



**REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &
IMPROVEMENT**

**CHANGES TO NOTTINGHAMSHIRE COUNTY COUNCIL'S 2015/16
STATEMENT OF ACCOUNTS**

Purpose of the Report

1. To inform Members of proposed changes to the 2015/16 Statement of Accounts (SOA) to both streamline the financial statements and to help achieve earlier closedown deadlines

Information and Advice

2. The Audit and Accounts Regulations 2015 lists the statutory requirements for Local Authorities' published accounts and Audit. In addition, the CIPFA 'Telling the Story' document aims to improve the presentation of Local Authority financial Statements. There is also a requirement for all local authorities to close down their accounts to shortened closedown timeline by 2017-18.

Proposals

3. Nottinghamshire County Council's Annual Financial Report 2014/15 contained 57 notes to the accounts. All of these notes have been reviewed in the run up to the production of the 2015/16 document. As part of CIPFA's clutter cutting agenda, CIPFA's Disclosure Checklist states that, where disclosures are driven by accounting standards, the Code's provisions enable an Authority to exclude disclosures if the information is not material. Benchmarking with similar Authorities has also informed the proposals set out below.
4. Following a full review of the notes, it is proposed that a number of notes are removed from the 2015/16 Statement of Accounts either because they are not required as per CIPFA's Disclosure Checklist, the information is duplicated elsewhere in the accounts or the values involved are considered to be immaterial:-
5. **Note 8 – Agency Work:** This note summarises work that the County Council carries out on behalf of the Highways Agency. In 2014/15, this totalled £0.267m (£0.277m in 2013/14). CIPFA's Disclosure Checklist states that this information should be disclosed if material. It is considered that this agency work is not material and should therefore be excluded from the 2015/16 Statement of Accounts.
6. **Note 21 – Non-Maintained Schools:** This note explains that the accounting treatment of all schools is based upon the requirements of IFRS. It also states the number and class of schools treated as off balance sheet. The 'Accounting for Schools Property, Plant & Equipment' section in the Accounting Policies sets out the accounting treatment for schools

and it is felt that disclosing the number of schools treated as off balance sheet does not add value to the Statement of Accounts. Also, this information is not mentioned in CIPFA's Disclosure Checklist. It is therefore proposed that this note is removed from the 2015/16 Statement of Accounts.

7. **Note 35 – Single Status Reserve:** This note was included in the Statement of Accounts to reflect costs associated with the Single Status national agreement. Costs incurred by the Authority between 2002/03 and 2010/11 averaged £6m per annum. Costs incurred in 2014/15 totalled £0.1m. As the work and transactions associated with this reserve has decreased significantly and, in any case, the values are shown in the 'Movement on Earmarked Reserves' note, it is proposed that the Single Status Reserve note is removed from the 2015/16 Statement of Accounts.
8. **Note 37 – Capital Receipts and Grants Unapplied:** This note sets out the balances held on the Capital Receipts Reserve (which has been zero for the past six years as all capital receipts have been applied to repay prior year debt) and the Capital Grants Unapplied Reserve (£1.5m in 2014/15 (£2.0m in 2013/14)). The Capital Grants Unapplied movements can clearly be seen on the face of the Movement in Reserves Statement. Other Local Authority's show their Capital Receipts Reserve and Capital Grants Unapplied Reserve in their Usable Reserves note. It is proposed therefore that this note is removed from the 2015/16 Statement of Accounts with the Capital Receipts Reserve and the Capital Grants Reserve included in the 'Movement on Earmarked Reserves' note. This will have the additional benefit of ensuring that the 'Movement on Earmarked Reserves' note reconciles to the Total Usable Reserves as shown on the Balance Sheet.
9. **Note 38 – Other Operating Expenditure:** This note does not add any value to the reader of the accounts as it merely duplicates information shown on the face of the Comprehensive Income and Expenditure Account. It is therefore proposed that this note is removed from the 2015/16 Statement of Accounts.
10. **Note 39 – Financing and Investment Income:** As note 38, this note does not add any value to the reader of the accounts as it merely duplicates information shown on the face of the Comprehensive Income and Expenditure Account. It is therefore proposed that this note is removed from the 2015/16 Statement of Accounts.
11. **Note 48 – Information on Assets:** The information disclosed in this note is not mentioned in CIPFA's Disclosure Checklist. Also, on review of other Authority's Statement of Accounts, equivalent information is not disclosed. Given this, it is proposed that this note is removed from the 2015/16 Statement of Accounts
12. **Note 51 – Trust Funds:** This note sets out the trust fund balances held by the Authority (£25k in 2014/15 and 26k in 2013/14) and value of investments held (£57k in 2014/15 and £56k in 2013/14). Given the immaterial nature of these balances it is proposed that this note is removed from the 2015/16 Statement of Accounts.

13. On reviewing the notes to the accounts it was considered that they were somewhat disjointed. It is therefore proposed to re-order the Notes to the Accounts in order to make the Statement of Accounts flow more easily, as follows:-

General Statement of Accounts Considerations
Plant, Property and Equipment
Current Assets
Post-Employment benefits
Liabilities
Grants
Financial Instruments
Related Parties
Other Notes Required by the Code

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1) That Members note the proposed changes to the 2015/16 Statement of Accounts.

Nigel Stevenson
Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:
Glen Bicknell, Senior Accountant, Financial Strategy and Compliance

Constitutional Comments

15. Because this report is for noting only, no Constitutional Comments are required.

Financial Comments (GB 24/05/2016)

16. There are no direct financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All