officer is available to provide guidance and support to managers at all levels throughout the organisation.

Operational responsibility for information security rests with the Information Security Manager, reporting to the Director of Business Support.

There were no incidents of personal data loss which required notification to the Information Commissioner.

## **Governance and Accountability**

Board Members are supplied with reports and information prior to each meeting of the Board and its Committees. Quarterly management reports are also submitted to the Board by the Chief Executive, which include information on KPIs and financial information, as well as the Corporate Risk Register. In addition, the Board receives and discusses the Chief Executive's bi-annual Assurance Statements. The Board exercises a robust challenge function in order to satisfy itself regarding the quality and comprehensiveness of the information contained in these reports.

Financial information provided is subject to audit by the external auditors. Validation of KPIs and Stewardship Reporting is also included in the Internal Audit Strategy.

During 2020/21 the Chief Executive met on three occasions with Departmental officials for partnership meetings.

No ministerial directions were received during the year.

### **Sources of Independent Assurance**

Independent assurance is provided to Libraries NI by its Internal Audit Section and by the Northern Ireland Audit Office.

### **Internal Audit**

Internal Audit is an independent and objective appraisal function within Libraries NI which provides a service to the Board and all levels of management. The Head of Internal Audit is responsible for the effective review of all aspects of risk management, control and governance throughout Libraries NI's activities. Internal Audit has established a Quality Assurance Framework. During February / March 2021 the service was externally assessed by independent assessors appointed by DfC and found to be in compliance with Public Sector Internal Audit Standards (PSIAS). In addition, a Service Level Agreement is in place with the Education Authority's Head of Internal Audit and Assurance to carry out a peer review service and this provides additional assurance as to the effectiveness of the Libraries NI Internal Audit function.

Internal Audit's primary responsibility is to provide an annual assurance to the Chief Executive, as Accounting Officer, on the effectiveness of risk management, control and governance systems, by measuring and evaluating their effectiveness in achieving the organisation's objectives.

The Internal Audit work completed was based on the Internal Audit Strategy and the Internal Audit Plan for 2020/21, which was approved by the Audit and Risk Assurance Committee. The format and content of these documents is based on guidance provided in HM Treasury: PSIAS. A risk-based systematic approach has been used which includes identification and recording of objectives, risks and controls. Factors used to determine which risk areas should be incorporated in the Plan included a review of the corporate risk register, issues identified in previous internal audit reports and in the Report to Those Charged with Governance and a review of those important systems requiring annual assurance. A range of locations was also selected for review.

Assurance is reported by way of the Head of Internal Audit's professional opinion which is given in each assignment report and in the Annual Audit Report.

During 2020/21 Internal Audit completed:

- audits of 12 branch libraries. A 'satisfactory' level of assurance was provided on each occasion
- as a result of Covid-19 restrictions, the Libraries NI Mobile Library Service was suspended throughout 2021. Auditing of the Service was therefore also suspended

- the Libraries NI Homecall Service was also suspended throughout 2020/21. Resources normally used to provide this and the Mobile Library service were redeployed to provide a 'Bookbox' service. This service has been included in the Audit Strategy for review in early 2021/22
- nine strategic, operational, systems and review audits, providing a 'satisfactory' level of assurance on each occasion
- two consultancy audits were completed at the request of or in agreement with management
- Internal Audit resources normally used to complete the audits of Mobile Libraries and the Homecall Service were redirected in consultation with Management and the Audit and Risk Assurance Committee. Six separate quality assurance reviews of key support services were reviewed to provide assurance that Covid-19 restrictions had not had a material detrimental impact on risk, control and governance. In each case a 'Satisfactory' level of assurance was provided
- in compliance with the requirements of Public Sector Internal Audit Standards an Internal Audit Quality Self-Assessment was completed. The report concludes that the Internal Audit Section 'generally conforms' with the requirements of the Standards.

There were no Priority One recommendations made during the year. The Audit and Risk Assurance Committee received a report at each meeting on the actions being taken to implement all other audit recommendations. It should be noted that the number of Priority One recommendations has remained at a reduced level. This is due in part to the redefinition of what constituted a Priority One recommendation introduced by a DAO letter and implemented since 2016/17.

In the Internal Audit Annual Report for 2020/21, the Head of Internal Audit provided an overall 'satisfactory' level of assurance as to the risk, control and governance framework within Libraries NI.

### **Northern Ireland Audit Office**

The Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly is responsible for the statutory audit and certification of the Libraries NI Annual Report and Accounts. It should be noted that the NIAO has sub-contracted the external audit of the Libraries NI financial statements to ASM.

The Certificate and Report are included in this Annual Report and Accounts document. In its Report to those Charged with Governance, the NIAO identified no issues.

The C&AG certified the 2020/21 Annual Report and Accounts with an unqualified audit opinion, without modification.

## **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control within Libraries NI. My review is informed by the work of the internal auditors as well as by the Directors, Heads of Service and Heads of Department who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their Report to Those Charged with Governance. I have been regularly updated by my senior management team on progress made in relation to action taken to implement recommendations contained in Internal Audit Reports and the Report to those Charged with Governance. The review of the effectiveness of the system of internal control is informed by:

- regular performance information provided by Directors, Heads of Service, Deputy Heads of Service and Heads of Department
- advice and assurances from the Audit and Risk Assurance Committee, including its Annual Report which includes the Committee's opinion on Libraries NI's corporate governance arrangements and the management of risk
- the subsidiary Assurance Statements provided by Directors, who have responsibility for the development and maintenance of the internal control framework in their respective areas
- Internal Audit's independent and objective appraisal of risk management, control and governance arrangements operating within Libraries NI
- comments made by the external auditors in their Report to Those Charged with Governance.

## **Internal Governance Divergences**

### **Prior Year Issues which have been resolved**

Not applicable

### **Prior Year Issues which remain relevant**

### **Impact of coronavirus (Covid-19) global pandemic**

The coronavirus (Covid-19) global pandemic represented a significant risk identified toward the end of the previous reporting period and one that has had a significant impact on all aspects of Libraries NI's operations and continues to place a strain on many aspects of the organisation and the staff working within it.

### **Stock Audit**

Stock, other than Stock Assets, is expensed in the period in which it is bought. Stock is recorded and controlled as it is bought, loaned to the public, circulated around libraries and eventually disposed of when it is no longer considered useful for loan purposes. The process to update the catalogue of stock records is currently suspended due to the impact of the coronavirus pandemic and will be subject to review in line with government restrictions.

## **Impact of change and budget cuts on staff morale and motivation**

Libraries NI has undergone significant change since its inception in 2009. Against a backdrop of planning uncertainty, an increased breadth of service delivery and reduced resources this state of change is likely to persist. A range of processes and channels have been deployed to engage and communicate with staff on these issues, to provide information and to allay concerns.

## **Strategic Planning**

During 2020/21 a Business Plan for 2021/22 was drafted. Planning took place during a period of uncertainty in relation to funding although it was anticipated that there would be a continued real-term decline in funding levels for the public sector during the lifetime of the new Corporate Plan. The draft Programme for Government and the developing priorities of DfC continue to inform planning priorities, however ongoing uncertainty makes longer term strategic planning difficult.

## **Belfast Central Library**

An Outline Business Case (OBC) for Belfast Central Library was approved in April 2016. Since then an absence of funding has prevented the project progressing. The Belfast Central Library refurbishment and redevelopment remains a strategic priority for Libraries NI and discussions are on-going with DfC regarding the way forward.

## **Business Continuity and Capacity**

The on-going budget pressures and uncertain future resourcing models have and continue to constrain effective business continuity planning. Mechanisms are in place to secure and if necessary respond to issues arising from the operation of our core Information Technology Systems. However, the management of potential threats to the remainder of the physical network essential to the delivery of Library Services (property, vehicles and other assets) relies upon there being both sufficient resources available to respond to issues and there being flexibility within the organisation to adapt to changing circumstances. The cumulative effect of releasing staff in the course of consecutive rounds of voluntary severance is that staffing levels are now very lean, which presents risks in respect of the organisation's ability to respond to business continuity threats.

## **Branch Library Managers**

In May 2018 Branch Library Managers commenced industrial action in a dispute about job evaluation. Work continued with Trade Union representatives during 2020/21 to seek to find a resolution to this issue.

## **New Issues 2020/21**

### **Response to Covid-19 and Re-connecting services**

The most significant risk faced during 2020/21 was the coronavirus pandemic which caused significant disruption to normal library operations and services. Business continuity arrangements were invoked as part of the Libraries NI response to ensure

services were adapted as appropriate and continued to be delivered taking account of government and public health advice and guidance, regulations and the varying restrictions in force over the course of the year. Plans to ReConnect services and introduce new services were brought forward and continue to be reviewed and updated in light of changing circumstances. The response to the coronavirus pandemic is deflecting resources from other organisation activities and priorities and the return to a more normal level of operational delivery and service will require a sustained response over a period of time.

## **Remuneration and Staff Report**

### **Remuneration Policy**

#### **Board Members**

The Chairperson of Libraries NI is paid by Libraries NI for duties carried out as Chairperson at a rate and on such conditions determined by the Department of Communities (DfC), with the approval of the Department of Finance (DoF). Libraries NI makes payments to other Board Members in relation to their functions as Members at rates and on conditions determined by DfC. Board Members also receive travel and subsistence allowances, at rates and on conditions determined by Libraries NI subject to Departmental approval.

#### **Chief Executive and Second Tier Officers**

The remuneration of the Chief Executive and second tier officers is based on performance. The Remuneration Committee determines the appropriate level of performance related pay to be awarded annually to the Chief Executive and second tier officers in accordance with the agreed performance related pay scheme within the contractual salary pay range. The Department for Communities considers the recommendations of the Remuneration Committee and approves the pay progression to be applied. Any award of pay shall be in line with DoF Public Pay Policy.

