

# Report

**To:** CIPFA LASAAC

**From:** Ben Matthews, Technical Advisor

**Date:** 13 June 2024

**Subject:** Code short term measures update

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## Purpose

**To provide an update on the Code short-term measures and to revisit the original decisions considering further information regarding UK wide application and the recent general election announcement to determine if they remain appropriate.**

### 1. Introduction

- 1.1 To support the local audit recovery period CIPFA LASAAC took the following decisions regarding updates to the Code in April.
- The Board supported reduced pension disclosures in 2023/24 and 2024/25 by a close margin.
  - The Board did not have majority support for simplifying measurement for operational property, plant and equipment using indexation in 2023/24. Again, the margin was close. However, an overwhelming majority of the Board provided support/provided preliminary agreement to consider using indexation in 2024/25, subject to further approval once indices and the process for indexation has been determined
  - The Board decided that the Code Update for reduced pension disclosures should apply to the United Kingdom, rather than to England only. Again, this decision was by a close margin.

### 2. UK wide application and General Election announcement

- 2.1 Following the decision that the Code update for reduced pensions disclosures would apply UK wide, concerns were raised by LASAAC regarding application in Scotland. Following a special meeting on 21 May, LASAAC determined they did not wish to 'stand in the way' of the of the CIPFA-LASAAC decision to progress the short-term measures update to the Code and therefore approved the Code update. However, LASAAC did not approve the application of the short-term measures for local authorities in Scotland. The LASAAC agenda decision has been included at Annex A for reference.
- 2.2 Furthermore, on 22 May Rishi Sunak announced he had requested permission from the King to dissolve parliament and called a general election to be held on 4 July. The Code update proposals were linked to a package of cross-system measures developed with DLUHC, the FRC and the NAO, and some of those measures are dependent on the passing of regulations. The election announcement and the consequent dissolution of Parliament from 30 May have introduced delays to the process. There may be further delays in obtaining ministerial approval and in parliamentary process generally after the election, especially if

there is a change of government. Because of the potential delay to the cross-system measures, CIPFA LASAAC will need to further review the position with the Code updates.

### **3. Next Steps**

- 3.1 Considering the further information regarding UK wide application and the recent general election announcement the Board is invited to revisit their original decisions to determine if they will still have the desired impact and how this impacts resources available for longer-term reforms.
- 3.2 The Secretariat has had further discussions with the Valuation Office Agency (VOA) regarding selection of suitable indices for 2024/25. Highlighted in these discussions is the difficulty in determining suitable indices for non-specialised assets valued to EUV. The VOA are currently working to a timetable of having indices ready for the end of the 2025/26 financial year in line with HMT Thematic review implementation. Therefore, a bespoke solution would not be available for 2024/25. However, the VOA anticipate being able to assist with interim arrangements for 2024/25 by using indexation data already available and are going to report back to the Secretariat on feasibility and options in the next couple of weeks. Discussions on costs and timescales will then also need to take place.

### **Recommendations**

**CIPFA LASAAC is invited to revisit the original decisions regarding updates to the Code as part of short-term measures to aid the recovery of local authority reporting and audit.**

**Annex A LASAAC Agenda decision – Short-term measures in the Code**



**Local Authority (Scotland) Accounts Advisory Committee**

**Consideration and approval of short-term measures in the Code for pensions -  
Agenda Decision**

21 May 2024

At the 21 May 2024 meeting of LASAAC, the following decision was reached regarding the approval of the changes to the Code noted above.

LASAAC agreed to approve the short-term measures proposed to the Code relating to optional temporary changes for pension disclosures.

However, LASAAC considers that the proposed temporary amendments to the Code are not suitable for application in Scotland and do not approve the application of the proposed temporary measures to Local Authorities in Scotland. We would suggest that the final wording in the Code makes this clear.

**Notes:**

LASAAC publish agenda decisions where there is a need to decide on the application and interpretation of existing accounting guidance. In publishing an agenda decision, LASAAC believes that there is no further requirement for new or additional guidance on the topic.

Queries can be sent to [lasaac@cipfa.org](mailto:lasaac@cipfa.org)