

# Foreword

This Code of Practice is based on International Financial Reporting Standards (IFRSs) and has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board.

The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Financial Reporting Council where these provide additional guidance. The Code has been prepared on the basis of accounting standards and interpretations in effect for accounting periods commencing on or before 1 January 2016.

This edition of the Code applies for accounting periods commencing on or after 1 April 2016. It supersedes the edition published on 1 April 2015 (the 2015/16 Code). **[This publication is an Update to the 2016/17 Code published on 1 April 2016.](#)**

The key accounting changes in this edition of the Code include:

- a) Following the amendments in the Update to the 2015/16 Code, amendments to chapter one (Introduction), chapter three (Financial Statements), and Appendix B (Sources and Legislation) as a result of the Accounts and Audit Regulations 2015 for English authorities and the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.
- b) An update of section 2.1 (Concepts) for the issue of the IPSASB *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*, particularly to reflect the description of public sector users and understandability of local authority financial statements.
- c) Amendment to section 2.10 (Fair Value Measurement) to remove the scope exclusion on the disclosures for retirement benefit plan investments measured at fair value in accordance with section 6.5 (Accounting and Reporting by Pension Funds).
- d) Following the amendments in the Update to the 2015/16 Code, amendment to section 3.1 (Narrative Report) to reflect the new requirements in the Accounts and Audit Regulations 2015 for English authorities for a narrative statement. The section has also been updated to reflect the provisions of statutory guidance issued by the Scottish Government on the Management Commentary and a new recommendation is made to cross refer in the

Narrative Report to the new Expenditure and Funding Analysis (see e) below).

- e) Amendments to section 3.4 (Presentation of Financial Statements) to reflect the new formats and reporting requirements for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement and to introduce a new Expenditure and Funding Analysis as a result of the Telling the Story review of the presentation of local authority financial statements. The presentation of financial statements section of the Code has also been amended to reflect the December 2014 changes to IAS 1 *Presentation of Financial Statements* under the International Accounting Standards Board (IASB) Disclosure Initiative.
- f) An update to section 3.8 (Statement Reporting Reviews of Internal Controls) for the changes to the *Delivering Good Governance in Local Government: Framework (2016)* published by CIPFA and SOLACE.
- g) An addition to the definition of a related party in section 3.9 (Related Party Disclosures) for the changes to IAS 24 *Related Party Disclosures* in relation to key management personnel as a result of the *Annual Improvements to IFRSs 2010-2012 Cycle*.
- ~~h) Introduction in section 4.1 (Property, Plant and Equipment) of the new measurement requirements for the Highways Network Asset in section 4.11 and consequential amendments for the definitions, measurement and disclosure provisions for 2016/17.~~
- ih) Clarification in section 4.1 of the treatment of accumulated depreciation and impairment for items of property, plant and equipment ~~that are not a part of the Highways Network Asset.~~
- ~~j) Introduction of a new section 4.11 (Highways Network Asset) for the new measurement requirements at depreciated replacement cost for the Highways Network Asset based on the methodologies in the CIPFA Code of Practice on Transport Infrastructure Assets.~~
- ki) Amendments to section 6.5 (Accounting and Reporting by Pension Funds) as a result of a review of that section. These amendments include:
- update to the format of the Fund Account and the Net Asset Statement to be consistent with the new *Financial Reports of Pension Schemes – A Statement of Recommended Practice 2015*
  - confirmation of the new disclosure requirements for retirement benefit plan investments measured at fair value
  - recommendations for a new disclosure on investment management transaction costs
  - a new Annex setting out the application of other sections of the Code
  - other minor drafting improvements, and
  - new updated references to Scottish Government Circular 6/2015.

- h) Minor amendment to section 8.2 (Provisions, Contingent Liabilities and Contingent Assets) to reflect the introduction of Scottish Government Statutory Guidance on Accounting for Equal Pay and Severance.
- mk) Amendments to chapter nine (Group Accounts) for the changes relating to IFRS 11 *Joint Arrangements* – Accounting for Acquisitions of Interests in Joint Operations and to include an interpretation of IAS 27 *Separate Financial Statements* where the option to equity account for investments in subsidiaries, associates or joint ventures is withdrawn.
- nl) Introduction of a new Appendix D listing the amendments to standards included in the 2016/17 Code.
- m) Amendments to section 3.5 (Housing Revenue Account) to reflect the Housing Revenue Account (Accounting Practices) Directions 2016 disclosure requirements for English authorities.
- n) Amendments to sections 4.2 (Lease and Lease Type Arrangements), 4.3 (Service Concession Arrangements: Local Authority as Grantor), 7.4 (Financial Instruments – Disclosure and Presentation Requirements) and Appendix B (Sources and Legislation) for the Local Authority (Capital Finance and Accounting) Scotland Regulations 2016.

Under the oversight of the Financial Reporting Advisory Board, the CIPFA/LASAAC Code Board is in a position to issue mid-year updates to the Code. This will only be done in exceptional circumstances.

In England and Wales, the Code constitutes a ‘proper accounting practice’ under the terms of section 21(2) of the Local Government Act 2003. In Scotland, the Code constitutes proper accounting practice under section 12 of the Local Government in Scotland Act 2003. In Northern Ireland, the status and authority of the Code derives from Regulation (2) of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 and through the relevant accounts direction issued by the Department of the Environment (Northern Ireland).