#### **Service Contracts**

Staff are employed in accordance with the National Joint Council for Local Government Services Terms and Conditions of Employment and local agreements reached through the Negotiating Committee for Libraries NI. Recruitment is carried out in accordance with the Libraries NI Code of Procedures on Recruitment and Selection. Unless otherwise stated below, the employees covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Local Government Regulations and the agreed redundancy provisions.

#### **Remuneration and Pension Entitlements**

The following sections provide details of the remuneration and pension interests of the Board members and most senior management of Libraries NI.

## Remuneration - Board Members (Audited Information)

	2020/21		2019/20	
	Salary £'000	Benefits in Kind (to the nearest £100)	Salary £'000	Benefits in Kind (to the nearest £100)
Professor Bernard Cullen	10 - 15	-	10 - 15	-
Mr Neil Bodger	0 - 5	-	0 - 5	-
Alderman Thomas Burns	0 - 5	-	0 - 5	-
Councillor Alistair Cathcart	0 - 5	-	0 - 5	-
Councillor Glenn Finlay	0 - 5	-	0 - 5	-
Councillor Julie Gilmour	0 - 5	-	0 - 5	-
Councillor Cheryl Johnston	0 - 5	-	0 - 5	-
Councillor Garath Keating	0 - 5	-	0 - 5	-
Mrs Deirdre Kenny	0 - 5	-	0 - 5	-
Councillor Donal Lyons	0 - 5	-	0 - 5	-
Councillor Cathal Mallaghan	0 - 5	-	0 - 5	-
Mrs Wendy Osborne OBE	0 - 5	-	0 - 5	-
Mr John Peto	0 - 5	-	0 - 5	-
Mr Harry Reid	0 - 5	-	0 - 5	-
Dr Margaret Ward	0 - 5	-	0 - 5	-
Councillor Billy Webb	0 - 5	-	0 - 5	-
Miss Linda Wilson	0 - 5	-	0 - 5	-

## Remuneration (including salary) and pension entitlements – Senior Post Holders (Audited Information)

Salary includes gross salary and taxable travel allowance.

Single total figure of remuneration										
Senior Management Team	Salary (£'000)		Performance Related Payments*(£'000)		Benefits in kind (to nearest £100)		Pension Benefits** (to nearest £1000)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Mr Jim O'Hagan	95-100	95-100	-	-	-	-	38	32	130-135	125-130
Mr Desmond Miskelly	70-75	65-70	16	-	-	-	40	24	125-130	90-95
Ms Helen Osborn	85-90	85-90	-	-	-	-	38	63	120-125	145-150
<p>* Mr Miskelly was paid Performance Related Pay (PRP) relating to the period 2017/18 to 2019/20</p> <p>** The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases include increases due to inflation and any increases or decreases due to a transfer of pension rights.</p>										

## Pay Multiples (Audited Information)

	2020/21	2019/20
Band of Highest Paid Officer's Total Remuneration (£'000)	95 - 100	95 – 100
Median Total Remuneration (£'000)	20	19
Ratio	4.95	5.09

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid post holder and the median remuneration. The banded remuneration of the highest paid post holder in the financial year 2020/21 was £95,000 - £100,000 (2019/20: £95,000 - £100,000). This was 4.95 times the median, which was £19,698 (2019/20: £19,171). The banded remuneration of lowest paid staff was £15,000 - £20,000. No-one received remuneration in excess of the highest paid post holder.

## Benefits in Kind (Audited Information)

Board Members and Senior Post Holders receive no non-cash benefits (benefits in kind).

## Pension Benefits – Board Members (Audited Information)

No Board Members receive pension benefits or make pension contributions in their capacity as Board Members.

## Pension Benefits - Senior Post Holders (Audited Information)

	Total value of accrued pension and lump sum at 65 at 31/03/21 £'000	Real increase in pension and lump sum at 65 £'000	CETV at 31/03/21 £'000	CETV at 31/03/20 £'000	Real increase in CETV £'000
Mr Jim O'Hagan Chief Executive	20 – 25 -	2.5 – 5.0* -	347	271	65
Mr Desmond Miskelly Director of Business Support **Revised 2019/20	30 – 35 40 - 45	0 – 2.5 0 – 2.5	586	534**	42
Ms Helen Osborn Director of Library Services	25- 30 25 - 30	0 – 2.5 0 – 2.5	519	467	42

\* Includes transfer-in of pension £2,500

\*\*CETV figure was amended to account for changes in factors relating to both GMP & Critical Retirement Age factors.

## Pension Arrangements

Libraries NI's employees including Senior Post Holders belong to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Scheme. The NILGOSC Scheme is of the defined benefits type; the assets of the scheme being held in separate trustee-administered funds. The scheme is administered by NILGOSC, Holywood Road, Belfast. The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

Employee contribution rates are based on pensionable pay and were in the range 5.5% to 10.5% during 2020/21, as detailed below.

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

Libraries NI's contribution rate is determined by the fund actuary, based on a triennial valuation. The most up to date valuation was carried out as at 31 March 2019, at which date the funding ratio was 96%. This valuation was used to determine employer contribution rates from April 2020.

For 2020/21, the employer contribution rate was 19.5%. In March 2020, NILGOSC advised that, due to the unknown impact of the Covid-19 pandemic, employer contributions for 2021/22 and 2022/23 would remain under review. In October 2020 NILGOSC confirmed that the 19.5% contribution rates set by the actuary and stated in the Rates and Adjustments Certificate would still apply for 2021/22 and 2022/23. The contribution rates are set to meet the cost of benefits accruing during 2020/21 to be paid when members retire.

For any membership accrued before 1 April 2009, benefits accrue at a rate of 1/80<sup>th</sup> of the employee's final year pensionable pay, with an automatic tax-free lump sum of three times their annual pension. For all membership accrued from 1 April 2009, benefits accrue at a rate of 1/60<sup>th</sup> of final pensionable pay for each year of service but with no automatic lump sum (members can choose to give up some of their pension to provide a lump sum).

Since 1 April 2015, members accrue benefits normally at a rate of 1/49<sup>th</sup> of the employee's career average pensionable pay. Additional Voluntary Contributions (AVCs) may be made through the NILGOSC in-house AVC provider.

Further details about the NILGOSC pension scheme can be found at the website <https://nilgosc.org.uk/> and Notes 1 and 19 to the accounts.

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) 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. A CETV 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 benefits 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. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Libraries NI's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) 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.

## **Real Increase in CETV**

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

## **McCloud Remedy**

Discrimination identified by the courts in the way the 2015 pension reforms were introduced must be removed by the Department for Communities. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. This is known as the 'McCloud Remedy' and will impact many aspects of the Local Government Pension Scheme. More information on the McCloud remedy can be found on the NILGOSC website <https://nilgosc.org.uk/employers/administering-the-scheme/mccloud-remedy/>

## Staff Report

### Staff Numbers and Costs Average Numbers Employed (Audited Information)

#### Staff Costs (Audited Information)

	Permanent employees 2020/21 £'000	Temporary employees 2020/1 £'000	Others 2020/21 £'000	Total 2020/21 £'000	Total 2019/20 £'000
<b>Wages and salaries</b>	11,801	218	1,246	13,265	13,620
<b>Social Security costs</b>	957	10	-	967	918
<b>Pension costs</b>	4,277	28	-	4,305	4,551
<b>Other staff costs</b>	-	-	198	198	167
<b>Total</b>	<b>17,035</b>	<b>256</b>	<b>1,444</b>	<b>18,735</b>	<b>19,256</b>

Pension costs include £1.972 million in relation to non-cash current service costs (2019/20: £2.038m).

#### Average Number of Persons Employed

The average number of Full-Time Equivalent (FTE) persons employed during the year is shown in the following table:

	Permanent employees 2020/21 FTE	Temporary employees 2020/21 FTE	Agency/ Seconded 2020/21 FTE	Total 2020/21 FTE	Total 2019/20 FTE
<b>Directly Employed</b>	465	9	-	474	494
<b>Other</b>	-	-	48	48	68
<b>Total</b>	<b>465</b>	<b>9</b>		<b>522</b>	<b>562</b>

These costs and numbers include Senior Post Holders.

No staff costs have been capitalised during 2020/21 (2019/20: £NIL). Other staff costs include redundancy costs of £0.003 million (2019/20: £NIL), premature/flexible retirements of £0.029m (2019/20: £NIL), and unfunded pension payments under legacy arrangements of £0.165 million (2019/20: £0.167 million). Wages and salaries include

Agency staff costs of £1.184 million (2019/20: £1.620 million).

Some former public library service staff were given termination benefits by the former Education and Library Boards which were not funded, and these continue to be paid by Libraries NI.

### Staff Composition – Employed (Full-Time Equivalents) (Audited Information)

<b>Females 2020/21 FTE</b>	<b>Males 2020/21 FTE</b>	<b>Total 2020/21 FTE</b>	<b>Females 2019/20 FTE</b>	<b>Males 2019/20 FTE</b>	<b>Total 2019/20 FTE</b>
337	137	474	353	141	494

### Gender Balance – (based on headcount) (Audited Information)

	<b>At 31 March 2021</b>		
	<b>Female</b>	<b>Male</b>	<b>Total</b>
<b>Board</b>	6	11	17
<b>Senior Managers</b>	1	2	3
<b>Employees</b>	489	161	650

In carrying out its functions, Libraries NI has a statutory responsibility to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation
- between men and women generally
- between persons with a disability and persons without
- between persons with dependents and persons without.

