

Report

To: CIPFA LASAAC

From: Steven Cain, CIPFA Secretariat Advisor

Date: 9 March 2022

Subject: Look ahead to the 2023/24 Code

Purpose

The purpose of this report is to note items which affect the development of the 2023/24 Code

Report

1.1 Notes of potentially relevant developments and potential effects are set out encompassing

- Legislative Developments
- Financial Reporting Developments

1.2 This report does not consider issues arising from any of the proposals being explored in the consultation on emergency proposals.

Recommendations

The Board is invited to note these matters and also to provide information to the Secretariat on any other issues of which they are aware. It would be helpful to have any additional information by 30 April to inform preparation for the June 2022 meeting.

LEGISLATIVE DEVELOPMENTS

UK / England / Scotland / Wales / Northern Ireland	
Development	Implications for Code
England	
DLUHC has committed to extending the deadline for publishing audited local authority accounts to 30 November 2022 for 21/22 accounts, then 30 September for 6 years, beginning with the 22/23 accounts.	Relevant changes to accounts submission dates would need to be reflected in the Code.
In 2018, MHCLG enacted a statutory override to ameliorate the effect of IFRS 9 in relation to pooled investments, making a time-limited amendment to the Local Authorities (Capital Finance and Accounting) (England) Regulations. This is expected to expire with effect from 2023/24	Relevant changes to statutory reporting would need to be reflected in the Code.
Scotland	
The Scottish Government is considering changes to its capital accounting regime, discussed at Agenda Item 08	Relevant changes to statutory reporting would need to be reflected in the Code.
Wales	
No relevant developments yet identified.	
Northern Ireland	
No relevant developments yet identified.	

FINANCIAL REPORTING DEVELOPMENTS

Items already considered by C/L in previous years	
Development	Implications for Code
<p>IFRS 17 Insurance Contracts (Effective date moved back to 01.01.2023)</p> <p>UK Endorsement Board consultation completed on 02.02.2022. Decision not yet announced but expected to confirm IASB effective date.</p> <p>It should also be noted that mandatory adoption of IFRS 17 in the FReM is likely to be deferred.</p>	<p>Consultation in the 2022/23 ITC reinforced the view that IFRS 17 will seldom be materially relevant to local authorities, and that the current approach where no detailed material is included in the Code may still be appropriate.</p> <p>Appropriate liaison to be carried out with CIPFA forums where guidance rather than Code material is appropriate.</p> <p>CIPFA/LASAAC may also wish to consider whether adoption should be deferred in line with the FReM position.</p>
Other IFRS not yet effective, or not yet UK endorsed	
No significant matters identified	
IPSAS	
<p>IPSAS 43, <i>Leases</i></p> <p>Phase One of the leases project, covering commercial leases. Effective 2025</p>	<p>No direct impact. It will be interesting to see how Phase Two of the project progresses, encompassing public sector specific matters such as leases with a non-exchange element.</p>
UK public sector developments	
HMT Thematic Review	<p>This is expected to focus on information around measurement of assets and could inform Code development.</p>