# ANNEX

## **Differences between the *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) and the Government's Financial Reporting Manual (the FReM)**

Section 2.5 of the Code recognises gains or losses on transfer of a function in the Movement in Reserves Statement and Other Comprehensive Income and Expenditure. The FReM recognises gains or losses on the net/asset liability resulting from a transfer of a function as a non-operating gain/loss.

Section 3.1 of the Code requires authorities to produce a Narrative Report (note the Code does not include a requirement to prepare a sustainability report, but neither does the Code prevent an authority including such information within its Narrative Report). The FReM requires a strategic report to be produced (which in turn includes the requirements for sustainability reporting).

The content of the Statement of Responsibilities in section 3.2 of the Code is less detailed than that in the FReM.

The formats of the financial statements in section 3.4 of the Code are different from those in the FReM, reflecting the differing governance positions and different audiences for the financial statements.

Section 3.8 of the Code includes an adaptation to reflect regulations in respect of the authorised for issue date. No adaptation is required in the FReM.

Section 4.1 of the Code retains the use of the cost model for certain classes of asset (such as infrastructure assets ~~that do not meet the definition of the Highways Network Asset~~ and community assets). All classes of asset are carried at a current valuation under the FReM.

Section 4.5 of the Code requires intangible assets to be carried at historical cost (less accumulated amortisation and impairment) where no active market exists. The FReM requires such assets to be revalued using indices or some suitable model.

The FReM adapts the recognition of impairment losses in IAS 36 *Impairment of Assets* such that impairment losses that arise from a clear consumption of economic benefit are always taken to the Statement of Comprehensive Net Expenditure, irrespective of whether there is an accumulated revaluation surplus for the asset. The Code does not include this adaptation.

Section 4.8 of the Code permits authorities to select an accounting policy of expensing or capitalising borrowing costs on qualifying assets (IAS 23 *Borrowing Costs* requires borrowing costs in respect of qualifying assets to be capitalised). The FReM includes a different adaptation.

Unlike the FReM, section 4.9 of the Code withdraws the option to present assets held for sale in the notes as opposed to on the face of the Balance Sheet.

Section 6.2 of the Code permits authorities to account for certain long-term disability payments in the same way as post-employment benefits. This is not permitted by the FReM.

The FReM specifies the presentation of the pension liabilities in pension fund accounts whereas section 6.5 of the Code retains the options set out in IAS 26.

Chapter seven of the Code includes minor adaptation and additional guidance covering 'regular way' trades of financial assets; a prohibition on the designation of the category of a financial instrument; soft loans advanced and received by an authority – 'prevailing interest rate'; Lender Option Borrower Option Loans (LOBOs); accounting for immaterial transaction costs on initial recognition; and exchanges of debt instruments. This is not included in the FReM.

Chapter nine of the Code requires an authority to produce Group Accounts where it has investments in associates and/or interests in joint ventures but no interests in subsidiaries. The FReM includes criteria for the consolidation of entities into the departmental accounting boundary based on control criteria used by the Office for National Statistics for sector classification purposes (rather than the provisions of IFRS) which are not relevant to local authorities.

In addition, a number of sections of the Code incorporate additional guidance on non-exchange transactions that is not explicitly included in the FReM. These adaptations of IAS 39 are in sections 2.7, 5.3 and 8.1 of the Code.

# CHANGES TO THE 2016/17 CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM FOR THE POSTPONEMENT OF THE IMPLEMENTATION OF THE NEW MEASUREMENT REQUIREMENTS FOR THE HIGHWAYS NETWORK ASSET

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1 As a result of the postponement of the measurement requirements for the Highways Network Asset all references to the Highways Network Asset shall not apply in the 2016/17 *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code). Any references to the *Code of Practice on Transport Infrastructure Assets* shall also not apply.

2 Paragraph 4.1.2.2 is amended as set out below:

**4.1.22 Class of property, plant and equipment** is a grouping of assets of a similar nature and use in an authority's operations. The following classes of property, plant and equipment are used in the Code:

## Operational assets

- Council dwellings (ie dwellings within the Housing Revenue Account).
- Other land and buildings.
- Vehicles, plant, furniture and equipment.
- Infrastructure assets (inalienable assets, expenditure on which is only recoverable by continued use of the asset created, ie there is no prospect of sale or alternative use; examples include highways, structural maintenance of highways, footpaths, bridges, and permanent ways, coastal defences, water supply and drainage systems). ~~For the 2016/17 year infrastructure assets no longer include the Highways Network Asset<sup>4</sup>.~~
- Community assets (ie assets that an authority intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal). The definition of community assets no longer includes items that are now accounted for as heritage assets.

## Non-operational assets

- Surplus assets (ie assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties under section 4.4 of the Code or non-current assets held for sale under section 4.9 of the Code).

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<sup>4</sup> ~~The Highways Network Asset has the same meaning as those assets described within the Code of Practice on Transport Infrastructure Assets ie transport infrastructure assets. This Code may be updated from time to time.~~

- Assets under construction.