In addition, without prejudice to the above obligation, Libraries NI has regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

### Staff Turnover

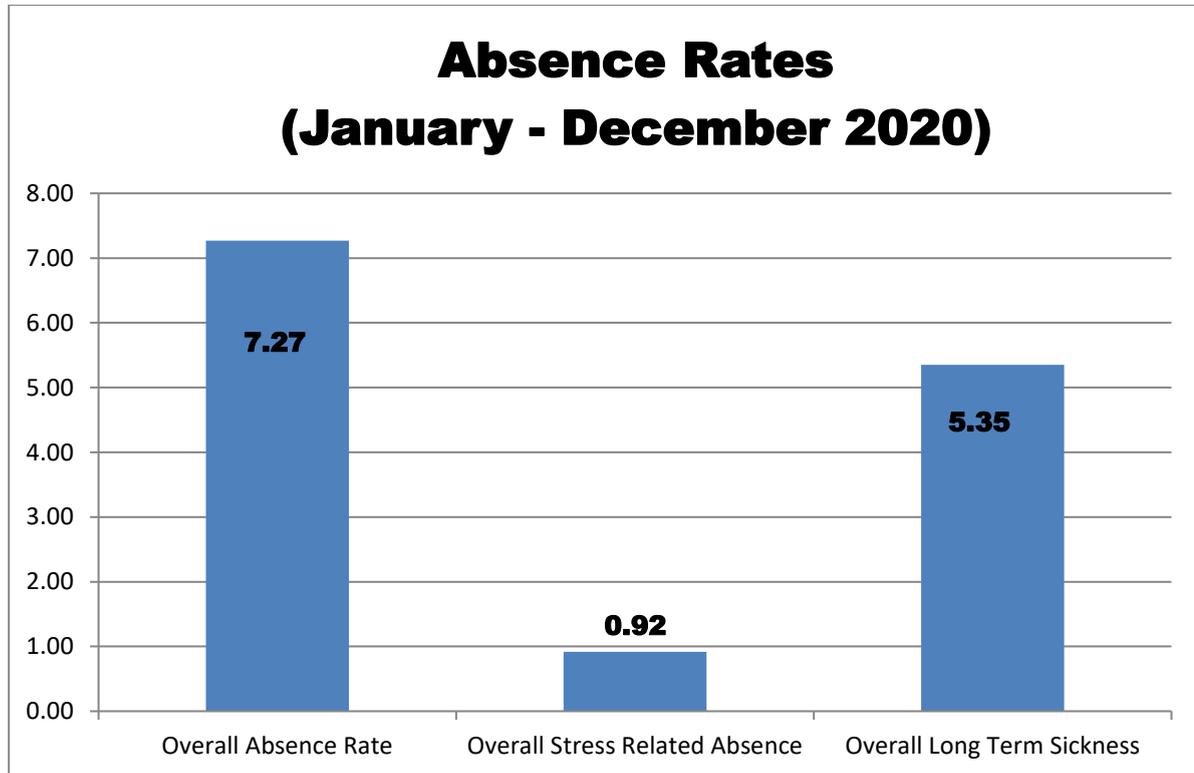
The percentage staff turnover for 2020/21 is 6.48%. This is calculated based on the number of leavers (43) divided by the average number of persons in employment (664) during the 2020-21 financial year.

### Sickness Absence Data

Sickness absence is collated on a calendar year basis. In December 2020 the composite average Full Time Equivalent (FTE) days lost through sickness absence was

7.27 days (December 2019: 9.42 days), decreasing to 5.98 days by March 2021. Long term sickness accounted for the majority of days lost. There was a small number of staff absent due to Covid-19.

It is recognised that government restrictions on attending the workplace may have reduced sickness absence rates, however access to information and support to staff has been integral to the reduction in absence rates.



### Employees with a Disability

Libraries NI actively seeks applications for employment from people with a disability where the requirements of the job may be adequately performed. Where existing employees acquire a disability it is Libraries NI's policy, whenever reasonably possible, to provide continuous employment under normal terms and conditions and to provide training and career development and promotion, where appropriate.

### Expenditure on Consultancy

Expenditure on consultancy during the year was £4,685 (2019/20 £NIL).

### Off-payroll Engagements

No "off-payroll" engagements were entered into between 1 April 2020 and 31 March 2021.

### Exit Packages (Audited Information)

	<b>Number of compulsory redundancies</b>	<b>Number of other departures agreed</b>	<b>Total number of exit packages by cost band</b>	<b>Total number of exit packages by cost band</b>
	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2019/20</b>
<£10,000	1	-	1	-
£10,001 - £25,000	-	-	-	-
£25,001 – £50,000	-	-	-	-
£50,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
<b>Total number</b>	1	-	1	-
<b>Total resource cost £</b>	3,458	-	3,458	-

There were no compensation payments for early retirement in 2020/21 (2019/20 £NIL).

### Flexible Retirements (Audited Information)

Twelve flexible retirements were supported during 2020/21, two of which incurred costs for early release of pension to effect efficiencies in line with Savings Delivery Plans. These incurred a cost to Libraries NI of £29,189 (2019/20: £NIL).

During 2020/21 nine people (2019/20: nine people) retired early on ill-health grounds. Ill-health retirement actuarial costs are met by the pension scheme and are not included in the table.

## Assembly Accountability and Audit Report

### Statement of Losses and Special Payments

#### Losses (Audited information)

	2020/21	2020/21	2019/20	2019/20
	No of Cases	£'000	No of Cases	£'000
Claims abandoned	8,913	33	8,565	32
Stores losses	6	18	74,923	100
Total	8,919	51	83,488	132

Throughout 2020/21 the Covid-19 pandemic has significantly disrupted the normal flow of borrowing and returning of library stock and the processes normally in place to identify stock losses. The closure of libraries to public access for much of the year, enforced quarantining of returned stock, extended borrowing periods and alternative staffing and service delivery models introduced to comply with public health guidelines and government restrictions have prevented the differentiation of stock losses from delayed returns or items held in quarantine. As a consequence no general stock losses are disclosed for 2020/21. As libraries reopen to public access and Covid-19 related restrictions ease throughout 2021/22 it is anticipated a more normal approach to stock management will once again become possible.

Stores losses relate 6 items of stock assets.

Claims abandoned relate to unpaid borrower charges which are abandoned after two years.

#### Special Payments (Audited Information)

	2020/21	2020/21	2019/20	2019/20
	No of Cases	£'000	No of Cases	£'000
Compensation Payments	-	-	2	32

Compensation Payments relate to Employer and Public Liability claims.

#### Remote Contingent Liabilities (Audited Information)

A request for re-evaluation of the Branch Library Manager post has been agreed.

#### Compliance with Regularity of Expenditure Guidance (Audited)

Libraries NI's Business Plan targets for 2020/21 were approved by the Department for Communities, and Libraries NI has developed budgets to ensure that spend is directed to achieving these targets. Libraries NI reports monthly to the Department on spend, and quarterly on achievement of targets.

Libraries NI operates within the terms of an agreed Management Statement and Financial Memorandum with the Department and subsequent Departmental letters, which set out, inter-alia, appropriate delegations of authority.

Libraries NI has an internal regularity framework in place, including delegated budget authority, policies, procedures and systems for the justification and control of spend, and ex-post review of projects. Operation of the framework is kept under regular review.

During the period under review, procurement in Libraries NI was conducted within a framework of legislation and guidance from The European Union, the UK and the NI Executive. All procurement activity was supported by a Centre of Procurement Expertise (CoPE) and all procurement activity over £5,000 was administered by either the Departmental procurement team or a CoPE. Procurement activity is subject to regular review and is reported to the Board.

I am not aware of any irregularities or divergences from guidance on regularity of expenditure.



**Jim O'Hagan**  
**Chief Executive**

**Date: 14 October 2021**

## **NORTHERN IRELAND LIBRARY AUTHORITY**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Library Authority for the year ended 31 March 2021 under the Libraries Act (Northern Ireland) 2008. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Northern Ireland Library Authority's affairs as at 31 March 2021 and of the Northern Ireland Library Authority's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Libraries Act (Northern Ireland) 2008 and Department for Communities directions issued thereunder.

#### **Emphasis of Matter**

I draw attention to Note 6 of the financial statements, which describes the material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs), applicable law and Practice Note 10 'Audit of Financial Statements of Public

Sector Entities in the United Kingdom'. 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 the Northern Ireland Library Authority in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019 and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Northern Ireland Library Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

The going concern basis of accounting for the Northern Ireland Library Authority is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

### **Other Information**

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

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

that fact. I have nothing to report in this regard.

### **Opinion on other matters**

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for Communities directions made under the Libraries Act (Northern Ireland) 2008; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

In the light of the knowledge and understanding of the Northern Ireland Library Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the Board and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

- assessing the Northern Ireland Library Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Library Authority will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to examine, certify and report on the financial statements in accordance with the Libraries Act (Northern Ireland) 2008.

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Library Authority through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Libraries Act (Northern Ireland) 2008;
- making enquires of management and those charged with governance on the Northern Ireland Library Authority's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Library Authority's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and management override of controls;

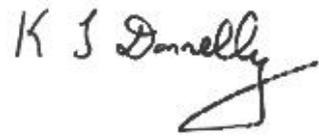
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation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

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a stylized flourish at the end.

*KJ Donnelly*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*1 Bradford Court*

*Upper Galwally*

*Belfast*

*BT8 6RB*

*21<sup>st</sup> October 2021*

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Note	2020/21 £'000	2019/20 £'000
<b>Income</b>			
Revenue from Contracts with Customers		(12)	(10)
Other Operating Income	4	<u>(302)</u>	<u>(834)</u>
<b>Total Operating Income</b>		<u><b>(314)</b></u>	<u><b>(844)</b></u>
<b>Expenditure</b>			
Staff Costs		16,763	17,219
Purchase of Goods and Services		12,557	14,330
Depreciation/Amortisation/Impairment		4,257	4,797
Provision (release)/expense		36	(25)
Other Operating Expenditure		<u>2,724</u>	<u>3,963</u>
<b>Total Operating Expenditure</b>	3	<u><b>36,337</b></u>	<u><b>40,284</b></u>
<b>Net Operating Expenditure</b>		<u><b>36,023</b></u>	<u><b>39,440</b></u>
Finance Expense	5	143	147
<b>Net Expenditure for the year</b>		<u><b>36,166</b></u>	<u><b>39,587</b></u>
<b>Other Comprehensive Net Expenditure</b>			
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of property, plant and equipment	9.1	(440)	(3,258)
Net (gain) on revaluation of intangible assets	9.2	(17)	(11)
Net loss/(gain) on revaluation of Heritage Assets	9.3	1	(105)
Net actuarial loss/(gain) on pension scheme assets and liabilities	19.3	995	(51,996)
<b>Comprehensive Net Expenditure for the year</b>		<u><u><b>36,705</b></u></u>	<u><u><b>(15,783)</b></u></u>

All amounts above relate to continuing activities.

