



CLIP –F (08) 12

CLIP - WORKING GROUP ON LOCAL GOVERNMENT FINANCIAL STATISTICS

MINUTES OF THE MEETING HELD ON TUESDAY 6 NOVEMBER 2008 AT 13:30 IN ELAND HOUSE, VICTORIA, LONDON

Present:

COMMUNITIES AND LOCAL GOVERNMENT (CLG)

Janet Dougharty	(Chair, from item six onwards)
David Lacey	(Co-Chair)
Graham Fletcher	
Steven Melbourne	
Manj Kalar	
Nickie Abrams	
Ian Rose	(secretary)
Miguel Marques dos Santos	(co-secretary)

OTHER GOVERNMENT DEPARTMENTS

James Ebdon	Office for National Statistics
Marcia Richards	Department for Children, Schools and Families

LOCAL AUTHORITIES REPRESENTATIVES

Mike Heiser	LGA
Abid Rafiq	London Councils
Nick Harris	London Borough of Camden
Paul Reilley	Sefton Metropolitan Borough Council
Mark Johnson	Society of County Treasurers

NON GOVERNMENT

Mark Burkett	Audit Commission
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1. Introductions and apologies

David Lacey welcomed everybody and introductions were made. Apologies were made for the delay in sending out the papers.

Apologies for absence were received from Paul Mason (CIPFA), Jennifer Jan (HM Treasury), Jonathan Davidson (Scottish Executive), Chris Greene (IPF), Adrian Goddon (Reading), Stephen Lord (London Councils, retired), Kate Anderson (NHS), Anthony Newby (National Assembly for Wales),

2. Minutes of last meeting held on 15 July 2008 – CLIP-F (08) 05

There were no comments made to the minutes from the last CLIP-F meeting.

3. Action Points from last meeting – CLIP-F (08) 06

Action Point 1: Steven Melbourne gave an update. The RO returns were made by all of the National Parks. Peak District was the only park to make a comment on the form design, mentioning it would be easier to complete if the form reflected the new Service Expenditure Analysis. Mark Chaplin will reply to the comments.

Action Point 2: The consultation process closed on 7th November (the day after the meeting was held). Chris Greene will provide an update at the next meeting.

Action Point 3: No meeting of the CLIP steering group has been held since June 2007.

Action Point 01: This action to be rolled on.

Action Point 4: Mike Heisler confirmed that the Action Point has been completed.

Action Point 5 is covered by the new agenda.

4. CLIP-F (08) 08 – PSSEX1 Review

4.1. The representative from the Department of Health was unable to attend the meeting. In his absence, David Lacey as co-Chair suggested that the group would proceed directly to comments. Ian Rose also provided an update from John Bolton.

4.2. Mike Heiser pointed out that his first impression was that the review seems to increase the burden to authorities.

4.3. James Ebdon asked if there was excessive recording of individual data. David Lacey suggested that there should be a check that all information collected is in fact used by the ONS, CLG or DH.

4.4. James Ebdon pointed out the need to collect activity data which must be separate from the general module of provision. Mark Burkett said that this may prove to be impractical. David Lacey invited all members to send any other comments and suggestions via email.

5. CLIP-F (08) 09 – Enhanced Local Government Accrued Reporting “ELGAR” Programme update

5.1. The ELGAR project is waiting on a CLG Board decision; consequently there have been no new developments. There is a more detailed version of this paper which David Lacey will circulate.

Action Point 03: David Lacey to circulate more detailed report on the outcomes of ELGAR site visits.

5.2. Mike Heiser said it would be helpful to know what project groupings are required and why they could be difficult to produce. He continued, saying that his understanding was that COFOG 2 and COFOG 4 could be done but that a product based classification would be more difficult, since it depended on the level of detail required. David Lacey agreed with this in general and added that it is possible to produce a reasonable mapping improvement through consultation, but there are issues (e.g. education) that need to be addressed if the maps are to be perfected. These issues will be addressed in the consultation document.

5.3. David Lacey continued by pointing out that more work needs to be done on product before a recommendation can be made. There are issues arising from the different classifications that are in use. James Ebdon will be involved in this from the ONS side. The time scale will be revised accordingly, but 2010/11 is no longer the recommendation for the product date.