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# CHANGES TO THE 2016/17 CODE AS A RESULT OF THE ISSUE OF THE HOUSING REVENUE ACCOUNT (ACCOUNTING PRACTICES) DIRECTIONS 2016

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3 Section 3.5 is amended as set out below:

## 3.5 HOUSING REVENUE ACCOUNT

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### 3.5.5 Statutory Disclosure Requirements

**355.1** Having regard to paragraph 3.4.2.27 of the Presentation of Financial Statements section of the Code, which permits authorities not to provide a specific disclosure if information is not material, a housing authority shall disclose the following information in the notes to the HRA Statements.

#### **England<sup>2</sup>:**

- 1) The total Balance Sheet value of the land, houses and other property within the authority's HRA as at 1 April in the financial year, and the closing Balance Sheet value as at 31 March in the financial year of:
  - a) council dwellings
  - b) other land and buildings
  - c) vehicles, plant, furniture and equipment
  - d) infrastructure and community assets
  - e) assets under construction
  - f) surplus assets not held for sale
  - g) investment properties
  - h) assets held for sale.
- 2) The vacant possession value of dwellings within the authority's HRA as at 1 April in the financial year.
- 3) An explanation that the vacant possession value and Balance Sheet value of dwellings within the HRA show the economic cost ~~to government~~ of providing council housing at less than market rents.
- 4) The value of, and an explanation of, any charge calculated in accordance with proper practices in respect of revenue expenditure funded from capital under

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<sup>2</sup> ~~The statutory disclosures for English authorities are based on The Housing Revenue Account (Accounting Practices) Directions 2011 which have been subject to consultation but the new (Accounting Practices) Directions were not issued at the time when the 2016/17 Code was approved for publication.~~



statute attributable to the HRA.

- 5) The value of, and an explanation of, any impairment charges for the financial year in respect of land, houses and other property within the authority's HRA, calculated in accordance with proper practices.
- ~~6) A breakdown of the amount of HRA subsidy payable to the authority for the financial year in accordance with the elements set out in the general formula in paragraph 3.1 of the General Determination of Housing Revenue Account Subsidy for the year.~~
- 76) A summary of total capital expenditure on land, houses and other property within the authority's HRA during the financial year, broken down according to the following sources of funding:
  - a) borrowing
  - b) credit arrangements
  - c) capital receipts
  - d) revenue contributions ~~(ie the debit under Item 2 of Part II of Schedule 4 to the Local Government and Housing Act 1989)~~
  - e) the Major Repairs Reserve.
- 87) A summary of total capital receipts from disposals of land, houses and other property within the authority's HRA during the financial year.
- ~~9) An explanation of the capital asset charges accounting adjustment, calculated in accordance with the Item 8 Credit and Item 8 Debit (General) Determination for the year.~~
- 108) The total charge for depreciation for the land, houses or other property within the authority's HRA, and the charges for depreciation<sup>3</sup> for:
  - a) council dwellings
  - b) other land and buildings
  - c) vehicles, plant, furniture and equipment
  - d) infrastructure and community assets
  - e) assets under construction
  - f) surplus assets not held for sale.
  - ~~g) investment properties~~
  - ~~h) assets held for sale.~~
- ~~11) An analysis of the movement on the Major Repairs Reserve for the financial year showing:~~

<sup>3</sup>

Note it is appropriate to calculate depreciation charges on each of these classes of asset in accordance with the relevant sections of chapter four of the Code.

- ~~a) the balance on the Major Repairs Reserve on 1 April in the financial year~~
- ~~b) the amount transferred to the Major Repairs Reserve during the financial year~~
- ~~c) any amount transferred from the Major Repairs Reserve to the HRA during the financial year~~
- ~~d) the debits to the Major Repairs Reserve during the financial year in respect of capital expenditure on the land, houses and other property within the authority's HRA~~
- ~~e) the debits in respect of any repayment, made in the year, of the principal of any amount borrowed where the repayment was met by payment out of the Major Repairs Reserve~~
- ~~f) debits in respect of the meeting of any liability, in that year, in respect of credit arrangements, other than any liability, which in accordance with proper practices, must be charged to a revenue account, where the meeting of that liability was met by payments out of the Major Repairs Reserve~~
- ~~g) the balance on the Major Repairs Reserve on 31 March in the financial year.~~

**Wales:**

- ~~129)~~ The disclosure of income and expenditure and any balances relating to the Major Repairs Allowance grant in accordance with the requirements of Regulation 8(2) of the Accounts and Audit (Wales) Regulations 2014.

### 3.5.6 Changes since the 2015/16 Code

- ~~3.5.6.1 There Update to the 2016/17 Code has updated/amended the have been no changes to the Housing Revenue Account section of the Code since the 2015/16 Code to reflect the changes as a result of the Housing Revenue Account (Accounting Practices) Directions 2016.~~

# CHANGES TO THE 2016/17 CODE AS A RESULT OF THE ISSUE OF THE LOCAL AUTHORITY (CAPITAL FINANCE AND ACCOUNTING) (SCOTLAND) REGULATIONS 2016

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- 4 References in the 2016/17 Code to 'loans fund principal' are replaced with 'Statutory Repayment of Loans Fund Advances'.
- 5 The following chapters, sections, appendices and paragraphs of the 2016/17 Code have been amended as set out below:

## 4.2 LEASES AND LEASE TYPE ARRANGEMENTS

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### 4.2.3 Statutory Accounting Requirements