The notes on pages 91 to 119 form part of these accounts.

## Statement of Financial Position as at 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Property, plant and equipment	6	104,983	105,191
Intangible assets	7	1,704	442
Heritage assets	10	10,162	10,163
Financial Assets	11	840	899
<b>Total non-current assets</b>		<u>117,689</u>	<u>116,695</u>
<b>Current assets</b>			
Trade and other receivables	11	1,102	872
Cash and cash equivalents	12	76	376
<b>Total current assets</b>		<u>1,178</u>	<u>1,248</u>
<b>Total assets</b>		<u>118,867</u>	<u>117,943</u>
<b>Current Liabilities</b>			
Trade and other payables	13	(3,873)	(3,291)
Provisions	14	(82)	(77)
<b>Total current liabilities</b>		<u>(3,955)</u>	<u>(3,368)</u>
<b>Total assets less current liabilities</b>		<u>114,912</u>	<u>114,575</u>
<b>Non-current liabilities</b>			
Provisions	14	(76)	(45)
Pension liabilities	19	(36,985)	(33,280)
Other liabilities	13	(3,103)	(3,247)
<b>Total non-current liabilities</b>		<u>(40,164)</u>	<u>(36,572)</u>
<b>Total assets less total liabilities</b>		<u>74,748</u>	<u>78,003</u>
<b>Taxpayers' equity and other reserves</b>			
General reserve		53,348	51,447
Pension reserve		(36,985)	(33,280)
Revaluation reserve		48,223	49,673
Heritage assets reserve		10,162	10,163
		<u>74,748</u>	<u>78,003</u>

The Financial Statements on pages 87 to 119 were approved by the Board on 14 October 2021 and were signed on its behalf by:



**Accounting Officer:**

**Date: 14 October 2021**

The notes on pages 91 to 119 form part of these accounts.

## Statement of Cash Flows for the year ended 31 March 2021

	Note	2020/21 £'000	2019/20 £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(36,166)	(39,587)
Adjustments for non-cash transactions	3	2,366	3,774
Finance expense	5	143	147
Depreciation/Amortisation	6/7	4,651	4,961
Decrease / (Increase) in trade and other receivables	11	(171)	207
Increase (Decrease) in trade and other payables	13	482	(259)
Use of Provisions	14	-	(10)
<b>Net cash outflow from operating activities</b>		<b><u>(28,695)</u></b>	<b><u>(30,767)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,527)	(2,290)
Purchase of intangible assets	7	(1,236)	(214)
Interest on PFI	5	(65)	(69)
Proceeds of disposal of property, plant and equipment		19	25
<b>Net cash outflow from investing activities</b>		<b><u>(4,809)</u></b>	<b><u>(2,548)</u></b>
<b>Cash flows from financing activities</b>			
Grants from sponsoring department		33,417	32,419
Capital element of payments in respect of finance leases and on-SoFP PFI contracts	16/17	(135)	(97)
Interest on finance leases	5	(78)	(78)
<b>Net financing</b>		<b><u>33,204</u></b>	<b><u>32,244</u></b>
<b>Net increase / (decrease) in cash and cash equivalents in the period</b>		<b><u>(300)</u></b>	<b><u>(1,071)</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	12	<b><u>376</u></b>	<b><u>1,447</u></b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b><u>76</u></b>	<b><u>376</u></b>

The notes on pages 91 to 119 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	Note	General Reserve	Pension Reserve	Revaluation Reserve	Heritage Assets Reserve	Total Reserves
		£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2019</b>		52,807	(81,318)	48,224	10,058	29,771
<b>Changes in taxpayers' equity 2019/20</b>						
Grants from Sponsoring Department		32,419	-	-	-	32,419
Comprehensive Net Expenditure for the year		(39,587)	51,996	-	-	12,409
Transfers between reserves	19.2/19.5	3,958	(3,958)	-	-	-
Revaluation gains		-	-	3,269	105	3,374
Realised element of revaluation reserve		1,820	-	(1,820)	-	-
Auditors Remuneration – notional	3	30	-	-	-	30
<b>Balance at 31 March 2020</b>		<u>51,447</u>	<u>(33,280)</u>	<u>49,673</u>	<u>10,163</u>	<u>78,003</u>
<b>Opening balance at 1 April 2020</b>		51,447	(33,280)	49,673	10,163	78,003
<b>Changes in taxpayers' equity 2020/21</b>						
Grants from Sponsoring Department		33,417	-	-	-	33,417
Comprehensive Net Expenditure for the year		(36,166)	(995)	-	-	(37,161)
Transfers between reserves	19.2/19.5	2,710	(2,710)	-	-	-
Revaluation gains		-	-	457	(1)	456
Realised element of revaluation reserve		1,907	-	(1,907)	-	-
Auditors Remuneration – notional	3	33	-	-	-	33
<b>Balance at 31 March 2021</b>		<u>53,348</u>	<u>(36,985)</u>	<u>48,223</u>	<u>10,162</u>	<u>74,748</u>

The notes on pages 91 to 119 form part of these accounts.

## **Notes to the Accounts**

### **1. Statement of Accounting Policies**

These financial statements are prepared in accordance with the 2020/21 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context, and include early adoption of standards not yet effective where it is judged appropriate, and with the approval of DoF.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of Libraries NI for the purpose of giving a true and fair view has been selected. The particular policies to be adopted by Libraries NI are described below. They are applied consistently in dealing with items that are considered material to the accounts.

#### **1.1 Accounting Convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and heritage assets.

#### **1.2 Recognition of Income and Funding**

##### **1.2.1 Departmental Funding**

The main source of funding for Libraries NI is grant-in-aid. All grants-in-aid, whether for revenue or capital purposes, are treated as contributions from controlling parties giving rise to financial interest in the residual interest of Libraries NI and are credited to the SoCNE Reserve. Grant-in-aid is recognised in the financial period in which the funding is received.

##### **1.2.2 Income from Activities**

Income from activities relates to the operating activities of Libraries NI and the sale of goods and services which includes fees and charges for services provided to library users, the recovery of shared costs for premises, staff and other income. Income from fees and charges and from the sale of goods and services is recognised in the period in which fees are incurred or services are provided. Debts relating to library fees and fines which are over two years old, having been through the normal debt collection procedure, are abandoned.

##### **1.2.3 Grant Income**

In addition to grant-in-aid, Libraries NI receives revenue grants which are credited to reserves other than where Department for Communities (DfC) and DoF approval is obtained to treat them as income in the Statement of Comprehensive Net Expenditure (SoCNE). Revenue grants received for specific purposes are shown as income in the SoCNE to the extent of matching the related expenditure incurred during the period. Any income received but not matched to related expenditure during the period is shown as deferred income on the Statement of Financial Position (SoFP).

### **1.3 Foreign Currency Transactions**

Foreign Currency transactions are translated at the exchange rate ruling at the date of payment.

### **1.4 Taxation**

Libraries NI is not within the scope of Corporation tax.

Libraries NI is VAT registered and input tax on purchases is generally recoverable. Income and expenditure figures are stated net of VAT.

### **1.5 Property, Plant and Equipment**

Items of property plant and equipment costing in excess of £3,000 per individual item, which are held for use on a continuing basis in delivering Libraries NI activities, and which yield a benefit for a period of more than one year, are treated as capital expenditure in the accounts. Related items of property plant and equipment may be grouped for aggregation purposes.

#### **1.5.1 Land and Buildings**

All land and buildings are carried in the SoFP at fair value. Properties which are specialised and in operational use have been valued in Existing Use on the basis of Depreciated Replacement Cost. Full valuations are made by Land and Property Services (LPS) at a minimum every five years. In the intervening years the valuations are updated using appropriate indices provided by LPS.

Properties which were in operational use by Libraries NI but are now surplus, are stated at Existing Use Value if there are restrictions on the asset which would prevent access to the market at the reporting date.

Where there is an expectation to dispose of a property within a year, its value is re-classified and shown separately as part of current assets.

The valuations of Land and Buildings have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors Global Standards. Land and Property Services advise that "as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the client portfolio is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty and increased subjectivity – and a higher degree of caution – should be attached to our valuation figures than would normally be the case".

#### **1.5.2 Other Assets**

Other assets including vehicles, computers and plant/equipment are carried at fair value, and valued on a Modified Historic Cost basis. Values are updated annually using appropriate Office for National Statistics (ONS) indices and reviewed annually for impairment.

### 1.5.3 Assets in the Course of Construction

Assets in the course of construction are carried at cost, less any impairment. Cost includes all costs to acquire and construct the item of property, plant or equipment. On completion, property assets are reclassified at cost, and revalued. Other assets are reclassified at cost.

### 1.5.4 Depreciation

Depreciation is provided for all items of property, plant and equipment having a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted where appropriate.

Other than as noted in the following paragraph, assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition or commissioning and no depreciation is charged in the month of disposal. Completed building projects are not depreciated until brought into use.

Depreciation is not provided for on freehold land, heritage assets or on assets which are held for sale.