5.4. Paul Reilley asked about coding structures. David Lacey suggested that he should talk to ONS and CLG at the next stage of the project.

6. Update by James Ebdon on Remaining Local Government Developments after Data-mapping Project

6.1. James Ebdon discussed the outstanding issues that will be led on ONS outside the ELGAR project. A note detailing these issues will be circulated with these minutes.

6.2. Section 52 and R01

6.2.1. James Ebdon asked why there are differences between the RO1 return and section 52. No ideas were suggested.

6.2.2. Mike Heiser asked whether it was necessary for there to be two returns.

6.3. LG Leasing and PFI

- 6.3.1. James Ebdon said that there is missing information on materiality available at individual local authority accounts level. However this information is not currently collated.
- 6.3.2. Graham Fletcher pointed out that this issue is likely to be affected by changes to international standards, and perhaps it would be better to wait for the new accounting treatments in 2009-10 before assessing the current status.
- 6.3.3. Manj Kalar suggested that WGA should mirror statement of accounts to avoid additional burden, and having local authority accounts consistent with the COINS system.

Action Point 04: James Ebdon to discuss PFI with Manj Kalar.

6.4. Economic Categories

- 6.4.1. It was accepted that ONS needs to clarify what information it needs and what it will use this information for.

Action Point 05: ONS to provide descriptions and guidance on National Accounting concepts and treatments.

6.5. Housing Revenue Account (HRA)

- 6.5.1. Janet Dougharty mentioned that the Data and Dissemination team has started work on the returns on housing, and that a separate strand of work on the future of HRA will be done by CLG Housing colleagues.

6.6. Absorption Accounting and Third Party Payments

- 6.6.1. Graham Fletcher outlined exactly what absorption accounting was while James Ebdon indicated that new Eurostat guidelines would soon be published.

6.7. Devolved Administrations and ELGAR

6.8. FRS 17

- 6.8.1. James Ebdon reiterated ONS' need for data presented on a non-FRS17 basis.
- 6.8.2. Janet Dougharty said that a business case needed to be completed in order for CLG to collect any additional information. Non-FRS17 will be collected next round, but there are currently no plans to continue doing so in the long run.

6.9. WGA/COINS

6.9.1. David Lacey mentioned that COINS will be replaced at some stage and expected that HM Treasury will consult broadly on its successor.

7. CLIP-F (08) 10 – Accounting Developments: Implications for Revenue and Capital Returns

7.1. Graham Fletcher presented the paper, mentioning that there had been no opportunity to discuss it with the ONS prior to the meeting.

7.2. Nick Harries asked how any grant related to Revenue Expenditure funded from Capital by Statute will be treated. Graham Fletcher mentioned that they will be considered as capital grants.

8. CLIP-F (08) 11 – Analysis of Local Authority Budgets for 2008/09

8.1. Ian Rose presented this paper. Janet Dougharty added that this is intended to become a regular piece of work.

8.2. The paper's treatment of other grants was discussed. Mark Burkett was interested in whether leaving other grants as part of EPCS would have led to EPCS decreasing. Ian Rose was not sure but emphasised that any change resulting from movements in other grants was not likely to reflect a real change.

8.3. Paul Reilley wanted to know why all the other grants had not been allocated to service lines. Issues with the naming of grants in memorandum boxes often made positively identifying grants difficult so where there was uncertainty grants were left in other.

8.4. Mike Heiser agreed that there were issues with using adjustments from the Local Government Financial Settlement to adjust RA returns His feeling was that the 13% increase for Children's services was likely to be an overestimation of the increase.

9. AOB

9.1. Manj Kalar presented an update on Whole Government Accounts. For any questions or comments on this issue please contact her on manj.kalar@communities.gsi.gov.uk

9.2. Mike Heiser asked to which extent the RO forms could be reduced. Graham Fletcher pointed out that WGA are done on a group basis while the RO return was done on an entity basis. Janet Dougharty pointed out that there will be implications from ELGAR for the future structure of RO forms.

9.3. Janet Dougharty announced that the Capital 2008 Statistical Release will be released on November 20. The Revenue release is also expected to be released during November.