#### Leases reclassified on transition to IFRS (authority is lessor)

- 423.10 In England and Wales, income received under a lease that was reclassified on transition to IFRS continues to be treated as either a capital receipt or as revenue income according to its status prior to reclassification (see part 2 of Appendix B for the legislative basis).
- 423.11 Where a lease has been reclassified as a finance lease on transition to IFRS, income received under the lease shall continue to be treated as revenue income. An authority shall transfer the capital receipt to the General Fund and report the transaction in the Movement in Reserves Statement.
- 423.12 Where a lease has been reclassified as an operating lease on transition to IFRS, any income that would, prior to the reclassification, have been treated as a capital receipt shall be transferred from the General Fund to the Capital Receipts Reserve; and the transfer shall be reported in the Movement in Reserves Statement.
- 423.13 In Scotland, no ~~statutory guidance was issued on transition to IFRS equivalent provisions were in place at the time the Code was prepared. If provisions are introduced, authorities shall comply with those provisions. If provisions are not introduced, authorities~~ so authorities shall account for all income received from leases in line with classification of the leases under the Code.
- 423.14 In Northern Ireland, where an operating lease has been reclassified as a finance lease on transition to IFRS, income received under the lease shall continue to be treated as revenue income. An authority shall transfer the capital receipt to the General Fund and report the transaction in the Movement in Reserves Statement.

## 4.2.6 Changes since the 2015/16 Code

- 42.6.1 The Update to the 2016/17 Code includes clarification of the statutory accounting arrangements for leases for Scottish authorities in the leases section of the Code.~~There have been no changes to the leases and lease type arrangements section of the Code since the 2015/16 Code~~

## 4.3 SERVICE CONCESSION ARRANGEMENTS: LOCAL AUTHORITY AS GRANTOR

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### 4.3.3 Statutory Accounting Requirements

- 43.3.1 Regulations in England, Northern Ireland and Wales permit capital receipts to be used to repay borrowing (see part 2 of Appendix B for the legislative basis). Capital receipts may therefore be applied in these administrative areas to make capital contributions that reduce the liability. ~~In Scotland, no decision has yet been made to permit capital receipts to be used to reduce the liability.~~
- 43.3.2 Depreciation, impairment, and gains and losses on revaluation charged to Surplus or Deficit on the Provision of Services are not proper charges to the General Fund (see part 2 of Appendix B for the legislative basis). Such amounts shall be transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.
- 43.3.3 Minimum Revenue Provision (England, Northern Ireland and Wales) and the repayment of the liability Statutory Charge for the Repayment of Debt (Scotland) are proper charges to the General Fund, but do not appear in Surplus or Deficit on the Provision of Services. Such amounts shall be transferred from the Capital Adjustment Account and reported in the Movement in Reserves Statement. The amounts of Minimum Revenue Provision or repayment of the liability to be charged to the General Fund for the year are set out in the appropriate regulations and statutory guidance (see part 2 of Appendix B for the legislative basis).

### 4.3.6 Changes since the 2015/16 Code

- 43.6.1 The Update to the 2016/17 Code includes clarification of the statutory accounting arrangements for service concession arrangements for Scottish authorities in the service concession arrangements (PFI/PPP schemes) section of the Code.~~There have been no changes to the service concession arrangements (PFI/PPP schemes) section of the Code since the 2015/16 Code.~~

## 4.6 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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### 4.6.1 Introduction

- 4.6.1.1 Legislation allows some items to be funded from capital resources that under IFRS and normal accounting practice would be charged to Surplus or Deficit on the Provision of Services. This section of the Code defines the accounting arrangements for these items.

### 4.6.2 Accounting Requirements

- 4.6.2.1 Revenue expenditure funded from capital under statute shall be accounted for in accordance with proper practice under the rest of the Code, and effect shall be given to the statutory requirements by making the adjustments set out in 4.6.3 below. No IFRS or IAS deals with these items as they are a statutory departure from normal accounting practice.

### 4.6.3 Statutory Accounting Requirements

- 4.6.3.1 Legislation in England, Northern Ireland and Wales (see part 2 of Appendix B) allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a non-current asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year's council tax or district rates in Northern Ireland. These items are generally grants and expenditure on property not owned by the authority, amounts directed under section 16(2) of Part 1 of the Local Government Act 2003, ~~and~~ amounts directed under sections 19(2) and 19(3) of Part 1 of the Local Government Finance Act (Northern Ireland) 2011.
- 4.6.3.2 Legislation in Scotland results in some expenditure being treated as capital for statutory purposes. Regulation 2 of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 permits a Scottish local authority to borrow to provide a grant to a third party or to finance certain capital expenditure on a (tangible) non-current asset not owned by the authority. The conditions of Scottish Government or other central government grant may permit the grant to be used for similar purposes. Scottish Ministers have also agreed that, for a limited time, and in compliance with certain conditions, Similarly, there is also legislative provision in Scotland for certain grants to community bodies, equal pay settlements and severance costs to may be funded from capital resources receipts (see Scottish Government Finance Circular 4/2015) with the agreement of the Scottish Government (see part 2 of Appendix B for the legislative basis). Scottish Ministers' consent to borrow is required for lending to third parties where these third parties are not included in the list of bodies set out in Part 3 of the 2016

Regulations and to grant aid to a third party where the test of capital expenditure is not met.