Useful economic lives are generally set as follows, for each class of asset. The estimated useful lives of buildings are revised as part of the five year revaluation exercise by LPS. The useful lives of computer hardware or software provided under a contract will be set in line with the terms of the contract.

<u>Asset Class</u>	<u>Asset Sub-Class</u>	<u>Asset Life</u>
Land	Land	Not Depreciated
Buildings	Permanent Buildings	50 Years
Computers	Hardware and software	5 Years
Plant & Equipment	Music Equipment	10 Years
	Library Equipment, Other	10 Years
	Furniture & Fittings	10 Years
	Reprographics	7 Years
Vehicles	Mobile Libraries	7 Years
	Vans	5 Years

### 1.6 Intangible Assets

Intangible assets are non-financial non-current assets that do not have physical substance but are identifiable and are controlled by Libraries NI through custody or legal rights. Intangible assets costing in excess of £3,000 per individual item are capitalised and stated in the SoFP at fair value. Intangible assets are valued on a Modified Historical Cost basis, which is deemed to be a proxy for fair value. Valuations are updated annually using an appropriate index.

## **1.6.1 Amortisation**

Amortisation is provided for all intangible non-current assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted where appropriate.

## **1.7 Heritage Assets**

### **1.7.1 Stock Assets**

Stock Assets are defined as, "stock items or groups of items to be retained for use by future generations because of their cultural and/or historical associations and with a value individually or as a group of over £1,000". They include the valuable book collections in Belfast Central Library, Derry Central Library, Armagh Irish and Local Studies, Ballymoney Library, Coleraine Library, Downpatrick Library, Enniskillen Library, Omagh Library and Ballymena Administrative Centre.

The Stock Assets are valued at net realisable value, and are valued every five years by professionally qualified valuers on the basis of a rolling programme of valuation. The legacy items valued at under £1,000 are periodically revalued using an index which is derived on the basis of a valuation of a sample of items. Heritage assets are reviewed each year by the Heritage Team and impaired where appropriate. Stock Assets are not depreciated as they are considered to have an infinite useful life.

### **1.7.2 Other Non-Operational Assets**

These are defined as items or groups of items to be retained because of their cultural heritage associations, and with a value of over £1,000, other than Stock Assets. These include artworks located in library premises.

The other Non-Operational Assets are valued at net realisable value, and are valued every five years by professionally qualified valuers. They are not indexed in the interim, and are not depreciated as they are considered to have an infinite useful life, but are reviewed each year by the Heritage Team and impaired where appropriate.

## **1.8 Assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

## **1.9 Provisions**

Libraries NI provides for legal or constructive obligations which are of uncertain timing or amount at the SoFP date, on the basis of management's best estimate of the cost to

settle the obligation. These estimates are made on the basis of advice from Libraries NI's legal and insurance advisors. When some or all of the costs to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **1.10 Employee Benefits**

The cost of providing employee benefits is recorded in the SoCNE in the period in which the benefit is earned by the employee, rather than when it is paid or payable. This is applicable to both short and long term benefits.

### **1.11 Pension Scheme**

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) Scheme, which is a defined benefits scheme. The assets of the funded scheme are held in separate trustee-administered funds. Libraries NI's contribution to the fund is determined by the fund actuary based on a triennial valuation. Some former public library service staff were given termination benefits by the Education and Library Boards which were not funded, and these continue to be paid annually by Libraries NI.

Pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which Libraries NI benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lives of members of the scheme after making allowances for future withdrawals.

The difference between the fair value of the assets held in Libraries NI's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in Libraries NI's SoFP as a pension scheme asset or liability as appropriate.

In accordance with IAS 19 'Employee Benefits', the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by Libraries NI are charged to the Statement of Comprehensive Net Expenditure.

Further detail in relation to the pension scheme is disclosed in the Remuneration and Staff Report and in Note 19 to these accounts.

### **1.12 Reserves**

The SoCNE Reserve represents the accumulated financial position of Libraries NI. The Pension Reserve represents the cumulative balance on the Libraries NI portion of the NILGOSC pension fund. The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to PPE and intangible assets. The Heritage Assets Reserve represents the valuation of the Heritage Assets. Any increase or decrease in the valuation of Heritage Assets will be taken to the Heritage Assets Reserve.

Increases arising on revaluation of assets are taken to the revaluation reserve except when they reverse a revaluation decrease for the same asset previously recognised in the SoCNE, in which case it is credited to the SoCNE to the extent of the decrease previously charged there. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and thereafter to the SoCNE.

### **1.13 Finance and Operating Leases**

A lease is classified as either a finance lease or an operating lease depending on the substance of the agreement.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. An asset held under a finance lease is depreciated over a useful life similar to that of equivalent owned assets.

An operating lease is a lease other than a finance lease. Operating lease rentals are charged to the SoCNE as costs are incurred over the lease term.

### **1.14 Private Finance Initiative (PFI) Transactions and other Service Concessions**

The PFI transaction in Libraries NI is assessed against IFRIC 12, Service Concession Arrangements, as the private sector operator is contracted to provide services related to the infrastructure to the public on behalf of Libraries NI.

Libraries NI recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that type. The liability to pay for the infrastructure is also recorded on the SoFP. The asset is depreciated over its useful economic life and the associated liability is reduced as payments are made. An imputed finance charge on the liability is recorded in subsequent years using an asset specific rate. The remainder of the PFI payments is recorded as an operating cost. Libraries NI recognised the asset when it came into use. Libraries NI has made a contribution to the operator in advance of the asset coming into use, and this contribution is shown within prepayments and amortised to the SoCNE in equal amounts over the contract term.

In addition, Libraries NI has entered into a Service Concession arrangement which is not a PFI transaction in relation to an ICT managed service. The assets are owned by Libraries NI and the operator provides the service to the public and library staff on behalf of Libraries NI. The assets were recognised as non-current assets when they were brought into use, and are depreciated over their useful lives.

### **1.15 Financial Instruments**

Libraries NI does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised initially at fair value less provision for impairment. A provision for

impairment is made when there is evidence that Libraries NI will be unable to collect an amount due in accordance with agreed terms.

### **1.16 Contingent Liabilities disclosed under IAS 37**

Libraries NI discloses in its accounts sufficient information in relation to events occurring before the year end date which will probably give rise to a liability which it is not yet possible to estimate reliably, to allow readers of the accounts to understand the nature and possible timing of the liability.

### **1.17 Early Departure Costs**

Libraries NI meets the additional costs of pension benefits for employees who retire early by paying the required amounts in a lump sum at retirement. Libraries NI accrues for this in full at the time the early retirement becomes binding.

For some staff who retired early from the former Education and Library Boards, the additional costs of their pension benefits are paid annually. These costs are charged to SoCNE and the liability is reflected in the pension deficit, in line with other pension obligations, under IAS 19.

### **1.18 Accounting Standards, interpretation and amendments to published standards adopted in the year ended 31 March 2021**

Libraries NI has reviewed the standards, interpretations and amendments to published standards that became effective during 2020/21 and concluded that there are none which are relevant to its operations.

### **1.19 Accounting Standards, interpretations and amendments to published standards not yet effective**

Management has reviewed new accounting standards, interpretations and amendments to existing standards that have been issued but are not yet effective as at 31 March 2021, and which Libraries NI has not adopted early for these accounts.

IFRS 16 Leases will become effective from April 2022. Application of the standard will represent a significant change to how leases are presented in the accounts, and Libraries NI will be required to recognise an asset and a corresponding liability for material leases with terms in excess of 12 months.

As at 31 March 2021, Libraries NI held 8 material leases with a lease term of over one year. The implementation of IFRS 16 during the year would have resulted in a depreciation charge of £121k, an interest charge of £12k and a Net Book Value (NBV) of £629k in respect of these properties, using the cost model. Libraries NI occupies a further four properties where no formal lease is in place and no rent is paid. These properties have been valued using the Existing Use Value and the implementation of IFRS 16 during the period would have resulted in a depreciation charge of £32k and an additional NBV of £737k in respect of these properties.

## 1.20 Library Lending Stock

Library lending stocks are those materials including books, audio and visual materials, and downloadable materials which are purchased for lending to and reference by borrowers. These are expensed when purchased.

## 2. Analysis of Operating Costs by Segment

Libraries NI operates solely within Northern Ireland and is managed at a corporate level as one segment. Decisions are made by the Senior Management Team and Board.

## 3. Operating Expenditure

	Note	2020/21 £'000	2019/20 £'000
Staff Costs:			
Wages and salaries		13,265	13,620
Social Security Costs		967	918
Pension Costs		2,333	2,514
Other Staff Costs		198	167
Premises, fixed plant and grounds		3,741	4,356
PFI Service charges		323	352
Library lending stock		3,062	4,470
Supplies and Services		4,917	4,508
Other employee expenses		193	239
Transport		130	204
Rentals under operating leases: Buildings		191	201
Non-cash items:			
Depreciation		4,423	4,808
Amortisation		228	153
(Profit)/Loss on disposal of property, plant and equipment		(19)	(25)
Interest on net pension liability		738	1,920
Current service pension cost		1,972	2,038
Impairment / (Reversal of impairment) of property, plant and equipment	9	(394)	(164)
Provisions provided for in year	14	36	(25)
Auditors' remuneration – notional		33	30
		<u>36,337</u>	<u>40,284</u>

Libraries NI purchased no non-audit services from its external auditor (the Northern Ireland Audit Office). Further analysis of staff costs is available in the Remuneration and Staff Report.

