

Changes to the Revenue Account Budget (RA) 2010-11 and the Revenue Outturn Suite of forms (RO) 2009-10

1. These changes were discussed and agreed at the CLIP (F) meeting on 16 February 2010 where LGA, CIPFA and other Government departments were represented.
2. When FRS17 was introduced for the financial year 2003-04, it was decided that it should be taken fully on board in the revenue spending forms, although non-FRS17 figures were collected at broad service level. Subsequently, it became clear that Office for National Statistics (ONS) and HM Treasury required the spending at individual RA/RO line level on a non-FRS17 basis. For this reason it has been decided that both the RA and the RO revenue **spending detail will be collected on a non-FRS17 basis** with limited information on an FRS17 basis. This will require FRS 17 figures for the service groups where RA and RS forms currently require figures on both bases.
3. Secondly, for 2009-10 local authorities will be accounting for PFI schemes in accordance with the International Financial Reporting Standards (IFRS). This will bring PFI schemes 'on balance sheet'.
4. For National Accounts purposes, however, the running costs of PFI schemes should be included only where economic ownership of the asset rests with the Authority. When completing the RA and the RO, therefore, **local authorities should continue to record PFI schemes on an 'off balance sheet' basis** unless they have such economic ownership. Figures inclusive of the running costs of the remainder of PFI schemes will be requested for just a broad service breakdown.
5. In practice, we expect the number of PFI schemes where authorities do have ownership to be very small.
6. Apart from these two major changes both forms will be updated to incorporate BVACOP changes for 2010.
7. The timetable for despatch and return dates of Local Government Finance forms can be found at the following web link:

<http://www.communities.gov.uk/documents/statistics/pdf/12416591.pdf>

Changes to:

- **Capital Estimates Return 2010-11**
- **Capital Payments and Receipts Q4 2009-10**
- **Capital Outturn Return 2009-10**
- **Capital Forecast Return 2011-12**

8. The following changes were discussed and agreed at the CLIP (F) meeting on 16 February 2010 where LGA, CIPFA and other Government departments were represented.
9. For 2009-10 local authorities will be accounting for PFI schemes in accordance with International Financial Reporting Standards (IFRS). This will bring most PFI schemes 'on balance sheet'. For National Accounts purposes, however, the capital expenditure and financing of PFI schemes are included, as now, only where the economic ownership of the asset rests with the Authority. Local authorities should complete the above returns on this basis. This will allow CLG to continue to meet the requirements of the Office for National Statistics (ONS) and the Treasury.
10. However, in the financing section data will be required in additional cells to record capital expenditure financing on an IFRS basis. This will therefore include the financing of capital expenditure for PFI schemes where the economic ownership of the asset is not with the authority. In addition the Prudential System Information should be completed on an IFRS basis. This is needed because CLG and Treasury require this information on the same basis as local authority accounts in order to monitor the prudential system.
11. Apart from this major change, forms will be updated to incorporate BVACOP changes for 2010.
12. The timetable for despatch and return dates of Local Government Finance forms can be found at the following web link:

<http://www.communities.gov.uk/documents/statistics/pdf/12416591.pdf>