- 4.6.3.3 Such expenditure shall be charged to Surplus or Deficit on the Provision of Services in accordance with the general provisions of the Code. Any statutory provision that allows capital resources to meet the expenditure shall be accounted for by debiting the Capital Adjustment Account and crediting the General Fund Balance and showing as a reconciling item in the Movement in Reserves Statement.

#### **4.6.4 Disclosure Requirements**

- 4.6.4.1 Disclosure of items charged to Surplus or Deficit on the Provision of Services shall follow the general provisions of the Code.
- 4.6.4.2 Disclosure of accounting policies in relation to revenue expenditure funded from capital under statute is required (see section 3.4 of the Code).
- 4.6.4.3 Revenue expenditure funded from capital under statute shall be included in the note on capital expenditure and financing (see paragraphs 4.1.4.3 note 5 and 4.11.4.2 note 5).

#### **4.6.5 Statutory Disclosure Requirements**

- 4.6.5.1 There are no statutory disclosures required in relation to revenue expenditure funded from capital under statute.

#### **4.6.6 Changes since the 2015/16 Code**

- 4.6.6.1 ~~There have been no changes to the~~ Update to the 2016/17 Code has amended the revenue expenditure funded from capital under statute section of the Code since the 2015/16 Code to reflect the requirements of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

# CHAPTER SEVEN

## Financial instruments

### 7.4 FINANCIAL INSTRUMENTS – DISCLOSURE AND PRESENTATION REQUIREMENTS

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#### Balance Sheet disclosures

##### Collateral

7.4.25 When an authority holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, it shall disclose:

- a) the fair value of the collateral held
- b) the fair value of any such collateral sold or repledged, and whether the authority has an obligation to return it
- c) the terms and conditions associated with its use of the collateral.

It is considered highly unlikely that authorities will pledge collateral, as all securities created by a local authority rank equally without any priority in accordance with section 13 of the Local Government Act 2003 (in England and Wales) or ~~paragraph 8 of Schedule 3 to the Local Government (Scotland) Act 1975~~ Regulation 7 of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. If, exceptionally, an authority has pledged collateral, it shall provide the disclosures required by IFRS 7.

#### Changes since the 2015/16 Code

7.1.16 The ~~2016/17 Code includes~~ Update to the 2016/17 Code includes amendments to the financial instruments chapter of the Code ~~minor consequential amendments to the definitions section to reflect the amendments in the Annual Improvements to IFRSs 2010–2012 Cycle relating to accounting for contingent consideration in a business combination~~ to reflect the requirements of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

## PART 1 – STATUTORY SOURCES

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### Great Britain

- 1 Local Government and Housing Act 1989 (*including HRA in England and Wales*)
- 2 Local Government Finance Act 1992 (*Council tax*)
- 3 Waste and Emissions Trading Act 2003 (*Landfill allowances*)

### England and Wales

- 1 Local Government Act 1972
- 2 Superannuation Act 1972 (*Pension funds*)
- 3 Local Government Finance Act 1988 (*General Fund and Collection Fund*)
- 4 Local Government and Housing Act 1989
- 5 School Standards and Framework Act 1998 (*School balances*)
- 6 Transport Act 2000
- 7 Education Act 2002 (*Dedicated Schools Grant*)
- 8 Local Government Act 2003, Part 1 (*Capital finance and accounts*)
- 9 Local Government Act 2003, Part IV (*Business Improvement Districts*)
- 10 Waste and Emissions Trading Act 2003
- 11 Public Audit (Wales) Act 2004
- 12 National Health Service Act 2006
- 13 National Health Service (Wales) Act 2006
- 14 Planning Act 2008 (*Community Infrastructure Levy*)
- 15 Business Rate Supplements Act 2009
- 16 The Local Audit and Accountability Act 2014
- 17 The Accounts and Audit (Wales) Regulations 2014 (Welsh SI 2014/3362)
- 18 The Accounts and Audit Regulations 2015 (SI 2015/234)

### Scotland

- 1 Local Government (Scotland) Act 1973
- 2 Local Government (Scotland) Act 1975
- 3 Housing (Scotland) Act 1987 (*HRA*)
- 4 Local Government etc (Scotland) Act 1994
- 5 Public Finance and Accountability (Scotland) Act 2000
- 6 Transport (Scotland) Act 2001
- 7 Community Care and Health (Scotland) Act 2002



- 8 Local Government in Scotland Act 2003
- 9 Transport (Scotland) Act 2005
- 10 The Local Authority Accounts (Scotland) Regulations 2014
- 11 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016

## **Northern Ireland**

- 1 Local Government Act (Northern Ireland) 1972
- 2 The Local Government (Miscellaneous Provisions) (Northern Ireland) Orders  
1985  
1992  
1995
- 3 The Local Government (Northern Ireland) Order 2005
- 4 The Local Government Companies (Best Value) Order (Northern Ireland) 2006
- 5 Local Government Finance Act (Northern Ireland) 2011
- 6 The Local Government (Capital Finance and Accounting) Regulations  
(Northern Ireland) 2011 (SRNI 2011/326)
- 7 The Local Government (Accounts and Audit) Regulations (Northern Ireland)  
2015 (SRNI 2015/106)