#### 4. Other Operating Income

	<b>2020/21</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>
Fees and charges	40	357
Sale of goods and services	256	412
Grant Income	-	60
Other income	6	5
	<u><b>302</b></u>	<u><b>834</b></u>

#### 5. Finance Expense

	<b>2020/21</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>
Finance leases	78	78
PFI	65	69
	<u><b>143</b></u>	<u><b>147</b></u>

## 6. Property, Plant and Equipment 2020/21

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
<b>At 1 April 2020</b>	<b>14,114</b>	<b>98,249</b>	<b>2,524</b>	<b>10,376</b>	<b>2,961</b>	<b>762</b>	<b>128,986</b>
Additions	-	541	259	1,506	29	1,283	3,618
Disposals	-	-	(50)	-	-	-	(50)
Net (Impairment)/ Reversal	(110)	(377)	8	-	-	-	(479)
Revaluations	(781)	(11,789)	13	19	16	-	(12,522)
Reclassifications	-	469	-	-	-	(706)	(237)
<b>At 31 March 2021</b>	<b>13,223</b>	<b>87,093</b>	<b>2,754</b>	<b>11,901</b>	<b>3,006</b>	<b>1,339</b>	<b>119,316</b>
<b>Depreciation</b>							
<b>At 1 April 2020</b>	-	<b>10,270</b>	<b>1,364</b>	<b>9,780</b>	<b>2,381</b>	-	<b>23,795</b>
Charged in year	-	3,609	257	390	167	-	4,423
Disposals	-	-	(50)	-	-	-	(50)
Net Impairment/ (Reversal)	-	(878)	5	-	-	-	(873)
Revaluations	-	(12,988)	7	7	12	-	(12,962)
Reclassifications	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	-	<b>13</b>	<b>1,583</b>	<b>10,177</b>	<b>2,560</b>	-	<b>14,333</b>
<b>Carrying amount at 31 March 2021</b>	<b>13,223</b>	<b>87,080</b>	<b>1,171</b>	<b>1,724</b>	<b>446</b>	<b>1,339</b>	<b>104,983</b>
<b>Carrying amount at 31 March 2020</b>	<b>14,114</b>	<b>87,979</b>	<b>1,160</b>	<b>596</b>	<b>580</b>	<b>762</b>	<b>105,191</b>

## 6. Property, Plant and Equipment (continued)

### Asset Financing:

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	12,334	83,117	1,171	1,724	446	1,339	100,131
Finance Leased	522						522
On- SoFP PFI contracts	367	3,963					4,330
<b>Carrying amount at 31 March 2021</b>	<b>13,223</b>	<b>87,080</b>	<b>1,171</b>	<b>1,724</b>	<b>446</b>	<b>1,339</b>	<b>104,983</b>

Land and Buildings were revalued by Land and Property Services (LPS) as at 31 March 2021.

17 properties have intrinsic links to adjoining facilities either through the sharing of common mechanical systems, access routes or building elements. The carrying amount includes £6,815k (2019/20: £7,089k) in respect of such properties.

One property is identified as surplus (2019/20: 1 property). The property is located on a shared site with a Health Trust and future disposal will be through joint disposal with the Health Trust. This property was valued as at the 31st March 2021 by LPS, at fair value. The carrying amount is £30k (2019/20: £30k).

As a result of the recent and on-going Covid-19 pandemic events, and in line with current RICS guidance, LPS have advised that in the absence of relevant/sufficient market evidence on which to base their judgements, their valuation is reported as being subject to 'material valuation uncertainty'. For the avoidance of doubt this does not mean that the valuations cannot be relied upon. Rather, this 'material valuation uncertainty' declaration has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

6. Property, Plant and Equipment (continued) 2019/20

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 1 April 2019</b>	<b>14,114</b>	<b>93,700</b>	<b>2,242</b>	<b>10,027</b>	<b>3,019</b>	<b>166</b>	<b>123,268</b>
Additions	-	885	179	75	34	756	1,929
Disposals	-	-	(89)	-	(204)	-	(293)
Net (Impairment)/ Reversal	-	181	12	-	-	-	193
Revaluations	-	3,582	20	259	28	-	3,889
Reclassifications	-	(99)	160	15	84	(160)	-
<b>At 31 March 2020</b>	<b>14,114</b>	<b>98,249</b>	<b>2,524</b>	<b>10,376</b>	<b>2,961</b>	<b>762</b>	<b>128,986</b>
<b>Depreciation at 1 April 2019</b>	<b>-</b>	<b>6,445</b>	<b>1,183</b>	<b>8,627</b>	<b>2,365</b>	<b>-</b>	<b>18,620</b>
Charged in year	-	3,442	255	910	201	-	4,808
Disposals	-	-	(89)	-	(204)	-	(293)
Net Impairment/ (Reversal)	-	22	7	-	-	-	29
Revaluations	-	361	8	243	19	-	631
Reclassifications	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>10,270</b>	<b>1,364</b>	<b>9,780</b>	<b>2,381</b>	<b>-</b>	<b>23,795</b>
<b>Carrying amount at 31 March 2020</b>	<b>14,114</b>	<b>87,979</b>	<b>1,160</b>	<b>596</b>	<b>580</b>	<b>762</b>	<b>105,191</b>
<b>Carrying amount at 31 March 2019</b>	<b>14,114</b>	<b>87,225</b>	<b>1,059</b>	<b>1,400</b>	<b>654</b>	<b>166</b>	<b>104,648</b>

6. Property, Plant and Equipment (continued)

Asset Financing:

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	13,225	84,016	1,160	596	580	762	100,339
Finance Leased	522						522
On-SoFP PFI contracts	367	3,963					4,330
<b>Carrying amount at 31 March 2020</b>	<b>14,114</b>	<b>87,979</b>	<b>1,160</b>	<b>596</b>	<b>580</b>	<b>762</b>	<b>105,191</b>

## 7. Intangible Assets

### Software Licences

	£'000
<b>Cost or valuation at 1 April 2020</b>	1,446
Additions	1,236
Disposals	-
Impairments	-
Revaluations	20
Reclassifications	237
<b>At 31 March 2021</b>	<b><u>2,939</u></b>
<b>Amortisation at 1 April 2020</b>	1,004
Charged in year	228
Disposals	-
Revaluations	3
<b>At 31 March 2021</b>	<b><u>1,235</u></b>
<b>Carrying amount at 31 March 2021</b>	<b><u>1,704</u></b>
<b>Carrying amount at 31 March 2020</b>	<b><u>442</u></b>
<b>Asset Financing:</b>	
Owned	<u>1,704</u>
<b>Carrying amount at 31 March 2021</b>	<b><u>1,704</u></b>
<b>Cost or valuation at 1 April 2019</b>	1,196
Additions	214
Disposals	-
Impairments	-
Revaluations	36
Reclassifications	-
<b>At 31 March 2020</b>	<b><u>1,446</u></b>
<b>Amortisation at 1 April 2019</b>	826
Charged in year	153
Disposals	-
Revaluations	25
<b>At 31 March 2020</b>	<b><u>1,004</u></b>
<b>Carrying amount at 31 March 2020</b>	<b><u>442</u></b>
<b>Carrying amount at 31 March 2019</b>	<b><u>370</u></b>
<b>Asset Financing:</b>	
Owned	<u>442</u>
<b>Carrying amount at 31 March 2020</b>	<b><u>442</u></b>

## 8. Financial Instruments

Financial Reporting Standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of Libraries NI are met through Grant-in-Aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Libraries NI expected purchase and usage requirements and Libraries NI is therefore exposed to little credit, liquidity or market risk.

## 9. Revaluation, Impairment and/or Indexation

### 9.1 Property, Plant and Equipment

	2020/21 £'000	2019/20 £'000
Charged/(Credited) to the SoCNE	(394)	(164)
(Credited) to Revaluation Reserve	<u>(440)</u>	<u>(3,258)</u>
	<u><b>(834)</b></u>	<u><b>(3,422)</b></u>

### 9.2 Intangible Assets

	2020/21 £'000	2019/20 £'000
(Credited) to Revaluation Reserve	<u>(17)</u>	<u>(11)</u>
	<u><b>(17)</b></u>	<u><b>(11)</b></u>

### 9.3 Heritage Assets

	2020/21 £'000	2019/20 £'000
Charged/(Credited) to the Heritage Assets Reserve	<u>1</u>	<u>(105)</u>
	<u><b>1</b></u>	<u><b>(105)</b></u>

#### Revaluation - Charges/Credits to the Revaluation Reserve:

Increases arising on revaluations are taken to the Revaluation Reserve except for reversals of impairments for the same asset previously recognised in expenditure, which are credited to expenditure to the extent of the decrease previously charged there. Revaluation decreases are recognised as an impairment charge to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

## Impairment - Charges/Credits to the SoCNE:

Impairment losses are due to changes in the market value. Where necessary, assets have been written down to recoverable amounts, and the loss charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and thereafter, to expenditure. Where there is a reversal of the impairment loss, it is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the impairment previously charged there and thereafter, to the Revaluation Reserve.

### 10. Heritage Assets

	<b>Stock Assets</b>	<b>Other Non-Operational Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>			
<b>Opening balance at 1 April 2020</b>	<b>10,118</b>	<b>45</b>	<b>10,163</b>
Additions	-	-	-
Losses	(18)	-	(18)
Revaluations	17	-	17
<b>Closing balance at 31 March 2021</b>	<b><u>10,117</u></b>	<b><u>45</u></b>	<b><u>10,162</u></b>

	<b>Stock Assets</b>	<b>Other Non-Operational Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>			
<b>Opening balance at 1 April 2019</b>	<b>10,013</b>	<b>45</b>	<b>10,058</b>
Additions	-	-	-
Losses	(4)	-	(4)
Revaluations	109	-	109
<b>Closing balance at 31 March 2020</b>	<b><u>10,118</u></b>	<b><u>45</u></b>	<b><u>10,163</u></b>

Libraries NI has an accounting policy in respect of its valuable books and collections, (termed Stock Heritage assets) and art (termed Other Non-Operational Heritage assets), and applies a capitalisation threshold of £1,000, as set out in Note 1.7. Balances include some assets valued at under £1,000 which were inherited from the former Education and Library Boards.

Libraries NI undertakes annual valuations on a rolling program, so that all assets over the threshold are revalued every 5 years. Assets under £1,000 are valued on a sampling basis. Valuations are conducted on the basis of Net Realisable Value and are carried out by experienced valuers in this field.

During the year to 31 March 2021 the collections in Ballymena, Ballymoney and Carrickfergus were valued by Éamon de Búrca, ABA ILAB PBFA FABS IADA FSRAI.

Heritage Stock Assets are covered by the Libraries NI Heritage Policy 2017-2020 which sets out the approach to the collection, preservation and exploitation of Heritage material. The stock is available to view by the public either on request or on open access, at a number of library locations.

#### 11. Trade Receivables and Other Current Assets

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
VAT	610	499
Trade receivables	264	123
Other receivables	-	24
Prepayments and accrued income	138	136
Current part of PFI prepayment	90	90
	<u><b>1,102</b></u>	<u><b>872</b></u>
<b>Amounts falling after more than one year:</b>		
PFI Prepayment	840	899
<b>Total</b>	<u><b>1,942</b></u>	<u><b>1,771</b></u>

#### 12. Cash and Cash Equivalents

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April</b>	376	1,447
Net change in cash and cash equivalent balances	(300)	(1071)
<b>Balance at 31 March</b>	<u><b>76</b></u>	<u><b>376</b></u>
Balances held in commercial banks and cash in hand	<u><b>76</b></u>	<u><b>376</b></u>

This balance includes £13,317 which relates to third party charitable funds administered by Libraries NI, and a £5,000 bequest for Woodstock Library. An equivalent liability is included within Deferred Income.

### 13. Trade Payables and Other Current Liabilities

	2020/21 £'000	2019/20 £'000
<b>Amounts falling due within one year:</b>		
Other taxation and social security	207	215
Trade payables	1,015	884
Other payables	53	89
Accruals and deferred income	2,454	1,970
Current part of finance leases	(38)	(38)
Current part of imputed finance lease element of on-SoFP PFI Contracts	182	171
	<u>3,873</u>	<u>3,291</u>
<b>Amounts falling due after more than one year:</b>		
Finance leases	1,125	1,087
Imputed finance lease element of on-SoFP PFI Contracts	1,978	2,160
	<u>3,103</u>	<u>3,247</u>
<b>Total</b>	<u><u>6,976</u></u>	<u><u>6,538</u></u>

### 14. Provisions for Liabilities and Charges

	Employer & Public Liability Claims £'000
<b>At 1 April 2020</b>	122
Provided in the year	61
Provisions not required written back	(25)
Provisions utilised in the year	-
<b>At 31 March 2021</b>	<u>158</u>

#### Analysis of expected timing of cash flows

Not later than one year	82
Later than one year and not later than five years	76
Later than five years	-
<b>At 31 March 2021</b>	<u>158</u>
<b>At 1 April 2019</b>	157
Provided in the year	-
Provisions not required written back	(25)
Provisions utilised in the year	(10)
<b>At 31 March 2020</b>	<u>122</u>

## Analysis of expected timing of cash flows

Not later than one year	77
Later than one year and not later than five years	45
Later than five years	-
<b>At 31 March 2020</b>	<b>122</b>

## Employer and Public Liability Claims

These are claims against Libraries NI submitted by members of staff and/or the public in relation to accidents or incidents which have happened on or before the SoFP date. Claims which have progressed sufficiently to allow a settlement figure to be reliably estimated are included in the provision. Estimates are calculated by Libraries NI's insurance advisors based on their experience and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; cases are plaintiff driven and progress is dependent on the individual circumstances of each case. As a case progresses and more information becomes available, the estimated settlement figure may subsequently be revised up or down.

## 15. Capital Commitments

	2020/21 £'000	2019/20 £'000
<b>Contracted capital commitments at 31 March 2021 not otherwise included in these financial statements</b>		
Buildings	787	383
Vehicles	-	258
Computers	73	3,668
Furniture & Equipment	-	11
	<b>860</b>	<b>4,320</b>

## 16. Commitments Under Leases

### 16.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table overleaf, for each of the following periods:

	2020/21	2019/20
	£'000	£'000
<b>Obligations under operating leases comprise:</b>		
<b>Land</b>		
Not later than one year	7	7
Later than one year and not later than five years	29	-
Later than five years	36	-
	<u>72</u>	<u>7</u>
<b>Buildings</b>		
Not later than one year	188	180
Later than one year and not later than five years	428	399
Later than five years	173	142
	<u>789</u>	<u>721</u>
<b>Other</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
	<u><b>861</b></u>	<u><b>728</b></u>

## 16.2 Finance Leases

Libraries NI has one finance lease in place, in respect of land which is held on a 999 year lease. Total future minimum lease payments under the lease are given in the table below.

**Obligations under finance leases for each of the following periods comprise:**

	2020/21	2019/20
	£'000	£'000
<b>Land</b>		
Not later than one year	40	40
Later than one year and not later than five years	160	160
Later than five years	38,120	38,160
	<u>38,320</u>	<u>38,360</u>
<b>Less interest element</b>	<u>(37,653)</u>	<u>(37,693)</u>
	<u><b>667</b></u>	<u><b>667</b></u>

## 17. Commitments Under PFI Contracts and other service concession arrangements contracts

Libraries NI had one PFI contract in operation during the period under review, which was on-SoFP under IFRIC 12.

This contract relates to the Lisburn City library. The contract is for the provision of a serviced building, delivered under a 25 year contract, starting in December 2005. The Unitary Payment is increased annually in line with the RPI. The building will become the property of Libraries NI at the end of the contract period when Libraries NI will acquire a 999 year leasehold on the premises for a payment of £1. Under IFRIC 12, the property is treated as if it was owned by Libraries NI.

The substance of the contract is that Libraries NI has a finance lease and that payments comprise two elements - finance lease charges and service charges. Details of the imputed finance lease charges are in the table below.

On 29 March 2013, Libraries NI entered into a service concession contract for the supply of a managed ICT service for an initial period of five years commencing 1 May 2013, with option to extend for two years to 30 April 2020. On 26 February 2018, Libraries NI exercised this option to extend. On 7 February 2020 a contract modification notice was published in the OJEU, extending the contract to 30 September 2022.

**17.1 Present value of obligations under on-SoFP PFI contracts for the following periods comprise:**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Rentals due within one year	243	236
Rentals due later than one year and not later than five years	882	874
Rentals due later than five years	<u>1,229</u>	<u>1,519</u>
	2,354	2,629
Less interest element	<u>(334)</u>	<u>(390)</u>
Present value of obligations	<u><b>2,020</b></u>	<u><b>2,239</b></u>

These figures represent the value of future minimum lease payments, discounted at HM Treasury's discount rate.

**17.2 Charge to the Statement of Comprehensive Net Expenditure and Future Commitments**

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-SoFP PFI and other service concession arrangements transactions was £4,197,000 (2019/20: £4,114,000) and the payments to which Libraries NI is committed is as follows:

	<b>2020/21</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>
Not later than one year	4,168	4,101
Later than one year and not later than five years	3,103	7,067
Later than five years	<u>1,547</u>	<u>1,862</u>
	<b><u>8,818</u></b>	<b><u>13,030</u></b>

## **18. Other Financial Commitments**

Libraries NI has entered into no other non-cancellable financial commitments which are not leases or PFI arrangements, or other service concession arrangements as disclosed above.

## **19. Pension and Similar Obligations**

### **Introduction**

The disclosures in Note 19 below relate to the funded and unfunded liabilities within the Northern Ireland Local Government Officers' Pension Fund (The Fund) which is part of the Local Government Pension Scheme (Northern Ireland) (The LGPS) and certain related unfunded liabilities which are separately disclosed.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on Career Average Revalued Earnings. Details of the benefits earned over the period covered by this disclosure are set out in The Local Government Pension Scheme Regulations (Northern Ireland) 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014.

The unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme (Northern Ireland) under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

### **Funding /Governance Arrangements of the LGPS**

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. An actuarial valuation of the Fund was carried out as at 31 March 2019 and as part of the valuation a new Rates and Adjustment Certificate was produced for the three-year period from 1 April 2020 to 31 March 2023.

The Northern Ireland Local Government Officers' Superannuation Committee (The Committee) is responsible for the governance of The Fund.

## **Assets**

The assets allocated to the employers in The Fund are notional and are assumed to be invested in line with the investments of The Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from The Fund in relation to an Employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for The Fund as a whole (based on data supplied by The Committee) is shown in the disclosures, split by quoted and unquoted investments.

The Committee may invest a small proportion of The Fund's investments in the assets of some of the employers participating in The Fund if it forms part of their balanced investment strategy.

## **Risk associated with the Fund in relation to accounting**

### **Asset Volatility**

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield it will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

### **Changes in Bond Yield**

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

### **Inflation Risk**

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

### **Life Expectancy**

The majority of The Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

### **Exiting Employers**

Employers who leave The Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in

certain circumstances fall on other employers in The Fund. The assets at exit in respect of “orphan liabilities” may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. “Orphan liabilities” are currently a small proportion of the overall liabilities in The Fund.

A triennial valuation of the fund was conducted as at 31 March 2019. The exercise was carried out by a qualified independent actuary, using the projected unit credit method, for the purposes of meeting the requirements of IAS 19.