## PART 2 – LEGISLATIVE BASIS FOR STATUTORY ACCOUNTING SECTIONS OF THE CODE

Chapter/section	England and Wales	Scotland	Northern Ireland
2.3 Government Grants	<p>This is as a consequence of the capital control regime requiring capital expenditure to be financed as part of the Capital Financing Requirement (as defined in CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>) unless other resources are set aside to finance the expenditure.</p> <p>Part 1 Local Government Act 2003.</p> <p>SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.</p> <p>SI 2003/3239 (W.319) the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p>	<p>This is as a consequence of the capital control regime requiring capital expenditure to be financed as part of the Capital Financing Requirement (as defined in CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>) unless other resources are set aside to finance the expenditure.</p> <p>Part 7 Local Government in Scotland Act 2003, refer to: SSI 2004/29: the Local Government Capital Expenditure Limits (Scotland) Regulations 2004</p> <p><a href="#"><u>Statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003</u></a> (<del>Scottish Government Finance Circular 3/2004</del>)</p> <p><a href="#"><u>Statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003</u></a> (<del>Scottish Government Finance Circular 6/2011</del>).</p>	<p>This is as a consequence of the capital control regime requiring capital expenditure to be financed as part of the Capital Financing Requirement (as defined in CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>) unless other resources are set aside to finance the expenditure.</p> <p>Part 1 Local Government Finance Act (Northern Ireland) 2011.</p> <p>The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326).</p>

Chapter/section  
England and Wales

Scotland

Northern Ireland

4.1  
Property,  
Plant and  
Equipment

**Depreciation:**

General Fund (references to General Fund throughout this Appendix are to be read as Council Fund in Wales): as a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance).

HRA: Item 8 Credit and Item 8 Debit (General) Determinations.

Major Repairs Reserve (England): the Accounts and Audit Regulations 2015 (SI 2015/234).

**Revaluation Losses:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see the Local Government Act 2003 and various regulations and statutory guidance).

**Depreciation:**

General Fund: as a consequence of the requirement to charge the General Fund with [Statutory Repayment of Loans Fund Advances](#) ~~Loans Fund principal repayments (see Schedule 3 paragraph 15(1) of the Local Government (Scotland) Act 1975 and related statutory guidance see the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (SSI 2016/123) and Scottish Government Finance Circular 7/2016~~.

HRA: Part II of Schedule 15 paragraph 3(a) of the Housing (Scotland) Act 1987.

**Revaluation Losses:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed ([see the Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) requiring local authorities to have regard to generally recognised codes of practice in relation](#)

**Depreciation:**

As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision.

(See the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).

**Revaluation Losses:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed.

See the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326).

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		<p><a href="#">to capital finance-, Scottish Government Circular 7/2016 and</a> see SSI 2004/29 requiring adherence to CIPFA's <i>Prudential Code for Capital Finance in Local Authorities</i>).</p>	
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**Gains and Losses on Disposal:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see the Local Government Act 2003 and various regulations and statutory guidance).

<p><b>4.1 Property, Plant and Equipment (continued)</b></p>	<p><b>Minimum Revenue Provision:</b> SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.</p>	<p><b>Gains and Losses on Disposal:</b> As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (<a href="#">see the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (SSI 2016/123) requiring local authorities to have regard to generally recognised</a></p>	<p><b>Gains and Losses on Disposal:</b> As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed. See the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI</p>
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[codes of practice in relation to capital finance and](#) see SSI 2004/29 requiring adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

**Loans Fund:**

[The Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) Schedule 3 paragraph 15\(1\) of the Local Government \(Scotland\) Act 1975](#) and related statutory guidance.

**4.2 Leases**

**LESSEE**

**Depreciation, Impairment and Revaluation Gains and Losses:**

As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance).  
Item 8 Credit and Item 8 Debit (General) Determinations.

**LESSEE**

**Depreciation, Impairment and Revaluation Gains and Losses:**

Guidance issued ~~on 31 March 2010~~ under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010).

**Repayment of Liability:**

Guidance issued ~~on 31 March 2010~~ under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010).

**LESSOR**

**Capital Receipts:**

Capital receipts fall to be

**LESSEE**

**Depreciation, Impairment and Revaluation Gains and Losses:**

As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision. See the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).

**LESSOR**

**Capital Receipts:**

Section 20 of the Local Government Finance Act

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defined in accordance with proper accounting practice. (Northern Ireland) 2011. **Lease Reclassification:** Accounts Direction (Circular LG 22/10).

**4.2 Leases (continued)**

**Minimum Revenue Provision:**

SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.

**LESSOR**

**Capital Receipts:**

SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

SI 2004/1010 (W.107) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2004.

**Lease Reclassification:**

SI 2010/454 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010.

SI 2010/685 (W.67) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2010.