For the 2019 valuation the Committee decided to adjust the approach used to notionally allocate assets to individual employers within the Main Employer Group, and instead of tracking the position of each employer, it would track the position of the Main Employer Group as a whole, and the assets notionally allocated to each employer would be based on their liabilities and the funding level of the group as a whole. As a result of this change, the assets used for accounting purposes for employers within the Main Employer Group have been re-balanced, and potentially could be materially different than if they were rolled forward from last year’s accounting figures. This difference is included in the experience gains/losses item in the employer’s accounting figures as at 31 March 2020.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:

### 19.1 Assumptions

	2020/21	2019/20
Rate of increase in salaries	4.2%	3.5%
Rate of increase in pensions	2.7%	2.0%
Discount rate	2.1%	2.3%
Inflation assumption RPI	-	-
Inflation assumption CPI	2.7%	2.0%
Pension Accounts Revaluation Rate	2.7%	2.0%

### The market values of assets in the scheme were:

	2020/21 £'000	2019/20 £'000
Equities	67,430	49,989
Government Bonds	34,370	30,627
Corporate Bonds	17,622	14,786
Property	12,962	11,735
Cash	6,845	5,515
Other	6,408	4,694
<b>Total</b>	<b>145,637</b>	<b>117,346</b>
Present value of funded liabilities	(180,090)	(148,168)
Present value of unfunded liabilities	(2,532)	(2,458)
<b>Net pension asset/(liability)</b>	<b>(36,985)</b>	<b>(33,280)</b>

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2019. The exercise was carried out by a qualified independent actuary, using the projected unit method. The valuation resulted in a surplus in the Fund for past service. Based on past service results and future service projections, the employer contribution rate has been set at 19.5% for the three years 20/21, 21/22 and 22/23.

During 2020/21 Libraries NI paid employer pension contributions of £2,325k to the Fund, £165k in respect of unfunded pensions and £29k in actuarial costs for early release of pension under exit arrangements.

## 19.2 Amount charged to Comprehensive Net Expenditure

	2020/21 £'000	2019/20 £'000
Current Service cost*	4,367	4,691
Past Service cost**	29	-
<b>Total operating cost</b>	<b><u>4,396</u></b>	<b><u>4,691</u></b>
<b>Financing Cost</b>		
Interest on net defined benefit liability	738	1,920
<b>(Gain)/Loss recognised in SoCNE</b>	<b><u>5,134</u></b>	<b><u>6,611</u></b>

\* The Current Service cost includes an allowance for an accruing McCloud underpin liability for the full accounting period, and an allowance for administration expenses of £0.058m for 2020/21 (£0.058m for 2019/20). It also allows for full indexation on all Guaranteed Minimum Pension (GMP) for members whose State Pension Age is on or after 1 April 2016.

\*\* Past service costs relate to early retirement strain on fund payments.

## 19.3 Remeasurements in Other Comprehensive Expenditure (OCE)

	2020/21 £'000	2019/20 £'000
Actuarial (gain)/loss on plan assets	(25,924)	14,534
Actuarial loss/(gain) due to changes in financial assumptions	28,215	(3,658)
Actuarial (gain) due to changes in demographic assumptions	-	(7,329)
Actuarial (gain) due to liability experience	(1,296)	(55,543)
<b>Net loss/(gain) recognised in OCE</b>	<b><u>995</u></b>	<b><u>(51,996)</u></b>
<b>Total amount recognised in SOCNE and OCE</b>	<b><u>6,129</u></b>	<b><u>(45,385)</u></b>

#### 19.4 Reconciliation of Defined Benefit Obligation

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Opening Defined Benefit Obligation	150,626	210,155
Current Service Cost	4,367	4,691
Interest on pension scheme liabilities	3,434	5,012
Contributions by members	716	713
Actuarial loss/(gain) due to changes in financial assumptions	28,215	(3,658)
Actuarial (gain) due to changes in demographic assumptions	-	(7,329)
Actuarial (gain)/loss due to liability experience	(1,296)	(55,543)
Past Service Costs (incl. curtailments)	29	-
Unfunded benefit paid	(143)	(144)
Benefit paid	(3326)	(3,271)
Closing Defined Benefit Obligation	<u><b>182,622</b></u>	<u><b>150,626</b></u>

#### 19.5 Reconciliation of fair value of employer assets

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of employer assets	117,346	128,837
Interest income on assets	2,696	3,092
Re-measurement gains/(losses) on assets	25,924	(14,534)
Contributions by members	716	713
Contributions by the employer	2,424	2,653
Unfunded benefits paid	(143)	(144)
Benefits Paid	(3,326)	(3,271)
Closing fair value of employer assets	<u><b>145,637</b></u>	<u><b>117,346</b></u>
<b>Net Deficit at year end</b>	<u><b>(36,985)</b></u>	<u><b>(33,280)</b></u>

#### 19.6 Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations.

The sensitivity of the principal assumptions used to measure the liabilities is discussed below.

The discount rate used to value the pension liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A lower discount rate increases the present value of future cashflows, increasing the liabilities. The results are also sensitive to unexpected changes in the rate of future mortality improvements. If longevity improves at a faster rate than allowed for in the assumptions then, again, a higher value would be placed on the employer's liabilities. In addition, if pensionable pay increases more than allowed for in the assumptions, the liabilities will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, the liabilities will increase.

The sensitivities regarding the principal assumptions used as at 31 March 2021 were:

	<b>Change in assumption</b>	<b>Impact on Employer Liabilities</b>	<b>Impact on Projected Service Cost</b>
<b>Discount rate</b>	Decrease by 0.1% pa Increase by 0.1%	Increase by 1.7% Decrease by 1.7%	Increase by 2.8% Decrease by 2.7%
<b>Pension Increase</b>	Decrease by 0.1% pa Increase by 0.1%	Decrease by 1.4% Increase by 1.4%	Decrease by 2.7% Increase by 2.8%
<b>Rate of salaries growth</b>	Decrease by 0.1% pa Increase by 0.1% pa	Decrease by 0.3% Increase by 0.3%	Decrease by 0.0% Increase by 0.0%
<b>Post retirement mortality</b>	Decrease in life expectancy of 1 year Increase life expectancy of 1 year	Increase by 3.6%  Decrease by 3.6%	Increase by 4.1%  Decrease by 4.0%

In each case, only the assumption noted is altered; all other assumptions remain the same.

The impact on the present value of total obligations and projected service costs of these assumptions are as follows:

#### **Discount Rate Assumption**

<b>Adjustment to discount rate</b>	<b>Base figure</b>	<b>+0.1%</b>	<b>-0.1%</b>
Present Value of Total Obligation (£M)	188.090	177.028	183.152
% Change in Present Value of Total Obligation		-1.70%	1.70%
Projected Service Cost (£M)	5.856	5.698	6.020
Approx % change in Projected Service Cost		-2.70%	2.80%

#### **Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts**

<b>Adjustment to pensions increase rate</b>	<b>Base figure</b>	<b>+0.1%</b>	<b>-0.1%</b>
Present Value of Total Obligation (£M)	188.090	182.611	177.569
% Change in Present Value of Total Obligation		+1.4%	-1.4%
Projected Service Cost (£M)	5.856	6.020	5.698
Approx % change in Projected Service Cost		+2.8%	-2.7%

#### **Rate of Salaries Growth Assumption**

<b>Adjustment to salaries growth rate</b>	<b>Base figure</b>	<b>+0.1%</b>	<b>-0.1%</b>
Present Value of Total Obligation (£M)	188.090	180.630	179.550

% Change in Present Value of Total Obligation		+0.3%	-0.3%
Projected Service Cost (£M)	5.856	5.856	5.856
Approx % change in Projected Service Cost		+0.0%	-0.0%

#### Post Retirement Mortality Assumption\*

Adjustment to mortality age rate assumption	Base figure	-1 year	+1 year
Present Value of Total Obligation (£M)	188.090	186.573	173.607
% Change in Present Value of Total Obligation		+3.6%	-3.6%
Projected Service Cost (£M)	5.856	6.096	5.622
Approx % change in Projected Service Cost		+4.1%	-4.0%

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

#### Comment on Mortality Assumptions

The mortality assumptions reflect the length of time the benefits would be expected to be paid for. Mortality assumptions for unfunded benefits are based on the recent actual mortality experience of members within the Fund, and allow for expected future mortality improvements. Mortality assumptions for funded benefits are based on Standard SAPS S2P tables, and allow for expected future mortality improvements.

Based on these assumptions, the assumed life expectancies after retirement at age 65 are set out below:

	Males	Females
Future lifetime from age 65 (aged 65 at accounting date)	21.9	25.1
Future lifetime from age 65 (aged 45 at accounting date)	23.3	26.5

#### 20. Contingent Liabilities

Libraries NI had no known contingent liabilities as at 31 March 2021.

#### 21. Related Party Transactions

Libraries NI is a Non-Departmental Public Body (NDPB) which is sponsored by the Department for Communities (DfC).

DfC is regarded as a related party, and during 2020/21 Libraries NI had material transactions

with the department. DfC is also the sponsoring body for The Armagh Observatory and Planetarium, The Arts Council NI, National Museums NI, The NI Central Investment Fund for Charities, Sport NI, The Ulster Scots Agency, The NI Commission for Children and Young people, The Commissioner for Older People NI, The Local Government Staff Commission for NI, The NI Local Government Officers Superannuation Committee, The Charity Commission NI, The Northern Ireland Housing Executive, The NI Museums Council, Vaughan's Charitable Trust, Foras na Gaeilge, Ulster Supported Employment Limited, and the office of the Discretionary Support Commissioner. During the year Libraries NI provided services to The Armagh Observatory and Planetarium and the NI Museums Council for which it charged a fee.

Libraries NI has had a number of material transactions with other government bodies during 2020/21. Most of these transactions have been with the Education Authority, Land and Property Services and the Health and Social Care Trusts.

During the year no board member, key manager, or other related party has undertaken any material transactions with Libraries NI.

A register of Board members' interests is available and may be inspected on application to the Chief Executive's Office.

## **22. Events after the Reporting Period**

There were no events after the reporting period impacting on these Financial Statements.

### **Date of authorisation for issue**

The Accounting Officer authorised these financial statements for issue on 21 October 2021.