4.3	Use of Capital Receipts to	Use of Capital Receipts	Use of Capital Receipts
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<p><b>PPP and PFI Schemes</b></p> <p><b>meet Liability:</b></p> <p>SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.</p> <p>SI 2003/3239 (W.319) the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p> <p><b>Depreciation, Impairment and Revaluation Gains and Losses:</b></p> <p>As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance).</p> <p>Item 8 Credit and Item 8 Debit (General) Determinations.</p> <p><b>Minimum Revenue Provision:</b></p> <p>SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.</p>	<p><b>to meet Liability:</b></p> <p><del>Under consideration; refer to guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010).</del></p> <p><del><b>Restricted:</b> see guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010 Part 2 Paragraph 42).</del></p> <p><b>Depreciation, Impairment and Revaluation Gains and Losses:</b></p> <p><del>Statutory guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010).</del></p> <p><b>Repayment of Liability:</b></p> <p><del>Statutory guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2010) as amended by Scottish Government Circular 6/2011).</del></p>	<p><b>to meet Liability:</b></p> <p>The Local Government Finance Act (Northern Ireland) 2011.</p> <p><b>Depreciation, Impairment and Revaluation Gains and Losses:</b></p> <p>As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision. See the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326).</p> <p><b>Minimum Revenue Provision:</b></p> <p>The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and <i>Guidance on Minimum Revenue Provision for District Councils in Northern Ireland</i>.</p>

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**4.4 Investment Property**

**Gains and Losses on Disposal:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).

**Movements in Fair Value:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).

**Minimum Revenue Provision:**  
 SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.

**Gains and Losses on Disposal:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed ([see the Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) requiring local authorities to have regard to generally recognised codes of practice in relation to capital finance and](#) see SSI 2004/29 requiring adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

[Statutory guidance issued under](#) Scottish Government Finance Circular 7/2011.

**Movements in Fair Value:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed ([see the Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) requiring local authorities to have regard to generally recognised codes of practice, and](#) see SSI 2004/29 requiring

**Gains and Losses on Disposal:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see the Local Government Finance Act (Northern Ireland) 2011, the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).

**Movements in Fair Value:**  
 As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see the Local Government Finance Act (Northern Ireland) 2011, the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).



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adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

Statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2011).

**Loans Fund:**

The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (SSI 2016/123) and statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2016). ~~Schedule 3 paragraph 15(1) of the Local Government (Scotland) Act 1975 and related statutory guidance.~~

**4.4  
Investment  
Property  
(continued)**

**Minimum Revenue  
Provision:**

The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).

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4.5	Gains and Losses on	Gains and Losses on	Gains and Losses on
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Intangible  
Assets

**Disposal:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).

**Amortisation and Impairment:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see Local Government Act 2003 and various regulations and statutory guidance).

**Minimum Revenue Provision:**

SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance.

**Disposal:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed

(see [Regulation 4 of the Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) requiring local authorities to have regard to generally recognised codes of practice](#) and see SSI 2004/29 requiring adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

2004/29 requiring adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

**Amortisation and Impairment:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see SSI 2004/29 requiring adherence to CIPFA's *Prudential Code for Capital Finance in Local Authorities*).

**Loans Fund:**

[The Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016 \(SSI 2016/123\) and statutory guidance issued under](#)

**Disposal:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed

(see the Local Government Finance Act (Northern Ireland) 2011, the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*).

**Amortisation and Impairment:**

As a consequence of the capital control regime requiring capital resources to be set aside to finance capital assets when they are acquired or constructed (see the Local Government

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		<a href="#">section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2016), Schedule 3 paragraph 15(1) of the Local Government (Scotland) Act 1975 and related statutory guidance.</a>	
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**4.5 Intangible Assets (continued)**

Finance Act (Northern Ireland) 2011, the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*.

**Minimum Revenue Provision:**

The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and *Guidance on Minimum Revenue Provision for District Councils in Northern Ireland*.

<b>4.6 Revenue Expenditure Funded from Capital under Statute</b>	Local Government Act 2003, and related regulations and directions.	<a href="#">Schedule 3 paragraph 1(2) of the Local Government (Scotland) Act 1975 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (SSI 2016/123) and</a>	The Local Government Finance Act (Northern Ireland) 2011 s19(2) and 19(3) the Local Government (Capital Finance and Accounting) Regulations (Northern
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		<p><a href="#">statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2016).</a></p>	<p>Ireland) 2011 (SRNI 2011/326) and <i>Guidance on Minimum Revenue Provision for District Councils in Northern Ireland.</i></p>
<p><b>4.7 Impairment</b></p>	<p>As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance). Item 8 Credit and Item 8 Debit (General) Determinations.</p>	<p>As a consequence of the requirement to charge the General Fund with <del>Loans Fund principal repayments</del><a href="#">the Statutory Repayment of Loans Fund Advances (see the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016} (SSI 2016/123) and statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2016))</a><del>(see Schedule 3 paragraph 15(1) of the Local Government (Scotland) Act 1975 and related statutory guidance).</del>  Part II of Schedule 15 (paragraph 3(a)) of the Housing (Scotland) Act 1987).</p>	<p>As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see the Local Government Finance Act (Northern Ireland) 2011, the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and <i>Guidance on Minimum Revenue Provision for District Councils in Northern Ireland.</i></p>
<p><b>4.9 Assets Held for Sale</b></p>	<p><b>Remeasurement:</b> As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see SI 2008/414 the Local Authorities (Capital Finance and Accounting) (England)</p>	<p><b>Remeasurement:</b> As a consequence of the requirement to charge the General Fund with <del>Loans Fund principal repayments</del><a href="#">the Statutory Repayment of Loans Fund Advances</a> (see <del>the Local</del></p>	<p><b>Remeasurement:</b> As a consequence of the requirement to charge the General Fund with Minimum Revenue Provision (see the Local Government Finance Act (Northern Ireland) 2011,</p>

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	<p>(Amendment) Regulations 2008 or SI 2008/588 (W.59) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and related statutory guidance).</p> <p>Item 8 Credit and Item 8 Debit (General) Determinations.</p>	<p><a href="#"><u>Authority (Capital Finance and Accounting) (Scotland) Regulations 2016) (SSI 2016/123) and statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 7/2016)), Schedule 3 paragraph 15(1) of the Local Government (Scotland) Act 1975 and related statutory guidance).</u></a></p> <p>Part II of Schedule 15 (paragraph 3(a)) of the Housing (Scotland) Act 1987.</p>	<p>the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326) and <i>Guidance on Minimum Revenue Provision for District Councils in Northern Ireland).</i></p>
<p><b>4.10</b> <b>Heritage Assets</b></p>	<p>Heritage assets are accounted for under sections 2.3, 4.1, 4.5 and 4.7 of the Code, and the relevant legislative provisions apply.</p>	<p>Heritage assets are accounted for under sections 2.3, 4.1, 4.5 and 4.7 of the Code, and the relevant legislative provisions apply.</p>	<p>Heritage assets are accounted for under sections 2.3, 4.1, 4.5 and 4.7 of the Code, and the relevant legislative provisions apply.</p>
<p><b>6.2</b> <b>Benefits Payable during Employment</b></p>	<p>SI 2010/454 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010.</p> <p>SI 2010/685 (W.67) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2010.</p>	<p><b>Short-term Accumulating Compensated Absences:</b> <a href="#"><u>Statutory Guidance issued on 8 July 2010</u></a> under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 3/2010).</p> <p><b>Injury Benefits (accounted for as post-employment benefits):</b> <a href="#"><u>Guidance issued on 31 March 2010 under section</u></a></p>	<p>Accounts Direction (Circular LG 10/11).</p>

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		<p><del>12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 8/2010).</del></p>	
<p><b>6.4 Post-employment Benefits</b></p>	<p>SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.</p> <p>SI 2010/454 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010.</p> <p>SI 2003/3239 (W.319) the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p> <p>SI 2010/685 (W.67) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2010.</p>	<p><b>Pensions:</b></p> <p>SSI 2003/580 the Local Government Pension Reserve Fund (Scotland) Regulations 2003.</p> <p>SSI 2010/34 the Local Government Pension Reserve Fund (Scotland) Amendment Regulations 2010.</p> <p><u>Statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2016)</u></p> <p><b>Injury Benefits (accounted for as post-employment benefits):</b></p> <p><del>Guidance issued on 31 March 2010 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 8/2010).</del></p>	<p>Accounts Direction (Circular LG 22/10).</p> <p>The Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 (SRNI 2011/326).</p>
<p><b>7.1 Introduction to Financial Instruments (in respect of 'Soft Loans')</b></p>	<p>SI 2007/573 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007.</p> <p>SI 2007/1051 (W.108) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales)</p>	<p><u>Statutory Guidance issued on 30 March 2007 under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2007).</u></p> <p><u>Note this only applies to</u></p>	<p>Not applicable.</p>

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Regulations 2007.

[‘soft loans’ issued prior to 1 April 2007.](#)

7.2  
Accounting  
for Financial  
Liabilities

**Premiums and Discounts:**  
SI 2007/573 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007.  
SI 2007/1051 (W.108) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2007.  
**Acquisition of Share or Loan Capital:**  
SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.  
SI 2004/1010 (W.107) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2004.  
SI 2012/265 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

**Premiums and Discounts:**  
[Statutory Guidance](#) issued ~~on 30 March 2007~~ under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2007).  
**Acquisition of Share or Loan Capital:**  
Not applicable.

**Premiums and Discounts:**  
Not applicable.  
**Acquisition of Share or Loan Capital:**  
Not applicable.

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Accounting  
for Financial  
Liabilities

**Premiums and Discounts:**  
SI 2007/573 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007.  
SI 2007/1051 (W.108) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2007.

**Premiums and Discounts:**  
[Statutory Guidance](#) issued ~~on 30 March 2007~~ under section 12(2)(b) of the Local Government in Scotland Act 2003 (Scottish Government Finance Circular 4/2007).  
**Acquisition of Share or Loan Capital:**

**Premiums and Discounts:**  
Not applicable.  
**Acquisition of Share or Loan Capital:**  
Not applicable.

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Acquisition of Share or Loan Capital: Not applicable.

Capital:

SI 2003/3146 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

SI 2004/1010 (W.107) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2004.

SI 2012/265 the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

8.2 Provisions (in respect of unequal pay back pay and severance for Scottish local authorities)	<p>SI 2007/573 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007.</p> <p>SI 2010/454 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010.</p> <p>SI 2013/476 the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010.</p> <p>SI 2007/1051 (W.108) the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2007.</p> <p>SI 2010/685 (W.67) the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2010.</p>	<p><a href="#"><u>Statutory guidance issued under section 12(2)(b) of the Local Government in Scotland Act 2003</u></a> (Scottish Government Finance Circular 4/2015).</p>	Not applicable.
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